



**A REGULAR MEETING OF THE OPERATING COMMITTEE  
of the  
CENTRAL COAST WATER AUTHORITY**

will be held at 9:00 a.m., on Thursday, March 10, 2022  
via URL: <https://v.ringcentral.com/join/808922582>  
or via telephone by dialing +1 (650) 4191505 and entering code 808 922 582#

In response to the spread of the COVID-19 virus, Governor Newsom declared a state of emergency which directly impacts the ability of legislative bodies and the public to meet safely in person. To help minimize the potential spread of the COVID-19 virus, the CCWA Operating Committee shall hold this public meeting telephonically pursuant CCWA Board of Director's Resolution 2022-02 and consistent with the requirements of Government Code section 54953(e), as amended by Assembly Bill 361 (2021). The CCWA Operating Committee and public will participate in this meeting by video call or telephone.

Public Comment on agenda items may occur via video call or telephonically, or by submission to the Board Secretary via email at [lfw@ccwa.com](mailto:lfw@ccwa.com) no later than 8:00 a.m. on the day of the meeting. In your email, please specify (1) the meeting date and agenda item (number and title) on which you are providing a comment and (2) that you would like your comment read into the record during the meeting. If you would like your comment read into the record during the meeting (as either general public comment or on a specific agenda item), please limit your comments to no more than 250 words.

Every effort will be made to read comments into the record, but some comments may not be read due to time limitations. Please also note that if you submit a written comment and do not specify that you would like this comment read into the record during the meeting, your comment will be forwarded to Board members for their consideration.

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available on the CCWA internet web site, accessible at <https://www.ccwa.com>.

Eric Friedman  
Chairman

Ed Andrisek  
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

**I. Call to Order and Roll Call**

**II. CLOSED SESSION**

**A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Government Code section 54956.9(d) (1)

Name of case: Central Coast Water Authority, et al. v. Santa Barbara County Flood Control and Water Conservation District, et al. (Case No. 21CV02432)

**B. CLOSED SESSION: CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Government Code section 54956.8

Property: *Warren Act Contract*

Agency negotiator: *Ray Stokes*

**III. RETURN TO OPEN SESSION**

**IV. Public Comment – (Any member of the public may address the Committee relating to any matter within the Committee's jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)**

**V. \* Consent Calendar**

**A. Approve Minutes of the January 13, 2022 Operating Committee Meeting**

*Continued*

255 Industrial Way  
Buellton, CA 93427  
(805) 688-2292  
Fax (805) 686-4700  
[www.ccwa.com](http://www.ccwa.com)

\* Indicates attachment of document to agenda packet

◆ The CCWA FY 2022/23 Preliminary Budget has been provided to Committee members and is available on-line at [www.CCWA.com](http://www.CCWA.com), if you require a hard copy please contact Lisa Watkins at [lfw@ccwa.com](mailto:lfw@ccwa.com)

- VI. Executive Director's Report**
  - A. Operations Update
  - B. Water Supply Situation Report
  - C. 2022 Supplemental Water Purchase Program Update
  - ♦ \* D. CCWA FY 2022/23 Preliminary Budget

**VII. Reports from Committee Members for Information Only**

**VIII. Date of Next Regular Meeting: July 10, 2022**

**IX. Adjournment**

**MINUTES OF THE  
CENTRAL COAST WATER AUTHORITY  
OPERATING COMMITTEE**

**January 13, 2022**

The Operating Committee meeting was conducted pursuant to California Government Code Section 54953 subdivision (e), due to the Governor's proclaimed state of emergency and local officials' recommended "social distancing" measures in response to the COVID-19 pandemic. Committee members participated in this meeting by video call or telephone. Public Comment on agenda items also occurred telephonically.

Ms. Lisa Watkins, Board Secretary, confirmed that all Committee members could hear each other, had received a copy of the meeting agenda, and could hear the proceedings.

**I. Call to Order and Roll Call**

Mr. Garcia, Committee Chair, called the January 13, 2022, Central Coast Water Authority Operating Committee meeting held at 255 Industrial Way, Buellton, California, to order at 9:00 a.m.

Committee members present:

Paeter Garcia	-	Santa Ynez River Water Conservation District, ID#1
Mike Alvarado	-	La Cumbre Mutual Water Company
Ryan Drake	-	Goleta Water District
Rose Hess	-	City of Buellton
Robert McDonald	-	Carpinteria Valley Water District
Shad Springer	-	City of Santa Maria
Shannon Sweeney	-	City of Guadalupe
Dakota Corey	-	City of Santa Barbara
Nick Turner	-	Montecito Water District

Jose Acosta, Advisory Member for the City of Solvang was also present.

**II. Public Comment**

There was no public comment.

**III. Consent Calendar**

A. Approve Minutes of the October 14, 2021 Operating Committee Meeting

Motion to approve the consent calendar was made by Mr. Springer, seconded by Mr. Garcia, and carried following a roll call vote with Committee Members Alvarado, Garcia, Hess, McDonald, Drake, Springer, Sweeney, Corey and Turner in favor and none opposed.

**IV. Executive Director's Report**

A. Operations Update

John Brady, CCWA Deputy Director, reported plant production, chemical costs, and totals pumped into Lake Cachuma.

Mr. Brady also provided an overview of operations:

- During the period of mid-November to the beginning of January the WTP was operating at below minimum design flow.
- In September Geosmin, a taste and odor compound was detected at the WTP, and Mr. Brady reviewed the steps taken to treat the issue.
- Mr. Brady discussed the ongoing work for the West Slope Erosion Repair Project. A conceptual design was prepared by HDR Engineering, which addresses repair and prevention measures of a number of deep erosional ditches on the west slope of the WTP grounds. The size of these ditches increase after significant storm events and one may eventually extend to the WTP main access road.
- CCWA staff identified a number of potential issues related to the WTP concrete structures. Staff has monitored these conditions through time and have a plan to line the concrete surfaces with polyurethane. However, due to the high cost of lining all concrete surfaces, staff is proposing a project for the next fiscal year to retain the services of a concrete structure expert to conduct a detailed engineering assessment and to provide recommendations.
- During shutdown Morro Bay requested an emergency supply of water that CCWA was able to supply for 5 or 6 days.
- A list of projects completed during winter shutdown was provided.
- Mr. Brady provided photos of the new chloramination booster trailer in operation at the CCWA Tank 5 site and showed graphically the effect of the dosing on the choline residual and nitrite concentrations.
- CCWA provided a presentation at DWR's annual fall meeting on how local agencies are preparing for droughts, including desalination, groundwater banking, and supplemental water purchases.
- Due to declining levels in Lake Cachuma, the current CCWA discharge of water into Lake Cachuma is causing erosion. CCWA staff prepared a two phase plan to address the issue. The immediate short term erosion control measures have already been implemented and the Bureau is currently reviewing the long term plan.
- The Lake Delivery Work Group is continuing to work on an operational matrix and new allocation protocol for the Santa Ynez Exchange in the event a participant runs out of water, and has requested aggregated deliveries with the USBR to Lake Cachuma.
- CCWA and MWQI staff met with the Regional Water Quality Control Board (RWQCB) regarding permitting for the North Valley Recycled Water Project. Current regulations do not allow this type of project.
- CCWA has completed its seismic survey and risk management plan audit at the Water Treatment Plant.
- A new Distribution Technician Trainee has been hired, and Mr. Brady provided some background on the new staff member.

## B. Water Supply Situation Report

Ray Stokes, CCWA Executive Director, reviewed the precipitation indices and current reservoir storage conditions, and noted that while December precipitation definitely helped the State's water situation, January has had no precipitation, and none is forecast. However, he anticipates there will be an increase to 10% allocation from DWR.

Mr. Stokes asked if there was any interest in CCWA's Supplemental Water Purchase Program for 2022, and Mr. McDonald, Mr. Turner and Ms. Corey stated that their agencies were interested in additional water. Discussion took place regarding options for acquisition of additional water supply, including the dry year transfer program and coordination with San Luis Obispo County as outlined in the Water Management Study discussed with San Luis Obispo County Flood Control and Water Conservation District January 12, 2022.

C. FY 2022/23 Estimated Water Deliveries for Budgeting Purposes

Mr. Stokes provided background on how water needs estimation was changed recently, and asked for input on what information member agencies would consider beneficial for estimating budgeting numbers. If members would prefer to provide information on what they anticipated their water needs would be as opposed to what was historically used. He noted the budget was intended to be useful information for participants, and feedback would be appreciated.

Following discussion, Mr. Stokes stated that participants would be receiving a request to provide their projections based on anticipated demand which would then be used in CCWA FY 22/23 Budget planning cycle.

D. FY 2022/23 Budget Preparation Schedule

Ms. Dessi Mladenova, CCWA Controller, stated the Budget Process had begun and would continue through February and stated a graphic showing the budget cycle was included in the meeting materials for the information of the Committee.

E. CCWA Warren Act Contract Renewal Update

The Warren Act Contract with the USBR expires in 2022, and negotiations have been slower than expected. Due to other issues, including coordination of the Master Contract, a temporary contract is again in discussion. One of the notable changes is a change in the maximum amount of water allowed to be pumped into Lake Cachuma. It is hoped that the Temporary Contract will be available for approval by the CCWA Board at its April meeting.

Ms. Stephanie Hastings, CCWA General Counsel, explained the timing and environmental filing necessary for the contract renewal.

F. Water Infrastructure Financing Authority Status

The CCWA Board of Directors authorized participation in the Water Infrastructure Financing Authority (WIFA) JPA to allow for long term financing of capital costs related to the State Water Project. Tulare Lake Water Storage District has also joined the JPA, and the WIFA is now effective. Mr. Stokes explained ongoing activities at the State level, primarily waiting for the decision of a trial court on the validation action related to the Contract Extension Amendment.

The Committee adjourned to closed session at 10:27 AM.

**V. Closed Session**

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Government Code section 54956.9(d) (1)  
Name of case: Central Coast Water Authority, et al. v. Santa Barbara County  
Flood Control and Water Conservation District, et al. (Case No. 21CV02432)

**VI. Return to Open Session**

The Committee reconvened to open session at 10:58 AM.

Ms. Hastings, CCWA General Counsel, announced there were no reportable actions as a result of closed session.

**VII. Reports from Committee Members for Information Only**

There were no reports from the Committee members.

**VIII. Date of Next Regular Meeting:**

March 10, 2022 is the date of the next Regular meeting.

**IX. Adjournment**

The meeting was adjourned at 10:59 AM.

Respectfully submitted,

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Elizabeth F. Watkins  
Secretary to the Board



## CENTRAL COAST WATER AUTHORITY

### MEMORANDUM

March 3, 2022

**TO:** CCWA Operating Committee

**FROM:** Dessi Mladenova  
Controller

**SUBJECT:** CCWA FY 2022/23 Preliminary Budget

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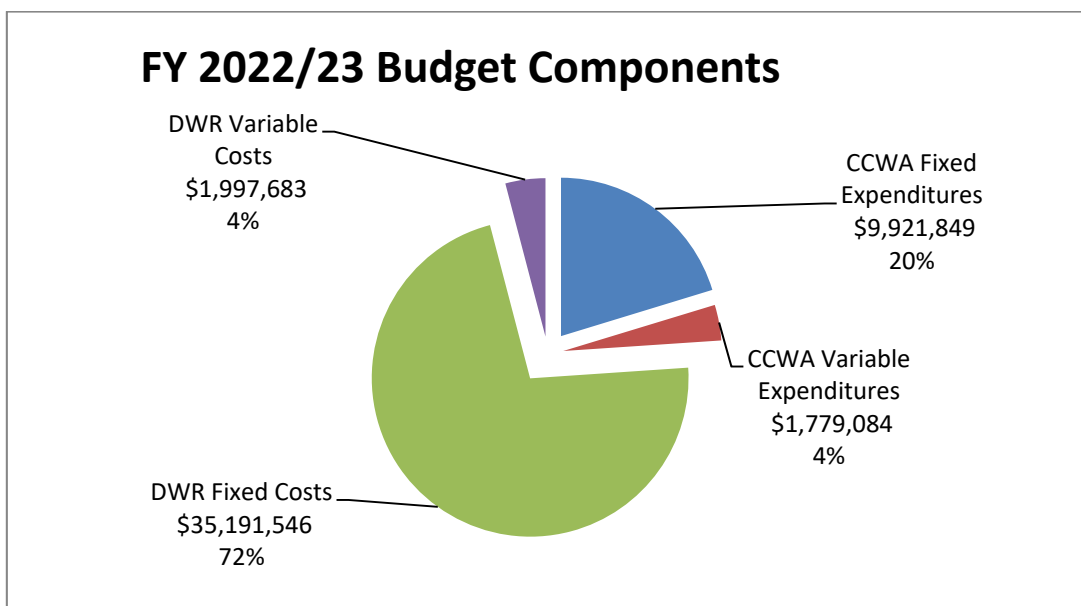
#### SUMMARY

The Preliminary FY 2022/23 Budget document has been posted for review at the CCWA website [www.ccwa.com](http://www.ccwa.com) under the Major Reports tab. This memorandum provides an overview of the preliminary budget and highlights significant changes between it and the Final FY 2021/22 Budget. Staff will provide an overview of the Preliminary FY 2022/23 Budget at the March 10, 2022 Operating Committee meeting, and will be providing an overview at the March 24, 2022 CCWA Board Meeting.

#### DISCUSSION

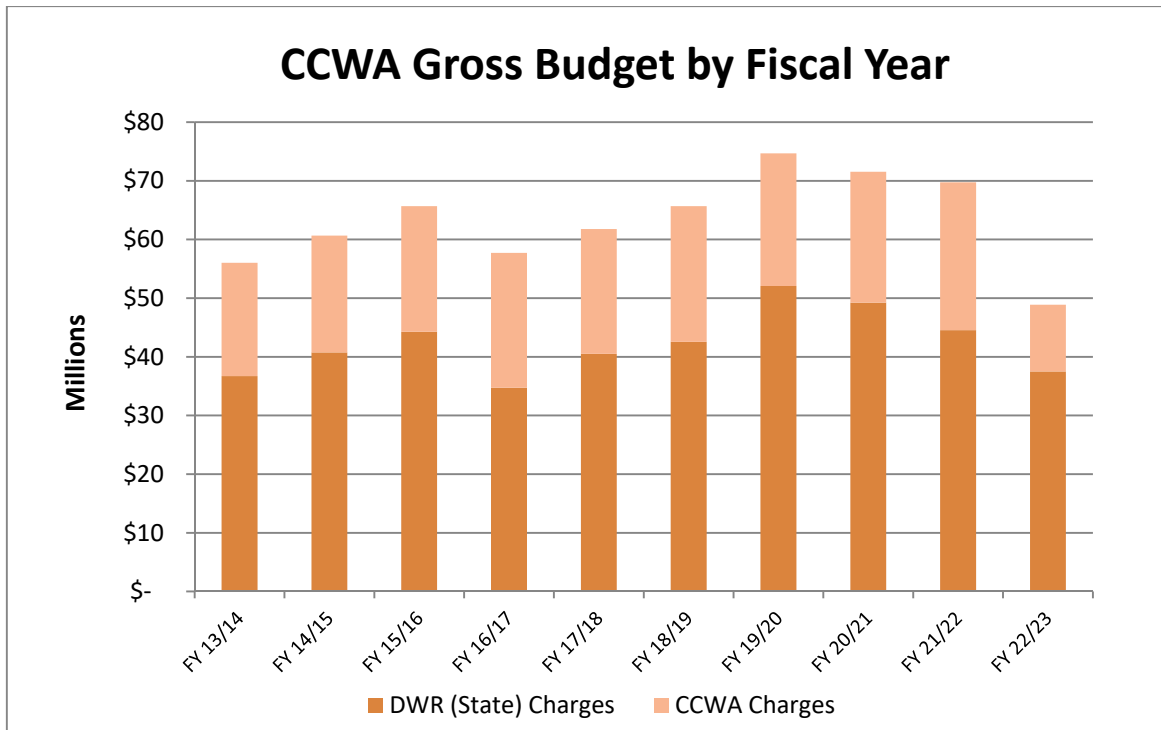
The FY 2022/23 Preliminary Budget calls for total project participant payments of \$47.4 million compared to the FY 2021/22 budget of \$69.6 million, a \$22.2 million decrease.

The following graph shows the various components of the FY 2022/23 Preliminary Budget and subsequent table compares the Preliminary FY 2022/23 Budget and the Final FY 2021/22 Budget:



Budget Item	Final FY 2021/22 Budget	Preliminary FY 2022/23 Budget	Increase (Decrease)
<b>CCWA Expenses</b>			
CCWA Operating Expenses - Fixed	\$ 9,431,318	\$ 8,111,329	\$ (1,319,989)
CCWA Operating Expenses - Variable	4,153,649	1,779,084	(2,374,565)
Revenue Bond Debt Service Payments	10,292,502	-	(10,292,502)
Capital/Non-Capital Projects	1,322,060	1,489,954	167,894
Total CCWA Expenses:	25,199,530	11,380,367	(13,819,163)
<b>Pass-Through Expenses</b>			
DWR Fixed Costs	38,930,845	35,191,546	(3,739,299)
DWR Variable Costs	5,175,906	1,997,683	(3,178,224)
Warren Act and Trust Fund Payments	434,884	320,566	(114,318)
Total Pass-Through Expenses:	44,541,636	37,509,795	(7,031,841)
Subtotal Gross Budget:	69,741,165	48,890,162	(20,851,003)
CCWA (Credits) Due	(142,214)	(1,533,532)	(1,391,317)
TOTAL:	\$ 69,598,951	\$ 47,356,630	\$ (22,242,321)

The following graph shows the CCWA and DWR gross budget (without CCWA credits) for the past ten years.





## CCWA Operating Expense Budget

The Preliminary FY 2022/23 CCWA operating expense budget totals \$9,890,413 which is \$3,694,554 less than the FY 2021/22 operating expense budget, or a 27.20% decrease.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2022/23 and FY 2021/22.

	<b>Final FY 2021/22 Budget</b>	<b>Preliminary FY 2022/23 Budget</b>	<b>Increase</b>	<b>Percentage Change</b>
Fixed O&M	\$ 9,431,318	\$ 8,111,329	\$ (1,319,989)	-14.00%
Variable O&M	4,153,649	1,779,084	(2,374,565)	-57.17%
Total:	<u>\$ 13,584,967</u>	<u>\$ 9,890,413</u>	<u>\$ (3,694,554)</u>	<u>-27.20%</u>

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

### Water Deliveries

Total requested water deliveries for FY 2022/23 are 14,983 acre feet compared to the FY 2021/22 requested deliveries of 31,007 acre feet, a decrease of 16,024 acre-feet.

### Personnel Expenses

Personnel expenses are increasing by about \$283,682 which includes the following changes from the prior year:

- The FY 2022/23 total salaries and wages budget for all departments is increasing \$152,362 as compared to the prior fiscal year budget, representing an increase of 4.75%.
- CalPERS retirement expenses are increasing by approximately \$134,174. The combined CCWA paid employer, employee and unfunded actuarial liability contribution rates for the FY 2022/23 total 30.22% as compared to the prior year amount of 30.20%, for a combined increase of .02%.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$24,522 due to; 1) The 2022 CalPERS health insurance plan with the lowest premiums increased by 23.24% over the 2021 premiums, as opposed to the increase of 5% budgeted for the calendar year 2022. The 2022 health allowances have remained at same levels used in 2021; 2) The FY 2022/23 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2022. The health plan estimates are based on the elections of each employee at the time the budget is prepared.

- Workers' Compensation costs are increasing by \$18,634 due to a 6% increase in the Experience modification rate for CCWA.
- The FY 2022/23 Budget includes a \$149,950 deposit into the Retiree Benefit Trust Program, no change from FY 2021/22 budget amount. This OPEB actuarial determined contribution is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums for employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of CCWA service.

#### Supplies and Equipment

Supplies and equipment are decreasing by \$342,184 based primarily on the reduced cost and amount of chemicals needed. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality.

#### Monitoring Expenses

Monitoring expenses are only increasing by \$3,826 due to a request for additional lab supplies and equipment as identified by the Senior Chemist.

#### Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$10,480 due to increased vehicle and equipment repairs and maintenance-related costs.

#### Professional Services

Professional Services are decreasing by \$1,623,395 due primarily to a decrease in litigation costs.

#### General and Administrative

General and Administrative costs are decreasing by about \$14,999 due to decreased dues and membership costs.

#### Utilities

Utility expenses are decreasing by about \$2,031,742 largely due to a new Santa Ynez Pumping Plant electric cost matrix and operating protocol.

### Other Expenses

Other expenses are increasing by about \$19,904 due to increased insurance costs, computer expenses and equipment rental.

Approximately 57% of the operating expense budget represents personnel expenses. This is followed by 12% for utilities, 11% for supplies and equipment, and 6% for professional services, with the balance being comprised of other expenses.

### **CCWA Capital Improvement & Non-Capital Projects**

The Preliminary FY 2022/23 Budget includes \$1,489,954 for capital and non-capital improvement projects, a \$167,894 increase over the prior year amount. All capital improvement and non-capital projects are funded on a current basis from project participant assessments.

Please refer to the “*Projects*” section of the Preliminary FY 2022/23 Budget for additional information on the budgeted capital improvement projects.

### **Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement Modifications**

The Preliminary FY 2022/23 fixed, capital and variable regional water treatment plant allocation expense and corresponding credit is \$1,198,723 or \$30.68/AF for all Project Participants. The Preliminary FY 2022/23 fixed, capital and variable Santa Ynez exchange agreement modifications total \$252,927, or \$161/AF. The capital retreatment allocation has been reduced to reflect the payment in full of the CCWA bonds on October 1, 2021.

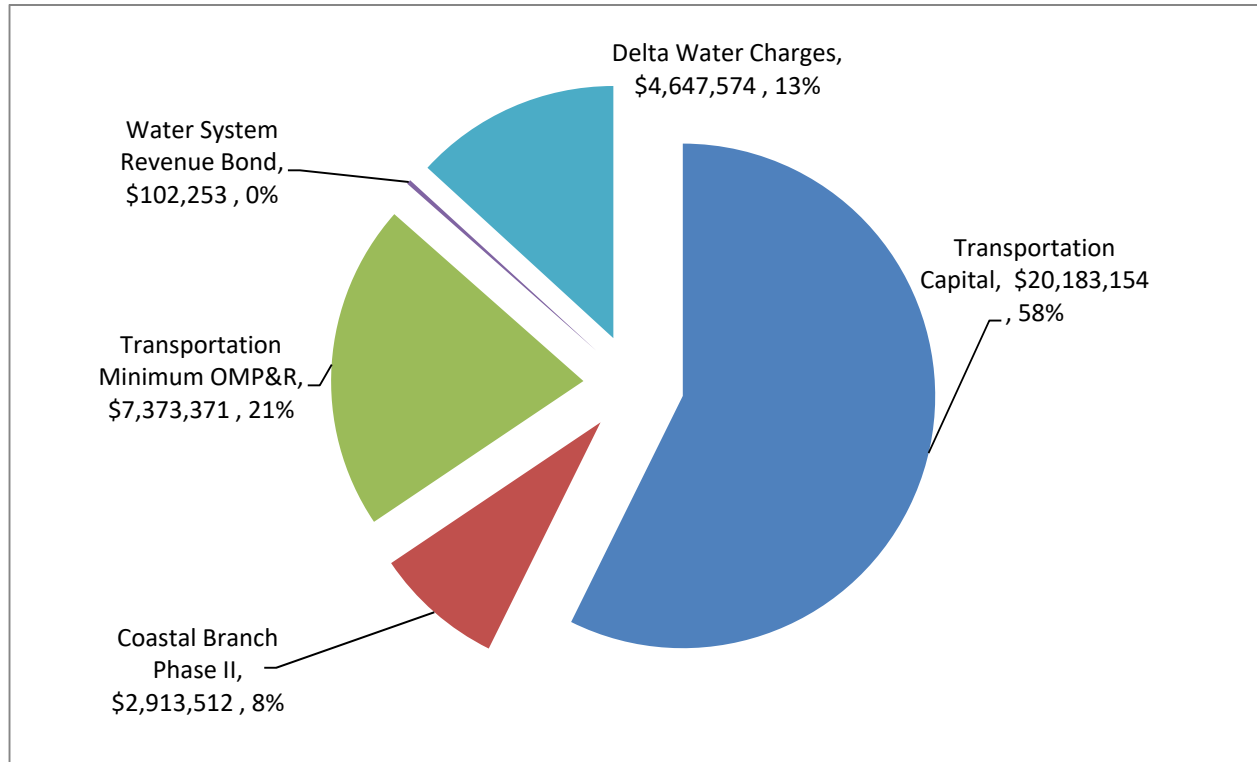
Please refer to the Water Treatment Plant section of the Budget for additional information on the regional water treatment plant allocation and Santa Ynez exchange agreement modifications.

### **Warren Act and Trust Fund Payments**

The Preliminary FY 2022/23 Budget includes \$320,566 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 5,527 acre feet of water to be delivered to Cachuma Lake.

**DWR FIXED COSTS**

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



The FY 2022/23 DWR fixed charges total \$35,219,863 which is \$3,822,009 lower than the FY 2021/22 Budget. The reasons for the cost component variances are described later in this report.

**Transportation Capital**

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

The FY 2022/23 Transportation capital charges are decreasing by \$307,193 due to the following:

<b>Transportation Capital Budget-to-Budget Changes</b>			
	<b>FY 2021/22</b>	<b>FY 2022/23</b>	<b>Change</b>
Calculated Component	\$ 23,455,581	\$ 23,590,644	\$ 135,063
Rate Management Credits	(2,515,020)	(2,486,264)	28,756
Prior Year amount due	356,134	(119,927)	(476,061)
Prior Year Overcollection Credit	(791,837)	(806,191)	(14,354)
Other Adjustments	(14,511)	4,892	19,403
<b>Total:</b>	<b>\$ 20,490,347</b>	<b>\$ 20,183,154</b>	<b>\$ (307,193)</b>

**Coastal Branch Extension-Transportation Capital Reach 37 and 38**

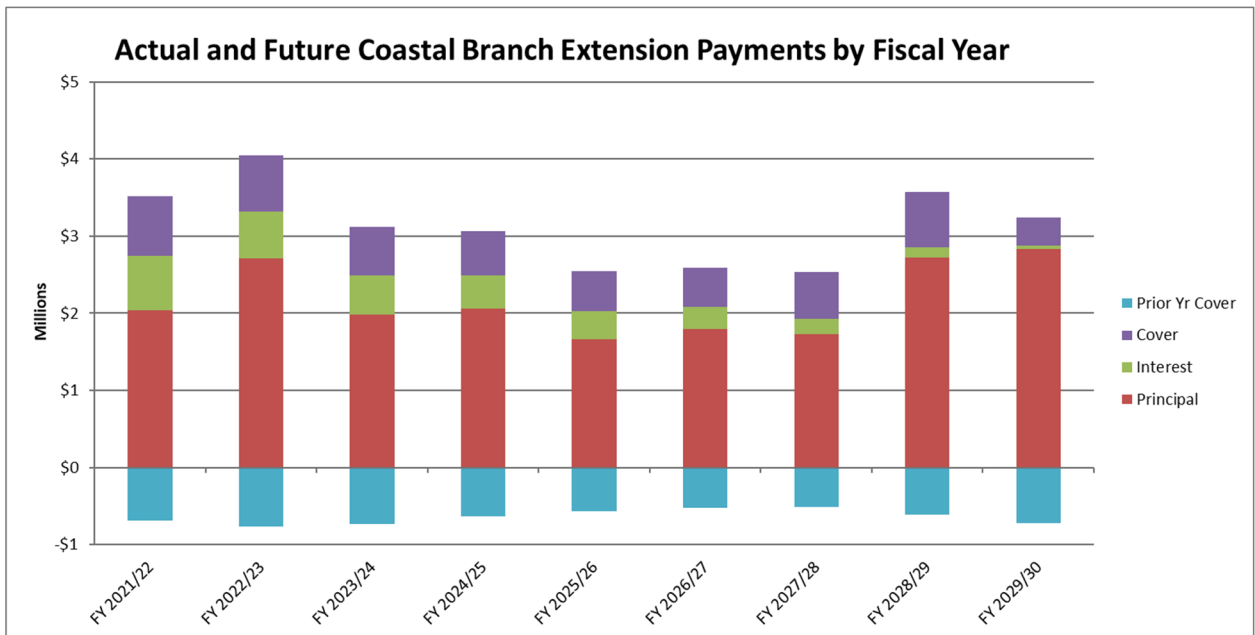
This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according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

Coastal Branch Extension debt service payments for FY 2022/23 total \$2,463,136, which is \$156,371 lower than the prior year amount due to the following:

<b>Coastal Branch Extension Debt Service</b>			
	<b>FY 2021/22</b>	<b>FY 2022/23</b>	<b>Change</b>
Principal Payments	\$ 1,880,463	\$ 2,042,637	\$ 162,174
Interest Payments	863,375	703,930	(159,445)
Bond Cover	778,722	770,102	(8,621)
Rate Management Credits	(162,454)	(184,614)	(22,160)
Return of Prior Year Cover	(680,510)	(685,793)	(5,283)
Prior year amount due (cre	(60,088)	(183,125)	(123,037)
<b>Total:</b>	<b>\$ 2,619,508</b>	<b>\$ 2,463,136</b>	<b>\$ (156,371)</b>

**Principal, Interest and Bond Cover Changes**

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



In addition to the revenue bond principal and interest, DWR also collects bond cover or an additional 25% of revenue bond payments as an additional security for the bond holders.

DWR holds one year of bond cover and then returns the prior year bond cover payments as credits.

**Transportation Minimum OMP&R**

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

For FY 2022/23, total Transportation Minimum OMP&R charges are \$7,373,371, which is \$3,310,877 less than the prior year amount due to the following:

<i>Transportation Minimum OMP&amp;R</i>			
	<b>FY 2021/22</b>	<b>FY 2022/23</b>	<b>Change</b>
Calculated Component	\$ 11,410,855	\$ 11,933,564	\$ 522,709
Prior Year (Over)/Under Collection	(726,608)	(879,873)	(153,265)
Prior Year Amount Due (Credit)		(3,680,321)	(3,680,321)
<b>Total:</b>	<b>\$ 10,684,247</b>	<b>\$ 7,373,371</b>	<b>\$ (3,310,877)</b>

DWR estimates the calendar year charges for each Contractor and then reconciles or “trues-up” the actual charges incurred in the following year(s) resulting in either an over or under-payment of charges.

**Water System Revenue Bond Surcharge**

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2022/23, the WSRB is \$938,157 lower than the prior year amount.

**Delta Water Charge**

The Delta Water Charge is a unit charge applied to each acre-foot of State water Table A. The unit charge covers repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities with appropriate interest, by the end of the State water contract repayment period in 2035.

The FY 2022/23 Delta Water Charge totals \$4,647,574, which is \$440,213 higher than the prior year amount for the following reasons.

<i>Delta Water Charge</i>			
	<b>FY 2021/22</b>	<b>FY 2022/23</b>	<b>Change</b>
Rate per acre-foot	\$ 95.55	\$ 111.50	\$ 15.95
Delta Water Charge	4,346,321	5,071,827	725,506
Rate Management Credits	(138,960)	(138,960)	-
Prior year amount due (credit)		(285,293)	(285,293)
<b>Total:</b>	<b>\$ 4,207,361</b>	<b>\$ 4,647,574</b>	<b>\$ 440,213</b>

As the table above shows, the FY 2022/23 rate per acre-foot totals \$111.50, which is \$15.95/AF more than the prior year amount.

The FY 2022/23 rate includes an estimated \$20.00/AF increase for calendar year 2023 for potential other conservation and delta related facilities (\$10.00/AF on a fiscal year basis).

### **DWR VARIABLE COSTS**

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

- Off-Aqueduct Charge
- Variable OMP&R

### **Variable OMP&R Charges**

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

For 2022/23, the variable OMP&R charges total \$1,997,683, which is \$3,178,223 less than the prior year amount. The budget is based on estimated water deliveries of 10,913 acre-feet.

The cost per acre-foot for water deliveries in FY 2022/23 is estimated to be \$181/AF.

### **Variable Cost Per Acre-Foot Analysis**

The Preliminary FY 2022/23 variable cost per acre-foot for Table A water is \$276.65 for the North County project participants and \$425.98 for South Coast project participants.

The Preliminary Budget for FY 2022/23 reflects 1,575 AF in exchange deliveries between Santa Ynez ID#1 and the South Coast exchange participants. The large decrease in the estimated cost per acre-foot for South Coast project participants is due to the development of SYPP Operational Matrix to aid in the cost estimate for pumping water to Lake Cachuma by delivery amount and by number of pumps used.

### **Total Payments Comparison by Project Participant**

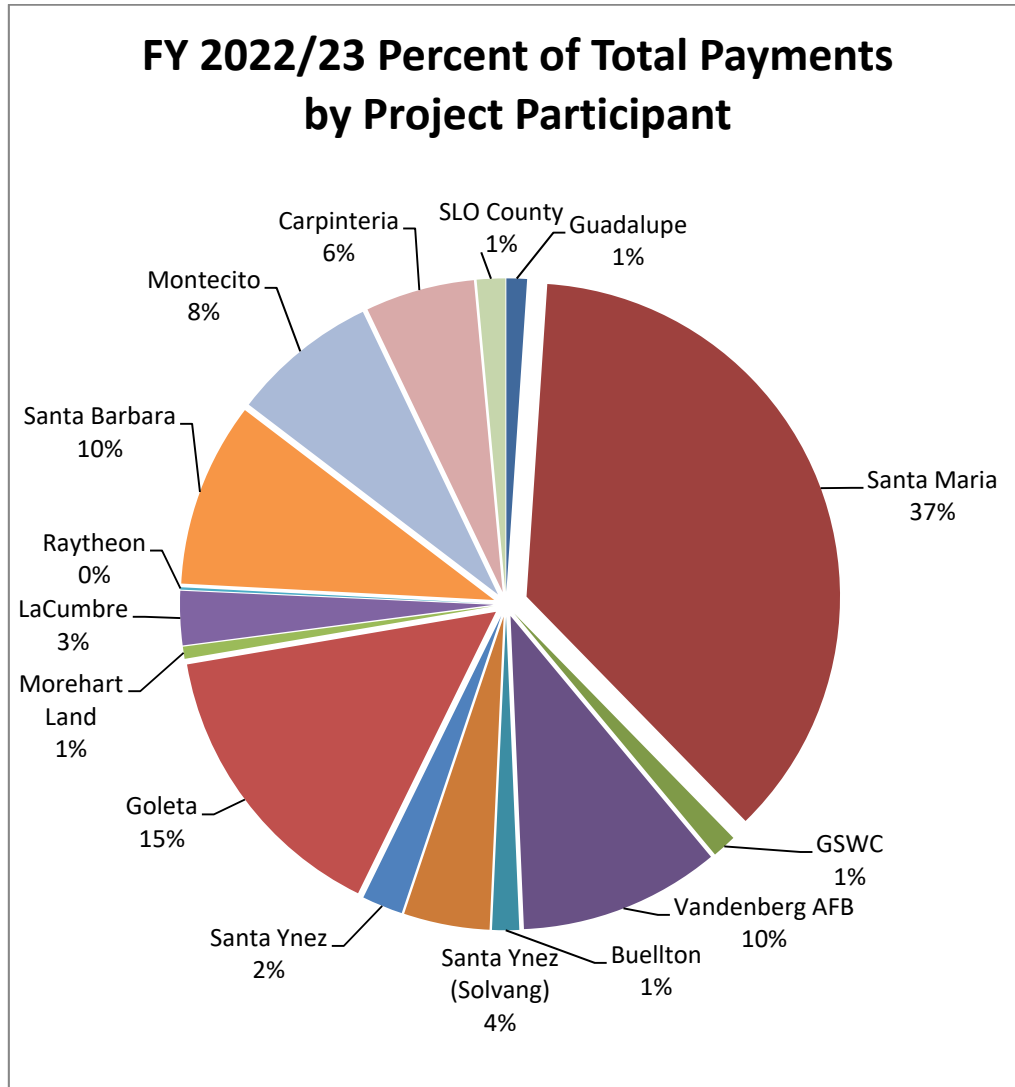
The following table shows the total budgeted payments by project participant for FY 2021/22 and total payments shown on the FY 2022/23 Preliminary Budget and the corresponding increase or (decrease).

Project Participant	Total		Change FY 2021/22 to FY 2022/23
	Payments FY 2021/22	Payments FY 2022/23	
Guadalupe	\$ 964,200	\$ 500,816	\$ (463,385)
Santa Maria	23,185,514	17,348,369	(5,837,146)
Golden State Water Co.	780,559	595,626	(184,934)
Vandenberg AFB	8,028,509	4,911,404	(3,117,105)
Buellton	1,165,801	660,417	(505,384)
Santa Ynez (Solvang)	2,992,917	2,098,494	(894,423)
Santa Ynez	1,643,238	995,419	(647,818)
Goleta	8,885,759	7,133,761	(1,751,998)
Morehart Land	401,327	294,745	(106,582)
La Cumbre	2,196,250	1,317,630	(878,620)
Raytheon	102,603	56,005	(46,598)
Santa Barbara	6,763,114	4,512,054	(2,251,060)
Montecito	6,304,724	3,571,269	(2,733,455)
Carpinteria	4,346,945	2,666,068	(1,680,877)
Shandon	25,679	11,395	(14,284)
Chorro Valley	1,278,174	343,434	(934,741)
Lopez	533,638	339,725	(193,913)
<b>TOTAL:</b>	<b>\$ 69,598,953</b>	<b>\$ 47,356,630</b>	<b>\$ (22,242,322)</b>



## FY 2022/23 Total Payments by Percentage

The following chart shows the percentage of total payments for FY 2022/23 by project participant.



## Budget in Brief

Attached to this report is a "FY 2022/23 Preliminary Budget in Brief" which provides a snapshot of each major component of the proposed FY 2022/23 Preliminary Budget.

## Budget Items Not Included in the Preliminary Budget

The following is a partial list of the items that are not included in the preliminary budget but will be included in the final budget.

- Ten Year Financial Plan
- Budget transmittal letter
- Appendix to the budget
- Miscellaneous charts and graphs

- Significant Accomplishments, Goals and Performance Measures

If you have specific questions that can be addressed before the meeting, please call me at 805-688-2292, extension 223.

DHM



## Central Coast Water Authority FY 2022/23 Proposed Final Budget in Brief

### FY 2022/23 BUDGET SUMMARY

	FY 2021/22	FY 2022/23	Increase
	Budget	Budget	(Decrease)
CCWA Operating Expenses	\$ 13,584,969	\$ 9,890,413	\$ (3,694,556)
DWR Fixed and Variable Costs	44,106,752	37,189,229	(6,917,524)
Capital Improvement & Non Capital Projects	1,322,060	1,489,954	167,894
Warren Act Charges	434,884	320,566	(114,318)
Debt Service Payments	10,292,502	-	(10,292,502)
Subtotal	69,741,168	48,890,162	(20,851,006)
CCWA Credits	(142,214)	(1,533,532)	(1,391,317)
<b>TOTAL :</b>	<b>\$ 69,598,954</b>	<b>\$ 47,356,630</b>	<b>\$ (22,242,323)</b>

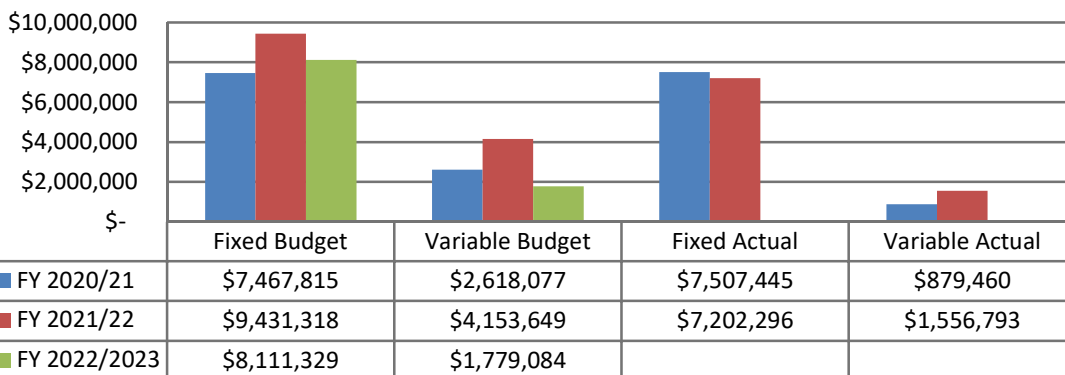
\$20.9 million decrease in the gross budget, excluding CCWA credits

### CCWA OPERATING EXPENSES

	FY 2021/22	FY 2022/23	Increase
	Budget	Budget	(Decrease)
Personnel	\$ 5,320,385	\$ 5,604,067	\$ 283,682
Office Expenses	21,300	21,300	-
Supplies & Equipment	1,375,311	1,033,127	(342,184)
Monitoring Expenses	117,408	121,234	3,826
Repairs & Maintenance	292,810	303,290	10,480
Professional Services	2,234,785	611,390	(1,623,395)
General & Administrative	307,162	292,163	(14,999)
Utilities	3,177,673	1,145,930	(2,031,742)
Other Expenses	738,135	757,912	19,777
<b>Total Operating Expense</b>	<b>\$ 13,584,969</b>	<b>\$ 9,890,413</b>	<b>\$ (3,694,556)</b>

Total operating expense decrease of \$3.7 million inclusive of the following factors: \$283k increase in Personnel costs; \$342k decrease in supplies and equipment; \$1.6 million increase in professional services related to legal services, G&A is lower by \$15k for decreased memberships and dues; \$20k increase in other expenses due to anticipated increase in insurance costs and increased computer expenses; \$10k increase in repairs and maintenance related to increased vehicle repair costs, and \$2.0 million in decreased utilities due to the development of a new operational matrix for estimating electric costs for SYPP and decreased water delivery requests.

### Operating Expenses Fixed and Variable Expenses



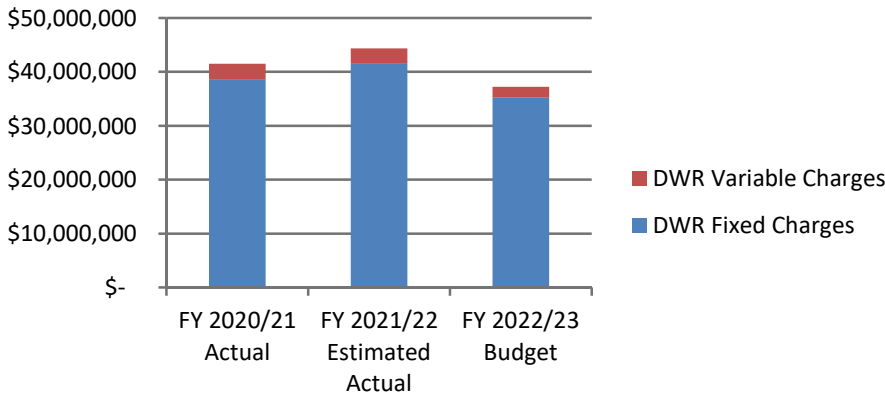
## DWR FIXED AND VARIABLE CHARGES

DWR Fixed cost decrease of \$3.8 million due to reduced Transportation Minimum costs of \$3.3 million, reduced Water System Revenue Bond costs of \$ 938k, and reduced costs in Transportation Capital of \$ 307k combined with an increase of \$295k in Coastal Branch costs and increase of \$440k in Delta Water charges .

DWR Variable cost decrease of \$3.2 million over FY 2021/22 is largely due to a decrease in the estimated water delivery requests and the Variable OMP&R costs per AF based on DWR initial invoicing rate for January 2022.

	FY 2021/22 Budget	FY 2022/23 Budget	Increase (Decrease)
Transportation Capital	\$ 20,490,347	\$ 20,183,154	\$ (307,193)
Coastal Branch Phase II	2,619,508	2,913,512	294,004
Transportation Minimum OMP&R	10,684,247	7,373,371	(3,310,876)
Water System Revenue Bond	1,040,410	102,253	(938,157)
Delta Water Charge	4,207,361	4,647,574	440,213
<b>Subtotal Fixed DWR Charges</b>	<b>39,041,872</b>	<b>35,219,863</b>	<b>(3,822,009)</b>
Off-Aqueduct Charges	18,454	22,430	3,976
Variable OMP&R	5,157,453	1,975,253	(3,182,200)
<b>Subtotal Variable DWR Charges</b>	<b>5,175,907</b>	<b>1,997,683</b>	<b>(3,178,225)</b>
DWR Account Investment Income	(111,027)	(28,317)	82,710
<b>Total DWR Charges</b>	<b>\$ 44,106,752</b>	<b>\$ 37,189,229</b>	<b>\$ (6,917,524)</b>

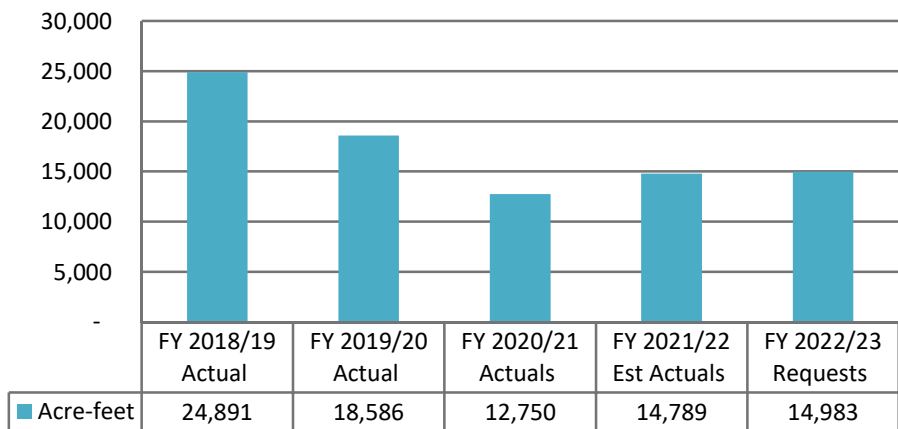
### DWR Fixed and Variable Charges



The significant fluctuations in DWR fixed costs year-to-year is due to the DWR Transportation Minimum OMP&R cost component and its calculation for annual over and under-collections. Historically, the Transportation Minimum cost component of DWR Statement of Charges has been the most volatile DWR charge. The volatility is partly based on DWR's Statement of Charges being based on estimates and then reconciling or preparing a "true-up" based on the actual costs incurred.

DWR Delivery Allocation Percentage	
Calendar	
Year	Percentage
2011	80%
2012	65%
2013	60%
2014	5%
2015	20%
2016	60%
2017	85%
2018	35%
2019	75%
2020	20%
2021	5%
2022 (current)	15%

### Water Deliveries and Requests

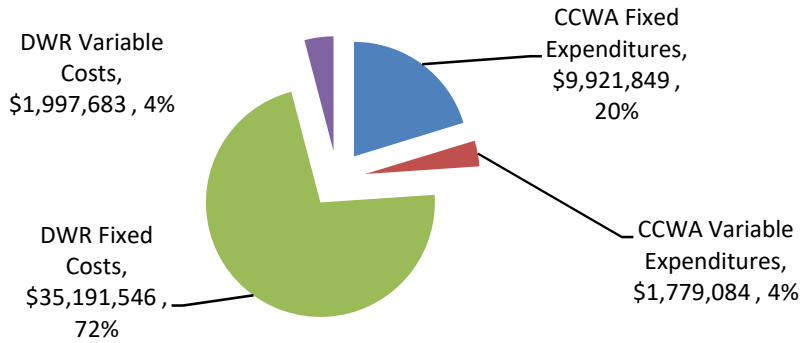


## OTHER EXPENDITURES

	FY 2021/22 Budget	FY 2022/23 Budget	Increase (Decrease)
Debt Service Payments	\$ 10,292,502	\$ -	\$ (10,292,502)
Capital Improvement & Non-Capital Projects	1,322,060	1,489,954	167,894
Warren Act Charges	434,884	320,566	(114,318)
<b>Total Other Expenditures</b>	<b>\$ 12,049,446</b>	<b>\$ 1,810,520</b>	<b>\$ (10,238,926)</b>

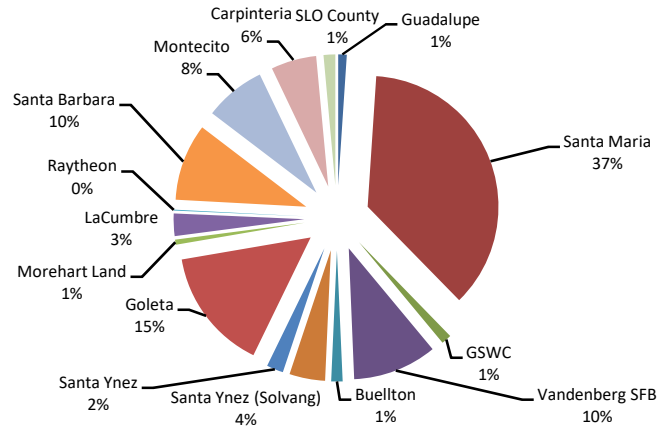
\$168k increase in Capital & Non-Capital Projects; \$10.2 million decrease in debt service payments; \$114k decrease in Warren Act Charges.

### FY 2022/23 Budget Components



**76% of the CCWA Budget is outside of the direct control of CCWA.** DWR costs comprise 76% of the total CCWA Budget.

### FY 2022/23 Percent of Total Payments by Project Participant



#### FY 2022/23 Variable Cost Per Acre-Foot

##### Table A Water

North Santa Barbara County	\$ 276.65
South Santa Barbara County	\$ 425.98

##### Santa Ynez Exchange Water

Santa Ynez ID#1	\$ 160.59
South Coast Exchange Participants	\$ 183.06

For more information, please contact the Central Coast Water Authority at (805) 688-2292 or visit our website at: [ccwa.com](http://ccwa.com)