



CAFER

COMPREHENSIVE ANNUAL FINANCIAL REPORT



*Central Coast
Water Authority*



FISCAL YEAR ENDED JUNE 30, 2014

A CALIFORNIA JOINT POWERS AUTHORITY

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Central Coast Water Authority
Comprehensive Annual Financial Report
Fiscal Year Ending June 30, 2014

Prepared by Laura Matthews

Cover design by Julie Baker

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INTRODUCTORY SECTION





October 23, 2014

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

**Members of the Board
Central Coast Water Authority**

The Comprehensive Annual Financial Report (CAFR) of the Central Coast Water Authority for the fiscal year (FY) ended June 30, 2014 is submitted as prepared by the Authority's Finance Department. The report is published to provide to our customers, the Authority Board, and the investment community detailed information about the financial condition and operating results of the Authority as measured by the financial activity of the Authority.

Responsibility for both the accuracy of the financial report and the completeness and fairness of the presentation rests with the Authority. To the best of our knowledge, the information presented is accurate in all material aspects and includes all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities.

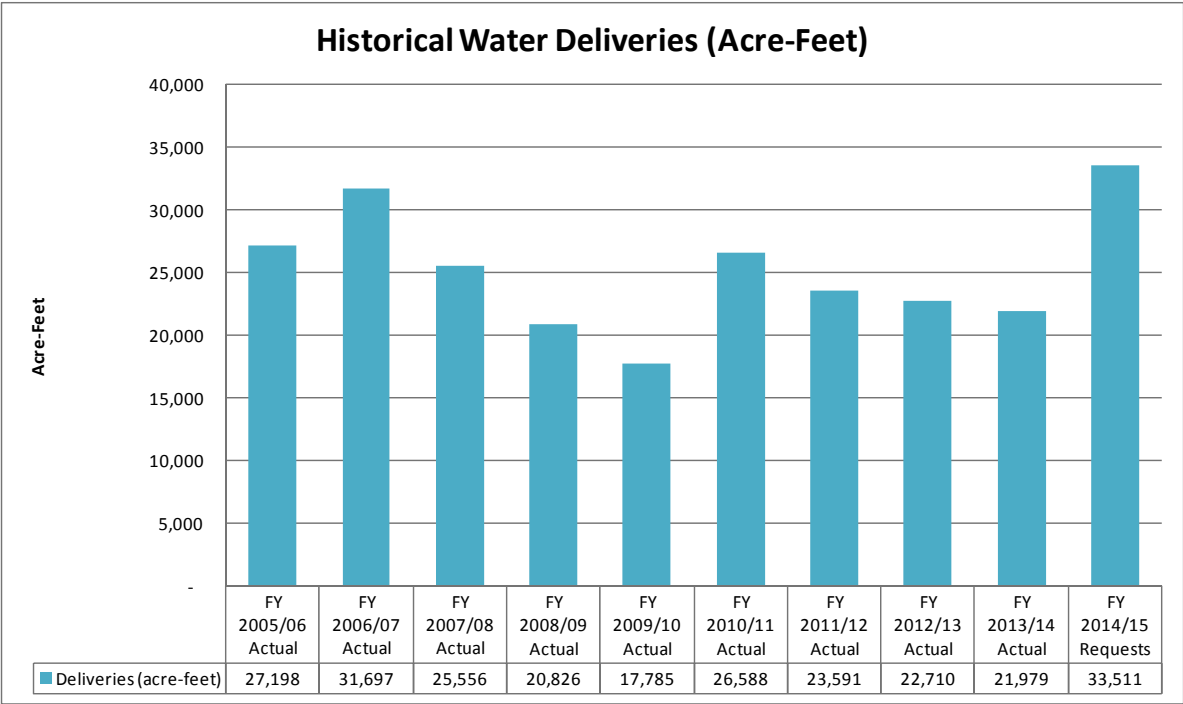
Our discussion and analysis of the Central Coast Water Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the Authority's financial statements, which begin on page 1.

Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – for State and Local Governments (GASB 34) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A) and the financial statements should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditors' Report.

SIGNIFICANT ACCOMPLISHMENTS

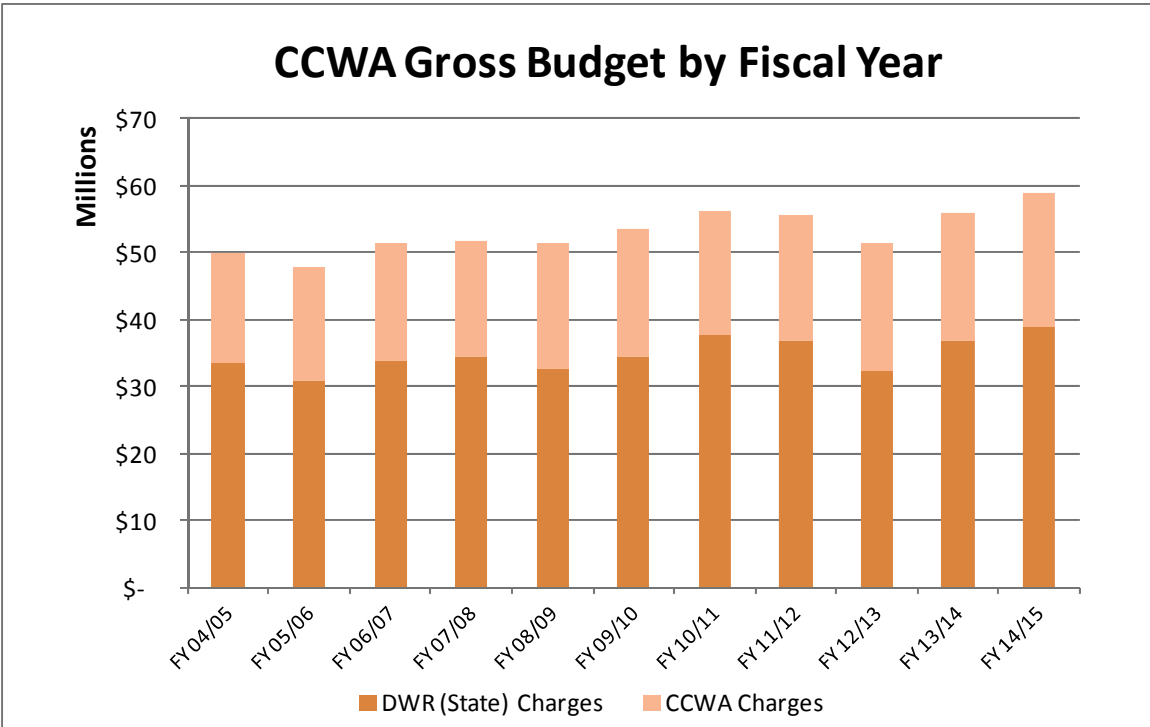
Water Deliveries

Total deliveries during FY 2013/14 by CCWA to the Santa Barbara and San Luis Obispo County project participants were 21,979 acre-feet compared to the actual FY 2012/13 deliveries of 22,710 acre-feet. The graph on the following page shows water deliveries for the last ten fiscal years.



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 2004/05 to FY 2014/15.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2013/14 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2012/13 Comprehensive Annual Financial Report.

Additionally, CCWA continued its Employee Recognition Program with great success. Last fiscal year, numerous awards were given to CCWA staff for exceptional performance and innovative thinking.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2014 and 2015, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 33,669 and 35,402 acre-feet, respectively.

Department of Water Resources Activities and Related Costs

During FY 2014/15, 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.

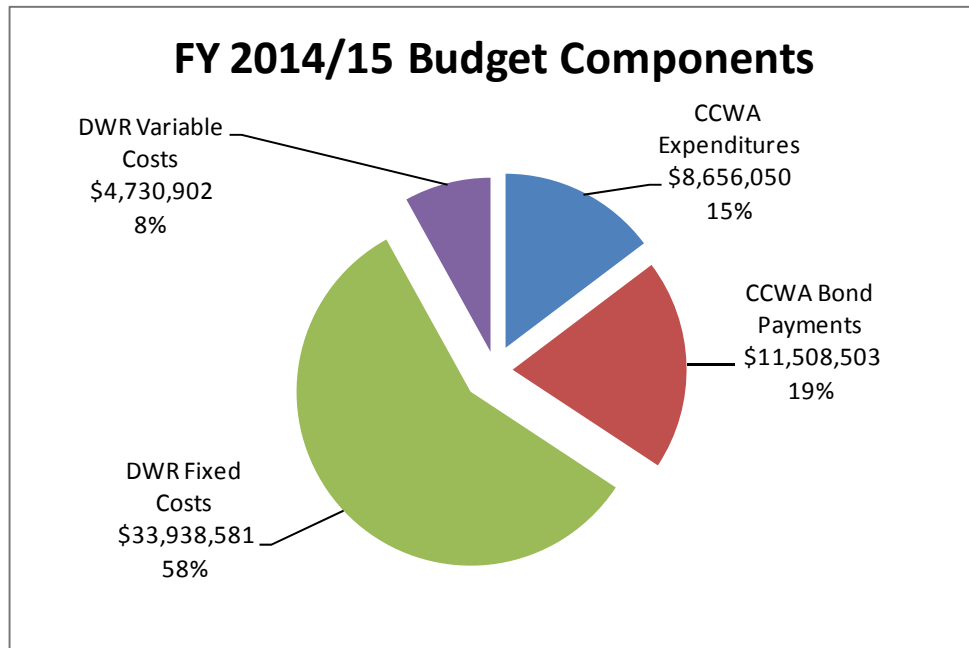
DWR Contract Extension and Amendment

DWR and the State Water Project Contractors (the “Contractors”) are currently in negotiations to extend the Contract between DWR and the Contractors beyond the current expiration date of December 31, 2035. DWR has determined it will not issue long-term financing for large capital projects beyond the current expiration date in 2035. As such, in 2014, the longest term revenue bonds DWR will issue are 21 years, with a continued decrease in term each year closer to 2035. Therefore, it is vitally important that the contract be extended beyond 2035 so that DWR may issue longer term bonds to avoid a large increase in the costs to the Contractors due to the compressed time frame for repaying large capital expenditures.

It is anticipated the negotiating process will be complete in the summer of 2014, with the final goal of an executed contract amendment no later than December 31, 2016.

FY 2014/15 BUDGET SUMMARY

The FY 2014/15 budget calls for total project participant payments of \$58.7 million compared to the FY 2013/14 budget of \$55.5 million, a \$3.2 million increase. These amounts include \$0.2 million in CCWA credits for FY 2014/15 and \$0.5 million for FY 2013/14. The following graph shows the breakout of the various cost components in the CCWA FY 2014/15 Budget:



SANTA BARBARA COUNTY ECONOMIC OUTLOOK (FY 2013-14 data)

Employment

- The County's average unemployment rate during FY 13-14 decreased from 7.2% to 6.4%.
- The June 2014 unemployment rate of 5.4% was below a state unemployment rate of 7.3% and a national unemployment rate of 6.3%.

Income

- Average annual wages had a slight increase to \$48,820 in the 2013 calendar year from \$48,800 in 2012.

Retail Sales

- Countywide retail sales increased 4% to \$6.4 billion for the 2013 calendar year, slightly up from \$6.2 billion in 2012.

Real Estate

- The countywide median home prices increased 16.3% to \$648,793.

OTHER INFORMATION

Accounting System

In developing and maintaining the Authority's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding:

- a) the safeguarding of assets against losses from unauthorized use or disposition, and
- b) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control procedure should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Authority's controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Authority requires that its financial statements be audited by a Certified Public Accountant selected by the Authority's Board of Directors. This requirement has been satisfied, and the auditors' report is included in the financial section of this report.

I am pleased to present this report to the Board for formal adoption.

Respectfully submitted,



Ray A. Stokes
Executive Director

Introductory Section

June 30, 2014

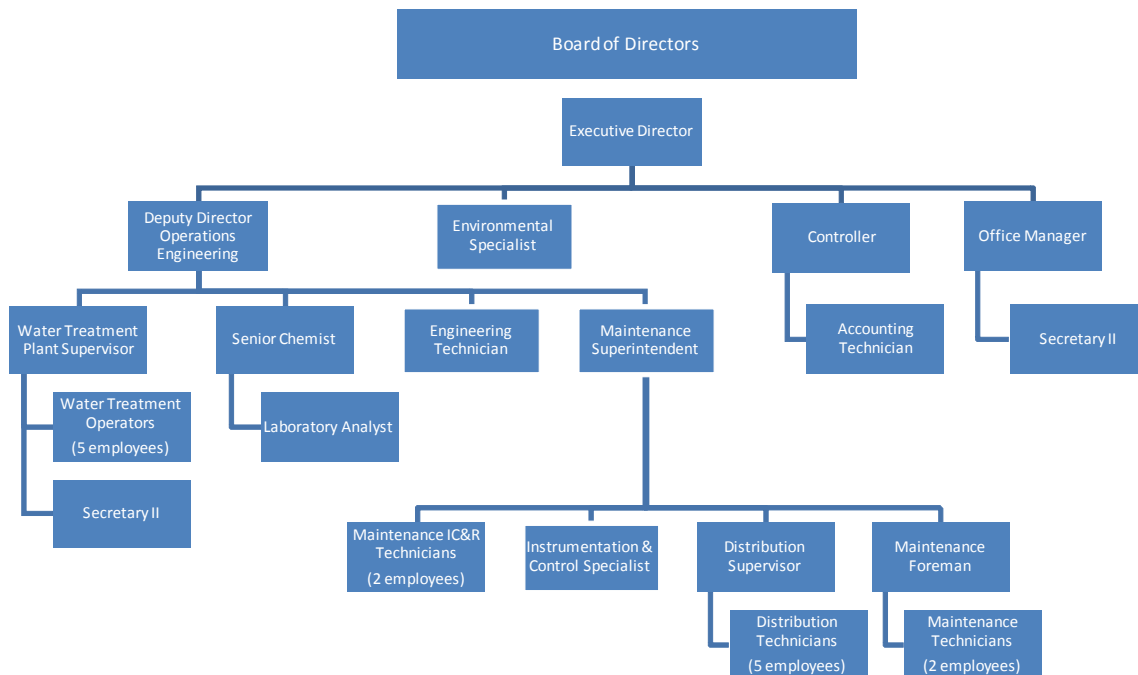
Central Coast Water Authority Board of Directors

Jack Boysen, Chairman	City of Santa Maria Montecito Water District
Richard Shaikewitz, Vice Chairman	Montecito Water District
Ed Andrisek	City of Buellton
Harlan Burchardi	Santa Ynez River Water Conservation District, Improvement District #1
Dale Francisco	City of Santa Barbara
Bill Rosen	Goleta Water District
John Sabedra	City of Guadalupe
June Van Wingerden	Carpinteria Valley Water District

Authority Staff

Ray Stokes	Executive Director
John Brady	Deputy Director Operations /Engineering

CCWA Organization Chart FY 2013-14



Project Map





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Central Coast Water Authority
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

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FINANCIAL SECTION





William J. Nasif
Steven J. Hicks
Jeffery P. Harris
Barbara Rogers Scollin
Jody Dolan Holehouse
Thomas W. Burk
Marianne F. Bloom
Robert Swayne Lyons
Lawrence W. Brown
Sarah E. Turner

October 13, 2014

Independent Auditors' Report

To the Member Agencies of the Central Coast Water Authority

We have audited the accompanying statements of net position of the Central Coast Water Authority as of June 30, 2014 and 2013, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Central Coast Water Authority as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Central Coast Water Authority's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter

As discussed in Note 11 to the financial statements, in the year ended June 30, 2014, the entity adopted new accounting guidance, GASB Statement 65, which represents a change from one generally accepted accounting principle to another generally accepted accounting principle that is the current preferred industry practice. Our opinion is not modified with respect to that matter.



Nasif, Hicks, Harris & Co., LLP

Management's Discussion and Analysis

**Fiscal Year Ended
June 30, 2014**

This section presents management's analysis of the Authority's financial condition and activities for the fiscal year ended June 30, 2014. This information should be read in conjunction with the financial statements and the additional information that we have included in our letter of transmittal.

OVERVIEW OF THE FINANCIAL STATEMENTS

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. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets.

All proprietary fund-types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

Summary of Organization and Business

The Central Coast Water 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 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 twenty-eight full-time employees and two 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, merged into the Montecito Water

Management's Discussion and Analysis

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 (SLOCFWCD 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 Board of Directors is weighted roughly in proportion to the entity's allocation of State water entitlement.

The following table shows the voting percentage for each member of the CCWA Board of Directors.

City of Guadalupe	1.15%
City of Santa Maria	43.19%
City of Buellton	2.21%
Santa Ynez R.W.C.D., 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	7.64%
TOTAL	100.00%

CCWA Committees

There are currently three Central Coast Water Authority committees. They are the Finance, Operating, and Personnel Committees.

The Operating Committee is composed of the general managers, city administrators or water supply managers from each of the various water districts and cities served by the Authority. The Operating Committee typically meets quarterly to act on matters such as construction, operations, and financial issues and recommends actions to the Authority Board of Directors.

The Finance and Personnel Committees are composed of CCWA Board members appointed by the CCWA Board Chairman. The Committees review and recommend actions to the Authority Board of Directors with regard to finance and personnel related matters.

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

Management's Discussion and Analysis

San Luis Obispo County Water Purchasers

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.

Each San Luis Obispo County water purchaser is a water purveyor or user located in San Luis Obispo County which obtained contractual rights from SLOFCWCD to receive water from the State Water Project.

Management's Discussion and Analysis

FINANCIAL HIGHLIGHTS

The following table shows a condensed version of the Authority's balance sheet with corresponding analysis regarding significant variances.

Condensed Balance Sheet

	June 30, 2014	June 30, 2013	June 30, 2012	2014-2013 Change	2013-2012 Change
Current Assets	\$ 62,542,443	\$ 57,582,875	\$ 52,858,147	\$ 4,959,567	\$ 4,724,728
Non-Current Restricted Assets	11,542,263	11,547,939	11,603,917	(5,676)	(55,978)
Capital Assets	101,499,461	103,058,193	104,823,485	(1,558,732)	(1,765,292)
Other Assets	7,818,900	8,760,959	9,663,526	(942,060)	(902,567)
Total Assets	\$ 183,403,067	\$ 180,949,966	\$ 178,949,075	\$ 2,453,099	\$ 2,000,891
Revenue Bond Deferred Amount	\$ 3,740,285	\$ 4,695,837	\$ 5,742,751	\$ (955,552)	\$ (1,046,914)
Total Deferred Outflow of Resources	3,740,285	4,695,837	5,742,751	(955,552)	(1,046,914)
Current Liabilities	\$ 71,480,813	\$ 66,286,742	\$ 61,438,856	\$ 5,194,071	\$ 4,847,886
Long-Term Liabilities	78,022,046	86,515,286	94,682,345	(8,493,240)	(8,167,059)
Total Liabilities	149,502,859	152,802,028	156,121,201	(3,299,169)	(3,319,173)
Net investment in capital assets	33,258,360	28,134,152	23,467,011	5,124,208	4,667,141
Restricted - total	11,537,581	11,540,588	11,597,425	(3,007)	(56,837)
Unrestricted	(7,155,448)	(6,830,965)	(6,493,811)	(324,483)	(337,154)
Total Net Position	37,640,493	32,843,775	28,570,625	4,796,719	4,273,150
Total Liabilities and Net Position	\$ 187,143,352	\$ 185,645,803	\$ 184,691,826	\$ 1,497,549	\$ 953,977

BALANCE SHEET ANALYSIS

June 30, 2014 Comparison to June 30, 2013

- Total assets as of June 30, 2014 are \$183.4 million, or \$2.5 million more than the amount on June 30, 2013.
- Capital and other assets are \$2.5 million lower than the prior year amount due to depreciation of the Authority's capital assets and amortization of the CCWA 2006A revenue bond insurance costs.
- Long-term liabilities are \$8.5 million lower due to the revenue bond principal payment during the year.

June 30, 2013 Comparison to June 30, 2012

- Total assets as of June 30, 2013 are \$180.9 million, or \$2.0 million more than the amount on June 30, 2012.
- Capital and other assets are \$2.7 million lower than the prior year amount due to depreciation of the Authority's capital assets and amortization of the CCWA 2006A revenue bond insurance costs.
- Long-term liabilities are \$8.2 million lower due to the revenue bond principal payment during the year.

Management's Discussion and Analysis

The following table shows a condensed version of the Authority's Statement of Revenues, Expenses and Changes in Net Assets with corresponding analysis regarding significant variances.

Condensed Statement of Revenues, Expenses and Changes in Net Assets

	June 30, 2014	June 30, 2013	June 30, 2012	2014-2013 Change	2013-2012 Change
Operating Revenues (Expenses)					
Operating revenues	\$ 19,641,221	\$ 18,383,991	\$ 17,872,382	\$ 1,257,230	\$ 511,609
Operating expenses, excluding depreciation expense	(8,222,155)	(7,138,381)	(6,805,619)	(1,083,774)	(332,762)
Depreciation and amortization	(2,715,546)	(2,770,306)	(2,980,787)	54,760	210,481
Operating Income	\$ 8,703,520	\$ 8,475,304	\$ 8,085,976	\$ 228,216	\$ 389,328
Non-operating revenues	120,693	144,240	166,276	(23,547)	(22,036)
Non-operating expenses	(4,027,495)	(4,346,394)	(4,708,380)	318,899	361,986
Increase (decrease) in Net Assets	\$ 4,796,718	\$ 4,273,150	\$ 3,543,872	\$ 523,568	\$ 729,278

June 30, 2014 Comparison to June 30, 2013

Operating revenues as of June 30, 2014 are about \$1.3 million higher than the prior year amount. The increase is primarily attributed to an increase in the operating reimbursements from project participants for an increase in operations and maintenance cost for the year.

It is the Authority's policy to return O&M assessment surpluses to the project participants in the form of credits against future assessments. For FY 2013/14, this credit totaled \$1.0 million compared to the FY 2012/13 credit of \$0.7 million.

Operating expenses, excluding depreciation and amortization expense are about \$1.1 million higher than the prior year amount due to:

1. Personnel expenses are lower than the prior year amount by about \$0.1 million due primarily to vacant position filled mid-year and employees on leave of absence.
2. Increase in unexpended operating reimbursements of \$0.3 million due to an increase in the budget surplus for FY 2013/14 which is payable back to the Authority's project participants.
3. Increase in supplies, equipment and monitoring expenses of \$0.1 million for higher chemical costs associated with an increase in the chemical usage and chemical unit price.
4. Increase in utility expenses of \$0.5 million attributed to an increase in electrical costs for pumping water.

Management's Discussion and Analysis

June 30, 2014 Comparison to June 30, 2013 (continued)

5. Other expenses are higher by \$0.3 million due to increased costs related to the following drought related projects: Supplemental Water Purchase Program and the Bradbury Dam Bypass project.

Non-operating revenues are slightly lower by about \$0.02 million due to a decrease in investment income.

Non-operating expenses are \$0.3 million lower due to a decrease in revenue bond interest expense, and a decrease in interest income paid to the CCWA project participants.

June 30, 2013 Comparison to June 30, 2012

Operating revenues as of June 30, 2013 are about \$0.5 million higher than the prior year amount. The increase is primarily attributed to an increase in the operating reimbursements from project participants for an increase in operations and maintenance cost for the year.

It is the Authority's policy to return O&M assessment surpluses to the project participants in the form of credits against future assessments. For FY 2012/13, this credit totaled \$0.7 million compared to the FY 2011/12 credit of \$1.0 million.

Operating expenses, excluding depreciation and amortization expense are about \$0.3 million higher than the prior year amount due to:

1. Personnel expenses are higher than the prior year amount by about \$0.5 million due primarily to personnel changes, salary increases and the addition of two new positions.
2. Decrease in unexpended operating reimbursements of \$0.3 million due to a decrease in the budget surplus for FY 2012/13 which is payable back to the Authority's project participants.
3. Increase in supplies, equipment and monitoring expenses of \$0.06 million for higher chemical costs associated with a slight increase in chemical usage and chemical unit price.
4. Increase in utility expenses of \$0.02 million attributed to an increase in electrical costs for pumping water.

Non-operating revenues are slightly lower by about \$0.02 million due to a decrease in investment income.

Non-operating expenses are \$0.4 million lower due to a decrease in revenue bond interest expense, and a decrease in interest income paid to the CCWA project participants.

Management's Discussion and Analysis

Capital Assets

The following table provides a summary of the Authority's capital assets and changes from the prior year.

	June 30, 2014	June 30, 2013	June 30, 2012	2014-2013 Change	2013-2012 Change
Land	\$ 3,178,700	\$ 3,178,700	\$ 3,178,700	\$ -	\$ -
Furniture fixtures and equipment	434,178	434,178	434,178	-	-
Equipment	28,451,851	28,503,565	28,476,041	(51,714)	27,524
Buildings and structures	48,696,149	48,696,149	48,696,149	-	-
Underground pipeline	58,950,134	58,950,134	58,950,134	-	-
Construction in progress	904,353	798,010	412,594	106,343	385,416
Total property, plant and equipment	140,615,365	140,560,736	140,147,796	54,629	412,939
Accumulated depreciation	(39,115,904)	(37,502,543)	(35,324,310)	(1,613,361)	(2,178,233)
Net property, plant and equipment	\$ 101,499,461	\$ 103,058,193	\$ 104,823,486	\$ (1,558,732)	\$ (1,765,294)

Please refer to Note 3 on Capital Assets in the Notes to the Financial Statements for additional information regarding the Authority's capital assets.

Management's Discussion and Analysis

Debt Administration

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 1996A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% for the purpose of reducing 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. At June 30, 2014, the Authority had \$76,060,000 of outstanding 2006A revenue bonds.

The Authority's 2006 revenue bond indenture and the Water Supply Agreements require that certain CCWA project participants and contractors maintain a ratio of net revenues to contract payments of at least 1.25. Additionally, the Authority has complied with the Securities and Exchange Commission Rule 15c12, which requires all local governments that bring municipal debt to market after July 3, 1995 to provide specified financial and operating information on an annual basis which mirrors the information provided in the 2006 revenue bond official statement.

Please refer to Note 5 in the Notes to the Financial Statements for additional information regarding the Authority's long-term debt.

STATEMENT OF NET POSITION

	June 30, 2014	June 30, 2013
ASSETS		
Current Assets		
Cash and investments	\$ 22,296,339	\$ 20,482,065
Interest receivable	2,655	4,600
Other assets	<u>527,358</u>	<u>415,328</u>
Total Unrestricted Current Assets	<u>22,826,352</u>	<u>20,901,993</u>
Restricted Current Assets		
Cash and investments held for payment to DWR	<u>39,716,091</u>	<u>36,680,882</u>
Total Current Assets	<u>62,542,443</u>	<u>57,582,875</u>
Non-Current Assets		
Restricted Assets		
Cash and investments for debt service payments	11,537,581	11,540,588
Interest receivable	<u>4,682</u>	<u>7,351</u>
Total Restricted Non-Current Assets	<u>11,542,263</u>	<u>11,547,939</u>
Capital Assets		
Capital assets (Net of accumulated depreciation of \$39,115,904 for 2014 and \$37,502,543 for 2013)	98,320,761	99,879,493
Land	<u>3,178,700</u>	<u>3,178,700</u>
Total Capital Assets	<u>101,499,461</u>	<u>103,058,193</u>
Unamortized bond insurance costs, net	157,671	197,952
Long-term accounts receivable	7,661,229	8,563,007
Total Non-Current Assets	<u>120,860,624</u>	<u>123,367,091</u>
Total Assets	<u>\$ 183,403,067</u>	<u>\$ 180,949,966</u>
DEFERRED OUTFLOW OF RESOURCES		
Revenue Bond Deferred Amount	<u>3,740,285</u>	<u>4,695,837</u>
Total Deferred Outflow of Resources	<u>\$ 3,740,285</u>	<u>\$ 4,695,837</u>

Continued

The notes to the financial statements are an integral part of these statements.

STATEMENT OF NET POSITION

LIABILITIES AND NET POSITION

	June 30, 2014	June 30, 2013
Current Liabilities		
Accounts payable	\$ 287,662	\$ 236,197
Deposits for payment to DWR	39,719,698	36,686,641
Accrued interest payable	927,588	1,022,901
Deposits for supplemental water purchases	1,469,627	-
Other liabilities	553,468	698,872
Post employment benefits payable	43,937	81,767
Liability for compensated absences	161,046	140,051
Current portion of bonds payable	8,010,000	7,625,000
Prepaid project participant assessments	<u>20,307,787</u>	<u>19,795,313</u>
Total Current Liabilities	<u>71,480,813</u>	<u>66,286,742</u>
Long-Term Liabilities		
Bonds payable	68,050,000	76,060,000
Bond original issue premium, net	1,906,438	2,393,487
Rate coverage reserve fund	<u>8,065,608</u>	<u>8,061,799</u>
Total Long-Term Liabilities	<u>78,022,046</u>	<u>86,515,286</u>
Total Liabilities	<u>149,502,859</u>	<u>152,802,028</u>
Net Position		
Net investment in capital assets,	33,258,360	28,134,152
Restricted - future payment of debt service	11,537,581	11,540,588
Unrestricted	<u>(7,155,448)</u>	<u>(6,830,965)</u>
Total Net Position	<u>37,640,493</u>	<u>32,843,775</u>
Total Liabilities and Net Position	<u>\$ 187,143,352</u>	<u>\$ 185,645,803</u>

The notes to the financial statements are an integral part of these statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

	For the fiscal year ended	
	June 30, 2014	June 30, 2013
Operating Revenues		
Operating reimbursements from project participants	\$ 19,311,929	\$ 18,263,234
Other revenues	<u>329,292</u>	<u>120,757</u>
Total Operating Revenues	<u>19,641,221</u>	<u>18,383,991</u>
Operating Expenses		
Personnel expenses	4,029,597	4,171,519
Office expenses	16,651	16,542
General and administrative	204,857	226,511
Professional services	264,424	192,202
Supplies and equipment	1,038,138	894,592
Monitoring expenses	68,242	69,395
Repairs and maintenance	222,062	213,491
Utilities	753,615	264,921
Unexpended operating reimbursements	960,606	686,844
Depreciation and amortization	2,715,546	2,770,306
Other expenses	<u>663,963</u>	<u>402,364</u>
Total Operating Expenses	<u>10,937,701</u>	<u>9,908,687</u>
Operating Income	<u>8,703,520</u>	<u>8,475,304</u>
Non-Operating Revenues		
Interest income	120,693	139,554
Gain on disposal of capital assets	<u>-</u>	<u>4,686</u>
Total Non-Operating Revenues	<u>120,693</u>	<u>144,240</u>
Non-Operating Expenses		
Interest expense	3,805,662	4,169,532
Loss on disposal of capital assets	101,140	37,362
Interest income paid to project participants	<u>120,693</u>	<u>139,500</u>
Total Non-Operating Expenses	<u>4,027,495</u>	<u>4,346,394</u>
Increase in net assets before contributions	<u>4,796,718</u>	<u>4,273,150</u>
Change in Net Position	<u>4,796,718</u>	<u>4,273,150</u>
Net position, at beginning of year	32,843,775	28,570,625
Net position, at end of year	<u>\$ 37,640,493</u>	<u>\$ 32,843,775</u>

The notes to the financial statements are an integral part of these statements.

STATEMENT OF CASH FLOWS

	For the fiscal year ended	
	June 30, 2014	June 30, 2013
Cash Flows From Operating Activities		
Cash received from project participants and other operating activities	\$ 18,472,666	\$ 18,910,909
Cash payments to employees	(2,734,075)	(2,870,667)
Cash payments to suppliers	(4,513,840)	(3,487,420)
Net cash provided by operating activities	<u>11,224,751</u>	<u>12,552,822</u>
Cash Flows from Investing Activities		
Interest and dividends on investments	<u>125,307</u>	<u>138,030</u>
Net cash provided by investing activities	<u>125,307</u>	<u>138,030</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(749,170)	(459,637)
Deposits received for encroachment permits	17,752	65,663
Payments on encroachment permit projects	(172,952)	(70,784)
Interest paid on long-term debt	(3,900,975)	(4,247,463)
Principal payments on long-term debt	(7,625,000)	(7,335,000)
Proceeds received from sale of capital assets	<u>-</u>	<u>4,686</u>
Net cash used by capital and related financing activities	<u>(12,430,345)</u>	<u>(12,042,535)</u>
Cash Flows from Non-Capital Financing Activities		
Proceeds received for DWR and Warren Act charges	42,214,753	38,105,579
Payments of DWR and Warren Act charges	(39,152,720)	(34,196,128)
Proceeds received for supplemental water purchases	3,379,560	-
Payments for supplemental water purchases	<u>(514,830)</u>	<u>-</u>
Net cash used by non-capital financing activities	<u>5,926,763</u>	<u>3,909,451</u>
Net increase (decrease) in cash and cash equivalents	4,846,476	4,557,768
Cash and cash equivalents, beginning of year	<u>68,703,535</u>	<u>64,145,767</u>
Unrestricted cash and investments	22,296,339	20,482,065
Restricted cash and investments held for payment to DWR	39,716,091	36,680,882
Restricted cash and investments for debt service payments	<u>11,537,581</u>	<u>11,540,588</u>
Cash and cash equivalents, end of year	<u>\$ 73,550,011</u>	<u>\$ 68,703,535</u>
Cash Flows From Operating Activities		
Operating Income	\$ 8,703,520	\$ 8,475,304
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,715,546	2,770,306
Unexpended operating reimbursements payable to project participants	960,606	686,844
Operating revenues (received) paid from credits and unearned revenue	(1,168,555)	526,918
Increase in accounts payable	<u>13,634</u>	<u>93,449</u>
Net cash provided by operating activities	<u>\$ 11,224,751</u>	<u>\$ 12,552,822</u>

The notes to the financial statements are an integral part of these statements.

STATEMENT OF CASH FLOWS

Supplemental Disclosures of Cash Flow Information

For the fiscal year ended
June 30, 2014 June 30, 2013

Schedule of Non-Cash Capital and Related Financing Activities

The Authority completed the construction of certain assets and transferred them from construction in progress to property, plant and equipment.

<u>\$ 642,827</u>	<u>\$ 99,530</u>
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The Authority disposed of certain property, plant and equipment which were determined to no longer be usable.

<u>\$ 694,541</u>	<u>\$ 72,006</u>
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The notes to the financial statements are an integral part of these statements.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Central Coast Water Authority ("Authority") conform to generally accepted accounting principles. The following summary of the Authority's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The primary purpose of the Central Coast Water Authority is to provide for the development, financing, construction, operation and maintenance of certain local (non-state owned) facilities required to deliver water from the State Water Project (the "SWP") to certain water purveyors and users in Santa Barbara County.

The Central Coast Water Authority was created by its members in August 1991. The Authority is presently composed of eight members, all of which are public agencies, as follows: the cities of Buellton, Guadalupe, Santa Barbara, and Santa Maria, Carpinteria Valley Water District, Goleta Water District, Montecito Water District and the Santa Ynez River Water Conservation District, Improvement District No. 1 (SYRWCD, ID#1, in which the City of Solvang is located). (A founding member of the Authority, the Summerland Water District, merged into the Montecito Water District.) In addition, the Authority has one associate member, the La Cumbre Mutual Water Company (together with the members, the "Purveyor Participants"). Each of the Purveyor Participants has entered into a Water Supply Agreement with the Authority, as have non members: Vandenberg Air Force Base ("Vandenberg AFB"), Raytheon Systems Company (formerly Santa Barbara Research Center), Morehart Land Company and Golden State Water Company (the "Consumer Participants").

The Authority Participants are located in three different geographic areas of Santa Barbara County: North County (Guadalupe, Santa Maria, Golden State Water Company and Vandenberg AFB); the Santa Ynez Valley (Buellton and SYRWCD, ID#1); and the South Coast (Carpinteria, Goleta, La Cumbre Mutual Water Company, Montecito, Morehart Land Company, Santa Barbara and Raytheon Systems Company, formerly Santa Barbara Research Center).

Historically, the North County has been an agricultural area but has seen significant urban development in the last twenty years and expects additional urban development in the future; the Santa Ynez Valley is a rural agricultural area and tourist destination; and the South Coast is a generally developed urban area which does not expect significant growth in the future.

In October 1992, the Central Coast Water Authority entered into an agreement with San Luis Obispo (SLO) County to treat water delivered through the SWP. The entities covered by the agreement include: Avila Beach County Water District, Avila Valley Mutual Water Company, California Men's Colony, City of Morro Bay, City of Pismo Beach, County of San Luis Obispo Community Services Area #16, Irrigation District # 1, Cuesta College, Oceano Community Services District, San Luis Obispo County Operations Center, San Luis Coastal Unified School District and San Miguelito Mutual Water Company.

Facilities Constructed by the Authority

The facilities constructed by the Authority include a water treatment plant located at Polonio Pass in northern San Luis Obispo County and two pipeline extensions: (1) the Mission Hills Extension, a buried pipeline approximately eleven miles long running from the terminus of the Coastal Branch (Phase II) southerly to the vicinity of the Lompoc Valley, and (2) the Santa Ynez Extension, a buried pipeline approximately thirty-two miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley, to a terminus at Cachuma Lake and includes one pumping plant near Santa Ynez and one storage tank. Water transported to Lake Cachuma is transported through the existing Tecolote Tunnel, which traverses the Santa Ynez Mountains, to the South Coast of Santa Barbara County.

The water treatment plant receives raw water from the SWP and delivers treated water to purveyors and users located in San Luis Obispo and Santa Barbara Counties.

Contractual Relationships

The State of California Department of Water Resources ("DWR") entered into contracts (the "State Water Supply Contracts") with San Luis Obispo and Santa Barbara Counties in 1963 pursuant to which the counties received Table A amounts to water from the SWP. San Luis Obispo County's Table A amount was for 25,000 acre-feet per year

Notes to Financial Statements

and Santa Barbara County's Table A amount was for 57,700 acre-feet per year. In 1981, Santa Barbara County amended its contract to reduce its Table A amount to 45,486 acre-feet per year.

In 1983, Santa Barbara County entered into a series of Water Supply Retention Agreements ("WSRAs") with local water purveyors and users within Santa Barbara County. These WSRAs initially granted the purveyors and users an option to obtain an assignment of Santa Barbara County's State Water Supply Contract rights and, as of July 1, 1989, actually granted the full assignment of those rights. Thereafter, certain of the local water purveyors and users holding the WSRA rights transferred those rights to the Authority, a newly formed joint powers authority, in consideration for Water Supply Agreements dated August 1, 1991, which provide for the delivery of SWP water by the Authority and the payment of required costs by the transferors. The Authority's obligation to make such payments to the DWR from the payments it receives pursuant to the Water Supply Agreements is senior to its obligation to make payments with respect to the Bonds. These transfers have been consented to by DWR and were validated by an agreement between Santa Barbara County and the Authority on November 12, 1991 (the "Transfer of Financial Responsibility Agreement").

The Water Supply Agreements

Each Project Participant has entered into a Water Supply Agreement to provide for the development, financing, construction, operation and maintenance of the Project. The purpose of the Water Supply Agreements is to assist in carrying out the purposes of the Authority with respect to the Project by: (1) requiring the Authority to sell, and the Project Participants to buy, a specified amount of water from the project, and (2) assigning the Project Participants' Table A amount rights in the Project to the Authority.

In accordance with the provisions of each Water Supply Agreement, the Authority fixes charges for each Project Participant to produce revenues from the Project equal to the amounts anticipated to be needed by the Authority to meet the costs of the Authority to deliver to each Project Participant its pro rata share of water from the Project as set forth in each Water Supply Agreement. Each Project Participant is required to pay to the Authority an amount equal to its share of the total Fixed Project Costs and certain other costs in the proportion established in accordance with the applicable Water Supply Agreement, including the Santa Barbara Project Participant's share of

payments to DWR under the State Water Supply Contract, as amended (including capital, operation, maintenance, power and replacement costs of the DWR Facilities), debt service on the Bonds and all Authority operating and administrative costs. Such obligation is to be honored by each Project Participant whether or not water is furnished to it from the Project at all times or not at all and whether or not the Project is completed, operable, operated or retired. Such payments are not subject to any reduction and are not conditioned upon performance by the Authority or any other Project Participant under any agreement.

The Water Supply Agreements set forth detailed provisions concerning the time and method of payment by each Contractor of certain costs, including Fixed Project Costs and other operation and maintenance costs, as well as the method of allocation of such costs and expenses and the remedies available to the Authority in the event a project participant defaults in its payments to the Authority.

B. Basis of Accounting

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 sheets. Where appropriate, net total assets (i.e., fund equity) is segregated into net assets invested in capital assets, net of related debt and unrestricted net assets. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets.

All proprietary fund-types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

This report has been prepared in conformance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Additionally, the Authority applies all Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) opinions, and Accounting Research Bulletins (ARB's) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Notes to Financial Statements

C. Investments

The Authority has developed an investment policy that exceeds the minimum requirements established by the State of California. The Authority believes that it has adhered to established policies for all investment activities. As of June 30, 2014, the investment portfolio has a weighted average maturity of 0 days and a yield to maturity of 0.273%.

The Authority reports investments with a maturity at the time of purchase of less than one year at amortized cost. Investments with a maturity greater than one year at the time of purchase are reported at fair value. As of June 30, 2014 all investments are reported at amortized cost.

D. Capital Assets

Capital assets, consisting of property, plant and equipment purchased or constructed by the Authority which meet or exceed the Authority's capitalization threshold of \$10,000 and an estimated useful life of five years or more, are stated at cost. Depreciation has been computed over the estimated useful life of each asset using the straight-line method. Interest costs have been capitalized based on the average outstanding capital expenditures. In addition, certain technical and engineering related studies associated with the Project have also been capitalized and included in the basis of the assets. The ranges of depreciation rates are:

Furniture fixtures and equipment	5 to 10 years
Equipment	10 to 50 years
Buildings and structures	30 to 50 years
Underground pipeline	75 years

E. Inventories

Certain chemical purchases for use at the water treatment plant have been recorded to an inventory account to be expensed in proportion to the amount of water treated at the water treatment plant on a monthly basis.

F. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources

(expense/expenditure) until then. The Authority has only one item that qualifies for reporting in this category. The deferred charge on refunded debt resulting from the difference in the carrying value of the refunded debt and its reacquisition price is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the Statement of Net Position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The Authority did not have any items that qualified for reporting in this category for the year ended June 30, 2014 (see Note 4).

G. Deposits

Deposits include cash receipts from project participants for amounts payable to the Department of Water Resources (DWR) and Warren Act Charges payable to the U.S. Bureau of Reclamation and the Cachuma Operations and Maintenance Board (COMB).

H. Operating Reimbursements from Project Participants

Operating reimbursements from project participants include amounts paid for Authority operating expenses and debt service payments. Debt service operating assessment receipts for both principal and interest are recorded as operating revenues.

I. Unexpended Operating Assessments

It is the policy of the Authority to return unexpended operating assessments and interest income to the project participants after the close of each fiscal year. Unexpended operating assessments and investment income earned on the Authority's unrestricted cash balances are recorded as unearned revenue and returned to the project participants as a credit against the following years operating assessment.

J. Operating and Non-Operating Revenues and Expenses

Project participant assessment payments for operations and maintenance expenses, revenue bond debt service payments and miscellaneous revenues are considered operating revenues. Interest income and gains on sale of capital assets and investments are considered non-operating revenues.

Notes to Financial Statements

Operations and maintenance expenses and depreciation and amortization expenses are considered operating expenses. Revenue bond interest expenses and other extraordinary expenses are considered non-operating expenses.

K. Long-Term Accounts Receivable

Certain project participants requested that the Authority finance local facilities and other costs associated with the State water project owned and operated by the individual project participants. These costs are recorded as a long-term receivable on the Authority's balance sheet and repaid by the project participants in the form of revenue bond debt service payments to the Authority.

L. Rate Coverage Reserve Fund

In December 1997, the Authority adopted the rate coverage reserve fund policy to provide a mechanism to allow the Authority's project participants to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement to impose rates and charges sufficient to collect 125% of their contract payments as defined in the Water Supply Agreement.

Under the rate coverage reserve fund policy, a project participant may deposit with the Authority up to twenty five percent (25%) of its State water contract payments in a given year. Amounts on deposit in the rate coverage reserve fund are used to satisfy a portion of the rate coverage obligation found in the Water Supply Agreement.

The following table shows a summary of project participant deposits in the rate coverage reserve fund as of June 30, 2014.

Project Participant	June 30, 2014
City of Buellton	\$ 258,897
Carpinteria Valley Water District	817,582
City of Guadalupe	168,092
La Cumbre Mutual Water Company	391,846
Montecito Water District	1,089,763
City of Santa Maria	4,297,982
Shandon (SLO County)	15,341
Santa Ynez Water Conservation District, ID #1 (City of Solvang portion)	607,284
Santa Ynez WCD, ID #1	418,821
Total	<u>\$8,065,608</u>

M. Self-Funded Dental/Vision Insurance Plan

The Authority maintains a self insured plan for dental and vision coverage offered to employees. Under the provisions of the plan, each full-time employee is provided approximately \$3,096 per fiscal year to pay dental and vision expenses for the employee and their qualified dependents.

The following table shows a summary of the claims liability and claims paid for the plan years ended June 30, 2013 and 2012.

	2014	2013
Maximum claims liability	\$ 91,524	\$ 94,299
Actual claims paid	(50,461)	(64,098)

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results will differ from those estimates.

Note 2: Cash and Investments

A. Pooling

The Authority follows the practice of pooling cash and investments for all funds under its direct daily control. Funds held by outside fiscal agents under provisions of the bond indenture are maintained separately. Interest income from cash and investments with fiscal agents is credited directly to the related accounts. The Authority considers all pooled cash and investments to be cash equivalents.

B. Demand Deposits

The custodial credit risk for deposits is the risk that the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. This risk is mitigated in that of the total bank balance, \$250,000 is insured by Federal depository insurance.

The California Government Code requires California banks and savings and loan associations to secure the Authority's

Notes to Financial Statements

deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the Authority's deposits. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the Authority's total deposits.

As of June 30, 2014, the reported amount of the Authority's demand deposits was \$242,849 and the bank balance was \$354,528. The difference of \$111,679 was principally due to checks which had not yet cleared the bank.

C. Cash and Investments

The Authority is authorized by its investment policy, in accordance with Section 53601 of the California Government Code, to invest in the following instruments: securities issued or guaranteed by the Federal Government or its agencies, commercial paper, money market funds, and the State Treasurer's Local Agency Investment Funds (LAIF).

All of the Authority's deposits, except certain cash balances held by fiscal agents, are entirely insured or collateralized. The California Government Code requires California banks and savings and loans to secure the Authority's deposits by pledging government securities as collateral. The fair value of the pledged securities must equal 110% of the Authority's deposits. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes equal to 150% of the Authority's deposits. The Authority may waive collateral requirements for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

The fair value of pooled investments is determined annually and is based on current market prices received from the securities custodian. The fair value of participants' position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal. LAIF is required to invest in accordance with State statutes. At June 30, 2014, the carrying value of the Authority's position in LAIF is \$27,477,771 and the fair value is \$27,485,980.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration

of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Treasurer mitigates these risks by holding a diversified portfolio of high quality investments. The policy sets specific parameters by type of investment for credit quality, maturity length, and maximum percentage investment.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Treasurer mitigates this risk by investing in shorter-term investments that are not subject to significant adjustments due to interest rate fluctuations.

Notes to Financial Statements

Investment	Cost	Fair Value 6/30/2014	Interest Rate Range	Maturity Date/ Range	Weighted Average Maturity	Credit Rating
Pooled Investments:						
Local Agency Investment Fund	\$ 27,477,771	\$ 27,485,980	0.228 - 0.271	n/a	n/a	Non-rated
Money Market Funds	<u>45,828,692</u>	<u>45,828,692</u>	0.350	7/2014	0 days	Non-rated
Total Investments	<u>73,306,463</u>	<u>73,314,672</u>				
Cash in Banks:						
Interest Bearing Deposits	242,847	242,847				
Cash on Hand	<u>699</u>	<u>699</u>				
Total Cash and Investments	<u>\$ 73,550,009</u>	<u>\$ 73,558,218</u>				

Note 3: Capital Assets

Property, plant and equipment consisted of the following at June 30:

	2014			2013		
	Property, Plant and Equipment	Accumulated Depreciation	Net	Property, Plant and Equipment	Accumulated Depreciation	Net
Land	\$ 3,178,700	\$ -	\$ 3,178,700	\$ 3,178,700	\$ -	\$ 3,178,700
Furniture fixtures and equipment	434,178	(409,860)	24,318	434,178	(398,220)	35,958
Equipment	28,451,851	(13,354,500)	15,097,351	28,503,565	(13,249,577)	15,253,988
Buildings and structures	48,696,149	(11,925,623)	36,770,526	48,696,149	(11,219,894)	37,476,255
Underground pipeline	58,950,134	(13,425,921)	45,524,213	58,950,134	(12,634,853)	46,315,281
Construction in progress	<u>904,353</u>	-	<u>904,353</u>	<u>798,010</u>	-	<u>798,010</u>
Total property and equipment	<u>137,436,665</u>	<u>(39,115,904)</u>	<u>98,320,761</u>	<u>137,382,036</u>	<u>(37,502,544)</u>	<u>99,879,492</u>
Total property, plant, and equipment	<u>\$140,615,365</u>	<u>\$ (39,115,904)</u>	<u>\$101,499,461</u>	<u>\$140,560,736</u>	<u>\$ (37,502,544)</u>	<u>\$103,058,192</u>

Notes to Financial Statements

The following table shows the capital asset activity for the fiscal years ended June 30, 2014 and 2013.

	Plant and Equipment	Accumulated Depreciation	Net
Balance, June 30, 2012	\$ 136,969,096	\$ (35,324,311)	\$ 101,644,785
Additions	99,530	(2,212,876)	(2,113,346)
Retirements and disposals, transfers	(152,448) 465,858	34,644 -	(117,804) 465,858
Balance at June 30, 2013	137,382,036	(37,502,543)	99,879,493
Additions	1,391,997	(2,206,762)	(814,765)
Retirements and transfers	(694,541) (642,827)	593,401 -	(101,140) (642,827)
Balance, June 30, 2014	\$ 137,436,665	\$ (39,115,904)	\$ 98,320,761

Note 4: Deferred Outflows of Resources and Deferred Inflows of Resources

In fiscal 2014, the Authority reported deferred outflows of resources in connection with its issue of revenue bonds in 2006. The Authority reported no deferred inflows of resources as of June 30, 2014. The table below presents the balances of deferred outflows of resources as of June 30, 2014.

	Deferred Outflows of Resources
Difference Between the Reacquisition Price of New Debt and the Net Carrying Value of the Old Debt	\$ 13,195,235
Total Deferred Outflows	13,195,235
Accumulated Amortization	(9,454,950)
Total Deferred Outflows of Resources, Net	\$ 3,740,285

The table below presents the balances of deferred outflows of resources as of June 30, 2013.

	Deferred Outflows of Resources
Difference Between the Reacquisition Price of New Debt and the Net Carrying Value of the Old Debt	\$ 13,195,235
Total Deferred Outflows	13,195,235
Accumulated Amortization	(8,499,398)
Total Deferred Outflows of Resources, Net	\$ 4,695,837

Deferred outflows of resources of \$13,195,235 represent the unamortized balance of the difference between the reacquisition price of new debt and the net carrying amount of the old debt. The amortization for the period

ended June 30, 2014 and 2013 was \$955,552 and \$1,046,914, respectively.

Note 5: Long-Term Debt

On September 28, 2006, the Authority issued \$123,190,000 in revenue bonds with an average interest rate of 4.24% to refund \$142,985,000 of outstanding 1996 Revenue Bonds with an Average interest rate of 5.47%.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$8.25 million. This difference, reported in the accompanying financial statements as deferred outflow of resources, is being charged to operations through the year 2022 in proportion to the bond interest expense incurred for each fiscal year. The Authority completed the refunding to reduce its 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.

The 1996 Revenue Bonds were issued to advance refund the 1992 Revenue Bonds. The 1992 Revenue Bonds were issued by the Authority for the benefit of its participants to finance a portion of the costs of developing a pipeline and water treatment plant, to reimburse certain project participants for costs incurred in connection with the State Water Project, and to finance certain other facilities. Each of the participants in the financing held elections authorizing issuance of revenue bonds for the construction of the State Water Project. In order to reduce issuance costs and insure the proceeds are available on a timely basis, the Authority issued the bonds for all participants requiring financing.

The City of Santa Maria, Golden State Water Company, Vandenberg AFB, Avila Valley Mutual Water Company, San Luis Coastal Unified School District, and San Miguelito Mutual Water Company contributed cash for their proportionate share of capital costs. Such net contributions totaling \$22,562,433 at June 30, 2014 and June 30, 2013 have been accounted for as contributed capital. Under the Water Supply Agreements, each Project Participant is obligated to make payments to the Authority, with the payments pledged to secure the payment of the principal and interest of the bonds. The 2006 bonds are backed by a municipal bond insurance policy issued by Financial Security Assurance.

Notes to Financial Statements

The annual requirements to pay all debt outstanding, as of June 30, 2014, are as follows:

Fiscal Year	Interest	Principal	Total
2015	3,510,100	8,010,000	11,520,100
2016	3,099,725	8,405,000	11,504,725
2017	2,668,975	8,825,000	11,493,975
2018	2,263,050	9,265,000	11,528,050
2019-2022	4,282,125	41,555,000	45,837,125
	<u>\$ 15,823,975</u>	<u>\$ 76,060,000</u>	<u>\$ 91,883,975</u>

The 2006A bonds outstanding bear interest ranging from 4.00% to 5.00%.

The long-term liability activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Series 2006A Revenue Bonds	\$ 83,685,000	\$ -	\$ (7,625,000)	\$ 76,060,000	\$ 8,010,000
Series 2006A Original Issue Premium	2,393,487		(487,049)	1,906,438	-
Post Employment Benefits Payable	81,767	43,937	(81,767)	43,937	43,937
Rate Coverage Reserve Fund	8,061,799	3,809	-	8,065,608	-
Total	<u>\$ 94,222,053</u>	<u>\$ 47,746</u>	<u>\$ (8,193,816)</u>	<u>\$ 86,075,983</u>	<u>\$ 8,053,937</u>

Notes to Financial Statements

Note 6: Defined Benefit Pension Plan

A. Plan Description

The Central Coast Water Authority's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Central Coast Water Authority is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Central Coast Water Authority selects optional benefits through local Board resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office 400 Q Street, Sacramento, CA 95814 or they can be found online at www.calpers.ca.gov.

B. Funding Policy

Active plan members in the Central Coast Water Authority are required to contribute 7% of their annual covered salary. However, the Authority pays this amount on behalf of the employees without requiring a contribution from the employees. The Authority is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2013/14 was 13.810%. The contribution rate is established and may be amended by CalPERS.

C. Annual Pension Costs

For fiscal year 2013/14, the Central Coast Water Authority's annual pension costs were \$544,055 and the Authority actually contributed \$544,055. The required contribution for fiscal year 2013/14 was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay.

Because the Authority has less than 100 active members, it is required to participate in the Miscellaneous 2% at 55 Risk Pool. The Authority's employer contribution rate is calculated using a combination of the Authority's individual plan cost components and the risk pool's cost components. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.3% to 14.20% for miscellaneous members, and (c) 3.00% cost-of-living adjustment. Both (a) and (b) include an inflation component of 2.75%. The actuarial value of the Risk Pool's plan assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over three year period by increasing the corridor limits for the actuarial value of assets the first year, reducing the corridor limits in year two, and returning to original corridor limits the third year, and thereafter. The Risk Pool's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for the Central Coast Water Authority

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed
6/30/11	\$ 464,539	100%
6/30/12	505,482	100%
6/30/13	551,679	100%

Notes to Financial Statements

Note 7: Post Employment Benefits Other Than Pensions

The Authority provides post-retirement health benefits, in accordance with State statutes, to all employees retiring from the Authority and enrolled in an insurance program under the California Public Employees' Medical and Hospital Care Act (PEMHCA). The CalPERS PEMHCA Plan is a defined contribution, cost sharing multiple-employer defined benefit healthcare plan providing benefits to active and retired employees. The healthcare plan is administered by the California Public Employees Retirement Agency. Copies of the CalPERS annual financial report may be obtained from the Executive Office, 400 Q Street, Sacramento, CA 95814 or they can be found online at www.calpers.ca.gov.

Funding Policy: PEMHCA determines the amount contributed by the Authority toward retiree health insurance. Currently, the Authority is required to contribute \$119 per month toward the cost of retiree health insurance, which is the same amount contributed toward active employee health insurance. The balance of the premium, averaging approximately \$334 per month, is paid directly by the retirees to CalPERS. The mandatory employer contribution for active and retiree health insurance is increased annually in accordance with PEMHCA regulations. Beginning in calendar year 2009, the contribution amount will increase by the change in the annual consumer price index. During the 2013-14 fiscal year \$4,811 were recognized for post-retirement health insurance contribution on a pay-as-you-go basis.

The Authority is required to record the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded actuarial liability (or funding excess) over a period not to exceed 30 years.

Annual OPEB Cost: For fiscal year ended June 30, 2013, the Authority contributed \$4,811 for pay-as-you-go premiums to the Plan. As a result, the Authority has calculated and recorded the Net OPEB Obligation, representing the

difference the ARC, amortization and contributions, as presented below:

	Net OPEB Obligation Calculation
Annual Required Contribution (ARC)	\$ 31,072
Amortization of Net OPEB Liability	16,489
Interest on Net OPEB Liability	1,187
Annual OPEB Cost	48,748
Contributions made:	(81,767)
Authority share of current year premiums paid	(4,811)
Increase (decrease) in OPEB obligation	(37,830)
Net OPEB Obligation – Beginning of year	81,767
Net OPEB Obligation – End of year	<u>\$ 43,937</u>

The Authority's annual required contributions and actual contributions for the year ended June 30 and the preceding year are set forth below:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Net OPEB Obligation	% of Annual OPEB Cost Contributed
6/30/2012	\$42,047	\$ (1,344)	\$ 40,703	3.20%
6/30/2013	42,437	(1,373)	81,767	3.24%
6/30/2014	8,748	(4,811)	43,937	9.87%

Funded Status and Funding Progress:

The funded status of the plan as of June 30, 2014, is shown below:

Actuarial accrued liability (AAL)	\$ 396,014
Actuarial value of plan assets	84,823
Unfunded actuarial accrued liability (UAAL)	<u>\$ 311,191</u>
Covered payroll (active plan members)	\$ 2,600,572
UAAL as a percentage of covered payroll	12.00%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Notes to Financial Statements

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014, actuarial valuation, the Entry Age cost method was used. The actuarial assumptions included a 7.2% investment rate of return (net of administrative expenses) and an inflation assumption of 5%. The plans unfunded actuarial accrued liability is being amortized over a 30- year open amortization period.

The Authority pre-funded \$81,767 in retiree healthcare costs that were deposited in an irrevocable trust for retiree healthcare costs that was established in the 2013-14 fiscal year.

Note 8: Commitments and Uncertainties

The Authority leases equipment under non-cancelable operating leases. Minimum rental commitments for these operating leases in effect at June 30, 2014 were \$1,862 (2014) and \$0.00 thereafter, resulting in total minimum payments of \$1,862.

The Authority is involved in various legal proceedings, lawsuits and claims of a nature considered normal for its activities. It is the Authority's policy to accrue for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable. For the periods ending June 30, 2014 and June 30, 2013, the Authority had no liability for claims or judgments.

All of the accounts receivable recorded by the Authority are payable by its local participants and the DWR under the agreements more fully described in Note 1.

Note 9: Joint Powers Insurance Authority

The Authority participates in the liability, property and fidelity bond insurance program organized by the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA - JPIA"). ACWA - JPIA is a joint powers insurance authority created to provide a self-insurance program to water agencies in the State of California.

ACWA-JPIA provides liability, property, workers' compensation, fidelity, boiler and machinery insurance for approximately 300 water agencies for losses in excess of the members' specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers. ACWA - JPIA is governed by a board composed of members from participating members. The board controls the operations of ACWA - JPIA, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the board.

Each member shares surpluses and deficiencies proportionately to its participation in ACWA. The Authority has not incurred any settlements which exceeded insurance coverage for the past three fiscal years.

Note 10: Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under the terms of this plan, employees may defer amounts of income up to one hundred percent of salary or \$17,500 per year, whichever is less. Additionally, employees over the age of 50 are permitted to defer up to an additional \$5,500 per year for those years in which they did not fully contribute the annual maximum prior to age 50.

Notes to Financial Statements

Note 11: Changes in Accounting Principals

A. GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

GASB 63 was effective for the Authority’s year ended June 30, 2014 and the change represents a change from one generally accepted accounting principle to another generally accepted accounting principle that is the current preferred industry practice. In adopting GASB 63, the Authority reclassified the difference between the reacquisition price of new debt and the net carrying amount of the old debt to a deferred outflow of resources. The Statement of Net Assets has been renamed to the Statement of Net Position. Additionally, the Statement of Revenues, Expenses, and Changes in Net Assets has been renamed to the Statement of Revenues, Expenses and Changes in Net Position.

B. GASB 65 – Financial Reporting of Items Previously Reported as Assets and Liabilities

GASB 65 was effective for the Authority’s year ended June 30, 2014 and the change represents a change from one generally accepted accounting principle to another generally accepted accounting principle that

is the current preferred industry practice. Under GASB 65, bond issuance costs, exclusive of prepaid insurance, were reclassified to a non-operating expense. The fiscal year 2013 financial statements have been restated to reflect retroactive applications of this change in accounting principle. The effect of the change was to reduce beginning net position and increase the change in net position by the following amounts as of June 30:

	2014	2013
Net Position, Beginning of Year as Originally Reported	\$ 32,843,775	\$ 29,104,964
Effect of Change in Accounting Principal	-	(534,339)
Net Position, Beginning of Year as Restated	<u>32,843,775</u>	<u>28,570,625</u>
Change in Net Position, As Originally Reported	4,027,495	4,175,739
Prior Period Adjustment, Correction of Debt Issuance Costs	-	97,411
Change in Net Position, As Reported	<u>4,027,495</u>	<u>4,273,150</u>
Net Position, End of Year as Restated	<u>\$ 37,640,493</u>	<u>\$ 32,843,775</u>

STATISTICAL SECTION



STATISTICAL SECTION NARRATIVE SUMMARY

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt.

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the activities performed by the Authority.

TABLE 1

General Governmental Revenues by Source

Fiscal Year	Operating Assessments	Debt Service Assessments	Other Revenues	Interest Income	Total Revenues
2004/05 (1)	\$ 5,518,626	\$ 10,646,678	\$ 33,644	\$ 1,565,540	\$ 17,764,487
2005/06	5,649,874	10,734,275	49,352	2,252,091	18,685,591
2006/07	6,577,214	10,339,149	43,226	2,381,697	19,341,285
2007/08	6,673,228	10,851,885	68,927	1,862,268	19,456,308
2008/09	7,583,365	10,894,767	77,193	1,012,428	19,567,753
2009/10	7,706,451	10,837,837	144,825	287,296	18,976,409
2010/11	7,100,093	10,828,491	105,552	236,522	18,270,658
2011/12	7,056,434	10,751,690	64,258	166,276	18,038,658
2012/13	7,504,558	10,758,676	125,443	139,554	18,528,231
2013/14	8,642,389	10,669,540	329,292	120,693	19,761,914

Source: Central Coast Water Authority

(1) Beginning with fiscal year 2004/05, Operating Assessments exclude yearend credits for unexpended operating reimbursements.

Total Revenue Comparison

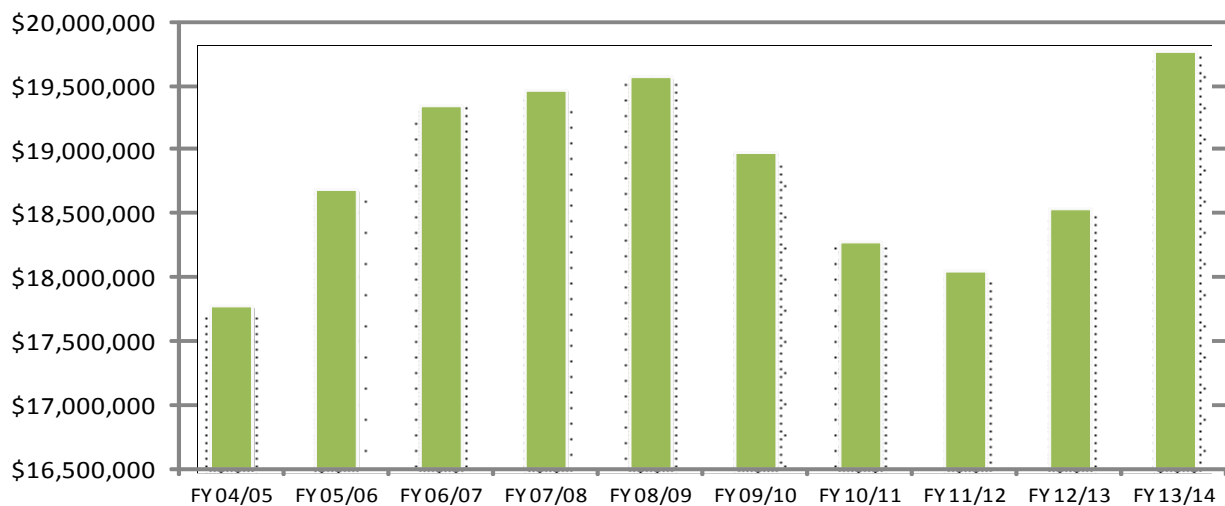


TABLE 2

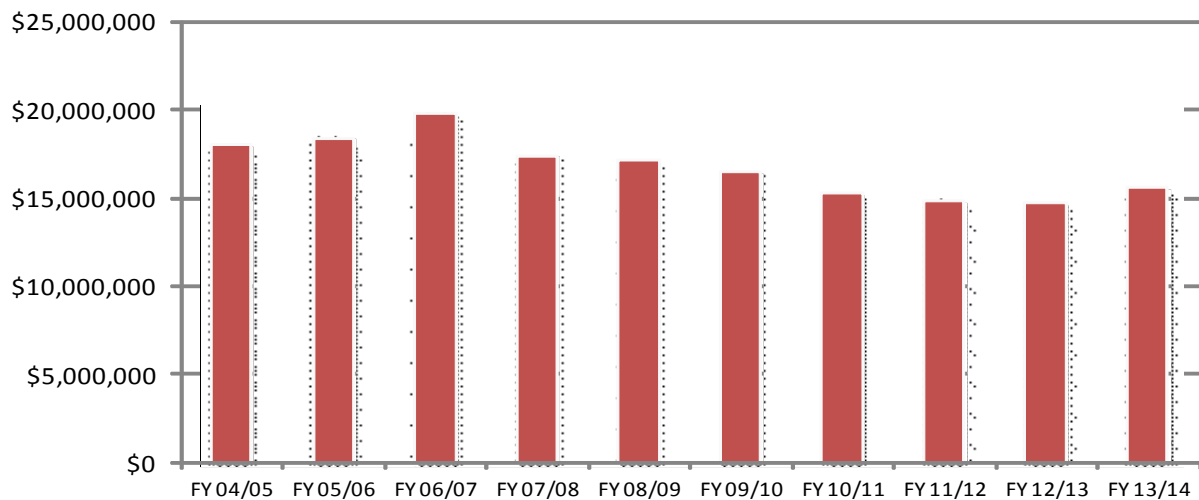
General Governmental Expenses by Function

Fiscal Year	Operating Expenses	Capital Improvements	Interest Expense	Interest paid to Participants	Total Expenses
2004/05 (1)	\$ 9,177,815	\$ 366,907	\$ 7,601,613	\$ 848,333	\$ 17,994,667
2005/06	9,331,814	211,441	7,336,413	1,514,040	18,393,708
2006/07	10,958,694	454,619	6,223,707	2,171,209	19,808,228
2007/08	9,497,227	471,676	5,582,876	1,858,511	17,410,290
2008/09	10,464,755	293,537	5,338,226	986,862	17,083,380
2009/10	10,640,777	428,879	5,083,426	273,944	16,427,026
2010/11	10,058,131	180,428	4,818,276	236,432	15,293,267
2011/12	9,786,406	365,801	4,490,322	165,476	14,808,006
2012/13	9,908,687	459,637	4,169,532	139,500	14,677,356
2013/14	10,937,701	749,170	3,805,662	120,693	15,613,226

Source: Central Coast Water Authority

(1) Beginning with fiscal year 2004/05, Operating Expenses include yearend credits for unexpended operating reimbursements, and interest credits paid to project participants are shown on a separate line.

Total Expenditures Comparison



Statistical Section

TABLE 3

Change in Net Position and Net Position Components
Last Ten Fiscal Years

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009
Net position, at beginning of year	\$ 13,788,811	\$ 13,925,539	\$ 14,428,865	\$ 14,088,203	\$ 16,440,986
Operating revenues	16,179,448	16,416,803	16,948,321	17,587,809	18,512,443
Operating Expenses					
Operating expenses	5,017,435	4,829,547	6,730,424	5,273,497	6,387,774
Depreciation and amortization	3,774,654	3,752,017	3,336,876	3,123,041	3,104,697
Unexpended operating reimbursements	385,726	750,250	891,394	1,100,689	972,284
Total operating expenses	9,177,815	9,331,814	10,958,694	9,497,227	10,464,755
Operating Income	7,001,633	7,084,989	5,989,627	8,090,582	8,047,688
Non-operating revenues					
Interest income and miscellaneous	1,585,040	2,268,789	2,392,965	1,868,499	1,012,428
Non-Operating Expenses					
Interest expense	7,601,613	7,336,413	6,223,707	5,582,876	5,338,226
Interest income paid to project participants	848,333	1,514,040	2,171,209	1,858,511	986,862
Other expenses	-	-	-	164,911	105,401
Total non-operating expenses	8,449,946	8,850,453	8,394,916	7,606,298	6,430,489
Increase in Net Position	136,727	503,325	(12,324)	2,352,783	2,629,627
Refund of capital contributions	-	-	328,338	-	-
Net position, at end of year	13,925,539	14,428,864	14,088,203	16,440,986	19,070,613
Net investment in capital assets	11,542,594	11,994,874	6,083,945	9,153,209	12,359,972
Restricted - capital projects	1,070,890	981,910	20,304	282	-
Restricted - debt service	11,431,963	11,564,435	11,617,204	11,597,222	11,589,832
Unrestricted	(10,119,908)	(10,112,355)	(3,633,250)	(4,309,726)	(4,879,191)
Total Net Position	\$ 13,925,539	\$ 14,428,864	\$ 14,088,203	\$ 16,440,986	\$ 19,070,613

Continued

Statistical Section

TABLE 3 (continued)

Change in Net Position and Net Position Components Last Ten Fiscal Years

	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Net position, at beginning of year	\$ 19,070,613	\$ 22,020,369	\$ 25,026,753	\$ 28,570,625	\$ 32,843,775
Operating revenues	18,685,951	18,018,693	17,872,382	18,383,991	19,641,221
Operating Expenses					
Operating expenses	5,765,512	6,006,570	5,855,361	6,451,537	7,261,549
Depreciation and amortization	3,078,809	3,053,027	2,980,787	2,770,306	2,715,546
Unexpended operating reimbursements	1,796,456	998,534	950,258	686,844	960,606
Total operating expenses	10,640,777	10,058,131	9,786,406	9,908,687	10,937,701
Operating Income	8,045,174	7,960,562	8,085,976	8,475,304	8,703,520
Non-operating revenues					
Interest income and miscellaneous	304,506	251,965	166,276	144,240	120,693
Non-Operating Expenses					
Interest expense	5,083,426	4,818,276	4,490,322	4,169,532	3,805,662
Interest income paid to project participants	273,944	236,432	165,476	139,500	120,693
Other expenses	42,553	151,435	52,582	37,362	101,140
Total non-operating expenses	5,399,923	5,206,143	4,708,380	4,346,394	4,027,495
Increase in Net Position	2,949,757	3,006,384	3,543,872	4,273,150	4,796,718
Refund of capital contributions	-	-	-	-	-
Net position, at end of year	22,020,369	25,026,753	28,570,625	32,843,774	37,640,493
Net investment in capital assets	15,969,556	19,447,578	23,467,011	28,134,152	33,258,360
Restricted - capital projects	-	-	-	-	-
Restricted - debt service	11,590,054	11,545,053	11,597,425	11,540,588	11,537,581
Unrestricted	(5,539,241)	(5,965,878)	(6,493,811)	(6,830,965)	(7,155,448)
Total Net Position	\$ 22,020,369	\$ 25,026,753	\$ 28,570,625	\$ 32,843,775	\$ 37,640,493

Statistical Section

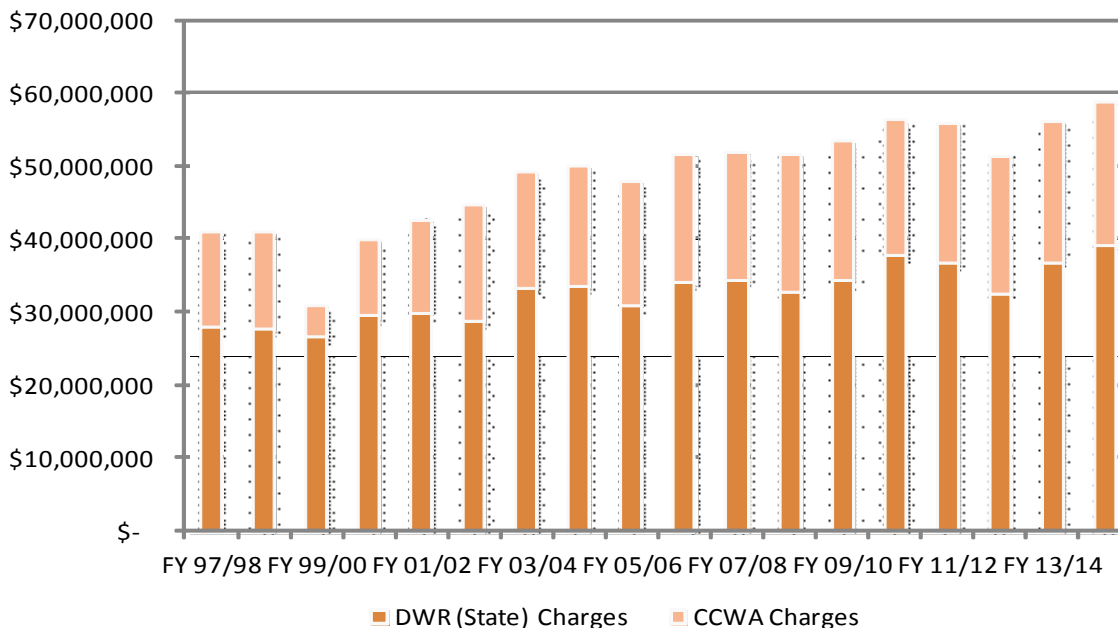
TABLE 4

Fiscal Year Gross Budget History (Excludes Credits)

Fiscal Year	CCWA Charges	DWR (State) Charges	Total	Increase (Decrease)	Percentage Change
FY 97/98	\$ 12,897,860	\$ 27,938,525	\$ 40,836,385	\$ -	
FY 98/99	13,275,815	27,755,277	41,031,092	194,707	0%
FY 99/00	4,345,803	26,525,983	30,871,786	(10,159,306)	-25%
FY 00/01	10,470,166	29,409,208	39,879,374	9,007,588	29%
FY 01/02	12,732,473	29,872,420	42,604,893	2,725,519	7%
FY 02/03	15,923,396	28,667,780	44,591,176	1,986,283	5%
FY 03/04	15,826,610	33,290,820	49,117,430	4,526,254	10%
FY 04/05	16,309,830	33,576,516	49,886,346	768,916	2%
FY 05/06	16,898,682	30,918,963	47,817,645	(2,068,701)	-4%
FY 06/07	17,665,638	33,887,106	51,552,744	3,735,099	8%
FY 07/08	17,368,381	34,383,152	51,751,533	198,789	0%
FY 08/09	18,866,218	32,712,348	51,578,566	(172,967)	0%
FY 09/10	19,113,716	34,400,137	53,513,853	1,935,287	4%
FY 10/11	18,542,903	37,656,903	56,199,806	2,685,953	5%
FY 11/12	19,000,056	36,704,353	55,704,409	(495,397)	-1%
FY 12/13	18,871,714	32,473,910	51,345,624	(4,358,785)	-8%
FY 13/14	19,303,293	36,720,999	56,024,293	4,678,669	9%
FY 14/15	\$ 19,905,931	\$ 38,928,105	\$ 58,834,036	2,809,743	5%

Note: Excludes CCWA credits.

CCWA Gross Budget by Fiscal Year



Statistical Section

TABLE 5

FY 2013/14 Total Payments by Project Participant

Project Participant	FY 2013/14 Operating Expenses ⁽¹⁾	FY 2013/14 Debt Service Payments	FY 2013/14 DWR Costs	FY 2013/14 Warren Act Charges ⁽²⁾	FY 2013/14 CCWA Credits	FY 2013/14 Total Payments
Guadalupe	\$ 109,523	\$ 163,920	\$ 477,464	\$ -	\$ (893)	\$ 750,014
Santa Maria	3,237,878	-	14,769,399	-	(186,136)	17,821,141
Golden State Water Co.	106,306	-	446,387	-	(7,995)	544,698
Vandenberg AFB	1,234,324	-	5,066,930	-	(143,823)	6,157,432
Buellton	146,066	290,387	544,439	-	(8,552)	972,340
Santa Ynez (Solvang)	361,783	891,960	1,446,202	-	(18,802)	2,681,142
Santa Ynez	699,879	334,979	586,831	-	(2,014)	1,619,674
Goleta	758,957	2,811,290	5,037,834	210,662	(37,045)	8,781,698
Morehart Land	36,940	129,129	175,451	-	(18,815)	322,705
La Cumbre	163,553	618,056	1,008,495	95,740	(2,402)	1,883,443
Raytheon	9,710	27,018	46,492	3,883	(3,794)	83,309
Santa Barbara	416,553	1,728,188	2,898,519	99,428	(703)	5,141,985
Montecito	487,884	2,031,240	3,171,710	103,680	(5,654)	5,788,859
Carpinteria	242,824	1,161,301	1,973,642	51,344	(4,185)	3,424,926
Shandon	8,111	13,044	N/A	-	(506)	20,650
Chorro Valley	278,345	1,039,165	N/A	-	(26,753)	1,290,757
Lopez	289,728	268,706	N/A	-	(33,711)	524,723
TOTAL:	\$ 8,588,363	\$ 11,508,383	\$ 37,649,795	\$ 564,737	\$ (501,783)	\$ 57,809,495

(1) Adjusted for Santa Ynez Exchange Agreement Modifications and Regional WTP Treatment Allocation.

(2) Adjusted for Santa Ynez Exchange Agreement Modifications.

This schedule also includes increased budget amounts to certain south coast participants for costs related to increased delivery requests not included in the original FY 2013/14 budget.

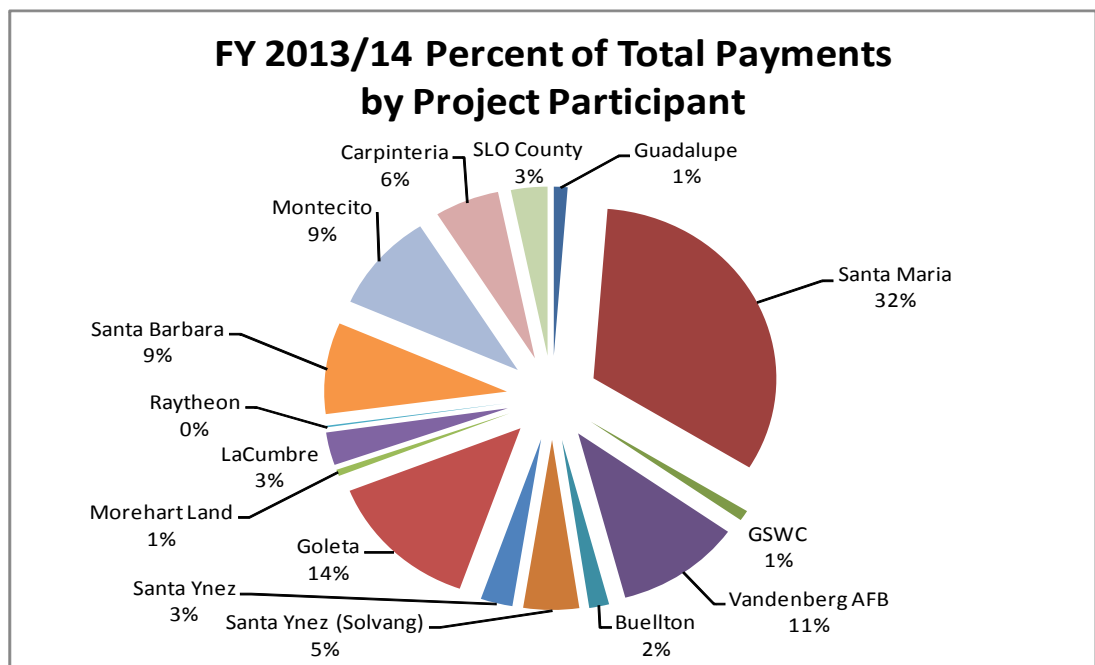


TABLE 6

Ratio of Annual Debt Service For Total Bonded Debt to Total Expenses

Fiscal Year	Bond Issue	Principal	Interest ⁽¹⁾	Total Debt Service	Total Expenses	Ratio of Debt Service to Total Expenses
2004/05	96 Bonds	\$ 4,135,000	\$ 7,663,638	\$ 11,798,638	\$ 16,129,417	73.15%
2005/06	96 Bonds	4,515,000	7,404,138	11,919,138	18,682,510	63.80%
2006/07	96 & 06 Bonds	4,915,000	6,600,947	11,515,947	18,682,510	61.64%
2007/08	2006 Bonds	5,895,000	5,641,826	11,536,826	17,540,719	65.77%
2008/09	2006 Bonds	6,190,000	5,400,126	11,590,126	17,208,095	67.35%
2009/10	2006 Bonds	6,430,000	5,147,726	11,577,726	16,545,789	69.97%
2010/11	2006 Bonds	6,695,000	4,885,226	11,580,226	15,405,833	75.17%
2011/12	2006 Bonds	6,960,000	4,577,326	11,537,326	14,912,912	77.36%
2012/13	2006 Bonds	7,335,000	4,247,463	11,582,463	14,677,356	78.91%
2013/14	2006 Bonds	7,625,000	3,900,975	11,525,975	15,613,226	73.82%

(1) Represents actual cash payment without regard to payments from the capitalized interest fund.

Source: Central Coast Water Authority

Ratio of Debt Service to Total Expenses

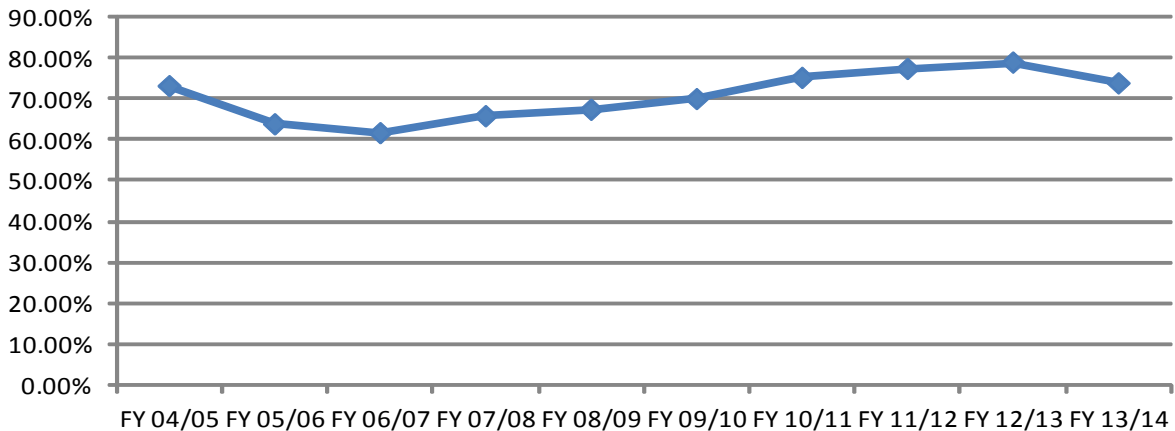


TABLE 7
Selected Demographic Information
Santa Barbara County

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.

TABLE 8
Miscellaneous Statistical Information

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
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
Number of water storage tanks	5
Number of turnouts	10

<u>Agency</u>	<u>Table A Amount (AFY)</u>
City of Buellton	578
Carpinteria Valley Water District	2,000
Goleta Water District	4,500
City of Guadalupe	550
La Cumbre Mutual Water Co.	1,000
Montecito Water District	3,000
Morehart Land Co.	200
City of Santa Barbara	3,000
Raytheon Systems Company	50
City of Santa Maria	16,200
Santa Ynez River W.C.D. #1	2,000
Southern California Water Co.	500
Vandenberg Air Force Base	5,500
Total Santa Barbara County *	39,078
Avila Beach C.S.D	100
Avila Valley Mutual Water Co., Inc.	20
California Mens 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 CSD	750
City of Pismo Beach	1,240
San Luis Coastal Unified School District	7
San Miguelito Mutual Water Co.	275
SLO Co. Comm. Coll. District (Cuesta College)	200
Total San Luis Obispo County	4,830
TOTAL TABLE A AMOUNT	43,908

Note: * Excludes CCWA drought buffer of Table A amount of 3,908 AfY and Goleta Water District additional Table A amount of 2,500 AfY.

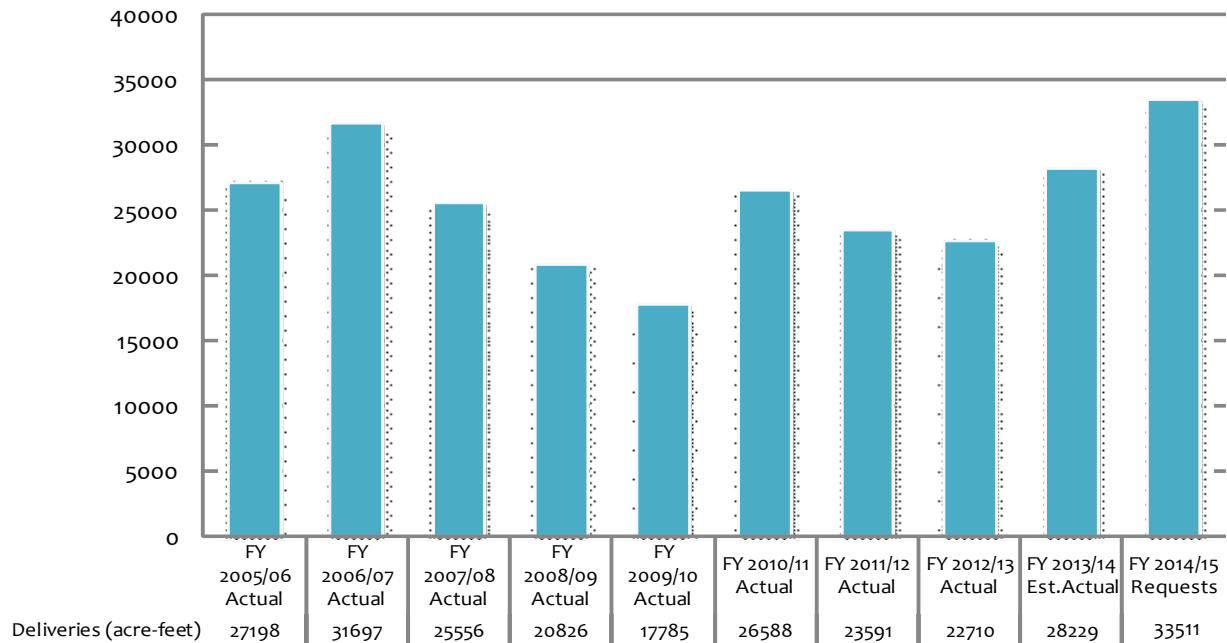
Statistical Section

TABLE 9

FY 2013/14 Actual State Water Deliveries (acre feet)

Project Participant	Table A Deliveries	Exchange Agreement Deliveries	Total Deliveries
Lopez Turnout (SLO County)	1,507	N/A	1,507
Chorro Valley Turnout (SLO County)	2,062	N/A	2,062
City of Guadalupe	91	N/A	91
City of Santa Maria	4,546	N/A	4,546
Golden State Water Company	78	N/A	78
Vandenberg Air Force Base	934	N/A	934
City of Buellton	51	N/A	51
Santa Ynez ID #1 (City of Solvang)	926	N/A	926
Santa Ynez ID #1	164	2,245	2,409
Goleta Water District	4,625	(808)	3,817
Morehart Land Company	8	N/A	8
La Cumbre Mutual Water Company	715	-	715
Raytheon Systems Company	-	N/A	-
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

Historical Water Deliveries (Acre-Feet)



Statistical Section

TABLE 10
Historical Water Availability Compared to Actual Deliveries & Costs
Santa Barbara County Project Participants Only

Calendar Year	(Acre-Feet) Available Water	Actual Deliveries	Total CCWA Actual Costs
1998	38,986	18,618	\$ 36,059,489
1999	45,486	20,137	24,908,616
2000	40,937	22,741	36,059,489
2001	18,036	18,945	39,064,819
2002	32,164	27,600	36,418,418
2003	40,980	26,970	43,929,780
2004	29,688	29,705	37,237,621
2005	41,092	23,343	43,750,040
2006	45,486	23,275	44,152,940
2007	27,292	27,740	45,660,843
2008	15,960	18,391	46,236,486
2009	18,219	15,452	47,702,802
2010	22,883	17,775	50,707,485
2011	36,389	21,050	51,876,818
2012	29,566	19,474	45,904,819
2013	31,666	18,018	54,450,977
2014 ⁽¹⁾	20,613	20,613	59,621,280
Total:	535,443	369,847	\$ 743,742,722
Avg. Cost per Acre-foot:	\$ 1,389	\$ 2,011	
Percent of Table A:	69.24%	47.83%	

(1) Amounts for 2014 are estimates and include CCWA Supplemental Water Purchase Program costs of \$4.2 million for 5,909 AF purchased under the program.

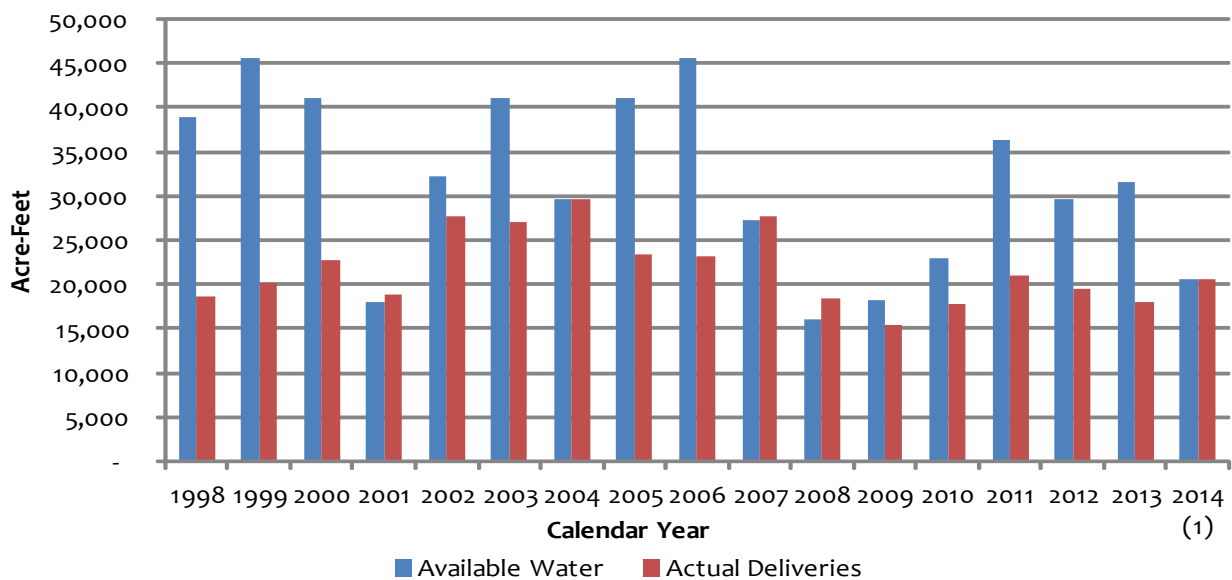


TABLE 11

Schedule of Insurance
Valued June 30, 2014

Company	Policy Period	Insurance Type	Limits	Coverages
Harford Fire Insurance Company	4-1-14 to 4-1-15	Excess Crime Coverage	\$ 2,000,000	Dishonesty and forgery coverage \$2,000,000 Computer fraud \$2,000,000
Fidelity & Deposit Company of Maryland	7-15-14 to 4-1-15	Excess Crime Coverage	\$ 3,000,000	Dishonesty and forgery coverage \$3,000,000 Computer fraud \$3,000,000
ACWA Joint Powers Insurance Authority	4-1-14 to 4-1-15	Property Insurance	\$ 70,866,831	Buildings (\$29,723,143); Personal property (\$1,350,662); Fixed Equipment (\$39,793,025)
ACWA Joint Powers Insurance Authority	10-1-13 to 10-1-14	General and Auto Liability	\$ 2,000,000	Liability JPIA pooled layer
Starr Indemnity #8090019	10-1-13 to 10-1-14	General and Auto Liability	\$ 9,000,000	Liability umbrella policy
Evanston Insurance #MPEREV0057-13-00	10-1-13 to 10-1-14	General and Auto Liability	\$ 9,000,000	Liability umbrella policy
Endurance Specialty #EXC10004197100	10-1-13 to 10-1-14	General and Auto Liability	\$ 10,000,000	Liability umbrella policy
Allied World National #0305-7912	10-1-13 to 10-1-14	General and Auto Liability	\$ 20,000,000	Liability umbrella policy
Great American Assurance Company #EXC4647656	10-1-13 to 10-1-14	General and Auto Liability	\$ 10,000,000	Liability umbrella policy

TABLE 12

Full-time Equivalent Employees by Position

Position Title	Number Authorized FY 2011/12	Number Authorized FY 2012/13	Number Authorized FY 2013/14	Change Over FY 2011/12	Change Over FY 2012/13
Executive Director	1.00	1.00	1.00	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager	1.00	1.00	-	(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	-	(1.00)	(1.00)
Office Manager	-	-	1.00	1.00	1.00
Accounting Technician	-	0.50	1.00	1.00	0.50
Secretary II	2.50	2.50	1.50	(1.00)	(1.00)
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Chemist	1.00	1.00	1.00	-	-
IT/Instrumentation & Control Specialis	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	1.00	2.00	2.00	1.00	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	28.50	30.00	29.50	1.00	(0.50)

TABLE 13
Santa Barbara County Largest Employers

Company or Organization	Jobs (1)	Percent of Total County Employment
University of California, Santa Barbara	10,403	4.90%
Vandenberg Air Force Base	6,889	3.25%
County of Santa Barbara	4,652	2.19%
Santa Barbara Cottage Hospital	2,605	1.23%
Santa Barbara City College	2,066	0.97%
Santa Barbara Unified School District	1,988	0.94%
City of Santa Barbara	1,716	0.81%
Chumash Casino Resort	1,650	0.78%
Marian Medical Center	1,500	0.71%
Santa Maria-Bonita School District	<u>1,402</u>	<u>0.66%</u>
Total ten largest	34,871	16.44%
Total all other	<u>177,329</u>	<u>83.56%</u>
Total companies or organizations	<u><u>212,200</u></u>	<u><u>100.00%</u></u>

(1) California Economic Forecast Project

Statistical Section

City of Pismo Beach

(San Luis Obispo County)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	4,365	\$ 1,872,673	1,962
2005	4,405	1,888,635	1,953
2006	4,443	1,994,992	1,924
2007	4,472	2,124,500	2,003
2008	4,713	2,619,579	2,269
2009	4,540	2,834,803	2,135
2010	4,558	2,874,984	1,971
2011	4,569	3,048,595	1,912
2012	4,584	3,257,915	1,785
2013	4,596	3,390,236	1,828

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
Cliffs Shell Beach	14,386	\$ 37,404
Pismo Beach Mobile Home Park	14,041	36,507
Oxford Suites Resort	7,722	20,077
City of Pismo Beach	7,374	21,163
Shorecliff Lodge	6,968	18,117
Pismo Lighthouse Suites	6,430	16,718
Seacrest Resort	6,394	16,624
Hillton Garden Inn	6,199	16,117
Motel 6	6,034	15,688
Lucia Mar Unified School District	5,871	15,265
Total	81,419	\$ 213,680

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt	Coverage
2004	\$ 2,854,004	\$ 1,523,338	\$ 1,330,666	\$ 1,198,295	\$ -	1.11
2005	3,051,700	1,561,213	1,490,487	1,251,600	-	1.19
2006	3,485,014	1,732,240	1,752,774	1,204,253	-	1.46
2007	3,858,063	1,923,694	1,934,369	939,309	-	2.06
2008	4,213,435	2,200,406	2,013,029	1,188,969	-	1.69
2009	4,563,012	1,828,215	2,734,797	1,279,114	-	2.14
2010	4,316,125	2,954,934	1,361,191	1,290,981	-	1.05
2011	4,652,847	2,665,865	1,986,982	1,633,880	-	1.22
2012	5,003,098	2,612,189	2,390,909	1,435,883	-	1.67
2013	5,002,618	2,616,024	2,386,594	1,413,314	-	1.69

Source: City of Pismo Beach

Statistical Section

City of Morro Bay (San Luis Obispo County)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	5,383	\$ 3,852,954	1,205
2005	5,399	3,436,322	976
2006	5,473	3,884,085	1,009
2007	5,489	3,911,610	1,275
2008	5,531	3,610,462	1,187
2009	5,547	3,588,500	1,130
2010	5,545	3,574,319	1,282
2011	5,385	3,421,151	1,250
2012	5,401	3,396,936	1,177
2013	5,455	3,377,534	1,141

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
City of Morro Bay	21,823	\$ 195,250
Pacific Care Center	9,422	137,609
Department of Parks	8,111	112,231
Mission Linen Supply	6,868	106,248
Imperial Coast, LP	5,435	105,501
Morro Dunes Trailer Park	4,283	51,653
San Luis Coastal School District	3,888	37,648
Silver City Manor	3,693	45,442
Morro Elementary School	2,789	25,629
Morro Bay High School irrigation	12,389	24,895
Total	78,701	\$ 842,106

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt	Coverage
2004	\$ 3,947,340	\$ 938,793	\$ 3,008,547	\$ 1,815,661	-	1.66
2005	3,531,000	1,047,262	2,483,738	1,888,003	-	1.32
2006	3,884,085	1,150,536	2,733,549	1,854,271	-	1.47
2007	3,896,420	1,203,618	2,692,802	1,783,837	-	1.51
2008	3,762,674	1,185,688	2,576,986	1,886,622	-	1.37
2009	3,893,904	1,273,381	2,620,523	2,055,446	-	1.27
2010	3,661,837	1,587,764	2,074,073	1,968,552	-	1.05
2011	3,491,186	1,813,559	1,677,627	2,108,814	-	0.80
2012	3,646,957	2,021,803	1,625,154	2,186,578	-	0.74
2013	3,453,217	1,764,241	1,688,976	2,155,816	-	0.78

Source: City of Morro Bay

Statistical Section

City of Guadalupe

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Municipal Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	1,912	\$ 1,011,608	811
2005	1,857	1,001,571	605
2006	1,907	1,003,346	719
2007	1,920	1,052,861	1,062
2008	1,916	1,198,705	920
2009	1,926	1,303,214	966
2010	1,915	1,344,941	900
2011	1,927	1,315,006	871
2012	1,931	1,461,669	924
2013	1,940	1,515,152	909

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
Apio Cooler	142,751	\$ 504,768
County Housing Authority	8,033	29,932
Riverview	6,949	25,011
Guadalupe Union School District	5,463	19,404
Obispo Cooling	5,246	18,542
Guadalupe Laundromat	3,617	12,903
Simplot	1,976	7,605
P&M Properties	1,810	6,405
Pan American Seed	2,285	8,076
Salvador Barragan	1,145	4,047
Total	179,275	\$ 636,693

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
2004	\$ 1,901,527	\$ 328,840	\$ 154,756	\$ 1,727,443	\$ 669,041	2.58
2005	1,179,481	281,965	154,756	1,052,272	611,570	1.72
2006	1,062,928	319,283	172,643	916,288	690,570	1.33
2007	1,222,669	489,461	168,777	901,985	675,108	1.34
2008	1,327,490	658,667	157,483	826,306	667,157	1.24
2009	1,418,311	629,726	165,923	954,508	690,201	1.38
2010	1,402,871	436,644	165,531	1,131,758	699,287	1.62
2011	1,395,787	426,842	167,444	1,136,389	667,445	1.70
2012	1,519,883	499,857	167,705	1,187,731	599,469	1.98
2013	1,515,152	435,004	167,787	1,247,935	758,852	1.64

Source: City of Guadalupe

Statistical Section City of Santa Maria

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Water Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	19,170	\$ 19,392,893	13,267
2005	19,596	20,479,665	11,375
2006	20,588	20,901,096	13,026
2007	20,762	23,490,792	14,219
2008	20,830	24,605,620	14,047
2009	20,919	25,859,215	14,489
2010	20,927	25,411,420	13,986
2011	21,050	26,393,674	13,016
2012	21,199	27,803,548	13,264
2013	21,385	29,938,893	13,338

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
City of Santa Maria	284,675	\$ 1,455,458
Santa Maria Elementary School	119,531	606,684
Santa Maria Land Partners	70,565	338,975
Casa Grande Mobile Homes	47,634	174,797
Marian Hospital & Facilities	41,675	236,745
S.B. County Housing Authority	41,070	216,808
Alan Hancock College	40,731	212,403
Pictsweet Frozen Foods	29,985	149,572
Casa Del Rio Mobile Estates	26,973	98,851
Santa Maria Joint Union High School	26,336	142,212
Total	<u>729,175</u>	<u>\$ 3,632,505</u>

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues ⁽¹⁾	Operating Expenses	Rate Coverage Fund	Net Revenues	State Water Payments	Coverage
2004	\$ 26,977,067	\$ 7,118,174	\$ 4,002,906	\$ 23,861,799	\$ 13,858,267	1.72
2005	29,016,811	7,651,981	4,002,906	25,367,736	13,962,911	1.82
2006	28,810,320	6,264,092	4,034,968	26,581,196	15,658,361	1.70
2007	33,218,519	8,428,868	3,752,454	28,542,105	15,009,816	1.90
2008	33,047,470	8,975,078	4,169,232	28,241,624	15,138,443	1.87
2009	33,521,237	11,232,624	4,242,530	26,531,143	15,438,235	1.72
2010	32,956,256	9,282,313	4,258,071	27,932,014	17,103,082	1.63
2011	34,634,358	10,389,795	4,281,382	28,525,945	17,150,434	1.66
2012	36,330,166	10,260,908	4,288,071	30,357,329	14,671,346	2.07
2013	38,305,281	12,698,916	4,290,188	29,896,553	17,851,202	1.67

(1) Includes wastewater fees and charges.

Source: City of Santa Maria

Statistical Section

City of Buellton

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	1,491	\$ 1,365,416	1,257
2005	1,472	1,300,677	1,115
2006	1,498	1,334,328	1,205
2007	1,540	1,462,049	1,343
2008	1,549	1,474,151	1,295
2009	1,548	1,467,933	1,284
2010	1,558	1,467,931	1,300
2011	1,557	1,387,651	1,184
2012	1,570	1,368,805	1,212
2013	1,569	1,460,658	1,227

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
Professional Investment Planning	22,662	\$ 70,961
Buellton Union School District	19,969	41,358
FPA Flying Flags Assoc., L.P.	15,415	31,707
Santa Ynez Valley Marriott	13,121	27,188
Rivergrove Mobile Home Park	9,243	27,943
The Inn Group	9,039	19,709
Terravant Wine Company	8,238	17,355
Rancho De Maria	6,808	15,575
Laurel Co	4,033	9,168
Buellton Shell	3,818	7,851
Total	112,346	\$ 268,815

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
2004	\$ 1,821,513	\$ 418,725	\$ 238,324	\$ 1,641,112	\$ 895,101	1.83
2005	1,418,037	390,028	238,324	1,266,333	940,465	1.35
2006	1,540,833	521,597	241,639	1,260,875	932,461	1.35
2007	1,876,713	521,113	219,910	1,575,510	879,640	1.79
2008	2,041,664	455,528	242,535	1,828,671	933,400	1.96
2009	1,659,083	497,597	255,558	1,417,044	896,715	1.58
2010	1,579,341	542,240	256,494	1,293,595	943,326	1.37
2011	1,494,307	486,807	257,898	1,265,398	938,136	1.35
2012	1,431,453	598,093	258,300	1,091,660	894,257	1.22
2013	1,512,243	550,655	258,427	1,220,015	1,017,156	1.20

Source: City of Buellton

Statistical Section

Santa Ynez River Water Conservation District, ID# 1 (City of Solvang only)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	1,903	\$ 3,286,624	1,506
2005	1,907	3,229,500	1,589
2006	1,903	3,543,426	1,321
2007	1,939	4,023,837	1,512
2008	1,964	4,180,995	1,512
2009	2,017	4,085,678	1,483
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

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
Rancho Santa Ynez Mobile Estate	29,747	\$ 93,159
Alisal Guest Ranch	15,333	52,929
City of Solvang	13,946	48,036
Mission Oaks	11,682	36,864
Solvang School	10,050	32,361
Chumash Casino	9,008	28,694
Atterdag Village	8,164	26,004
N&G Investments	7,003	22,309
Worldmark	6,885	21,932
Oak Park Apartments	5,286	17,353
Total	117,104	\$ 379,641

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
2004	\$ 3,293,660	\$ 854,671	\$ 534,808	\$ 2,973,797	\$ 2,064,965	1.44
2005	3,288,331	795,547	534,808	3,027,592	2,002,319	1.51
2006	3,628,170	1,191,775	547,407	2,983,802	2,189,627	1.36
2007	4,146,380	1,051,531	540,980	3,635,829	2,355,170	1.54
2008	4,340,564	1,247,155	569,041	3,662,450	2,446,021	1.50
2009	4,199,436	1,537,148	599,048	3,261,336	2,448,490	1.33
2010	4,043,117	1,321,839	603,156	3,324,434	2,637,865	1.26
2011	3,995,627	1,214,624	604,939	3,385,942	2,647,201	1.28
2012	4,230,365	1,231,366	605,884	3,604,883	2,438,576	1.48
2013	4,677,242	1,436,931	606,183	3,846,494	2,656,129	1.45

Source: City of Solvang

Statistical Section

Santa Ynez River Water Conservation District, ID# 1

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	2,363	\$ 3,816,702	6,012
2005	2,422	3,518,032	4,637
2006	2,442	3,848,782	4,800
2007	2,444	4,607,704	5,223
2008	2,567	4,883,168	5,926
2009	2,583	5,030,245	5,947
2010	2,579	5,096,678	5,416
2011	2,519	5,009,463	5,255
2012	2,515	5,371,780	5,260
2013	2,598	5,531,585	5,371

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
Public Agency	56	\$ 201,777
Public Agency	78	93,114
Private Agriculture	256	42,404
Private Education Facility	43	39,502
Private Agriculture	127	42,731
Private Agriculture	115	29,350
Private Agriculture	92	27,992
Private Agriculture	79	16,310
Private Agriculture	33	13,342
Private Agriculture	70	11,573
Total	949	\$ 518,095

(1) In acre-feet per year.

(2) Exclusive of Solvang's payments for State Water Project.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30 ⁽¹⁾	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
2003	\$ 6,629,264	\$ 2,558,215	\$ 923,484	\$ 4,994,533	\$ 3,148,476	1.59
2004	7,004,003	3,000,250	920,343	4,924,096	3,179,539	1.55
2005	6,915,751	2,786,325	920,343	5,049,769	3,119,539	1.62
2006	7,302,870	2,978,983	933,145	5,257,032	3,584,153	1.47
2007	8,108,093	3,393,751	924,751	5,639,093	3,699,006	1.52
2008	8,680,455	3,663,543	961,388	5,978,300	3,869,047	1.55
2009	8,797,488	3,683,262	1,012,862	6,127,088	3,799,166	1.61
2010	8,785,547	3,778,443	1,019,126	6,026,230	3,956,531	1.52
2011	8,759,268	3,597,194	1,022,142	6,184,216	4,003,719	1.54
2012	8,209,585	3,179,858	1,023,739	6,053,466	4,112,646	1.47
2013	8,213,596	3,310,123	1,024,244	5,927,717	4,238,934	1.40

(1) Includes State water payments for the City of Solvang.

Source: Santa Ynez Improvement District #1

Statistical Section

Goleta Water District

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	16,249	\$ 16,146,551	14,083
2005	16,039	14,922,566	12,619
2006	16,202	15,425,971	12,077
2007	16,459	18,582,563	14,406
2008	16,466	22,697,939	14,387
2009	16,373	17,891,752	14,198
2010	16,346	16,554,650	12,971
2011	16,401	15,721,915	12,161
2012	16,295	18,668,008	12,275
2013	16,518	22,171,254	13,923

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
U.C.S.B.	934	\$ 1,885,142
Santa Barbara County	271	650,853
Santa Barbara Airport	132	410,479
Cavaletto Ranches, LLC	721	367,991
Glen Annie Golf Club	253	344,335
Santa Barbara Unified School D.	126	310,564
Goleta Union School District	121	276,013
Bacara Resort	108	265,280
Michael Towbes	84	215,794
Sandpiper Golf Course	270	214,498
Total	3,020	\$ 4,940,949

(1) In acre-feet per year.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
2004	\$ 22,648,173	\$ 11,824,796	\$ -	\$ 10,823,377	\$ 7,355,604	1.47
2005	20,566,002	10,831,320	-	9,734,682	6,677,042	1.46
2006	23,328,943	11,632,904	-	11,696,039	6,724,499	1.74
2007	25,425,947	11,734,133	-	13,691,814	6,791,250	2.02
2008	29,703,651	14,095,042	-	15,608,609	6,711,214	2.33
2009	31,044,059	14,448,077	-	16,595,982	7,317,439	2.27
2010	24,129,754	16,268,616	-	7,861,138	6,561,134	1.20
2011	25,378,145	11,788,948	-	13,589,197	7,251,071	1.87
2012	27,426,627	14,741,694	-	12,684,933	6,309,979	2.01
2013	32,409,693	15,146,414	-	17,263,279	7,284,547	2.37

Source: Goleta Water District

Statistical Section

La Cumbre Mutual Water Company

Historic Water Connections and Sales Revenues

Fiscal Year Ending Dec. 31	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2003	1,437	\$ 1,918,454	1,724
2004	1,449	2,146,100	1,923
2005	1,464	1,869,863	1,692
2006	1,468	1,902,450	1,698
2007	1,470	2,267,771	2,059
2008	1,468	2,489,710	1,937
2009	1,468	2,586,518	1,702
2010	1,469	2,377,639	1,523
2011	1,471	2,608,037	1,465
2012	1,471	3,023,989	1,587

Largest Customers as of December 31, 2012

	Water Usage ⁽¹⁾	Annual Payment
La Cumbre Golf & Country Club	67,664	\$ 224,044
Stanford Farms	9,817	67,625
Timothy Pasquinelli	7,280	52,640
Stephen Redding	5,679	37,780
Marsupial Properties	4,499	36,426
Jeffrey Henley	5,570	34,566
Carriage Hill Association	4,079	27,854
Overwater, LLC	3,972	25,846
Paula Patrick	4,092	25,595
Christopher & Ann Conway	3,446	23,551
Total	116,098	\$ 555,927

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending Dec. 31	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
2003	\$ 2,668,781	\$ 862,951	\$ 345,084	\$ 2,150,914	\$ 1,485,915	1.45
2004	2,904,071	985,101	345,084	2,264,054	1,571,521	1.44
2005	2,662,982	1,086,734	353,407	1,929,655	1,430,960	1.35
2006	2,854,771	1,201,326	353,407	2,006,852	1,558,596	1.29
2007	3,320,207	1,342,427	358,263	2,336,043	1,574,079	1.48
2008	3,451,050	1,408,802	376,576	2,418,824	1,540,843	1.57
2009	3,510,409	1,670,353	392,003	2,232,059	1,684,349	1.33
2010	3,261,377	1,649,171	389,217	2,001,423	1,870,892	1.07
2011	3,641,641	1,419,353	391,224	2,613,512	1,962,355	1.33
2012	3,987,385	1,401,788	391,135	2,976,732	1,425,464	2.09

Source: La Cumbre Mutual Water Co.

Statistical Section City of Santa Barbara

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Water Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	25,653	\$ 23,127,138	13,568
2005	25,809	24,447,594	12,724
2006	25,821	24,765,305	13,290
2007	25,918	27,588,409	14,753
2008	26,009	29,448,078	14,926
2009	26,153	28,669,429	13,819
2010	26,504	28,163,162	13,428
2011	26,761	27,181,923	13,314
2012	26,649	29,992,081	13,949
2013	26,797	31,654,759	14,366

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
City of Santa Barbara	67,278	\$ 401,684
Santa Barbara Unified School District	38,987	255,301
Housing Authority	32,023	181,085
Fess Parker	27,081	150,811
Mission Linen	25,393	138,678
Samarkand	23,436	126,032
Cottage Hospital	18,374	120,192
Dario Pini	21,616	108,215
SB Zoo	20,105	99,249
SB Highlands	18,937	98,610
Total	293,230	\$ 1,679,857

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt Service	Coverage
2004	\$ 25,431,147	\$ 13,822,119	\$ 11,609,028	\$ 4,481,194	\$ 1,870,214	1.83
2005	27,074,924	14,553,073	12,521,851	4,315,818	1,853,342	2.03
2006	28,255,283	15,993,253	12,262,030	4,524,129	1,861,889	1.92
2007	32,081,577	16,362,453	15,719,124	4,148,802	1,854,987	2.62
2008	34,798,063	17,454,896	17,343,167	4,089,554	1,859,603	2.92
2009	33,914,071	18,885,951	15,028,120	4,314,561	1,857,100	2.44
2010	33,763,232	18,546,457	15,216,775	4,466,645	1,697,698	2.47
2011	32,082,335	17,793,001	14,289,334	4,619,893	1,847,271	2.21
2012	37,696,027	19,547,823	18,148,204	4,180,184	1,738,160	3.07
2013	38,439,062	21,464,993	16,974,069	4,744,097	1,847,618	2.58

Source: City of Santa Barbara

Statistical Section Montecito Water District

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	4,554	\$ 7,579,730	6,055
2005	4,406	7,168,706	5,447
2006	4,588	6,974,106	5,067
2007	4,612	9,168,272	6,333
2008	4,630	9,893,221	6,518
2009	4,583	10,015,310	5,963
2010	4,558	9,429,322	5,274
2011	4,575	8,401,945	4,715
2012	4,577	9,345,967	5,302
2013	4,585	10,573,025	5,945

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
Resort Hotel	44,265	\$ 240,325
Golf Club	61,642	197,002
Single Family Residence	25,763	139,054
Resort Hotel	21,910	120,137
Cemetery	28,861	119,763
Single Family Residence	19,015	119,094
Private College	29,198	116,245
Retirement Community	20,182	110,741
Agricultural	49,315	94,557
Golf Club	19,520	83,089
Total	319,671	\$ 1,340,007

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
2004	\$ 10,839,346	\$ 4,809,464	\$ 959,705	\$ 6,989,587	\$ 4,550,214	1.54
2005	10,502,210	4,533,557	959,705	6,928,358	4,475,119	1.55
2006	10,509,053	4,855,534	973,053	6,626,572	4,723,577	1.40
2007	13,014,537	5,353,583	970,780	8,631,734	4,658,858	1.85
2008	13,967,947	6,049,992	1,021,131	8,939,086	4,645,281	1.92
2009	13,873,852	6,528,920	1,075,696	8,420,628	5,144,227	1.64
2010	14,555,964	5,931,617	1,079,637	9,703,984	5,123,778	1.89
2011	12,277,049	5,588,083	1,085,554	7,774,520	5,334,729	1.46
2012	13,224,023	6,299,364	1,087,250	8,011,909	4,412,658	1.82
2013	14,315,026	6,497,450	1,087,787	8,905,363	4,898,038	1.82

Source: Montecito Water District

Statistical Section Carpinteria Valley Water District

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2004	4,168	\$ 7,010,594	4,572
2005	4,171	7,341,470	3,647
2006	4,168	9,029,076	3,983
2007	4,230	9,996,151	4,474
2008	4,272	10,529,618	4,506
2009	4,288	10,393,601	4,099
2010	4,326	10,089,936	3,825
2011	4,322	10,101,197	3,599
2012	4,339	10,575,216	3,871
2013	4,441	10,798,634	4,352

Largest Customers as of June 30, 2013

	Water Usage ⁽¹⁾	Annual Payment
Cate School	43,003	\$ 195,444
Circle G	25,807	86,471
Reiter Brothers	23,877	57,444
Villa Del Mar Hoa	23,697	215,098
Cervini Farm CA	23,505	126,566
Sandpiper Village	22,642	42,761
Casitas Village HOA	22,091	212,482
City of Carpinteria	18,886	270,546
Van Wingerden, Wm	17,437	33,810
Westerlay Orchids	16,466	50,074
Total	237,411	\$ 1,290,696

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
2004	\$ 7,212,653	\$ 3,547,673	\$ 752,655	\$ 4,417,635	\$ 2,968,996	1.49
2005	8,433,644	3,722,069	752,655	5,464,230	2,991,544	1.83
2006	9,537,158	4,108,439	763,122	6,191,841	2,995,352	2.07
2007	10,598,119	4,153,923	663,427	7,107,623	2,653,710	2.68
2008	11,683,095	4,713,897	765,941	7,735,139	2,741,075	2.82
2009	11,005,014	5,395,430	807,038	6,416,622	2,923,214	2.20
2010	10,499,950	4,639,111	809,995	6,670,834	3,006,719	2.22
2011	10,350,057	4,791,179	814,431	6,373,309	3,107,837	2.05
2012	11,267,253	5,052,870	815,699	7,030,082	2,785,680	2.52
2013	11,835,527	5,068,463	816,100	7,583,164	3,135,384	2.42

Source: Carpinteria Valley Water District