

# Central Coast Water Authority

A CALIFORNIA JOINT POWERS AUTHORITY

Fiscal Year

**2014/15 Budget**

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# Central Coast Water Authority

## Mission:

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

## Objectives:

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





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Central Coast Water Authority  
California**

For the Fiscal Year Beginning

**July 1, 2013**

Executive Director

Central Coast Water Authority  
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Fiscal Year 2014/15 Budget

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*Polonio Pass Water Treatment Plant Filter Backwash Line*

## ***Budget Foreword***

**T**he Budget Foreword section of the FY 2014/15 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

# Highlights

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## General Information

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

## Operational Information

• Polonio Pass Water Treatment Plant capacity	50 million gallons per day
• Authority Pipeline (in miles)	42
• Coastal Branch Phase II Pipeline (in miles)	101
• Number of water storage tanks	7
• Number of turnouts	10
• Number of full-time equivalent Positions	29.50

Central Coast Water Authority  
Reader's Guide  
Fiscal Year 2014/15 Budget

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

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

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

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



April 24, 2014

Board of Directors  
Central Coast Water Authority

Dear Members of the Board:

Jack Boysen  
Chairman  
Richard Shaikewitz  
Vice Chairman  
Ray Stokes  
Executive Director

Submitted herewith is the Fiscal Year (FY) 2014/15 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2014/15.

Brownstein Hyatt  
Farber Schreck  
General Counsel

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

*Member Agencies*

City of Buellton

Carpinteria Valley  
Water District

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

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

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

Montecito Water District

Santa Ynez River Water  
Conservation District,  
Improvement District #1

For sixteen consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2014/15 Budget for consideration of the GFOA budget award.

*Associate Member*

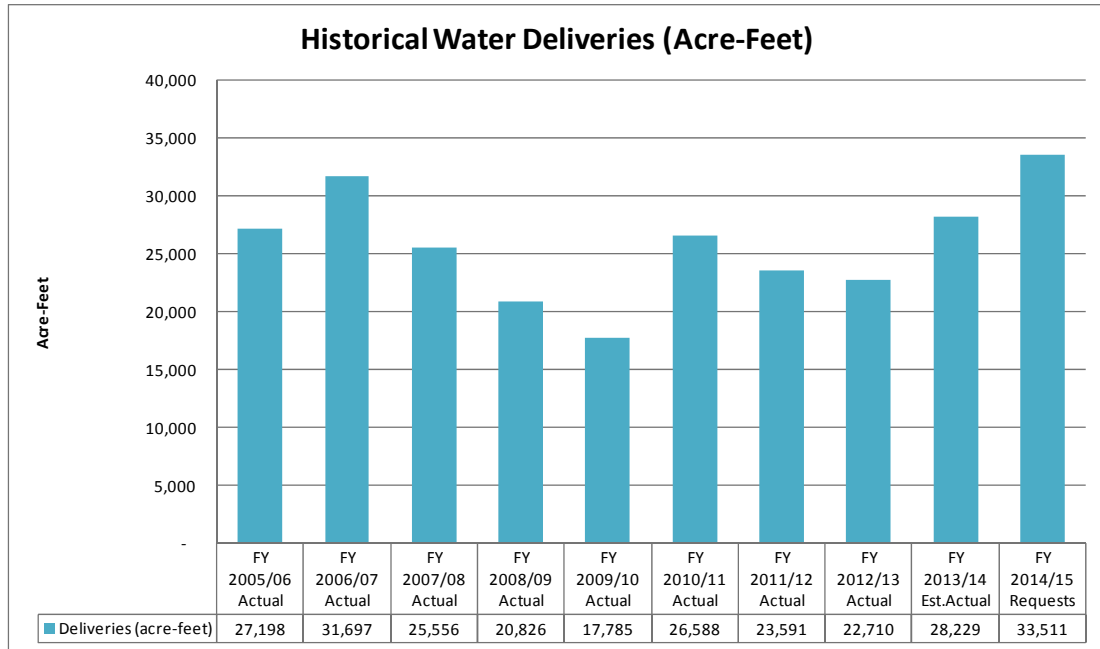
La Cumbre Mutual  
Water Company

## **AN OVERVIEW OF LAST FISCAL YEAR**

The following are some of the major highlights from FY 2013/14:

### Water Deliveries

Total deliveries during FY 2013/14 by CCWA to the Santa Barbara and San Luis Obispo County project participants are estimated to be 28,229 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.

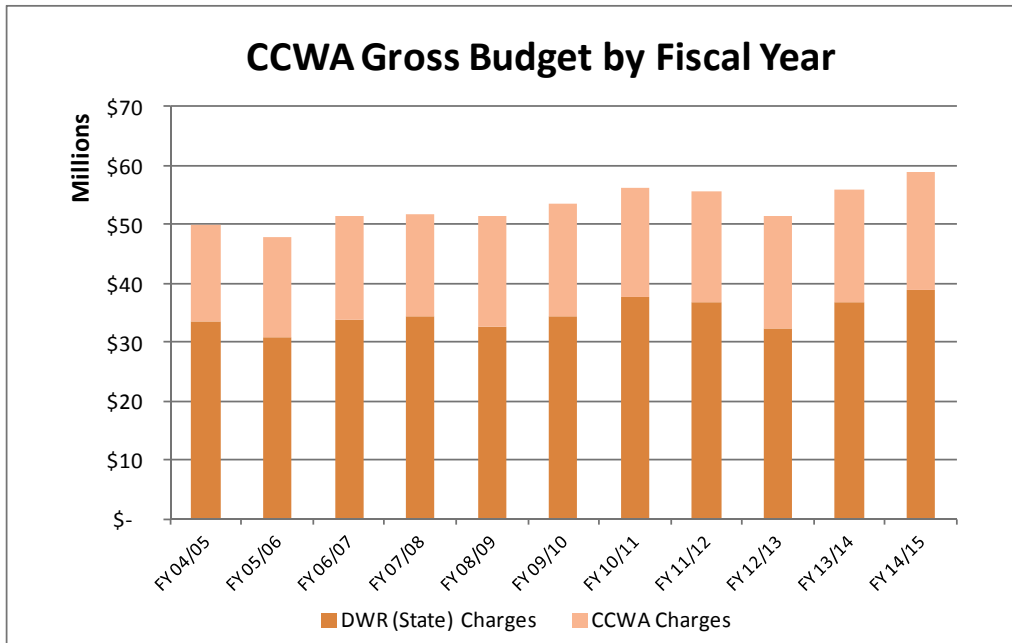


**CCWA Credits**

Actual CCWA operating expenses for FY 2013/14 are anticipated to be approximately \$1 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2014/15.

**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.

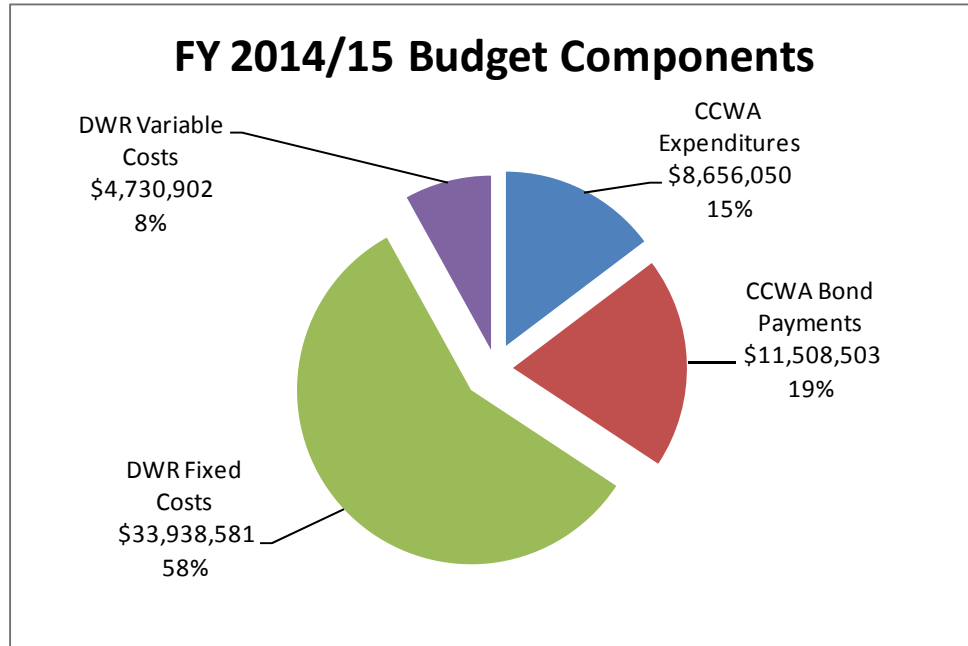
### DWR Contract Extension and Amendment

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:



The following table compares the FY 2014/15 Budget and the FY 2013/14 Budget:

Budget Item	Final FY 2013/14 Budget	Final FY 2014/15 Budget	Increase (Decrease)
<u>CCWA Expenses</u>			
CCWA Operating Expenses	\$ 7,554,995	\$ 7,901,618	\$ 346,623
Revenue Bond Debt Service Payments	11,508,383	11,508,503	120
Capital Improvement Projects	239,915	495,810	255,895
Non-Annual Recurring Expenses	-	-	-
Total CCWA Expenses:	19,303,293	19,905,931	602,638
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	33,324,313	33,938,581	614,268
DWR Variable Costs	3,277,796	4,730,902	1,453,106
Warren Act and Trust Fund Payments	118,891	258,622	139,731
Total Pass-Through Expenses:	36,721,000	38,928,105	2,207,105
Subtotal Gross Budget:	56,024,293	58,834,036	2,809,743
CCWA Credits	(501,039)	(162,075)	338,964
TOTAL:	\$ 55,523,254	\$ 58,671,961	\$ 3,148,707

## CCWA Operating Expense Budget

The FY 2014/15 CCWA operating expense budget total is \$7.9 million, which is \$0.3 million higher than the FY 2013/14 operating expense budget, a 4.59% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2014/15 and FY 2013/14.

	Final FY 2013/14 Budget	Final FY 2014/15 Budget	Increase	Percentage Change
Fixed O&M	\$ 6,142,486	\$ 6,244,893	\$ 102,406	1.67%
Variable O&M	1,412,508	1,656,725	244,217	17.29%
Total:	\$ 7,554,995	\$ 7,901,618	\$ 346,623	4.59%

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

### Personnel Expenses

Personnel expenses are increasing about \$85,000, which includes the following changes from the prior year:

- The FY 2014/15 Budget includes a \$106,499 salary pool for employee salary increases based on a salary pool percentage of 4.14%. The salary pool percentage is comprised of a 3% merit component and a 1.14% change in the consumer price index, which was approved by the CCWA Board of Directors at their meeting on April 24, 2014. The total salaries and wages budget is only increasing by about \$27,000 because of a new employee hired at a lower salary and certain employees who have remained at the top of their salary range, stalling their salary growth.
- PERS retirement expenses are increasing by about \$37,000 due to salary increases and the change in the employer and employee contribution rate for the FY 2014/15 to 21.507% as compared to the prior year amount of 20.810%
- Health insurance expenses and cafeteria plan benefits combined are increasing by about \$13,000 due to an increase dental and vision claims along with a small 0.16% increase in health insurance premiums, as opposed to the budgeted increase of 5% for calendar year 2014. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2015.
- The FY 2014/15 Budget includes \$43,000 for deposit into the California Employers' Retiree Benefit Trust Program (CERBT) which represents a \$3,840 increase in the estimated FY 2014/15 from the FY 2013/14 budgeted amount of \$39,000 for the annually required contribution for the CCWA retiree medical benefit.



### Supplies and Equipment

Supplies and equipment are decreasing by around \$172,000 due primarily to lower chemical costs.

### Monitoring Expenses

Monitoring expenses are increasing by \$15,000 for lab tools and equipment as compared to last fiscal year because no funds were requested for the prior year.

### Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$20,000 primarily for repairs and maintenance needed as equipment, structures and vehicles age.

### Utilities

Utility expenses are increasing by about \$390,000 primarily due to an increase in requested water deliveries into Lake Cachuma of 2,409 AF compared to the prior fiscal year.

### **CCWA Capital Improvement Projects**

The FY 2014/15 Budget includes \$495,810 for capital improvements, a \$256,000 increase over the prior year amount. All capital improvement projects are funded on a current basis from project participant assessments.

Please refer to the “*Capital Improvements*” section of this FY 2014/15 Budget for additional information on the budgeted capital improvement projects.

### **CCWA 2006A Revenue Bond Debt Service**

CCWA 2006A revenue bond debt service for FY 2014/15 totals \$11.5 million, which is almost exactly the same as the prior year amount.

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

The FY 2014/15 Budget includes \$258,622 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 4,459 acre feet of water to be delivered to Lake Cachuma.

## CCWA Credits

The FY 2014/15 budget includes the following credits:

CCWA O&M Credits	\$	136,662
O&M Reserve Fund Interest Income		4,299
Rate Coverage Reserve Fund Interest		20,100
Prepayments and Other Credits		1,014
	\$	<u>162,075</u>

## DWR Charges

The FY 2014/15 DWR fixed charges total \$33.9 million, which is \$0.6 million more than the FY 2013/14 Budget. The DWR variable charges total \$4.7 million, which is \$1.4 million more than the prior year amount.

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

## CONCLUSION

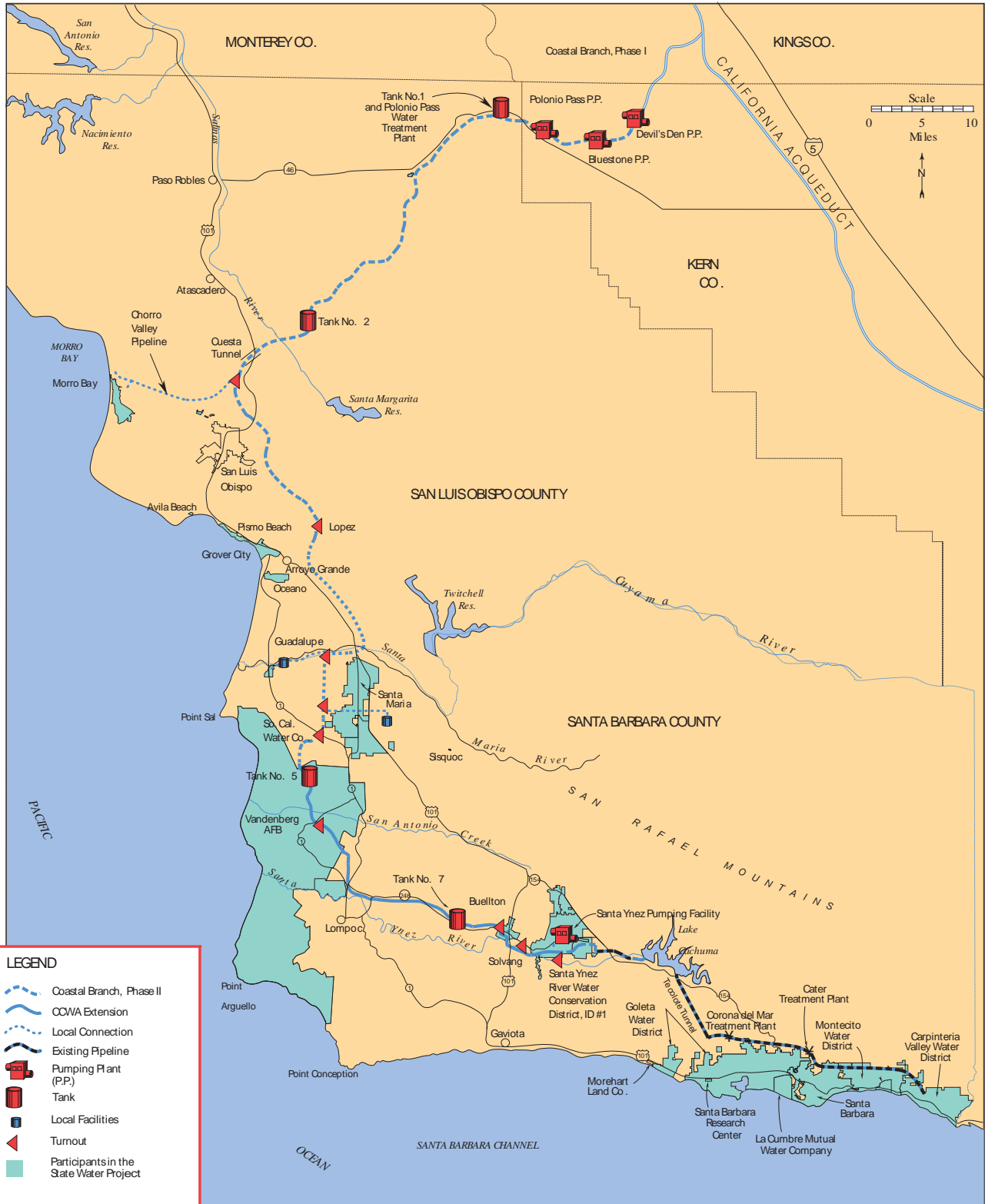
We are proud of the many accomplishments achieved during the past year through the combined efforts of CCWA staff and project participants. We look forward to the challenges of the upcoming productive successful year.

Sincerely,



Ray Stokes  
Executive Director

# Project Map



**LEGEND**

- Coastal Branch, Phase II
- COWA Extension
- Local Connection
- Existing Pipeline
- Pumping Plant (P.P.)
- Tank
- Local Facilities
- Turnout
- Participants in the State Water Project



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

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

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

Central Coast Water Authority  
Organization Overview, Structure and Staffing  
Fiscal Year 2014/15 Budget

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**Board of Directors Voting Percentages**

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

**CCWA Committees**

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

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

**Santa Barbara County Project Participants**

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

Central Coast Water Authority  
**Organization Overview, Structure and Staffing**  
 Fiscal Year 2014/15 Budget

**Santa Barbara County Project Participant Table A Amounts**

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

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

**San Luis Obispo County Water Purchasers**

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

**San Luis Obispo County Project Participant Table A Amounts**

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

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Water Supply Agreements

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

Local Water Treatment Agreements

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

State Water Project

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

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

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

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

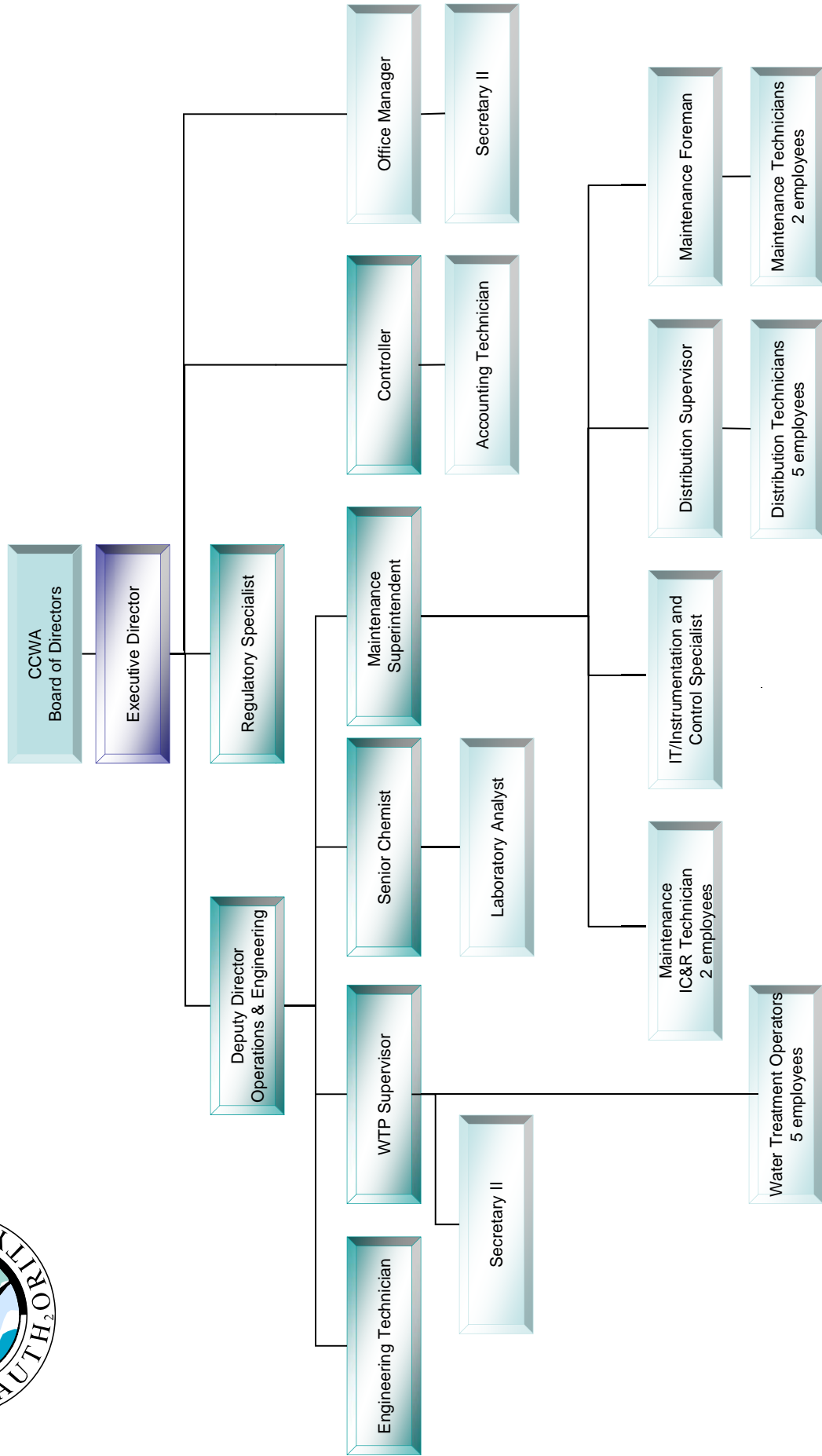
The CCWA Extension begins at a diameter of 39 inches at Tank 5, continuing south to a point near Lompoc where it turns east, reducing to a diameter of 30 inches along the way. Water flows by gravity to the Santa Ynez Pumping Plant. At this facility, the chloramines used for disinfection are removed (a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

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



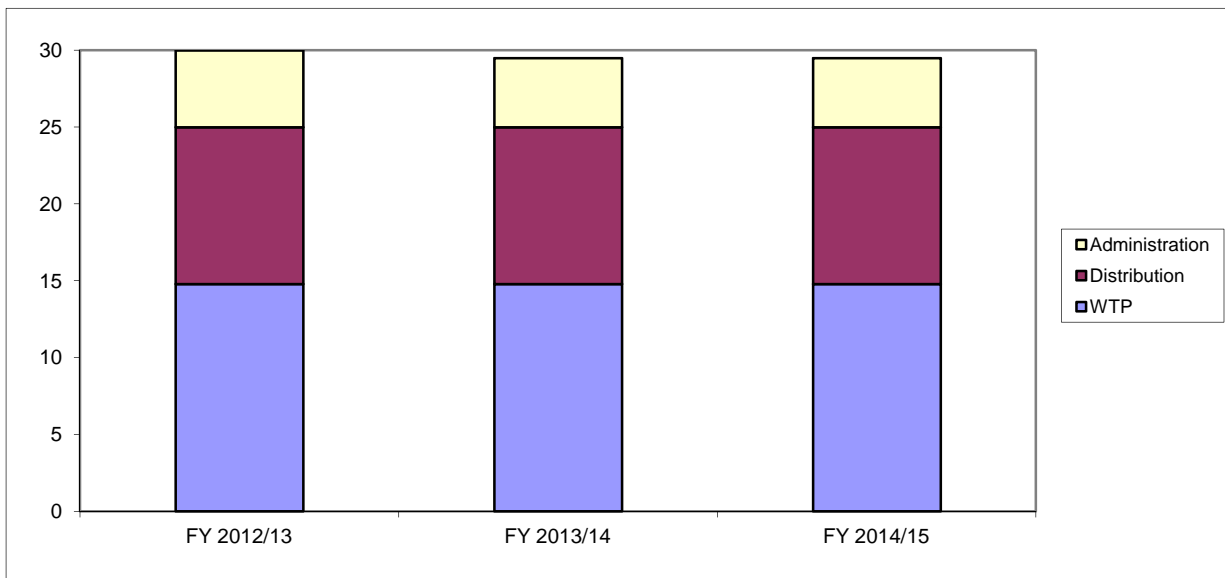


# Central Coast Water Authority Organization Chart FY 2014/15



Central Coast Water Authority  
**Personnel Count Summary**  
**All Departments**  
 Fiscal Year 2014/15 Budget

<b>PERSONNEL COUNT SUMMARY</b>					
Position Title	Number Authorized FY 2012/13	Number Authorized FY 2013/14	Number Requested FY 2014/15	Change Over FY 2012/13	Change Over FY 2013/14
Executive Director	1.00	1.00	1.00	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager	1.00	-	-	(1.00)	-
Regulatory Specialist	1.00	1.00	1.00	-	-
Controller	-	1.00	1.00	1.00	-
Senior Accountant	1.00	-	-	(1.00)	-
Office Manager	-	1.00	1.00	1.00	-
Secretary II	2.50	1.50	1.50	(1.00)	-
Accounting Technician	0.50	1.00	1.00	0.50	-
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Manager	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	2.00	2.00	2.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	30.00	29.50	29.50	(0.50)	-



Central Coast Water Authority  
**Budget Process**  
Fiscal Year 2014/15 Budget

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Fiscal Year Budget

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

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

Ten Year Financial Plan

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

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

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

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

Committee Review of the Budget

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

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

Board Adoption of the Fiscal Year Budget

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

Budget Amendment Process

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

CCWA Financial Schedule FY 2014/15

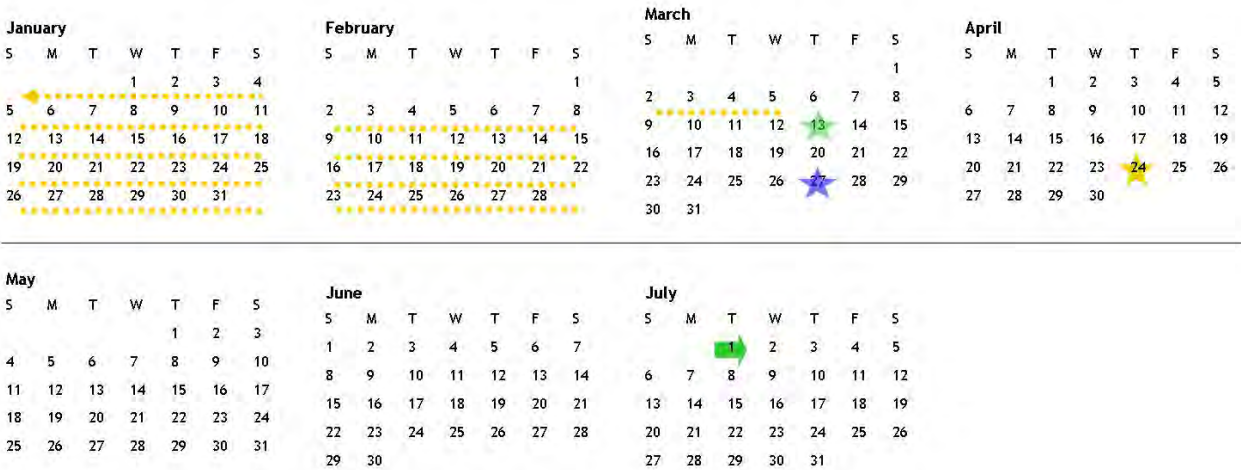
The Financial Schedule on the following page provides a graphical overview of the major financial milestones that occur for the budget preparation and the corresponding revenue and expenditure cycles.

Central Coast Water Authority  
**Budget Process**  
 Fiscal Year 2014/15 Budget

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**CCWA Budget Planning Schedule**  
**FY 2014/15 Budget**

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- Receive DWR Statement of Charges (for following calendar year)
- Prepare Draft Budget
- Submit Preliminary Budget to Operating Committee
- Submit Preliminary Budget to Finance Committee
- Submit Preliminary Budget to Board of Directors
- Board Approval of Final Budget
- Beginning of 2014/15 Budget Expenditure Cycle

July 1, 2013  
 November 1, 2013 - February 26, 2014  
 March 14, 2014  
 March 14, 2014  
 March 27, 2014  
 April 24, 2014  
 July 1, 2014

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Central Coast Water Authority  
Financial Reporting Basis  
Fiscal Year 2014/15 Budget

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**Budget Reporting**

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

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

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

**Administration**

**Water Treatment Plant**

**Distribution**

CCWA Reaches

Mission Hills II

Santa Ynez I

Santa Ynez II

DWR Reaches

Reach 33B

Reach 34

Reach 35

Reach 37

Reach 38

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

**Financial Statement Reporting**

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

Central Coast Water Authority  
**Budget Policy and Strategy**  
Fiscal Year 2014/15 Budget

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The Fiscal Year 2014/15 Budget document has been prepared after analyzing, evaluating, and justifying both the financial and non-financial objectives and goals of the Authority for the current year and beyond. The Authority's budget is a comprehensive document which enables the Board of Directors and Authority staff to evaluate the Authority's past and future.

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

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

### **BUDGET POLICIES**

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



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



Central Coast Water Authority  
**Budget Policy and Strategy**  
Fiscal Year 2014/15 Budget

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

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

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

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

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

Central Coast Water Authority  
**Budget Policy and Strategy**  
Fiscal Year 2014/15 Budget

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

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

**CAPITAL IMPROVEMENTS POLICY**

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

**DEBT POLICY**

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

Central Coast Water Authority  
**Budget Policy and Strategy**  
Fiscal Year 2014/15 Budget

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

**RESERVE POLICY**

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

**INVESTMENT POLICY**

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

**ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES**

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

Central Coast Water Authority  
**Budget Policy and Strategy**  
Fiscal Year 2014/15 Budget

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



*Annual Right of Way Mowing*

## ***Budget Summary***

**T**he Budget Summary section of the FY 2014/15 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document as well as cost per acre-foot amounts based on the FY 2014/15 Budget.

# Highlights

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## **Budget Summary**

• FY 2014/15 Gross Budget	\$ 58,834,036
• FY 2013/14 Gross Budget	<u>\$ 56,024,293</u>
Increase:	\$ 2,809,743
• FY 2014/15 CCWA Credits	\$ 162,075
• FY 2013/14 CCWA Credits	<u>\$ 501,039</u>
Decrease:	\$ (338,964)
• FY 2014/15 Net Budget (After CCWA Credits)	\$ 58,671,961
• FY 2013/14 Net Budget (After CCWA Credits)	<u>\$ 55,523,254</u>
Increase:	\$ 3,148,707

## **Significant Budget Changes**

- DWR Fixed cost increase of \$0.6 million due to an under collection by DWR in the Transportation Minimum OMP&R costs for prior years
- DWR Variable cost increase of \$1.5 million due to an increase in deliveries coupled with a large increase in the DWR Variable OMP&R costs for electricity due to lower hydroelectric generation from decreased water deliveries
- CCWA Fixed O&M Expense budget increase of \$102,406
- CCWA Variable O&M Expense budget increase of \$244,217
- CCWA capital improvement projects budget increase of \$255,895



Central Coast Water Authority

**Budget Summary**

Fiscal Year 2014/15 Budget

	FY 2012/13		FY 2013/14		Change from FY 2013/14 Budget	Change from FY 2013/14 Est. Actual
	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget		
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
<b>SOURCES OF CASH</b>						
CCWA Operating Expenses <sup>(1)</sup>	7,806,758	7,554,995	7,554,995	7,901,618	346,623	346,623
Debt Service Payments	11,569,637	11,508,383	11,508,383	11,508,503	120	120
Capital Improvement Projects	(302,328)	239,915	239,915	495,810	255,895	255,895
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	142,280	-	100,000	-	-	(100,000)
CCWA Credits	-	(501,039)	(501,039)	(162,075)	338,964	338,964
Subtotal Revenues	19,216,347	18,802,254	18,902,254	19,743,856	941,602	841,602
<i>Pass-Through Expenses</i>						
DWR Fixed Costs	27,882,700	33,324,313	33,324,313	33,938,581	614,268	614,268
DWR Variable Costs	2,488,287	3,277,796	3,277,796	4,730,902	1,453,106	1,453,106
Warren Act Charges	1,700	118,891	118,891	258,622	139,731	139,731
Subtotal Pass-Through Expenses	30,372,687	36,721,000	36,721,000	38,928,105	2,207,105	2,207,105
<b>TOTAL SOURCES OF CASH</b>	<b>49,589,035</b>	<b>55,523,254</b>	<b>55,623,254</b>	<b>58,671,961</b>	<b>3,148,707</b>	<b>3,048,707</b>
<b>USES OF CASH</b>						
<i>CCWA Operating Expenses</i>						
Personnel	4,151,484	4,154,292	3,950,954	4,238,812	84,520	287,859
Office Expenses	16,542	18,850	16,577	19,150	300	2,573
Supplies and Equipment	894,592	1,343,317	889,748	1,170,981	(172,336)	281,232
Monitoring Expenses	69,395	75,305	63,614	90,305	15,000	26,691
Repairs and Maintenance	210,003	216,460	212,220	236,220	19,760	24,000
Professional Services	192,202	322,369	216,862	329,851	7,482	112,990
General and Administrative	226,511	232,816	223,043	240,963	8,147	17,920
Utilities	263,649	410,750	514,583	803,022	392,272	288,439
Other Expenses	442,775	780,836	514,734	772,315	(8,521)	257,580
<i>Total Operating Expenses</i>	6,467,153	7,554,995	6,602,335	7,901,618	346,623	1,299,283
<i>Other Expenditures</i>						
Warren Act Charges	1,700	118,891	118,891	258,622	139,731	139,731
Capital Improvement Projects <sup>(1)</sup>	475,212	239,915	239,915	495,810	255,895	255,895
CCWA Credits	-	(501,039)	(501,039)	(162,075)	338,964	338,964
2006 Revenue Bond Debt Service	11,569,637	11,508,383	11,508,383	11,508,503	120	120
Unexpended O&M Assessments	704,346	-	1,052,660	-	-	-
<i>Total Other Expenditures</i>	12,750,895	11,366,150	12,418,810	12,100,860	734,710	734,710
<i>Total CCWA Expenditures</i>	19,218,048	18,921,145	19,021,145	20,002,478	1,081,334	2,033,993
<i>DWR Charges</i>						
Fixed DWR Charges	27,882,700	33,324,313	33,324,313	33,938,581	614,268	614,268
Variable DWR Charges	2,488,287	3,277,796	3,277,796	4,730,902	1,453,106	1,453,106
<i>Total DWR Charges</i>	30,370,987	36,602,109	36,602,109	38,669,483	2,067,374	2,067,374
<b>TOTAL USES OF CASH</b>	<b>49,589,035</b>	<b>55,523,254</b>	<b>55,623,254</b>	<b>58,671,961</b>	<b>3,148,708</b>	<b>4,101,367</b>
<b>Ending Cash Balance</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ (0)</b>	<b>0</b>
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ (0)	\$ 0	\$ 0	\$ -		

(1) Includes carryover revenues from the prior year.

**Central Coast Water Authority  
Total Expenditures Summary  
Fiscal Year 2014/15 Budget**

Project Participant	Unadjusted Fixed CCWA Operating Expense <sup>(1)</sup>	Unadjusted Variable CCWA Operating Expense	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Adjustment Variable	Regional WTP Allocation	Regional WTP Credit	Adjusted Charge	Warren Act Charges <sup>(2)</sup>	2006A		Subtotal FY 2014/15 CCWA	Non-Annual Recurring Expenses	CCWA (Credits)/ Amount Due	Total FY 2014/15 CCWA
									Revenue	Bond Debt Service				
Guadalupe	71,308	5,960	-	-	\$24,058	-	\$101,325	-	163,959	\$265,284	-	(\$492)	264,792	
Santa Maria	2,069,283	488,265	-	-	\$756,438	-	3,313,986	-	-	3,313,986	-	(13,014)	3,300,972	
Golden State Water	68,016	15,363	-	-	\$23,392	-	106,770	-	-	106,770	-	(74)	106,696	
Vandenberg AFB	798,622	132,703	-	-	\$251,758	-	1,183,083	-	-	1,183,083	-	(104,229)	1,078,854	
Buellton	100,711	20,627	-	-	\$27,479	-	148,818	-	290,452	439,270	-	(10,136)	429,133	
Santa Ynez (Solvang)	257,023	46,155	-	-	\$70,185	-	373,362	-	891,953	1,265,316	-	(1,729)	1,263,587	
Santa Ynez	86,597	23,177	379,854	85,422	\$146,228	-	721,279	-	334,976	1,056,255	-	(1,142)	1,055,112	
Goleta	934,835	172,270	(136,747)	(30,752)	\$154,890	(\$555,658)	538,637	52,676	2,811,270	3,402,563	-	(2,389)	3,400,184	
Morehart Land	41,548	31,165	-	0	\$9,430	(\$36,068)	46,074	11,600	129,096	186,771	-	(16,040)	170,731	
La Cumbre	207,741	126,061	-	0	\$46,181	(\$174,016)	205,967	46,922	618,054	870,943	-	(1,108)	869,835	
Raytheon	10,387	8,570	-	0	\$2,383	(\$9,183)	12,158	3,190	27,021	42,369	-	(197)	42,172	
Santa Barbara	623,224	172,709	(91,165)	(20,501)	\$105,140	(\$382,867)	406,540	56,654	1,728,216	2,191,410	-	(398)	2,191,012	
Montecito	623,224	209,172	(91,165)	(20,501)	\$106,325	(\$390,615)	436,439	70,226	2,031,231	2,537,897	-	(3,105)	2,534,792	
Carpinteria	415,482	60,290	(60,777)	(13,668)	\$68,311	(\$243,590)	226,049	17,354	1,161,283	1,404,685	-	(2,309)	1,402,376	
Shandon	8,556	-	-	-	-	-	8,556	-	13,045	21,601	-	-	21,601	
Chorro Valley	202,940	72,014	-	-	-	-	274,954	-	1,039,224	1,314,178	-	(13,591)	1,300,587	
Lopez	221,207	72,225	-	-	-	-	293,432	-	268,722	562,153	-	-	570,041	
<b>TOTAL:</b>	<b>6,740,703</b>	<b>\$1,656,725</b>	<b>0</b>	<b>(0)</b>	<b>\$1,792,196</b>	<b>(\$1,792,196)</b>	<b>\$8,397,428</b>	<b>\$258,622</b>	<b>\$1,508,503</b>	<b>\$20,164,553</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,002,478</b>	

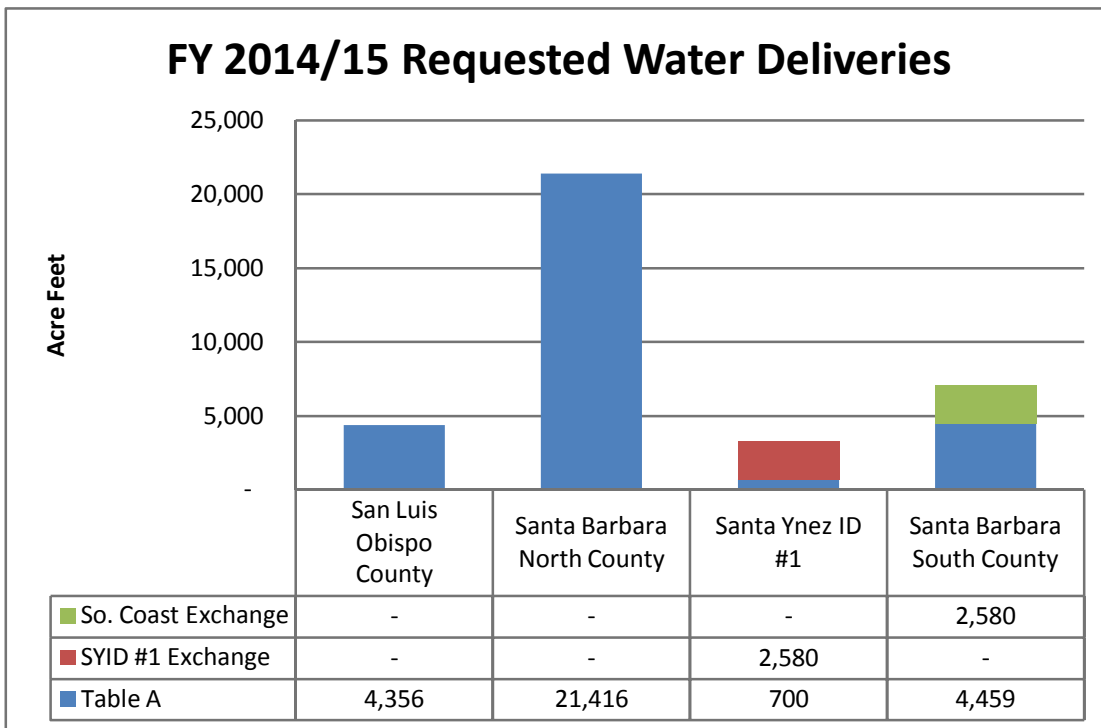
(1) Includes capital improvement projects.

Project Participant	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	DWR FIXED CHARGES Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	DWR VARIABLE CHARGES			DWR Interest Income	Total DWR Charges	TOTAL DWR and CCWA
							Off-Aqueduct Charges	Variable OMP&R	Total Variable			
Guadalupe	\$ 267,166	\$ -	\$ -	\$ 114,760	\$ 25,888	\$ 26,935	\$ 434,729	\$ 0	\$ 12,757	\$ 12,757	\$ (341)	\$ 447,144
Santa Maria	7,869,243	715,695	-	3,169,963	781,941	793,359	13,310,201	0	2,525,929	2,525,929	(10,526)	15,825,603
Golden State Water	242,878	22,089	-	99,539	23,517	24,486	412,509	0	71,922	71,922	(346)	484,065
Vandenberg AFB	2,671,657	242,983	398,437	1,066,513	258,684	269,350	4,907,623	-	495,562	495,562	-	5,403,185
Buellton	280,767	25,535	41,872	112,635	27,185	28,315	516,310	0	88,911	88,911	(790)	604,431
Santa Ynez (Solvang)	721,919	66,268	108,665	280,906	68,673	67,239	1,313,670	2,468	290,444	292,912	(1,019)	1,605,563
Santa Ynez	249,592	22,089	36,222	106,187	25,393	30,249	469,732	-	140,584	140,584	(355)	609,962
Goleta	2,185,901	198,804	325,994	895,573	211,650	220,377	4,038,300	11,125	279,156	290,281	(3,155)	4,325,426
Morehart Land	97,151	8,836	14,489	37,949	9,407	9,795	177,626	0	6,811	6,811	(347)	184,090
La Cumbre	485,756	44,179	72,443	194,252	47,033	48,973	892,635	-	71,444	71,444	(646)	963,433
Raytheon	2,209	3,622	3,622	10,579	2,352	2,449	45,498	0	5,332	5,332	(74)	50,755
Santa Barbara	1,457,267	132,536	217,329	592,854	141,100	146,918	2,688,005	0	239,968	238,968	(2,043)	2,924,930
Montecito	1,457,267	132,536	217,329	592,854	141,100	146,918	2,688,005	62,194	277,001	339,195	(4,097)	3,023,103
Carpinteria	971,512	88,357	144,886	393,980	94,067	97,946	1,790,748	41,907	108,387	150,294	(1,296)	1,939,746
Goleta 2500 AF	22,978	-	-	119,027	24,747	111,275	278,027	-	-	-	-	278,027
Shandon	-	-	-	-	-	-	-	-	-	-	-	-
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-
Lopez	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL:</b>	<b>\$ 19,005,342</b>	<b>\$ 1,702,116</b>	<b>\$ 1,581,287</b>	<b>\$ 7,787,572</b>	<b>\$ 1,862,717</b>	<b>\$ 2,024,563</b>	<b>\$ 33,963,618</b>	<b>\$ 117,694</b>	<b>\$ 4,613,208</b>	<b>\$ 4,730,902</b>	<b>\$ (25,036)</b>	<b>\$ 38,669,483</b>
												<b>\$ 58,671,961</b>



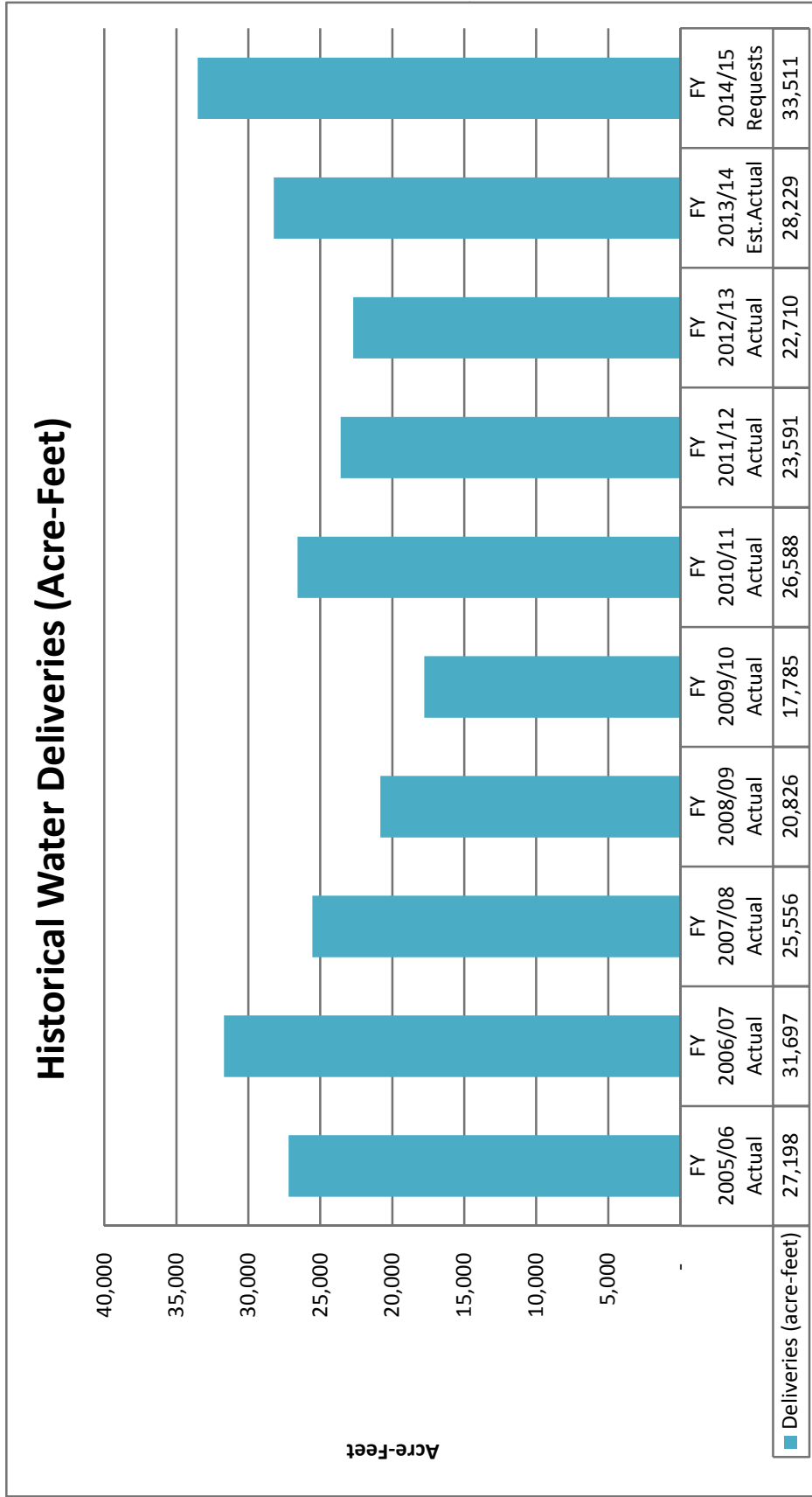
Central Coast Water Authority  
**FY 2014/15 Delivery Requests (Acre Feet)**

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	2,181	-	2,181
Chorro Valley	2,175	-	2,175
Guadalupe	180	-	180
Santa Maria	14,747	-	14,747
Golden State Water	464	-	464
VAFB	4,008	-	4,008
Buellton	623	-	623
Solvang	1,394	-	1,394
Santa Ynez	700	2,580	3,280
Goleta	1,837	(929)	908
Morehart	200	-	200
La Cumbre	809	-	809
Raytheon	55	-	55
Santa Barbara	1,596	(619)	977
Montecito	1,830	(619)	1,211
Carpinteria	712	(413)	299
<b>TOTAL:</b>	<b>33,511</b>	<b>-</b>	<b>33,511</b>



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

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



Central Coast Water Authority  
**Cost Per Acre-Foot Analysis**  
 Fiscal Year 2014/15 Budget

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

**Cost-Types**

The two cost-types are fixed and variable costs.

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

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

**Water-Types**

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

**FY 2014/15 Table A Fixed Cost Per Acre-Foot**

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

Project Participant	Table A Amount	Fixed Cost Per Acre-Foot	
		Fixed Costs Excluding CCWA Credits	Fixed Cost Per Acre-Foot
Guadalupe	550	\$ 692,800	\$ 1,259.64
Santa Maria	16,200	16,050,719	990.79
Golden State Water Co.	500	501,221	1,002.44
VAFB	5,500	5,937,708	1,079.58
Buellton	578	931,008	1,610.74
Santa Ynez (Solvang)	1,500	2,524,753	1,683.17
Santa Ynez <sup>(1)</sup>	500	1,020,570	1,823.99
Goleta	4,500	7,321,759	1,627.06
Morehart	200	338,494	1,692.47
La Cumbre	1,000	1,659,560	1,659.56
Raytheon	50	80,765	1,615.29
Santa Barbara	3,000	4,752,412	1,584.14
Montecito	3,000	5,067,049	1,689.02
Carpinteria	2,000	3,155,764	1,577.88
<b>TOTAL:</b>	<b>39,078</b>	<b>\$ 50,034,580</b>	

Central Coast Water Authority  
Cost Per Acre-Foot Analysis  
Fiscal Year 2014/15 Budget

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Fixed Cost Per Acre-Foot Difference Between Project Participants

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

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

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

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

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

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

Central Coast Water Authority  
**Cost Per Acre-Foot Analysis**  
 Fiscal Year 2014/15 Budget

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

**FY 2014/15 Table A Variable Cost Per Acre-Foot**

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

Project Participant	Table A Amount	FY 2014/15 Requested Deliveries			Variable Cost Per Acre-Foot <b>TABLE A DELIVERIES</b>							Table A Variable Cost/AF
		Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA WTP Variable	CCWA SYPF Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	550	180	-	180	\$ 5,960		\$ 911		\$ 28,022		\$ 34,893	\$ 193.85
Santa Maria	16,200	14,747	-	14,747	488,265		74,676		2,295,782		2,858,723	193.85
Golden State Water Co.	500	464	-	464	15,363		2,350		72,235		89,947	193.85
VAFB	5,500	4,008	-	4,008	132,703		20,296		623,957		776,955	193.85
Buellton	578	623	-	623	20,627		3,155		96,987		120,769	193.85
Santa Ynez (Solvang)	1,500	1,394	-	1,394	46,155		7,059		217,015		270,228	193.85
Santa Ynez <sup>(1)</sup>	500	700	2,580	3,280	23,177		16,609		108,975		148,760	193.85
Goleta	4,500	1,837	(929)	908	60,822	111,370	4,599	(30,070)	285,980	52,676	485,377	341.49
Morehart	200	200	-	200	6,622	24,543	1,013	(6,622)	31,136	11,600	68,291	341.49
La Cumbre	1,000	809	-	809	26,786	99,275	4,097	(26,786)	125,943	46,922	276,237	341.49
Raytheon	50	55	-	55	1,821	6,749	279	(1,821)	8,562	3,190	18,780	341.49
Santa Barbara	3,000	1,596	(619)	977	52,843	120,014	4,946	(32,341)	248,462	56,654	450,578	341.49
Montecito	3,000	1,830	(619)	1,211	60,590	148,626	6,131	(40,089)	284,891	70,226	530,375	341.49
Carpinteria	2,000	712	(413)	299	23,574	36,858	1,515	(9,906)	110,843	17,354	180,237	341.49
<b>TOTAL:</b>	<b>39,078</b>	<b>29,155</b>	<b>-</b>	<b>29,155</b>	<b>\$ 965,306</b>	<b>\$ 547,435</b>	<b>\$ 147,635</b>	<b>\$ (147,635)</b>	<b>\$ 4,538,789</b>	<b>\$ 258,622</b>	<b>\$ 6,310,152</b>	

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

Central Coast Water Authority  
**Cost Per Acre-Foot Analysis**  
 Fiscal Year 2014/15 Budget

**FY 2014/15 Exchange Variable Cost Per Acre-Foot**

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

<b>Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES</b>						
Project Participant	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	2,580	\$ 85,422	\$ 379,854	-	\$ 465,276	\$ 180.34
Goleta	(929)			\$ 144,594	144,594	155.68
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(619)			96,396	96,396	155.68
Montecito	(619)			96,396	96,396	155.68
Carpinteria	(413)			64,264	64,264	155.68
<b>TOTAL:</b>	<b>-</b>	<b>\$ 85,422</b>	<b>\$ 379,854</b>	<b>\$ 401,649</b>	<b>\$ 866,925</b>	

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

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





*Tank 7 Erosion Repair - June 2014*

## ***Revenues and Sources of Cash***

**T**he Revenues and Sources of Cash section of the FY 2014/15 Budget includes information on the Authority's revenues, pass-through receipts and a narrative explanation on the Authority's billing procedures and cash management.

Central Coast Water Authority  
**Revenues and Sources of Cash**  
 Fiscal Year 2014/15 Budget

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

Assumptions for Revenue Projections

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

**Revenues and Other Sources of Cash**

Revenues	FY 2012/13 Actual	FY 2013/14 Estimated Actual	FY 2014/15 Budget
CCWA Operating Expenses <sup>(1)</sup>	\$ 7,806,758	\$ 7,554,995	\$ 7,901,618
Debt Service Payments	11,569,637	11,508,383	11,508,503
Capital Improvement Projects (CIP)	(302,328)	239,915	495,810
Investment Income	142,280	100,000	-
<b>Subtotal Revenues</b>	19,216,347	19,403,293	19,905,931
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	27,929,481	33,342,313	33,963,618
DWR Variable Costs	2,488,287	3,277,796	4,730,902
DWR Account Interest	(46,781)	(18,000)	(25,036)
Warren Act Charges <sup>(1)</sup>	1,700	118,891	258,622
<b>Subtotal Pass Through Expenses</b>	30,372,687	36,721,000	38,928,105
<b>Gross Budget Before Credits</b>	49,589,035	56,124,293	58,834,036
Credits and Prepayments	-	(501,039)	(162,075)
<b>TOTAL SOURCES OF CASH</b>	\$ 49,589,035	\$ 55,623,254	\$ 58,671,961

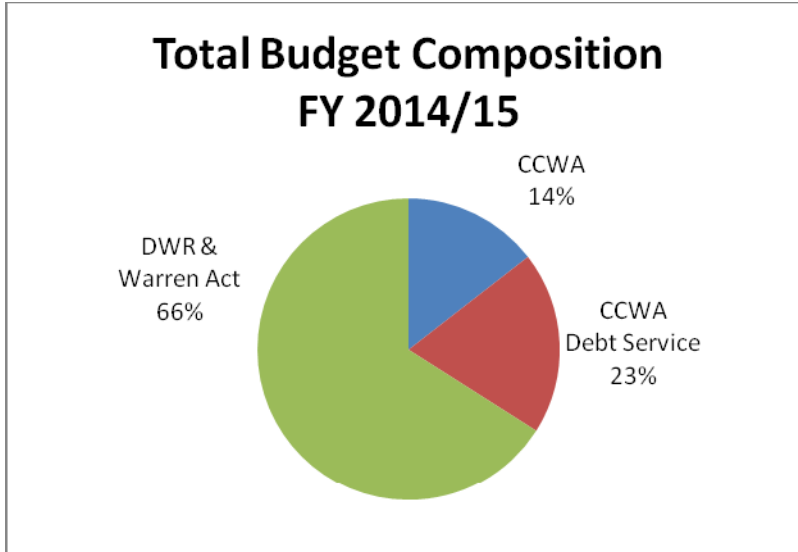
(1) Adjusted for Santa Ynez Exchange Agreement modifications.



Central Coast Water Authority  
Revenues and Sources of Cash  
Fiscal Year 2014/15 Budget

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**Revenues and Other Sources of Cash**



**FY 2013/14 Actual Cash Receipts**

The actual cash receipts for FY 2013/14 are anticipated to be less than the actual expenditures for the year because of credits given to the project participants for (1) unexpended operating expense assessments for FY 2012/13, (2) interest income for FY 2012/13, and (3) differences between the DWR actual fixed payments and the budgeted fixed payments.

**CCWA Operating Expense Revenues**

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

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

Central Coast Water Authority  
**Revenues and Sources of Cash**  
 Fiscal Year 2014/15 Budget

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

**TOTAL CCWA FY 2014/15 OPERATING EXPENSES  
 AND CAPITAL IMPROVEMENT PROJECTS**

Project Participant	CCWA	CCWA	Regional	Regional	Exchange	Exchange	Adjusted
	Fixed	Variable	Regional	WTP	Agreement	Agreement	CCWA
	Operating	Operating	WTP	Allocation	Adjustment	Adjustment	Operating
	Expenses	Expenses	Allocation	Credit	Cap. and Fixed	Variable	Expenses
Guadalupe	\$ 71,308	\$ 5,960	\$ 24,058	\$ -	\$ -	\$ -	\$ 101,325
Santa Maria	2,069,283	488,265	756,438	-	-	-	3,313,986
Golden State Water Co.	68,016	15,363	23,392	-	-	-	106,770
Vandenberg AFB	798,622	132,703	251,758	-	-	-	1,183,083
Buellton	100,711	20,627	27,479	-	-	-	148,818
Santa Ynez (Solvang)	257,023	46,155	70,185	-	-	-	373,362
Santa Ynez	86,597	23,177	146,228	-	379,854	85,422	721,279
Goleta	934,835	172,270	154,890	(555,858)	(136,747)	(30,752)	538,637
Morehart Land	41,548	31,165	9,430	(36,068)	-	-	46,074
La Cumbre	207,741	126,061	46,181	(174,016)	-	-	205,967
Raytheon	10,387	8,570	2,383	(9,183)	-	-	12,158
Santa Barbara	623,224	172,709	105,140	(382,867)	(91,165)	(20,501)	406,540
Montecito	623,224	209,172	106,325	(390,615)	(91,165)	(20,501)	436,439
Carpinteria	415,482	60,290	68,311	(243,590)	(60,777)	(13,668)	226,049
Shandon	8,556	-	-	-	-	-	8,556
Chorro Valley	202,940	72,014	-	-	-	-	274,954
Lopez	221,207	72,225	-	-	-	-	293,432
<b>TOTAL:</b>	<b>\$6,740,703</b>	<b>\$1,656,725</b>	<b>\$1,792,196</b>	<b>(\$1,792,196)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,397,428</b>

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2014/15, are **\$8,397,428**.

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

Central Coast Water Authority  
**Revenues and Sources of Cash**  
 Fiscal Year 2014/15 Budget

**Debt Service Payments**

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

For FY 2014/15, total net revenue for debt service payments will be \$10,606,724 or about \$43,000 less than the FY 2013/14 revenues. The following table shows each financing participant's share of the debt service. Please refer to the "CCWA Bond Debt" section of this budget for additional information regarding the debt payments from the CCWA financing participants.

Financing Participant	FY 2014/15 Debt Service Payments <sup>(1)</sup>	Local Project Debt Service Payments <sup>(2)</sup>	FY 2014/15 Net Debt Service Revenue
Avila Beach	\$ 13,176	\$ (2,062)	\$ 11,114
California Men's Colony	115,244	(46,056)	69,188
County of SLO	122,765	(49,116)	73,649
Cuesta College	57,626	(23,031)	34,596
Morro Bay	743,589	(352,310)	391,280
Oceano	96,333	(14,047)	82,285
Pismo Beach	159,214	(23,193)	136,021
Shandon	13,045	(1,659)	11,386
Guadalupe	163,959	(59,898)	104,060
Buellton	290,452	(9,749)	280,702
Santa Ynez (Solvang)	891,953	(26,006)	865,947
Santa Ynez	334,976	(11,524)	323,452
Goleta	2,811,270	(148,062)	2,663,209
Morehart Land	129,096	(682)	128,414
La Cumbre	618,054	(3,408)	614,645
Raytheon	27,021	(900)	26,121
Santa Barbara	1,728,216	(32,323)	1,695,893
Montecito	2,031,231	(51,422)	1,979,809
Carpinteria	1,161,283	(46,329)	1,114,954
<b>TOTAL:</b>	<b>\$ 11,508,503</b>	<b>\$ (901,779)</b>	<b>\$ 10,606,724</b>
(1) 2006A revenue bond principal and interest, minus FY 2013/14 debt service account interest income credits plus bond trustee fees.			
(2) Payments from project participants for local facilities financed with CCWA revenue bonds.			

Central Coast Water Authority  
**Revenues and Sources of Cash**  
 Fiscal Year 2014/15 Budget

**FY 2014/15 CCWA Credits**

The following table shows a summary of the FY 2014/15 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits
Guadalupe	\$2	\$70	\$ 420		\$492
Santa Maria	208	2,074	10,731		13,014
Golden State Water Co.	10	64	-		74
Vandenberg AFB	104,229	-	-		104,229
Buellton	9,416	74	646		10,136
Santa Ynez (Solvang)	20	192	1,516		1,729
Santa Ynez	33	64	1,046		1,142
Goleta	1,823	576	-		2,399
Morehart Land	15,188	26	-	826	16,040
La Cumbre	1	128	978		1,108
Raytheon	2	6	-	188	197
Santa Barbara	14	384	-		398
Montecito	-	384	2,721		3,105
Carpinteria	12	256	2,041		2,309
Shandon					-
Oceano CSD					-
Avila Beach CSD					-
Pismo Beach					-
Avila Valley Water Co.					-
San Miguelito Water Co.					-
San Luis School					-
Chorro Valley	13,591				13,591
Lopez	(7,888)				(7,888)
<b>TOTAL:</b>	<b>\$136,662</b>	<b>\$4,299</b>	<b>\$20,100</b>	<b>\$1,014</b>	<b>\$162,075</b>

**Investment Income and Cash Management**

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

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

Central Coast Water Authority  
Revenues and Sources of Cash  
Fiscal Year 2014/15 Budget

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Bank Account Cash Balances

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

Debt Service Payments

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

**Investment Income**

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

DWR Payment Investments

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

CCWA Operating Expense Revenue

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

Central Coast Water Authority  
**Revenues and Sources of Cash**  
 Fiscal Year 2014/15 Budget

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**Pass-Through Expenses**

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

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

Warren Act Charges

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

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

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2014/15.

**Warren Act and Trust Fund Charges**

Project Participant	Total FY 2014/15 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	908	\$ 52,676
Morehart Land Co.	200	11,600
LaCumbre	809	46,922
Raytheon	55	3,190
Santa Barbara	977	56,654
Montecito	1,211	70,226
Carpinteria	299	17,354
<b>TOTAL:</b>	4,459	<b>\$ 258,622</b>

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The following table represents the Fiscal Year 2014/15 DWR and Warren Act charges to be collected and paid by the Authority (see the *Department of Water Resources* section of this document for further information on the DWR charges).

Project Participant	FY 2014/15 DWR Fixed Charges	FY 2014/15 DWR Variable Charges	FY 2014/15 Interest Income	FY 2014/15 Warren Act Charges <sup>(1)</sup>	Total Pass-Through Expenses
Guadalupe	\$434,729	\$12,757	(\$341)	\$ -	\$447,144
Santa Maria	13,310,201	2,525,929	(10,526)	-	15,825,603
Golden State Water Co.	412,509	71,922	(346)	-	484,085
Vandenberg AFB	4,907,623	495,562	-	-	5,403,185
Buellton	516,310	88,911	(790)	-	604,431
Santa Ynez (Solvang)	1,313,670	292,912	(1,019)	-	1,605,563
Santa Ynez	469,732	140,584	(355)	-	609,962
Goleta	4,316,326	290,281	(3,155)	52,676	4,656,128
Morehart Land	177,626	6,811	(347)	11,600	195,690
LaCumbre	892,635	71,444	(646)	46,922	1,010,355
Raytheon	45,498	5,332	(74)	3,190	53,945
Santa Barbara	2,688,005	238,968	(2,043)	56,654	2,981,585
Montecito	2,688,005	339,195	(4,097)	70,226	3,093,330
Carpinteria	1,790,748	150,294	(1,296)	17,354	1,957,099
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
<b>TOTAL:</b>	<b>\$33,963,618</b>	<b>\$4,730,902</b>	<b>(\$25,036)</b>	<b>\$258,622</b>	<b>\$38,928,105</b>
(1) Adjusted for Santa Ynez Exchange Agreement modifications.					

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**Authority Billing Procedures**

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

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

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

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

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

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

**Water Delivery Requests and Variable O&M Cost Invoices**

Water Delivery Requests from Project Participants

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



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

- (1) The “seller’s track”, which means that any SWPC water that is available to that contractor above their requested amount will be made available for sale through one of the DWR “turnback pools.” The turnback pools are a pool of unused water available by individual SWPC for sale to all SWPC and allocated in proportion to the Table A amount for each contractor requesting to buy the Turnback Pool water. The price received for water sold in Turnback pool A is one-half of the delta water rate (about \$22/AF for 2014) and one-quarter the delta water rate (about \$11/ for 2014) for Turnback pool B.
- (2) The “storer’s track”, which means the individual contractor wishes to store its unused current year water allocated by DWR in San Luis Reservoir to be used in the next calendar year.

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

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

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

Variable O&M Cost Billings to Project Participants

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

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

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

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

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

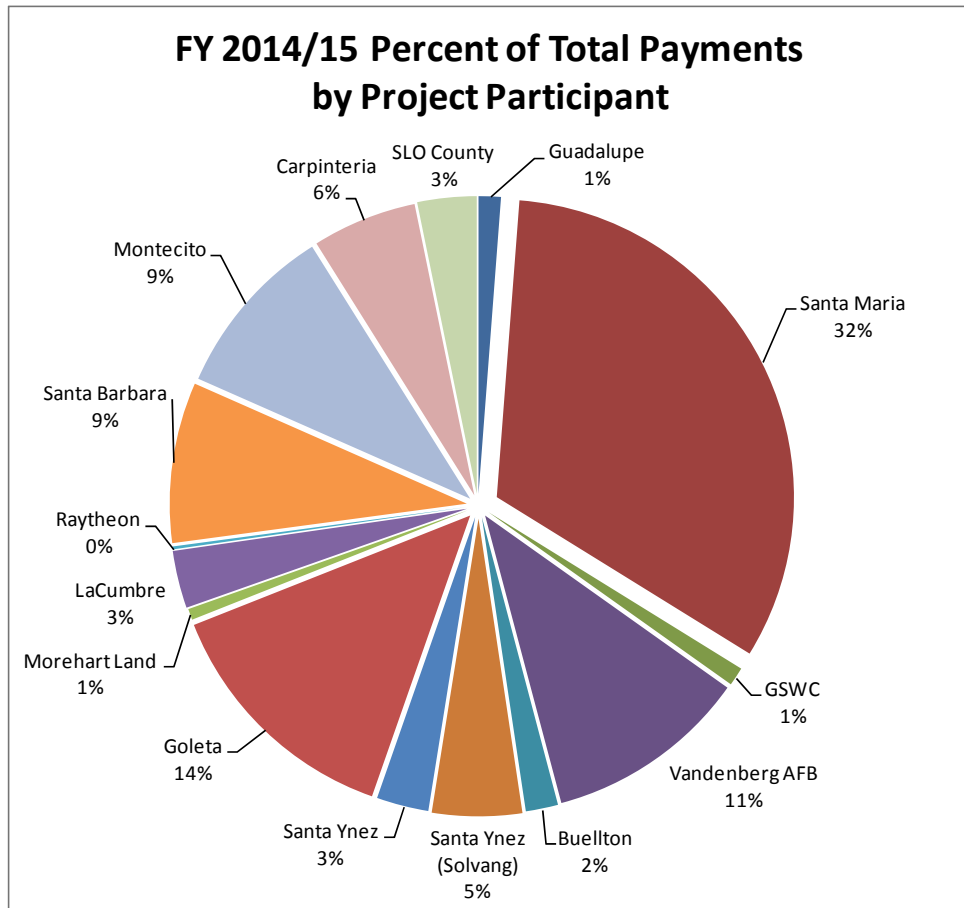
At the end of each fiscal year, a true-up and reconciliation of the entire fiscal year budget is performed. This reconciliation calculates the difference between the amounts billed to each project participant based on the budget and the actual costs incurred for the year. The result, either a credit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

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2014/15 for each project participant.

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Project Participant	FY 2014/15 Operating Expenses <sup>(1)</sup>	FY 2014/15 Debt Service Payments	FY 2014/15 DWR Costs	FY 2014/15 Warren Act Charges <sup>(2)</sup>	FY 2014/15 CCWA Credits	FY 2014/15 Total Payments
Guadalupe	\$101,325	\$ 163,959	\$447,144	\$0	\$ (492)	\$711,936
Santa Maria	3,313,986	-	15,825,603	-	(13,014)	19,126,575
Golden State Water Co.	106,770	-	484,085	-	(74)	590,781
Vandenberg AFB	1,183,083	-	5,403,185	-	(104,229)	6,482,039
Buellton	148,818	290,452	604,431	-	(10,136)	1,033,565
Santa Ynez (Solvang)	373,362	891,953	1,605,563	-	(1,729)	2,869,150
Santa Ynez	721,279	334,976	609,962	-	(1,142)	1,665,074
Goleta	538,637	2,811,270	4,603,452	52,676	(2,399)	8,003,636
Morehart Land	46,074	129,096	184,090	11,600	(16,040)	354,821
La Cumbre	205,967	618,054	963,433	46,922	(1,108)	1,833,268
Raytheon	12,158	27,021	50,755	3,190	(197)	92,928
Santa Barbara	406,540	1,728,216	2,924,930	56,654	(398)	5,115,942
Montecito	436,439	2,031,231	3,023,103	70,226	(3,105)	5,557,896
Carpinteria	226,049	1,161,283	1,939,746	17,354	(2,309)	3,342,122
Shandon	8,556	13,045	N/A	-	-	21,601
Chorro Valley	274,954	1,039,224	N/A	-	(13,591)	1,300,587
Lopez	293,432	268,722	N/A	-	7,888	570,041
<b>TOTAL:</b>	<b>\$8,397,428</b>	<b>\$11,508,503</b>	<b>\$38,669,483</b>	<b>\$258,622</b>	<b>(\$162,075)</b>	<b>\$58,671,961</b>

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



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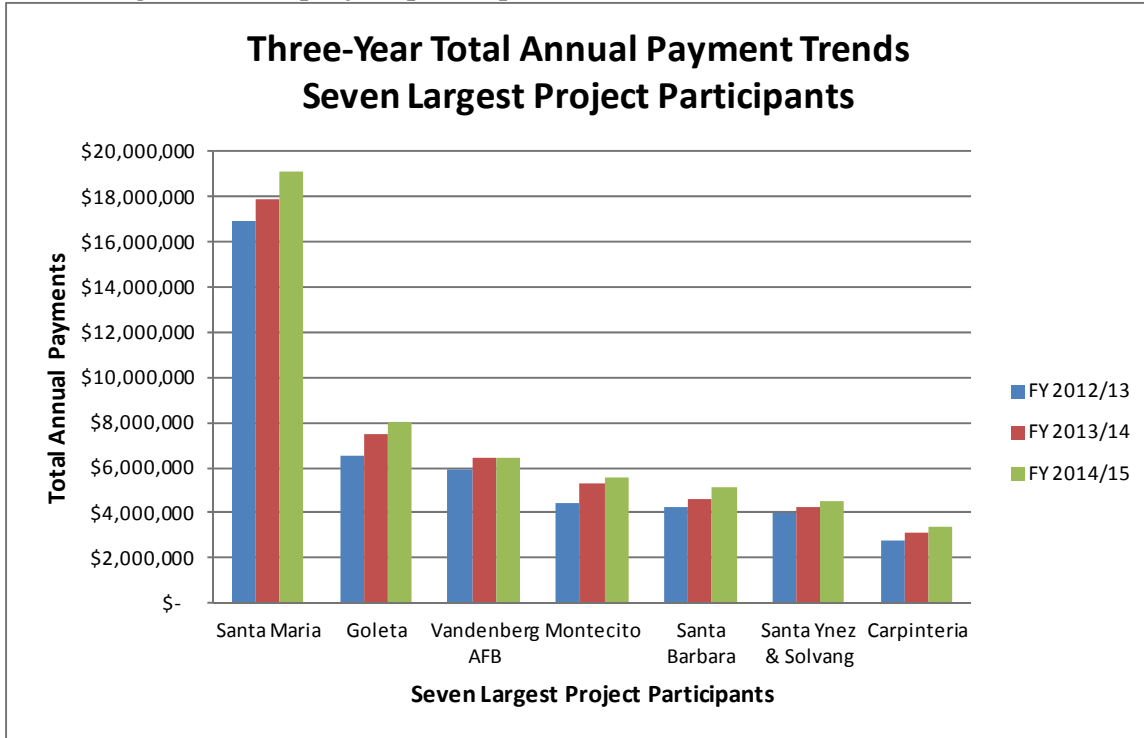
The following table shows the three-year trend in total payments due for each project participant and the corresponding increase or (decrease).

***Three-Year Total Payments History by Project Participant***

Project Participant	Total	Total	Total	Change	Change
	Payments FY 2012/13	Payments FY 2013/14	Payments FY 2014/15	FY 2012/13 to FY 2013/14	FY 2013/14 to FY 2014/15
Guadalupe	\$ 672,385	\$ 748,501	\$711,936	\$ 76,116	(\$36,565)
Santa Maria	16,955,461	17,899,772	19,126,575	944,311	1,226,803
Golden State Water Co.	505,944	563,816	590,781	57,872	26,965
Vandenberg AFB	5,922,592	6,466,966	6,482,039	544,374	15,073
Buellton	936,550	1,010,332	1,033,565	73,782	23,233
Santa Ynez (Solvang)	2,456,619	2,689,421	2,869,150	232,802	179,729
Santa Ynez	1,529,293	1,593,410	1,665,074	64,117	71,664
Goleta	6,542,518	7,493,080	8,003,636	950,562	510,556
Morehart Land	321,094	341,669	354,821	20,575	13,152
La Cumbre	1,533,187	1,774,988	1,833,268	241,801	58,280
Raytheon	87,059	85,536	92,928	(1,523)	7,392
Santa Barbara	4,278,083	4,617,852	5,115,942	339,769	498,090
Montecito	4,442,315	5,278,075	5,557,896	835,760	279,821
Carpinteria	2,798,006	3,123,139	3,342,122	325,133	218,983
Shandon	19,548	21,156	21,601	1,608	445
Chorro Valley	1,278,078	1,290,765	1,300,587	12,687	9,822
Lopez	506,897	524,732	570,041	17,835	45,309
<b>TOTAL:</b>	<b>\$50,785,629</b>	<b>\$55,523,210</b>	<b>\$58,671,961</b>	<b>\$ 4,737,581</b>	<b>\$3,148,751</b>

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





*Polonio Pass Water Treatment Plant Flash Mixer with back up pump installed during Winter 2013 Shutdown*

## ***Department of Water Resources Charges***

**T**he Department of Water Resources (DWR) section of the FY 2014/15 Budget provides information on the Authority's payments to DWR. This section includes information on the allocation of the fixed and variable DWR costs and other information regarding the FY 2014/15 DWR charges.



## Highlights

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**Total FY 2014/15 DWR Charges                      \$ 38,669,483**

- DWR Fixed Charges    \$ 33,963,618
- DWR Variable Charges    \$ 4,730,902
- Interest credits    \$        (25,036)

**Fixed Charge Highlights**

- Total fixed charge increase over FY 2013/14 of \$582,348
- DWR Fixed cost increase of \$0.6 million due to an under collection by DWR in the Transportation Minimum OMP&R costs for prior years

**Variable Charge Highlights**

- DWR Variable cost increase of \$1.5 million over FY 2013/14 due to an increase in deliveries coupled with a large increase in the DWR Variable OMP&R costs for electricity due to lower hydroelectric generation from decreased water deliveries
- Estimated Variable OMP&R unit rate for 2014: \$150.00; 2015: \$160.00

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

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

DWR Billing Procedures

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

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

Summary of FY 2014/15 DWR Charges

The DWR charges for the first half of FY 2014/15 are based on the 2014 Statement of Charges. The DWR charges for the second half of FY 2014/15 are based on forecasts prepared by the DWR State Water Project Analysis Office. DWR transportation capital charges starting in 1998 are based on a Coastal Branch Phase II project cost of approximately \$481 million. Coastal Branch Extension capital charges are based on the allocation share of debt service principal and interest payments from the various DWR revenue bond debt issues allocated to repay the capital costs of the Coastal Branch Phase II.

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



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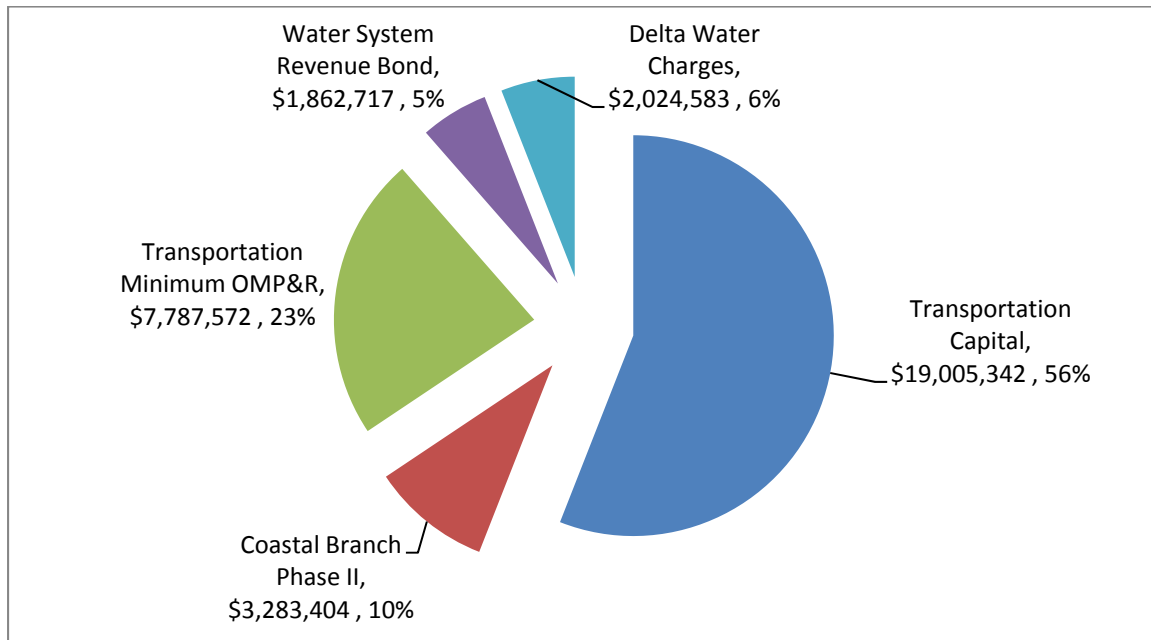
The following table provides a comparison of the FY 2012/13 through the FY 2014/15 DWR charges.

<b>DWR Fixed and Variable Cost Comparison</b>					
Cost Component	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Est. Actual <sup>(1)</sup>	FY 2014/15 Budget	FY 2014/15 Budget to FY 2013/14 Budget Increase (Decrease)
Transportation Capital	\$ 17,573,165	\$ 19,238,201	\$ 17,911,402	\$ 19,005,342	\$ (232,859)
Coastal Branch Phase II	2,819,010	3,032,082	3,419,337	3,283,404	251,322
Transportation Minimum OMP&R	5,136,589	7,239,237	8,465,503	7,787,572	548,335
Water System Revenue Bond	1,492,924	1,701,934	2,221,052	1,862,717	160,783
Delta Water Charges	1,958,321	2,169,816	1,924,294	2,024,583	(145,233)
Subtotal Fixed DWR Charges	<u>28,980,009</u>	<u>33,381,270</u>	<u>33,941,588</u>	<u>33,963,618</u>	<u>582,348</u>
Off-Aqueduct Charges	281,248	45,501	362,364	117,694	72,193
Variable OMP&R	2,518,671	3,232,295	2,668,648	4,613,208	1,380,913
Subtotal Variable DWR Charges	<u>2,799,919</u>	<u>3,277,796</u>	<u>3,031,012</u>	<u>4,730,902</u>	<u>1,453,106</u>
DWR Account Investment Income	(46,781)	(56,957)	(16,902)	(25,036)	31,921
Total DWR Charges	<u>\$ 31,733,147</u>	<u>\$ 36,602,109</u>	<u>\$ 36,955,698</u>	<u>\$ 38,669,483</u>	<u>\$ 2,067,374</u>

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

**DWR FIXED COSTS**

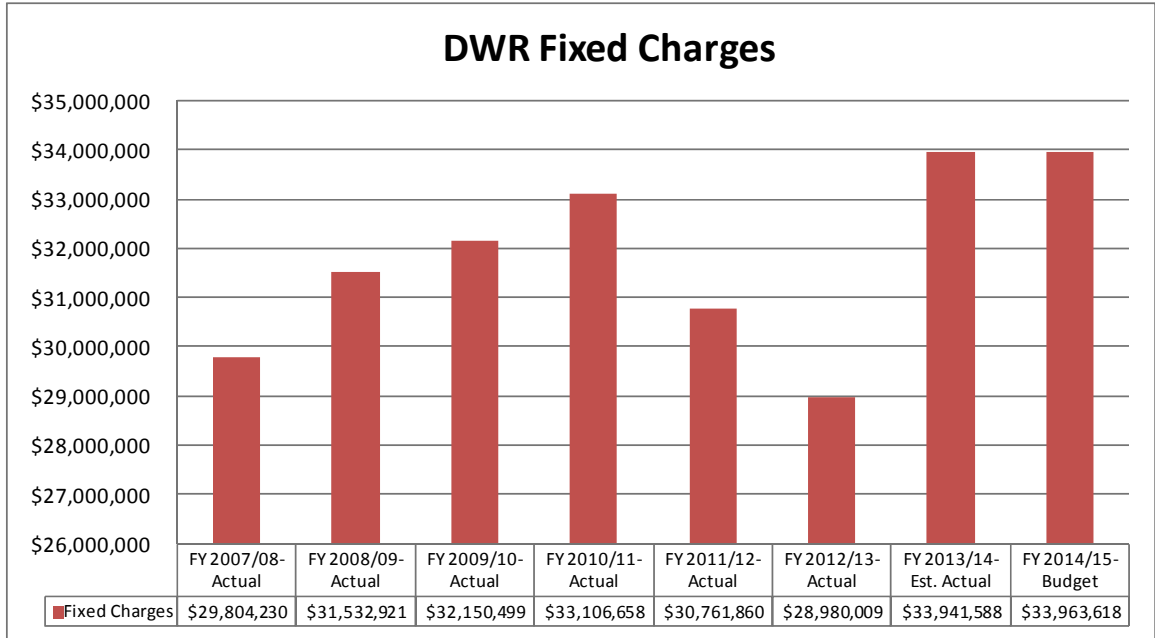
The DWR fixed costs are comprised of the following cost components:



The FY 2014/15 DWR fixed charges total \$33,963,618, which is \$582,348 more than the FY 2013/14 Budget. The reasons for the cost component variances are described later in this section.

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



**Transportation Capital**

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

The following table shows the allocation of the FY 2014/15 Transportation Capital charges to each of the CCWA project participants:

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**TRANSPORTATION CAPITAL CHARGES**

Project Participant	Table A		Reaches 1 to 35 <sup>(1)</sup>	One-Shot Adjustment	Rate		Prior Year DWR Credits for Overpayments <sup>(2)</sup>	FY 2014/15 Transportation Capital Charges
	Table A	Percentage			Management Funds Credit			
Guadalupe	550	1.41%	\$ 317,808	\$ (26)	\$ (39,897)	\$ (10,719)	\$ 267,166	
Santa Maria	16,200	41.46%	9,360,880	(760)	(1,175,157)	(315,719)	7,869,243	
Golden State Water Co.	500	1.28%	288,916	(23)	(36,270)	(9,744)	242,878	
VAFB	5,500	14.07%	3,178,076	(258)	(398,973)	(107,188)	2,671,657	
Buellton	578	1.48%	333,987	(27)	(41,928)	(11,265)	280,767	
Santa Ynez (Solvang) <sup>(3)</sup>	1,500	3.84%	859,021	(70)	(108,059)	(28,973)	721,919	
Santa Ynez <sup>(3)</sup>	500	1.28%	296,643	(23)	(37,022)	(10,005)	249,592	
Goleta	4,500	11.52%	2,600,244	(211)	(326,433)	(87,700)	2,185,901	
Morehart	200	0.51%	115,566	(9)	(14,508)	(3,898)	97,151	
La Cumbre	1,000	2.56%	577,832	(47)	(72,541)	(19,489)	485,756	
Raytheon	50	0.13%	28,892	(2)	(3,627)	(974)	24,288	
Santa Barbara	3,000	7.68%	1,733,496	(141)	(217,622)	(58,466)	1,457,267	
Montecito	3,000	7.68%	1,733,496	(141)	(217,622)	(58,466)	1,457,267	
Carpinteria	2,000	5.12%	1,155,664	(94)	(145,081)	(38,978)	971,512	
Subtotal:	39,078	100.00%	\$ 22,580,522	\$ (1,834)	\$ (2,834,741)	\$ (761,584)	\$ 18,982,364	
Goleta Additional Table A	2,500	5.50%	26,481	-	(2,610)	(893)	22,978	
CCWA Drought Buffer	3,908	-	-	-	-	-	-	
<b>TOTAL:</b>	<b>45,486</b>		<b>\$ 22,607,004</b>	<b>\$ (1,834)</b>	<b>\$ (2,837,351)</b>	<b>\$ (762,477)</b>	<b>\$ 19,005,342</b>	

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

The FY 2014/15 Transportation capital charges are decreasing by \$232,859 due to the following:

Transportation Capital Budget-to-Budget Changes			
	FY 2013/14	FY 2014/15	Change
Calculated Component	\$ 22,792,727	\$ 22,607,004	\$ (185,724)
Rate Management Credits	(2,809,615)	(2,837,351)	(27,736)
Excess Reserve Fund Credits	-	-	-
Prior Year Overcollection Credit	(742,752)	(762,477)	(19,725)
Other Adjustments	(2,159)	(1,834)	326
<b>Total:</b>	<b>\$ 19,238,201</b>	<b>\$ 19,005,342</b>	<b>\$ (232,859)</b>

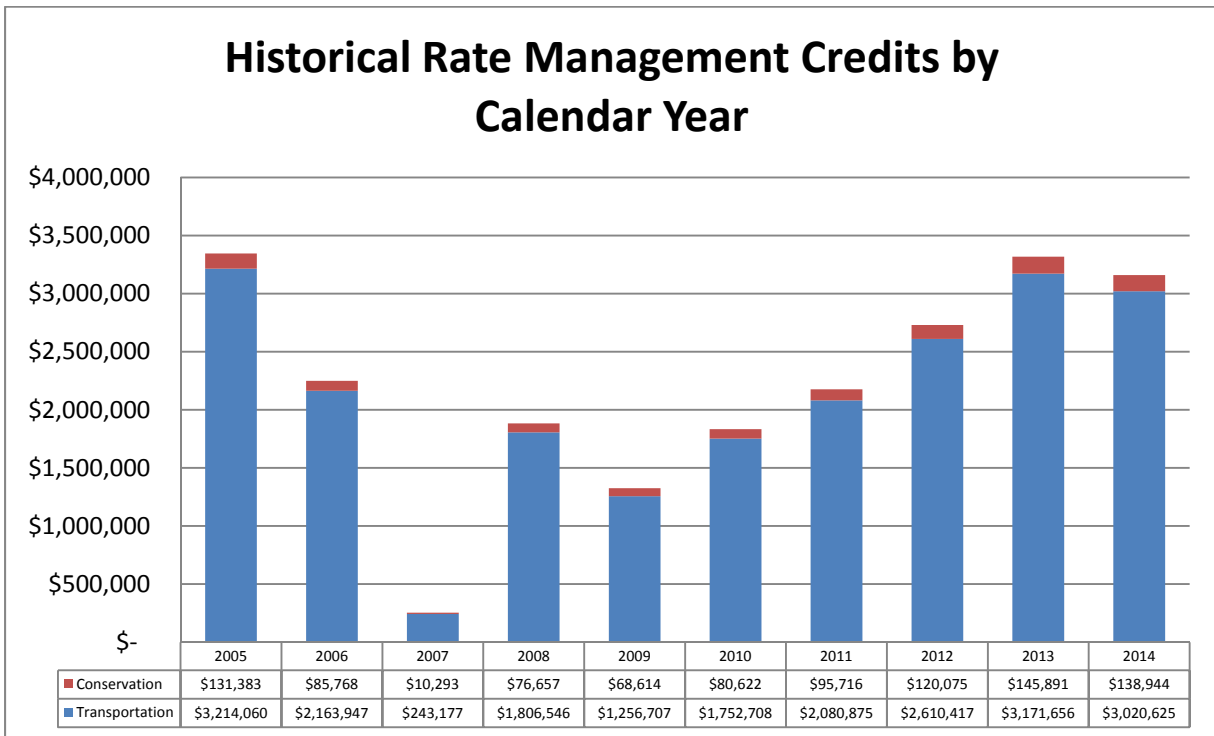
Rate Management Credits

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

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constructed in the 1960's so that CCWA's capital repayments to DWR are quite high when compared to other Contractors.

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



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

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

This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for

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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.

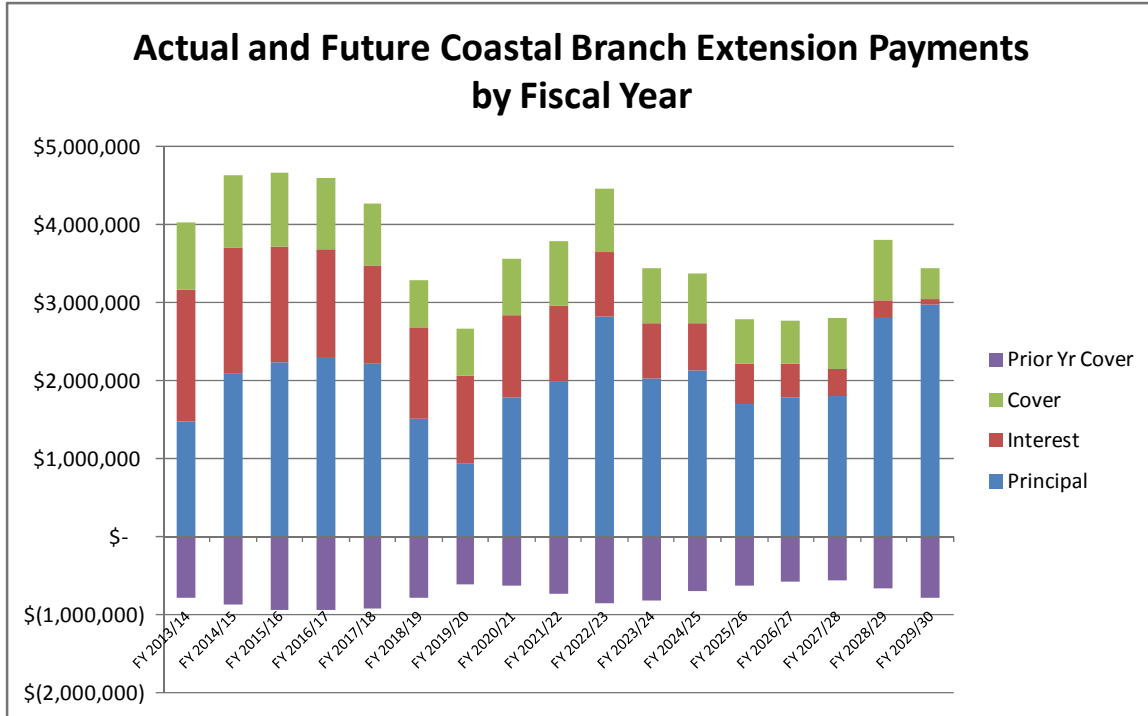
Coastal Branch Extension debt service payments for FY 2014/15 total \$3,283,404, which is \$251,322 higher than the prior year amount due to the following:

<b>Coastal Branch Extension Debt Service</b>			
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>
Principal Payments	\$ 1,481,974	\$ 2,106,191	\$ 624,217
Interest Payments	1,678,159	1,256,111	(422,048)
Bond Cover	868,061	888,777	20,716
Rate Management Credits	(211,010)	(183,274)	27,736
Return of Prior Year Cover	(785,102)	(784,401)	701
Excess Reserve Fund Credits	-	-	-
Fiscal Yearend Credits	-	-	-
One-Time Extraordinary Credits	-	-	-
<b>Total:</b>	<b>\$ 3,032,082</b>	<b>\$ 3,283,404</b>	<b>\$ 251,322</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.

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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.

Coastal Branch Extension Bond Allocation

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

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

The following tables show the allocation of the DWR Coastal Branch Extension debt service amounts for FY 2014/15.

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**TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION**

<b>Reach 37</b>						
<b>Project Participant</b>	<b>Table A</b>	<b>Percentage</b>	<b>Transportation Capital</b>	<b>Reach 37 Credits <sup>(1)</sup></b>	<b>Net Reach 37 Transp. Costs</b>	
Guadalupe	-	0.00%	-	-	\$ -	-
Santa Maria	16,200	42.05%	926,622	(210,928)		715,695
Golden State Water Co.	500	1.30%	28,599	(6,510)		22,089
VAFB	5,500	14.28%	314,594	(71,611)		242,983
Buellton	578	1.50%	33,061	(7,526)		25,535
Santa Ynez (Solvang)	1,500	3.89%	85,798	(19,530)		66,268
Santa Ynez	500	1.30%	28,599	(6,510)		22,089
Goleta	4,500	11.68%	257,395	(58,591)		198,804
Morehart	200	0.52%	11,440	(2,604)		8,836
La Cumbre	1,000	2.60%	57,199	(13,020)		44,179
Raytheon	50	0.13%	2,860	(651)		2,209
Santa Barbara	3,000	7.79%	171,597	(39,061)		132,536
Montecito	3,000	7.79%	171,597	(39,061)		132,536
Carpinteria	2,000	5.19%	114,398	(26,040)		88,357
<b>Total:</b>	<b>38,528</b>	<b>100.00%</b>	<b>2,203,759</b>	<b>(501,643)</b>	<b>\$</b>	<b>1,702,116</b>

<b>Reach 38</b>						<b>FY 2014/15</b>
<b>Project Participant</b>	<b>Table A</b>	<b>Percentage</b>	<b>Transportation Capital</b>	<b>Reach 38 Credits <sup>(1)</sup></b>	<b>Net Reach 38 Transp. Costs</b>	<b>Transportation Capital Charges</b>
Guadalupe	-	0.00%	-	-	\$ -	-
Santa Maria	-	0.00%	-	-	-	715,695
Golden State Water Co.	-	0.00%	-	-	-	22,089
VAFB	5,500	25.20%	515,863	(117,426)	398,437	641,420
Buellton	578	2.65%	54,213	(12,340)	41,872	67,407
Santa Ynez (Solvang)	1,500	6.87%	140,690	(32,025)	108,665	174,933
Santa Ynez	500	2.29%	46,897	(10,675)	36,222	58,311
Goleta	4,500	20.62%	422,070	(96,076)	325,994	524,798
Morehart	200	0.92%	18,759	(4,270)	14,489	23,324
La Cumbre	1,000	4.58%	93,793	(21,350)	72,443	116,622
Raytheon	50	0.23%	4,690	(1,068)	3,622	5,831
Santa Barbara	3,000	13.74%	281,380	(64,051)	217,329	349,865
Montecito	3,000	13.74%	281,380	(64,051)	217,329	349,865
Carpinteria	2,000	9.16%	187,587	(42,700)	144,886	233,243
<b>Total:</b>	<b>21,828</b>	<b>100.00%</b>	<b>2,047,320</b>	<b>(466,032)</b>	<b>\$ 1,581,287</b>	<b>\$ 3,283,404</b>

(1) Includes credits for the return of bond cover of \$784,401 and Rate Management Funds Credits of \$183,274.

**Transportation Minimum OMP&R**

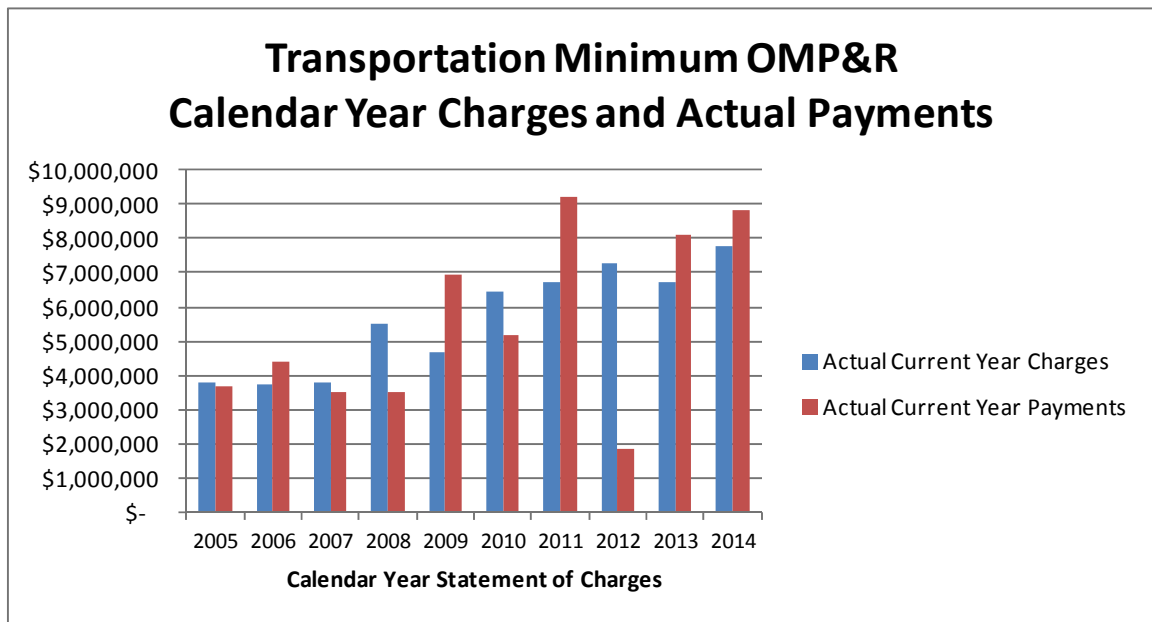
Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally, do not depend on or vary with the quantities of water delivered to CCWA.

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For FY 2013/14, total Transportation Minimum OMP&R charges are \$7,946,413, which is \$707,176 more than the prior year amount due to the following:

<b>Transportation Minimum OMP&amp;R</b>			
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>
Calculated Component	\$ 6,546,389	\$ 7,420,541	\$ 874,152
Prior Year (Over)/Under Collection	522,356	501,887	(20,469)
DHCCP Costs	170,492	23,985	(146,508)
Prior Year Credits	-	-	-
Transfers from other DWR accounts	-	-	-
<b>Total:</b>	<b>\$ 7,239,237</b>	<b>\$ 7,946,413</b>	<b>\$ 707,176</b>

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



Bay Delta Conservation Plan Supplemental Funding Agreement

CCWA, along with many other State and Federal water contractors, participated in a funding agreement for a total of \$140 million for initial planning and design work for an alternative conveyance facility and habitat



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plan in the Sacramento San Joaquin delta referred to as the “Bay Delta Conservation Plan” (BDCP). CCWA’s share of the initial \$140 million was \$744,261.

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

The following table shows the allocation of the FY 2014/15 BDCP costs. The City of Santa Maria agreed to pay the BDCP costs for the City of Santa Barbara, Carpinteria Valley Water District, Montecito Water District and the Goleta Valley Water District.

***FY 2014/15 BDCP Cost Allocation***

Project Participant	Table A & Drought Buffer	Percentage	BDCP Costs	TOTAL
Guadalupe	605	1.33%	\$ 319	\$ 319
Santa Maria	34,070	74.90%	17,965	17,965
Golden State Water Co.	550	1.21%	290	290
VAFB	6,050	13.30%	3,190	3,190
Buellton	636	1.40%	335	335
Santa Ynez (Solvang) <sup>(1)</sup>	1,500	3.30%	791	791
Santa Ynez <sup>(1)</sup>	700	1.54%	369	369
Goleta	-	0.00%	-	-
Morehart	220	0.48%	116	116
La Cumbre	1,100	2.42%	580	580
Raytheon	55	0.12%	29	29
Santa Barbara	-	0.00%	-	-
Montecito	-	0.00%	-	-
Carpinteria	-	0.00%	-	-
	45,486	100.00%	\$ 23,985	\$ 23,985

In total, CCWA has paid \$1,395,756 for the BDCP/DHCCP costs, as shown in the following table by calendar year.

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Calendar Year	BDCP Costs paid by CCWA
2008	\$ 38,233
2009	311,342
2010	379,630
2011	57,651
2012	267,916
2013	340,984
Total:	<u>\$ 1,395,756</u>

The following table shows the allocation of the FY 2014/15 Transportation Minimum OMP&R charges to each of the CCWA project participants.

**TRANSPORTATION MINIMUM OMP&R**

Project Participant	Table A	Percentage	Calculated Component FY 2014/15	Prior Year(s) Undercollections	DHCCP Costs <sup>(2)</sup>	FY 2013/14 Credit Amount	FY 2014/15 Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 102,871	\$ 6,958	\$ 319	\$ 4,612	\$ 114,760
Santa Maria	16,200	41.46%	3,030,009	204,934	17,965	(82,945)	3,169,963
Golden State Water Co.	500	1.28%	93,519	6,325	290	(595)	99,539
VAFB	5,500	14.07%	1,028,707	69,576	3,190	(34,960)	1,066,513
Buellton	578	1.48%	108,108	7,312	335	(3,120)	112,635
Santa Ynez (Solvang) <sup>(1)</sup>	1,500	3.84%	271,961	18,394	791	(10,240)	280,906
Santa Ynez <sup>(1)</sup>	500	1.28%	102,115	6,907	369	(3,203)	106,187
Goleta	4,500	11.52%	841,669	56,926	-	(3,022)	895,573
Morehart	200	0.51%	37,408	2,530	116	(2,104)	37,949
La Cumbre	1,000	2.56%	187,038	12,650	580	(6,016)	194,252
Raytheon	50	0.13%	9,352	633	29	565	10,579
Santa Barbara	3,000	7.68%	561,113	37,951	-	(6,209)	592,854
Montecito	3,000	7.68%	561,113	37,951	-	(6,209)	592,854
Carpinteria	2,000	5.12%	374,075	25,301	-	(5,395)	393,980
Subtotal:	39,078	100.00%	\$ 7,309,055	\$ 494,347	\$ 23,985	\$ (158,841)	\$ 7,668,545
Goleta Additional Table A	2,500	-	111,486	7,540	-	-	\$ 119,027
CCWA Drought Buffer	3,908	-	-	-	-	-	-
TOTAL:	45,486		\$ 7,420,541	\$ 501,887	\$ 23,985	\$ (158,841)	\$ 7,787,572

(1) Adjusted for the transfer of 150 acre feet drought buffer Table A from Solvang to Santa Ynez.

(2) DHCCP and Monterey litigation costs allocated in proportion to Table A amounts and drought buffer amounts.

The City of Santa Maria has agreed to pay the DHCCP costs for Goleta, Santa Barbara, Montecito and Carpinteria.

Please see the corresponding table showing the allocation of these costs.

**Water System Revenue Bond Surcharge**

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2014/15, the WSRB is about \$161,000 higher than the prior year amount.

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

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**WATER SYSTEM REVENUE BOND SURCHARGE**

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover <sup>(2)</sup>	FY 2014/15 WSRB Charges
Guadalupe	550	1.41%	\$ 41,380	\$ (15,511)	\$ 25,868
Santa Maria	16,200	41.46%	1,218,820	(456,880)	761,941
Golden State Water Co.	500	1.28%	37,618	(14,101)	23,517
VAFB	5,500	14.07%	413,797	(155,114)	258,684
Buellton	578	1.48%	43,486	(16,301)	27,185
Santa Ynez (Solvang) <sup>(1)</sup>	1,500	3.84%	109,851	(41,177)	68,673
Santa Ynez <sup>(1)</sup>	500	1.28%	40,621	(15,228)	25,393
Goleta	4,500	11.52%	338,561	(126,911)	211,650
Morehart	200	0.51%	15,047	(5,640)	9,407
La Cumbre	1,000	2.56%	75,236	(28,202)	47,033
Raytheon	50	0.13%	3,762	(1,410)	2,352
Santa Barbara	3,000	7.68%	225,707	(84,607)	141,100
Montecito	3,000	7.68%	225,707	(84,607)	141,100
Carpinteria	2,000	5.12%	150,472	(56,405)	94,067
Subtotal	39,078	100.00%	\$ 2,940,066	\$ (1,102,096)	\$ 1,837,970
Goleta Additional Table A	2,500	-	\$ 39,607	(14,860)	\$ 24,747
CCWA Drought Buffer	3,908	-	-	-	-
TOTAL:	45,486		\$ 2,979,673	\$ (1,116,956)	\$ 1,862,717

(1) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.  
 (2) WSRB return of bond cover for July 2013 and January 2014 payments.

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**Delta Water Charge**

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

No Table A reductions are assumed for FY 2014/15.

The FY 2014/15 Delta Water Charge totals \$2,024,583, which is \$145,233 lower than the prior year amount for the following reasons.

<b>Delta Water Charge</b>			
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>
Rate per acre-foot	\$ 48.83	\$ 46.47	\$ (2.36)
Delta Water Charge	2,221,043	2,113,531	(107,512)
Rate Management Credits	(138,486)	(138,944)	(458)
Replacement Deposits	87,259	49,996	(37,263)
<b>Total:</b>	<b>\$ 2,169,816</b>	<b>\$ 2,024,583</b>	<b>\$ (145,233)</b>

As the table above shows, the FY 2014/15 rate per acre-foot totals \$46.47, which is \$2.36/AF lower than the prior year amount.

The FY 2014/15 rate includes an estimated \$5.00/AF increase for calendar year 2015 for potential other conservation and delta related facilities (\$2.50/AF on a fiscal year basis).

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

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The following table shows the allocation of the FY 2014/15 Delta Water Charge to each of the CCWA project participants.

<b>DELTA WATER CHARGE</b>							
Project Participant	Table A Including Drought Buffer	Percentage	Gross Delta Water Charges	Replacement Accounting System Deposits	Rate Management Funds Credit	FY 2014/15 Delta Water Charges	
Guadalupe	605	1.41%	\$ 28,112	\$ 665	(1,842)	\$ 26,935	
Santa Maria	17,820	41.46%	828,016	19,587	(54,244)	793,359	
Golden State Water Co.	550	1.28%	25,556	605	(1,674)	24,486	
VAFB	6,050	14.07%	281,116	6,650	(18,416)	269,350	
Buellton	636	1.48%	29,552	699	(1,936)	28,315	
Santa Ynez (Solvang)	1,500	3.49%	69,698	1,649	(4,108)	67,239	
Santa Ynez	700	1.63%	32,526	769	(3,047)	30,249	
Goleta	4,950	11.52%	230,004	5,441	(15,068)	220,377	
Morehart	220	0.51%	10,222	242	(670)	9,795	
La Cumbre	1,100	2.56%	51,112	1,209	(3,348)	48,973	
Raytheon	55	0.13%	2,556	60	(167)	2,449	
Santa Barbara	3,300	7.68%	153,336	3,627	(10,045)	146,918	
Montecito	3,300	7.68%	153,336	3,627	(10,045)	146,918	
Carpinteria	2,200	5.12%	102,224	2,418	(6,697)	97,946	
Subtotal	42,986	100.00%	\$ 1,997,367	\$ 47,248	\$ (131,307)	\$ 1,913,308	
Goleta Additional Table A	2,500	5.50%	\$ 116,164	\$ 2,748	(7,637)	\$ 111,275	
TOTAL:	45,486	-	\$ 2,113,531	\$ 49,996	\$ (138,944)	\$ 2,024,583	

<b>2014 COST PER AF:</b>	<b>\$ 43.9655</b>
<b>Increase for 2015 SOC per AF /2</b>	<b>\$ 2.5000</b>
<b>Estimated rate for FY 2014/15</b>	<b>\$ 46.4655</b>

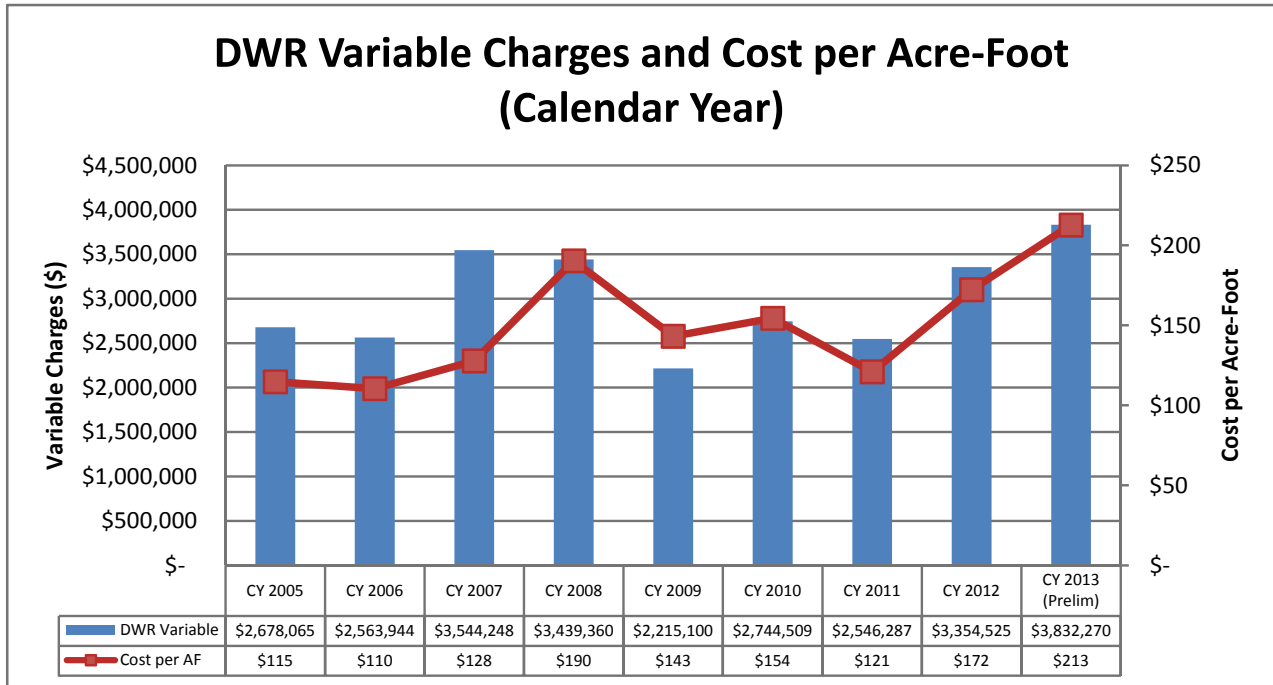
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**DWR VARIABLE COSTS**

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

- Off-Aqueduct Charge
- Variable OMP&R

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



The DWR variable charges for FY 2014/15 total \$4,730,902, which is \$1,453,106 higher than the budgeted FY 2013/14 variable payments.

**Off-Aqueduct Charges**

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

For FY 2014/15, the off-aqueduct charges total \$117,694, which is \$72,193 higher than the prior year budget.

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The following table shows the allocation of off-aqueduct charges for FY 2014/15.

Project Participant	July 2014 to December 2014				January 2015 to June 2015				FY 2013/14	TOTAL
	Requested Delivery AF <sup>(1)</sup>	Delivery Percentage	2014 Off-Aqueduct <sup>(1 &amp; 2)</sup>	Half-Year 2014 Charges	Requested Delivery AF <sup>(1)</sup>	Delivery Percentage	2015 Off-Aqueduct <sup>(3)</sup>	Half-Year 2015 Charges	(Credits) Charges <sup>(4)</sup>	FY 2014/15 Off-Aqueduct
Guadalupe	90	0.61%	\$ 1,057	\$ 529	90	0.63%	\$ 986	\$ 493	\$ (1,021)	\$ 0
Santa Maria	6,447	43.53%	75,726	37,863	8,300	57.86%	90,909	45,455	(83,318)	0
Golden State Water Co.	211	1.42%	2,478	1,239	253	1.76%	2,771	1,386	(2,625)	0
VAFB	1,213	8.19%	14,248	7,124	2,795	19.48%	30,613	15,307	(22,431)	-
Buellton	313	2.11%	3,676	1,838	310	2.16%	3,395	1,698	(3,536)	0
Santa Ynez (Solvang) <sup>(5)</sup>	689	4.65%	8,093	4,046	705	4.91%	7,722	3,861	(5,439)	2,468
Santa Ynez <sup>(6)</sup>	390	2.63%	4,581	2,290	310	2.16%	3,395	1,698	(3,988)	-
Goleta	1,475	9.96%	17,325	8,663	362	2.52%	3,965	1,982	480	11,125
Morehart	89	0.60%	1,045	523	111	0.77%	1,216	608	(1,131)	0
La Cumbre	365	2.46%	4,287	2,144	444	3.09%	4,863	2,432	(4,575)	-
Raytheon	38	0.26%	446	223	17	0.12%	186	93	(316)	0
Santa Barbara	1,356	9.16%	15,928	7,964	240	1.67%	2,629	1,314	(9,278)	0
Montecito	1,581	10.68%	18,570	9,285	249	1.74%	2,727	1,364	51,545	62,194
Carpinteria	552	3.73%	6,484	3,242	160	1.12%	1,752	876	37,788	41,907
	14,809	100.00%	\$ 173,946	\$ 86,973	14,346	100.00%	\$ 157,131	\$ 78,566	\$ (47,845)	\$ 117,694

- (1) Off-aqueduct charges are billed to the project participants based on requested deliveries. South coast deliveries include exchange deliveries with Santa Ynez ID#1.  
(2) Source: DWR invoice dated July 1, 2013 for Calendar Year 2014 Statement of Charges.  
(3) Source: Attachment #3, July 1, 2013 DWR Invoice for calendar year 2014.  
(4) Credits for reconciliation of 2014 off-aqueduct charges, return of bond cover and SMIF interest.  
(5) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.  
(6) Pursuant to the Exchange Agreement, Santa Ynez only pays Off-Aqueduct charges on its Table A deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Off-Aqueduct charges for exchange water they accept.

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

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

For FY 2014/15, the variable OMP&R charges total \$4,613,208 which is \$1,380,913 more than the prior year amount. The budget is based on estimated water deliveries of 29,155 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2014/15 is estimated to be \$150/AF and \$160/AF for the second half of the fiscal year. This is a significant increase in the estimated cost per acre foot compared to prior years primarily resulting from a large reduction in hydropower generation by DWR due to a large decrease in water deliveries. Because of the decrease in hydro power generation, DWR has to purchase power on the open market instead of using its own power generation for water deliveries.

The following table shows the allocation of the FY 2014/15 variable OMP&R costs.

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**VARIABLE OMP&R CHARGES**

Project Participant	July 1, 2014 to Dec 31, 2014 <sup>(1)</sup>			\$150/AF <sup>(2)</sup>	Jan 1, 2015 to June 30, 2015 <sup>(3)</sup>			\$160/AF <sup>(4)</sup>		TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2014 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2015 Var OMP&R	FY 2013/14 Credits <sup>(5)</sup>	FY 2014/15 Var. OMP&R
Guadalupe	90	-	90	\$ 13,500	90	-	90	\$ 14,400	\$ (15,143)	\$ 12,757
Santa Maria	6,447	-	6,447	967,050	8,300	-	8,300	1,328,000	230,879	2,525,929
Golden State Water Co.	211	-	211	31,650	253	-	253	40,480	(208)	71,922
VAFB	1,213	-	1,213	181,950	2,795	-	2,795	447,200	(133,588)	495,562
Buellton	313	-	313	46,950	310	-	310	49,600	(7,639)	88,911
Santa Ynez (Solvang)	689	-	689	103,350	705	-	705	112,800	74,294	290,444
Santa Ynez <sup>(6)</sup>	390	1,575	1,965	58,500	310	1,005	1,315	49,600	32,484	140,584
Goleta	1,475	(568)	907	221,250	362	(362)	0	57,920	(14)	279,156
Morehart	89	-	89	13,350	111	-	111	17,760	(24,299)	6,811
La Cumbre	365	-	365	54,750	444	-	444	71,040	(54,346)	71,444
Raytheon	38	-	38	5,700	17	-	17	2,720	(3,088)	5,332
Santa Barbara	1,356	(377)	979	203,400	240	(240)	(0)	38,400	(2,832)	238,968
Montecito	1,581	(377)	1,204	237,150	249	(240)	9	39,840	11	277,001
Carpinteria	552	(253)	299	82,800	160	(163)	(3)	25,600	(13)	108,387
<b>Total</b>	<b>14,809</b>	<b>-</b>	<b>14,809</b>	<b>\$ 2,221,350</b>	<b>14,346</b>	<b>-</b>	<b>14,346</b>	<b>\$ 2,295,360</b>	<b>\$ 96,498</b>	<b>\$ 4,613,208</b>

- (1) 2014 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.  
 (2) Source: July 1, 2013 Statement of Charges for calendar year 2014.  
 (3) 2014 Requested Deliveries based on a 100% delivery allocation.  
 (4) Source: Estimate of invoice rate for 2015.  
 (5) Credits for FY 2013/14 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.  
 (6) Pursuant to the Exchange Agreement, Santa Ynez only pays Variable OMP&R charges on its entitlement deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Variable OMP&R charges for exchange water they accept.



Central Coast Water Authority  
Department of Water Resources Charges  
Fiscal Year 2014/15 Budget

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**Other DWR Charges and Credits**

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their Table A allocation. This election eliminates the Delta Water Charge associated with the amount of State water Table A that has been reduced. No Table A reductions are assumed for calendar years 2014 or 2015.

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

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

**CCWA Turnback Pool**

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

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

Central Coast Water Authority  
**DWR Charges**  
 Fiscal Year 2014/15 Budget

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES					DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable			
Guadalupe	\$ 267,166	\$ -	\$ -	\$ 114,760	\$ 25,868	\$ 26,935	\$ 434,729	\$ 0	\$ 12,757	\$ 12,757	\$ (341)	\$ 447,144	
Santa Maria	7,869,243	715,695	-	3,169,963	761,941	793,359	13,310,201	0	2,525,929	2,525,929	(10,526)	15,825,603	
Golden State Water Co.	242,878	22,089	-	99,539	23,517	24,486	412,509	0	71,922	71,922	(346)	484,085	
Vandenbergh AFB	2,671,657	242,983	398,437	1,066,513	258,684	269,350	4,907,623	-	495,562	495,562	-	5,403,185	
Buellton	280,767	25,535	41,872	112,635	27,185	28,315	516,310	0	88,911	88,911	(790)	604,431	
Santa Ynez (Solvang)	721,919	66,268	108,665	280,906	68,673	67,239	1,313,670	2,468	290,444	292,912	(1,019)	1,605,563	
Santa Ynez	249,592	22,089	36,222	106,187	25,393	30,249	469,732	-	140,584	140,584	(355)	609,962	
Goleta	2,185,901	198,804	325,994	895,573	211,650	220,377	4,038,300	11,125	279,156	290,281	(3,155)	4,325,426	
Morehart Land	97,151	8,836	14,489	37,949	9,407	9,795	177,626	0	6,811	6,811	(347)	184,090	
La Cumbre	485,756	44,179	72,443	194,252	47,033	48,973	892,635	-	71,444	71,444	(646)	963,433	
Raytheon	24,288	2,209	3,622	10,579	2,352	2,449	45,498	0	5,332	5,332	(74)	50,755	
Santa Barbara	1,457,267	132,536	217,329	592,854	141,100	146,918	2,688,005	0	238,968	238,968	(2,043)	2,924,930	
Montecito	1,457,267	132,536	217,329	592,854	141,100	146,918	2,688,005	62,194	277,001	339,195	(4,097)	3,023,103	
Carpinteria	971,512	88,357	144,886	393,980	94,067	97,946	1,790,748	41,907	108,387	150,294	(1,296)	1,939,746	
Goleta 2500 AF	22,978	-	-	119,027	24,747	111,275	278,027	-	-	-	-	278,027	
<b>Total</b>	<b>\$ 19,005,342</b>	<b>\$ 1,702,116</b>	<b>\$ 1,581,287</b>	<b>\$ 7,787,572</b>	<b>\$ 1,862,717</b>	<b>\$ 2,024,583</b>	<b>\$ 33,963,618</b>	<b>\$ 117,694</b>	<b>\$ 4,613,208</b>	<b>\$ 4,730,902</b>	<b>\$ (25,036)</b>	<b>\$ 38,669,483</b>	



*Polonio Pass Water Treatment Plant Laboratory*

## ***Operating Expenses***

**T**he Operating Expenses section of the FY 2014/15 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

# Highlights

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## Summary Information

- **Total FY 2014/15 Operating Expenses \$ 7,901,618**
- Fixed expense increase \$ 102,406
- Variable expense increase \$ 244,217
- Increase over FY 2013/14 Budget \$ 346,623
- Percentage increase 4.59%

## Significant Operating Expense Changes

- Includes a salary pool for FY 2014/15 of \$106,499, equivalent to a 4.14% increase comprised of a 3% merit percentage and a 1.14% change in the consumer price index.
- Chemical costs budgeted at \$29.66 an acre-foot (excluding Santa Ynez Pumping facility chemical costs)
- Budgeted employee benefits percentage for FY 2014/15: 43.03%

Central Coast Water Authority  
Operating Expense Overview  
Fiscal Year 2014/15 Budget

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

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

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

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

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

**Operating Expense Budget and Exchange Agreement Modifications**

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2013/14. These expenses are billed to the project participants based on the individual Water Supply Agreements for each agency (*see the Revenues and Sources of Cash section of this document for further information on billings*).

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

Central Coast Water Authority  
**Operating Expense Overview**  
 Fiscal Year 2014/15 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2014/15 budget are as follows:

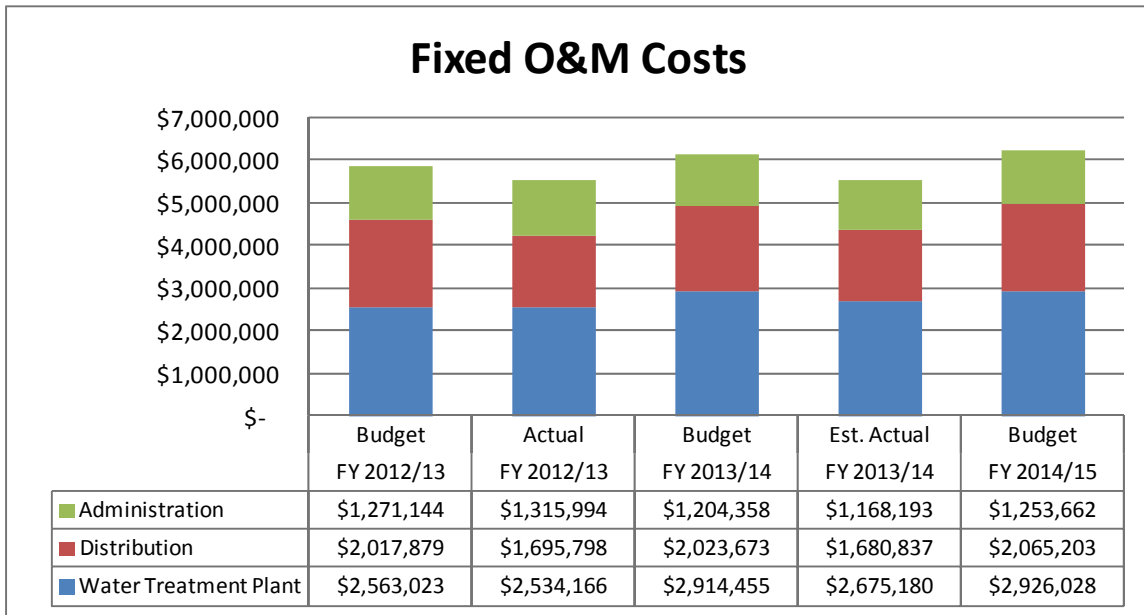
- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$316,601.
- Decrease in Warren Act and Trust Fund charges of \$149,640 (Warren Act and Trust Fund charges are not included in the Operating Expense budget and are treated as a pass-through expense).

**Fixed and Variable Operating Expenses**

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

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

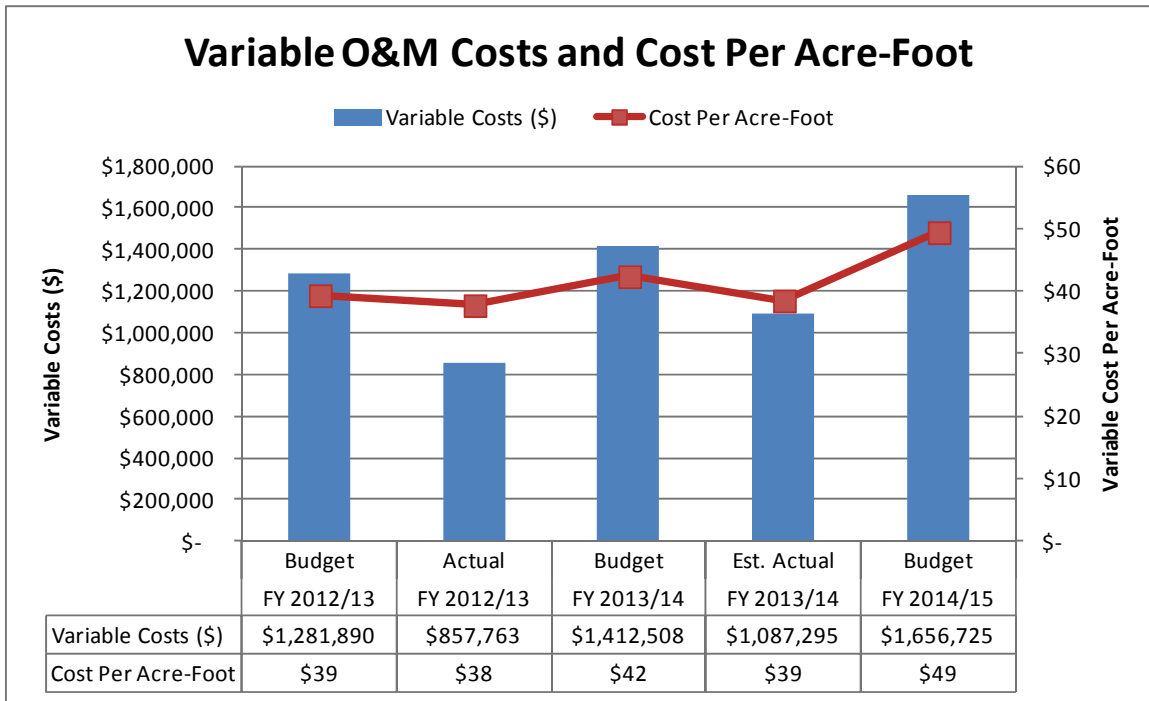
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority  
**Operating Expense Overview**  
 Fiscal Year 2014/15 Budget

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

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



The Fiscal Year 2014/15 Consolidated Departmental Operating Expense Budget totals \$7,901,618 which is \$346,623 higher than the Fiscal Year 2013/14 Budget, a 4.59% increase. Explanations for the various changes within the budget are discussed below and are also included in the various departmental sections of this Budget document.

*Personnel Expenses*

Personnel expenses are increasing by about \$85,000 which includes the following changes from the prior year:

- The FY 2014/15 Budget includes a \$106,499 salary pool for employee salary increases based on a salary pool percentage of 4.14%. The salary pool percentage is comprised of a 3% merit component and a 1.14% change in the consumer price index. However, the total salaries and wages budget is only increasing by about \$27,000 because of certain



Central Coast Water Authority  
Operating Expense Overview  
Fiscal Year 2014/15 Budget

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- employees hired at a lower salary and certain employees who have remained at the top of their salary range, stalling their salary growth.
- PERS retirement expenses are increasing by about \$37,000 due to salary increases and the change in the employer and employee contribution rate for the FY 2014/15 to 21.507% as compared to the prior year amount of 20.810%
  - Health insurance expenses and cafeteria plan benefits combined are increasing by about \$13,000 due to an increase dental and vision claims along with a small 0.16% increase in health insurance premiums, as opposed to the budgeted increase of 5% for calendar year 2014. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2015.
  - The FY 2014/15 Budget includes \$43,000 for deposit into the California Employers' Retiree Benefit Trust Program (CERBT) which represents a \$3,840 increase in the estimated FY 2014/15 from the FY 2013/14 budgeted amount of \$39,000 for the annually required contribution for the CCWA retiree medical benefit.

Supplies and Equipment

Supplies and equipment are decreasing by around \$172,000 due primarily to lower chemical costs.

Monitoring Expenses

Monitoring expenses are increasing by \$15,000 for lab tools and equipment as compared to last fiscal year because no funds were requested for the prior year.

Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$20,000 primarily for repairs and maintenance needed as equipment, structures and vehicles age.

Utilities

Utility expenses are increasing by about \$390,000 primarily due to an increase in requested water deliveries into Lake Cachuma of 2,409 AF compared to the prior fiscal year.

Approximately 54% of the operating expense budget represents personnel expenses. This is followed by 15% for supplies and equipment and the balance comprised of other expenses.

The chart on page 8( provides a detailed breakdown of the components of the FY 2014/15 budget.



Central Coast Water Authority  
**Operating Expense Overview**  
 Fiscal Year 2014/15 Budget

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**CCWA Employee Benefits Percentage**

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

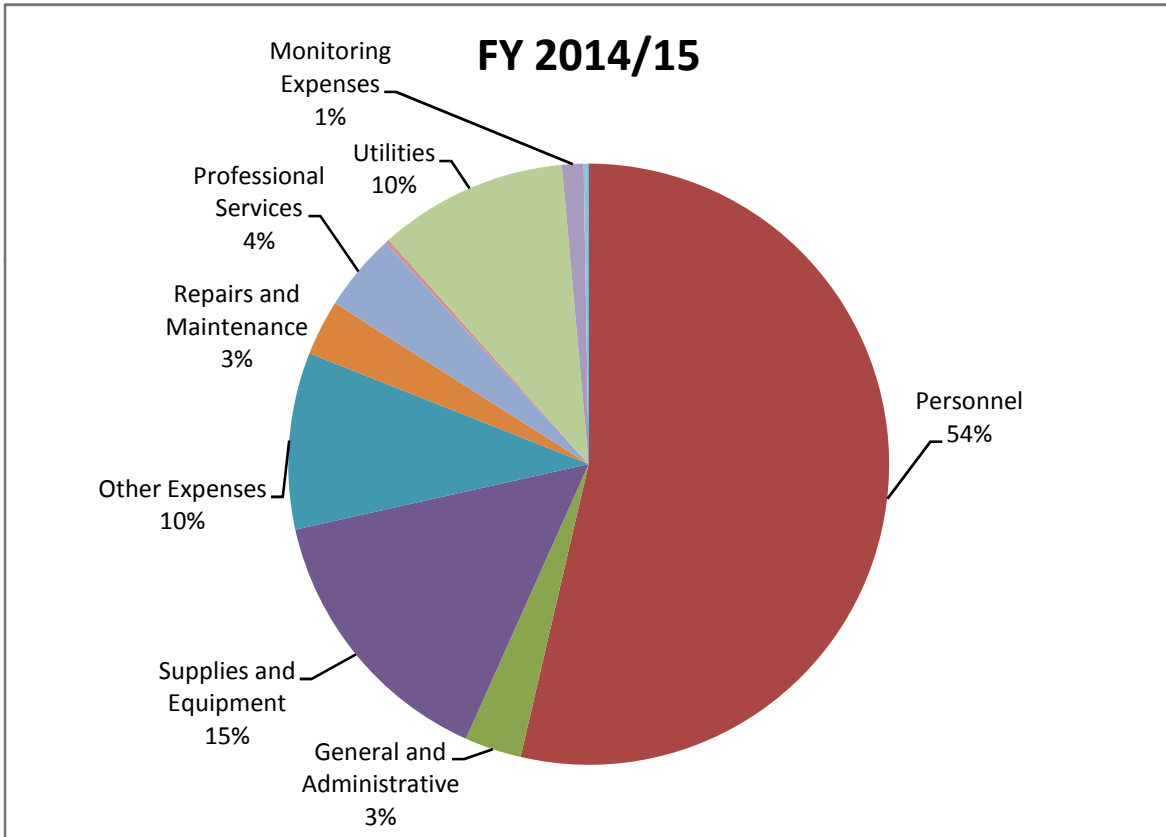
*Employee Benefits Funding Benchmark:* The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability and life insurance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

The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2012/13 through 2014/15.

	FY 2012/13 Actual	FY 2013/14 Est. Actual	FY 2014/15 Budget
Total Regular Salaries	\$ 2,736,525	\$ 2,583,272	\$ 2,676,536
<u>Benefits</u>			
PERS Retirement	583,346	521,356	575,643
Health Insurance	407,978	394,402	419,416
Cafeteria Plan Benefits	44,615	47,676	71,959
Dental/Vision Plan	62,215	57,264	62,565
Long-Term Disability	10,889	9,900	10,819
Life Insurance	11,593	10,611	11,422
Total Benefits:	\$ 1,120,638	\$ 1,041,209	\$ 1,151,824
Employee Benefits Percentage	40.95%	40.31%	43.03%

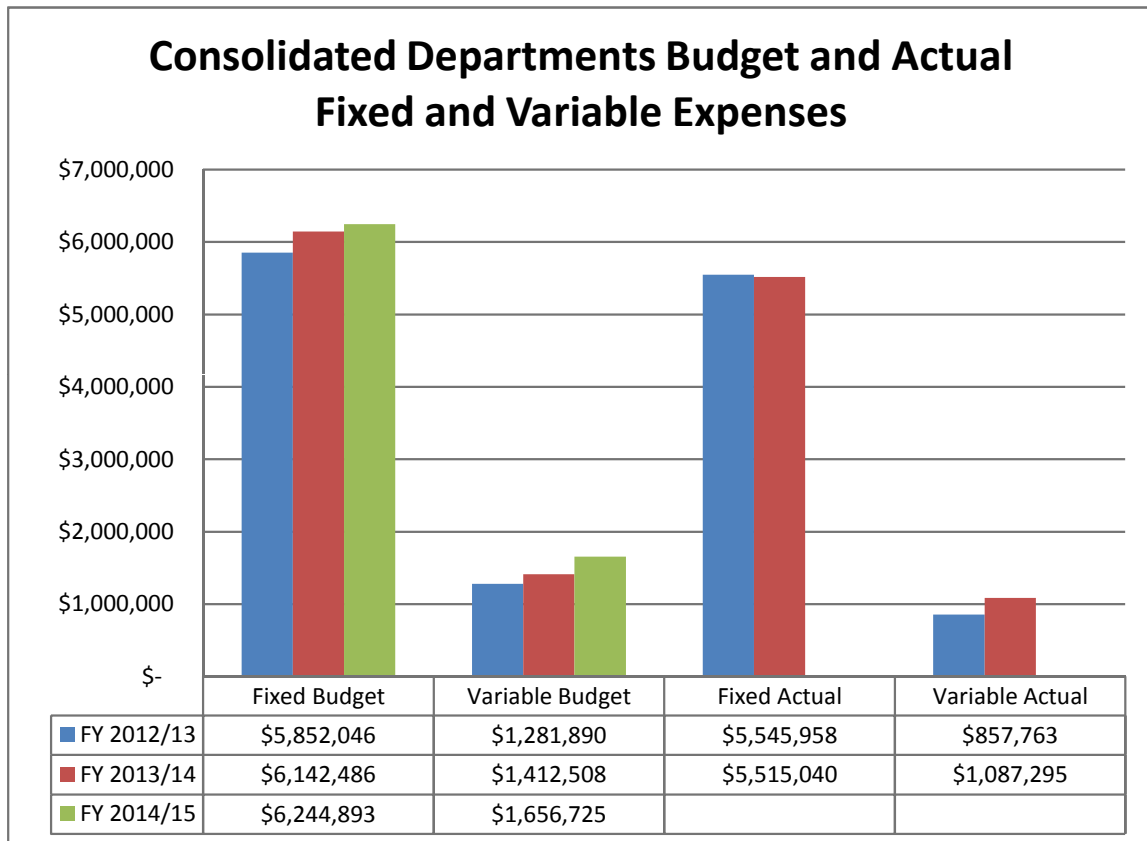
Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2014/15 Budget

Item	FY 2014/15 Budget
Personnel	\$ 4,238,812
Office Expenses	19,150
Supplies and Equipment	1,170,981
Monitoring Expenses	90,305
Repairs and Maintenance	236,220
Professional Services	329,851
General and Administrative	240,963
Utilities	803,022
Other Expenses	750,571
Turnouts	21,744
<b>TOTAL:</b>	<b>\$ 7,901,618</b>



Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2014/15 Budget

Item	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget
Personnel	\$ 4,131,035	\$ 4,119,254	\$ 4,154,292	\$ 3,950,954	\$ 4,238,812
Office Expenses	19,520	16,542	18,850	16,577	19,150
Supplies and Equipment	1,299,185	894,592	1,343,317	889,748	1,170,981
Monitoring Expenses	71,760	69,395	75,305	63,614	90,305
Repairs and Maintenance	214,025	210,003	216,460	212,220	236,220
Professional Services	228,509	192,202	322,369	216,862	329,851
General and Administrative	231,901	226,511	232,816	223,043	240,963
Utilities	300,279	261,742	410,750	514,583	803,022
Other Expenses	598,516	373,555	759,417	487,645	750,571
Turnouts	39,207	39,926	21,419	27,089	21,744
<b>Total:</b>	<b>\$ 7,133,936</b>	<b>\$ 6,403,721</b>	<b>\$ 7,554,995</b>	<b>\$ 6,602,335</b>	<b>\$ 7,901,618</b>



Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>PERSONNEL EXPENSES</u></b>								
5000.10	Full-Time Regular Wages	\$ 2,721,289	\$ 2,675,250	\$ 2,649,895	2,583,272	\$ 2,676,536	\$ 26,641	1.01%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	121,316	112,287	126,775	119,374	130,028	3,253	2.57%
5000.40	Standby Pay	52,210	52,804	52,945	49,950	52,711	(234)	-0.44%
5000.50	Shift Differential Pay	14,000	15,688	16,486	13,770	16,551	66	0.40%
5100.10	PERS Retirement	542,011	547,751	538,468	521,356	575,643	37,175	6.90%
5100.15	Medicare Taxes	42,627	41,916	42,098	39,976	42,743	645	1.53%
5100.20	Health Insurance	403,819	385,437	432,909	394,402	419,416	(13,493)	-3.12%
5100.25	Workers' Compensation	71,720	88,410	101,921	85,640	101,869	(52)	-0.05%
5100.30	Vehicle Expenses	18,000	18,692	9,000	9,415	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	31,000	42,437	39,000	3,764	42,840	3,840	9.85%
5100.40	Cafeteria Plan Benefits	30,491	44,615	57,212	47,676	71,959	14,747	25.78%
5100.45	Dental/Vision Plan	48,528	63,720	51,203	57,264	62,565	11,362	22.19%
5100.50	Long-Term Disability	10,772	10,397	10,707	9,900	10,819	112	1.05%
5100.55	Life Insurance	11,700	11,039	10,964	10,611	11,422	458	4.18%
5100.60	Employee Physicals	900	320	900	386	900	-	0.00%
5000.30	Temporary Services	2,000	-	5,000	-	5,000	-	0.00%
5100.80	Employee Incentive Programs	6,400	1,797	6,560	3,836	6,560	-	0.00%
5100.65	Employee Education Reimbursement	2,250	-	2,250	-	2,250	-	0.00%
1300.60	Capitalized Employee Benefits	-	6,693	-	362	-	-	N/A
<b>Total Personnel Expenses:</b>		4,131,035	4,119,254	4,154,292	3,950,954	4,238,812	84,520	2.03%

Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>OFFICE EXPENSES</u></b>								
5200.20	Office Supplies	10,900	8,570	9,700	8,191	9,700	-	0.00%
5200.30	Misc. Office Expenses	8,620	7,971	9,150	8,386	9,450	300	3.28%
	<b>Total Office Expenses:</b>	<b>19,520</b>	<b>16,542</b>	<b>18,850</b>	<b>16,577</b>	<b>19,150</b>	<b>300</b>	<b>1.59%</b>
<b><u>SUPPLIES AND EQUIPMENT</u></b>								
5500.10	Uniform Expenses	14,502	11,826	14,502	11,206	14,772	270	1.86%
5500.15	Minor Tools and Equipment	13,800	15,461	13,900	6,816	10,000	(3,900)	-28.06%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,500	859	1,500	450	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-VARIABLE	1,142,053	753,836	1,186,085	743,931	1,015,379	(170,706)	-14.39%
5500.35	Maintenance Supplies/Hardware	20,000	17,710	20,000	20,022	22,000	2,000	10.00%
5500.40	Safety Supplies	10,000	10,708	10,000	12,069	10,000	-	0.00%
5500.45	Fuel and Lubricants	85,830	82,287	85,830	94,916	85,830	-	0.00%
5500.50	Seed/Erosion Control Supplies	11,000	1,373	11,000	-	11,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	531	500	339	500	-	0.00%
	<b>Total Supplies and Equipment:</b>	<b>1,299,185</b>	<b>894,592</b>	<b>1,343,317</b>	<b>889,748</b>	<b>1,170,981</b>	<b>(172,336)</b>	<b>-12.83%</b>
<b><u>MONITORING EXPENSES</u></b>								
5600.10	Lab Supplies	53,455	54,971	57,000	58,363	57,000	-	0.00%
5600.20	Lab Tools and Equipment	-	-	-	-	15,000	15,000	N/A
5600.30	Lab Testing	18,305	14,425	18,305	5,252	18,305	-	0.00%
	<b>Total Monitoring Expenses:</b>	<b>71,760</b>	<b>69,395</b>	<b>75,305</b>	<b>63,614</b>	<b>90,305</b>	<b>15,000</b>	<b>19.92%</b>

Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change Budget
<b><u>REPAIRS AND MAINTENANCE</u></b>								
5700.10	Equipment Repairs and Maintenance	135,000	138,205	135,500	138,163	145,500	10,000	7.38%
5700.20	Vehicle Repairs and Maintenance	15,000	14,566	15,000	13,678	20,000	5,000	33.33%
5700.30	Building Maintenance	51,965	47,212	53,900	51,752	58,660	4,760	8.83%
5700.40	Landscape Maintenance	12,060	10,021	12,060	8,627	12,060	-	0.00%
<b>Total Repairs and Maintenance:</b>		214,025	210,003	216,460	212,220	236,220	19,760	9.13%
<b><u>PROFESSIONAL SERVICES</u></b>								
5400.10	Professional Services	95,925	64,605	144,925	47,638	127,275	(17,650)	-12.18%
5400.20	Legal Services	75,000	69,887	107,500	114,824	132,500	25,000	23.26%
5400.30	Engineering Services	10,000	12,827	10,000	-	10,000	-	0.00%
5400.40	Permits	21,700	22,539	20,900	16,575	20,900	-	0.00%
5400.50	Non-Contractual Services	3,884	2,345	4,044	2,824	4,176	132	3.26%
5400.60	Accounting Services	22,000	20,000	35,000	35,000	35,000	-	0.00%
<b>Total Professional Services:</b>		228,509	192,202	322,369	216,862	329,851	7,482	2.32%

Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>GENERAL AND ADMINISTRATIVE</u></b>								
5300.10	Meetings and Travel	55,500	81,802	54,100	45,537	58,900	4,800	8.87%
5300.20	Mileage Reimbursement	1,650	931	1,650	889	1,650	-	0.00%
5300.30	Dues and Memberships	140,841	122,272	144,556	156,455	149,513	4,957	3.43%
5300.40	Publications	2,750	1,450	2,500	2,290	2,500	-	0.00%
5300.50	Training	15,000	9,171	15,500	4,640	15,500	-	0.00%
5300.60	Advertising	4,350	1,190	3,500	3,730	2,000	(1,500)	-42.86%
5300.70	Printing and Binding	4,000	1,530	3,500	3,388	3,500	-	0.00%
5300.80	Postage	7,810	8,164	7,510	6,114	7,400	(110)	-1.46%
<b>Total General and Administrative:</b>		231,901	226,511	232,816	223,043	240,963	8,147	3.50%
<b><u>UTILITIES</u></b>								
5800.20	Natural Gas	7,432	7,636	9,490	2,335	8,190	(1,300)	-13.70%
5800.30	Electric-Fixed	123,195	130,042	146,831	150,286	126,972	(19,859)	-13.53%
5800.35	Electric-VARIABLE	139,837	103,927	226,423	343,365	641,347	414,923	183.25%
5800.40	Water	2,750	2,662	2,850	2,778	3,200	350	12.28%
5800.50	Telephone	17,720	10,290	15,810	9,456	13,728	(2,082)	-13.17%
5800.60	Waste Disposal	9,345	7,185	9,345	6,363	9,585	240	2.57%
<b>Total Utilities:</b>		300,279	261,742	410,750	514,583	803,022	392,272	95.50%

Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>OTHER EXPENSES</u></b>								
5900.10	Insurance	143,000	140,674	148,468	143,342	147,118	(1,350)	-0.91%
5900.30	Non-Capitalized Projects	115,970	41,208	273,567	153,226	258,569	(14,998)	-5.48%
5900.40	Equipment Rental	30,440	23,033	34,020	19,418	32,020	(2,000)	-5.88%
5900.50	Non-Capitalized Equipment	14,500	8,873	14,500	9,525	14,500	-	0.00%
5900.60	Computer Expenses	180,629	159,767	168,841	162,134	176,341	7,500	4.44%
5900.70	Appropriated Contingency	113,977	-	120,021	-	122,023	2,002	1.67%
	<b>Total Other Expenses:</b>	<b>598,516</b>	<b>373,555</b>	<b>759,417</b>	<b>487,645</b>	<b>750,571</b>	<b>(8,846)</b>	<b>-1.16%</b>
	Turnout Expenses	39,207	39,926	21,419	27,089	21,744	325	1.52%
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 7,133,936</b>	<b>\$ 6,403,721</b>	<b>\$ 7,554,995</b>	<b>\$ 6,602,335</b>	<b>\$ 7,901,618</b>	<b>\$ 346,623</b>	<b>4.59%</b>



Central Coast Water Authority  
**Operating Expense and CIP Expense Allocation by Department**  
 Fiscal Year 2014/15 Budget

Project Participant	Administration Department				Water Treatment Plant Department Fixed Costs				Turnout Costs	
	Table A		Administration Expenses		WTP Fixed and Capital Retreatment		Exchange Fixed and Capital Adjustments			Total Fixed WTP Costs
	Percentage	Table A	Percentage	WTP Fixed	Percentage	WTP Fixed and Capital Retreatment	Exchange Fixed and Capital Adjustments	Total Fixed WTP Costs		
Shandon	-	100	0.23%	\$ 7,246	-	-	-	7,246	-	
Chorro Valley	-	2,338	5.32%	169,413	-	-	-	169,413	2,900	
Lopez	-	2,392	5.45%	173,326	-	-	-	173,326	2,572	
Guadalupe	550	550	1.25%	39,853	23,146	-	-	63,000	2,039	
Santa Maria	16,200	16,200	36.90%	1,173,861	681,762	-	-	1,855,623	2,439	
Golden State Water Co.	500	500	1.14%	36,230	21,042	-	-	57,272	4,224	
VAFB	5,500	5,500	12.53%	398,533	231,462	-	-	629,995	2,000	
Buellton	578	578	1.32%	41,882	24,325	-	-	66,207	2,339	
Santa Ynez (Solvang)	1,500	1,500	3.42%	108,691	63,126	-	-	171,817	1,730	
Santa Ynez	500	500	1.14%	36,230	129,619	379,854	-	545,703	1,500	
Goleta	4,500	4,500	10.25%	326,072	(375,498)	(136,747)	-	(186,173)	-	
Morehart Land	200	200	0.46%	14,492	(21,029)	-	-	(6,537)	-	
La Cumbre	1,000	1,000	2.28%	72,461	(105,146)	-	-	(32,686)	-	
Raytheon (SBRC)	50	50	0.13%	3,623	(5,257)	-	-	(1,634)	-	
Santa Barbara	3,000	3,000	6.83%	217,382	(250,332)	(91,165)	-	(124,115)	-	
Montecito	3,000	3,000	6.83%	217,382	(250,332)	(91,165)	-	(124,115)	-	
Carpinteria	2,000	2,000	4.55%	144,921	(166,888)	(60,777)	-	(82,743)	-	
<b>TOTAL:</b>	<b>39,078</b>	<b>43,908</b>	<b>100.00%</b>	<b>\$ 3,181,598</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ 3,181,598</b>	<b>\$ 21,744</b>	

Project Participant	Distribution Department Fixed Costs										Total Fixed Operating & CIP Costs				
	Reach 33B		Reach 34		Reach 35		Reach 37		Reach 38			Mission Hills II	Santa Ynez I	Santa Ynez II	Total Fixed Distribution Costs
	1,310	30,627	13,974	3,213	1,205	35,495	26,566	820	22,123	7,650					
Shandon	1,310	30,627	-	-	-	-	-	-	-	-	-	-	-	1,310	8,556
Chorro Valley	30,627	31,334	13,974	3,213	1,205	35,495	26,566	820	22,123	7,650	14,655	38,032	12,677	30,627	202,940
Lopez	7,205	212,213	94,642	2,921	1,096	12,051	9,019	948	2,325	19,853	38,032	6,618	59,558	45,308	221,207
Guadalupe	6,550	72,048	32,131	3,377	1,266	3,287	2,460	820	6,034	19,853	38,032	6,618	59,558	11,623	94,454
Golden State Water Co.	7,572	19,649	8,763	2,921	1,096	12,051	9,019	948	2,325	19,853	38,032	6,618	59,558	368,917	2,751,044
VAFB	58,948	26,289	9,860	438	2,191	2,191	1,640	328	804	2,647	5,071	114,095	168,958	11,386	89,058
Buellton	2,620	13,100	5,842	292	110	201	82	82	4,022	13,235	25,355	37,546	7,509	220,166	1,030,085
Santa Ynez (Solvang)	655	39,299	17,526	6,573	6,573	6,573	4,920	4,920	12,067	39,705	76,064	112,639	1,877	37,792	125,036
Santa Ynez	39,299	39,299	17,526	6,573	6,573	6,573	4,920	4,920	12,067	39,705	76,064	112,639	1,877	98,077	320,149
Morehart Land	26,199	11,684	4,382	8,045	8,045	8,045	63,182	63,182	87,802	288,896	413,988	516,261	2,273,199	32,692	596,070
Goleta	575,177	242,271	85,623	85,623	85,623	85,623	63,182	63,182	87,802	288,896	413,988	516,261	2,273,199	32,692	422,590
Morehart Land	575,177	242,271	85,623	85,623	85,623	85,623	63,182	63,182	87,802	288,896	413,988	516,261	2,273,199	32,692	422,590
La Cumbre	39,299	39,299	17,526	6,573	6,573	6,573	4,920	4,920	12,067	39,705	76,064	112,639	1,877	20,586	20,519
Raytheon (SBRC)	39,299	39,299	17,526	6,573	6,573	6,573	4,920	4,920	12,067	39,705	76,064	112,639	1,877	102,931	102,595
Santa Barbara	26,199	11,684	4,382	8,045	8,045	8,045	63,182	63,182	87,802	288,896	413,988	516,261	2,273,199	5,147	5,130
Montecito	26,199	11,684	4,382	8,045	8,045	8,045	63,182	63,182	87,802	288,896	413,988	516,261	2,273,199	5,147	5,130
Carpinteria	575,177	242,271	85,623	85,623	85,623	85,623	63,182	63,182	87,802	288,896	413,988	516,261	2,273,199	308,793	281,727
<b>TOTAL:</b>	<b>575,177</b>	<b>242,271</b>	<b>85,623</b>	<b>85,623</b>	<b>85,623</b>	<b>85,623</b>	<b>63,182</b>	<b>63,182</b>	<b>87,802</b>	<b>288,896</b>	<b>413,988</b>	<b>516,261</b>	<b>2,273,199</b>	<b>205,862</b>	<b>187,818</b>
															<b>\$ 6,740,703</b>

Central Coast Water Authority  
**Operating Expense and CIP Expense Allocation by Department**  
 Fiscal Year 2014/15 Budget

Project Participant	Distribution Department Variable Costs		Water Treatment Plant Variable Costs					Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING & CIP COSTS
	Santa Ynez II		WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs			
Shandon	\$ -		\$ -			\$ -	\$ -	\$ 8,556	
Chorro Valley	-		72,014			72,014	72,014	274,954	
Lopez	-		72,225			72,225	72,225	293,432	
Guadalupe	-		5,960	911		6,871	6,871	101,325	
Santa Maria	-		488,265	74,676		562,941	562,941	3,313,986	
Golden State Water Co.	-		15,363	2,350		17,712	17,712	106,770	
VAFB	-		132,703	20,296		152,998	152,998	1,183,083	
Buellton	-		20,627	3,155		23,782	23,782	148,818	
Santa Ynez (Solvang)	-		46,155	7,059		53,214	53,214	373,362	
Santa Ynez	-		23,177	16,609	85,422	125,208	125,208	721,279	
Goleta	111,448		60,822	(25,471)	(30,752)	4,599	116,047	538,637	
Morehart Land	24,543		6,622	(5,609)	0	1,013	25,555	46,074	
La Cumbre	99,275		26,786	(22,689)	0	4,097	103,372	205,967	
S.B. Research	6,749		1,821	(1,543)	0	279	7,028	12,158	
Santa Barbara	119,867		52,843	(27,395)	(20,501)	4,946	124,813	406,540	
Montecito	148,581		60,590	(33,958)	(20,501)	6,131	154,713	436,439	
Carpinteria	36,716		23,574	(8,391)	(13,668)	1,515	38,231	226,049	
<b>TOTAL:</b>	\$ 547,179		\$ 1,109,546	\$ (0)	\$ -	\$ 1,109,546	\$ 1,656,725	\$ 8,397,428	

Summary of Total Costs	
<b>Fixed O&amp;M Costs</b>	
Administration	\$ 1,253,662
Water Treatment Plant	2,926,028
Distribution	2,065,203
<b>Total Fixed O&amp;M Costs</b>	<b>6,244,893</b>
<b>Variable O&amp;M Costs</b>	
Water Treatment Plant	1,109,546
Distribution	547,179
<b>Total Variable O&amp;M Costs</b>	<b>1,656,725</b>
Capital Improvement Projects	495,810
<b>Total O&amp;M and CIP Costs:</b>	<b>\$ 8,397,428</b>



*CCWA Executive Staff and Vice Chairman Accept ACWA/JPIA Refund Check – February 2013*

## ***Administration Department***

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

# Highlights

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## **Department Information**

- Number of employees 4.50
- Number of Board members 8
- Number of Authority Committees 3
- Board of Directors meetings Fourth Thursday of each month
- Operating Committee meetings Second Thursday, quarterly
- Finance Committee meetings Fourth Thursday, quarterly
- Other Committee meetings As needed

## **Budget Information**

- Total FY 2014/15 O&M Budget \$1,253,662
- O&M Budget increase over FY 2013/14 \$ 49,304
- Percentage increase over FY 2013/14 4.09%

## **Significant Accomplishments During FY 2013/14**

- Extensive work with DWR and the State Water Contractors to extend and amend the State Water Contract with DWR.
- Implementation of the CCWA Supplemental Water Purchase Program to find alternative sources of water to meet the demand of the CCWA project participants.
- Upgrade of accounting software program.

## **Significant Goals for FY 2014/15**

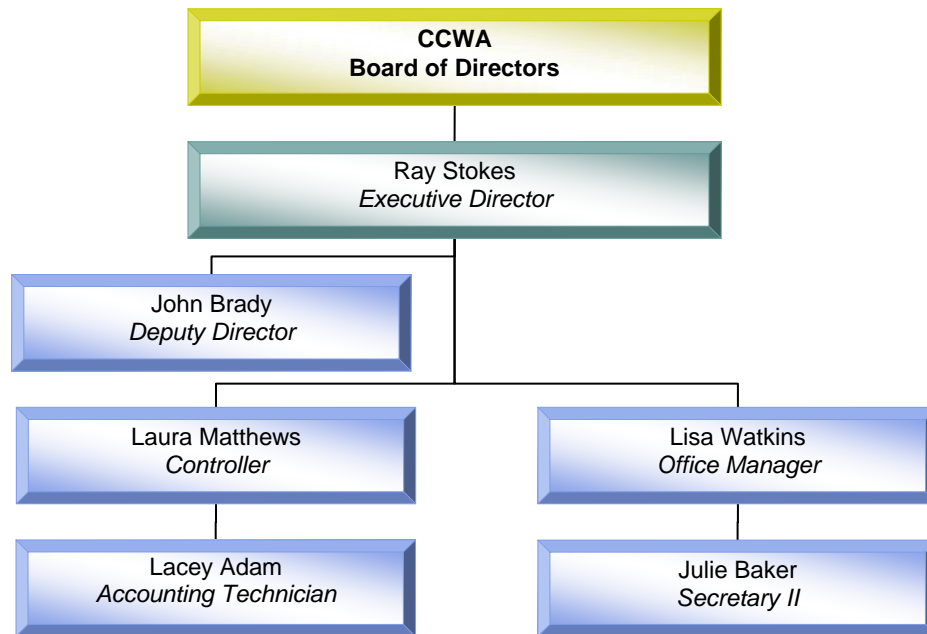
- Audit the entire Statement of Charges from DWR to CCWA for calendar year 2015.
- Finalize the implementation of the human resources employee benefit software package.
- Continue to work with DWR and the State Water Contractors on the State Water Project contract extension and amendment.
- Continue efforts to identify other sources of supplemental water to meet the water demands of the CCWA project participants.

Central Coast Water Authority  
**Administration Department**  
Fiscal Year 2014/15 Budget

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

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



**EXECUTIVE DIRECTOR**

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

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

Central Coast Water Authority  
Administration Department  
Fiscal Year 2014/15 Budget

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**DEPUTY DIRECTOR**

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

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

**CONTROLLER**

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

**OFFICE MANAGER**

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

Central Coast Water Authority  
Administration Department  
Fiscal Year 2014/15 Budget

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**2013 ACCOMPLISHMENTS AND 2014 GOALS**

The following pages list all of the Authority's 2013 accomplishment and their status and the Authority's 2014 goals. The 2013 accomplishments and 2014 goals that are the responsibility of the Water Treatment Plant and Distribution Departments are repeated in the Water Treatment Plant and Distribution Department sections of this budget. Also included is a table of performance indicators ("Service Efforts and Accomplishments") for the Administration Department.

**Administration and Accounting**

- Goal** Audit the entire Statement of Charges from DWR to CCWA for calendar years 2013 to determine that the amounts included in the Statement of Charges are correct and appropriate. This will be an on-going process throughout the year.  
**Status** In progress. Found errors in the future projections for Trans. Capital charges which DWR corrected in the 2014 SOC.
- Goal** In conjunction with DWR, finalize the adjustments to the Coastal Branch Extension debt service allocations due to prior allocation errors in which DWR has allocated approximately \$10 million more in debt service costs to CCWA for the Coastal Branch Extension than the total construction costs financed. [12/14]  
**Status** In progress. DWR has hired a consultant to begin reconciling all project costs. Estimated to take up to two years to complete.
- Goal** Work with the other SWC representatives to extend the State Water Contracts beyond 2035 to be able to finance potentially large capital expenditures over a longer period of time.  
**Status** In progress. Negotiations continue.
- Goal** Participate and represent CCWA's interests in State Water Contractors Association and the State Water Project Contractors Authority. [Ongoing]  
**Status** Ray Stokes is Secretary/Treasurer of the SWC Board of Directors and serves as the Chairman of the SWC Audit-Finance Committee. John Brady also participates in the SWC O&M and Engineering Committees.
- Goal** Continue working with DWR and San Luis Obispo County to create capacity for water exchange programs. [12/13]  
**Status** SLOC has requested time to evaluate its long term planning efforts.
- Goal** Investigate permanent and/or long term water transfer opportunities for Carpinteria Valley Water District and other interested Project Participants  
**Status** Ongoing.
- Goal** Investigate exchange, groundwater banking and storage opportunities in Santa Barbara County, the Central Valley, and elsewhere in California. [12/13]  
**Status** Brought back water from Dudley Ridge and Palmdale exchanges.



Central Coast Water Authority  
Administration Department  
Fiscal Year 2014/15 Budget

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- Goal** Devise alternate storage mechanisms to reduce the risk of losing future carryover water that gets stored in San Luis Reservoir.  
**Status** Participated in multi-year transfer demonstration program with DWR and SWCs.
- Goal** Continue work on Accounting Department and Administration Department policies and procedures manual chapters on Administrative, Project Participant Invoices, and Budget Preparation. [12/13]  
**Status** On going. Laura Matthews is updating policies and procedures for all aspects of the accounting department.
- Goal** Execute necessary contract amendments to reacquire the 12,214 AF of suspended Table A water through the SBCFCWCD [10/13]  
**Status** Working with DWR to determine if DWR will honor the SB County first right of refusal to reacquire the suspended water. Anticipate a DWR decision after contract extension negotiations are completed.
- Goal** NEW: Develop an outreach program regarding CCWA, the State Water Project, contract extension and amendment and the BDCP for use in briefings with elected officials and project participant boards and councils [10/13]  
**Status** Developed materials for use in briefing the SB County Board of Supervisors and project participant boards and councils. Additional outreach needed on BDCP and contract extension.
- Goal** NEW: Establish policies and procedures for water transfers and exchanges and a database to track all water transfers and exchanges [9/13]  
**Status** Completed.
- Goal** NEW: Re-establish the Water Transfers Ad Hoc committee to establish policies regarding water transfers/sales, etc. both within Santa Barbara County and outside of the County [10/13]  
**Status** On hold.
- Goal** NEW: Execute a consulting contract for CCWA representation on the State Water Project Contractors Authority (SWPCA) Board of Directors [9/13]  
**Status** Ray Stokes is representing CCWA on the SWPCA board.
- Goal** Prepare the FY 2013/14 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the “Distinguished Budget Presentation” award. [7/12]  
**Status** Submitted to GFOA.



Central Coast Water Authority  
Administration Department  
Fiscal Year 2014/15 Budget

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- Goal** Prepare a Comprehensive Annual Financial Report for FY 2012/13 in conformance with GFOA and submit it to GFOA for the “Excellence in Financial Reporting” award. [12/13]  
**Status** Submitted to GFOA.

**Contracts**

- Goal** Preserve benefits of Monterey Amendment (Amendment No. 16 to the State Water Contract) to CCWA’s project participants and its customers. [Ongoing]  
**Status** Ongoing.

**DWR Coordination**

- Goal** Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance. [11/13]  
**Status** During the 2013 DWR Winter Shutdown, CCWA staff completed a full interior inspection of the water treatment plant, an engineering inspection of Tank 7 and also conducted an interior inspection of approximately 2 miles of pipeline in Reach MHII.
- Goal** Continue to participate within DWR’s Municipal Water Quality Investigation Program. In addition, assist the DWR MWQI program with the Delta Sanitary Survey Update. [12/13]  
**Status** CCWA staff continued to participate as active members of the Technical Advisory and Special Projects Committees for the MWQI Program.
- Goal** Cooperate with and assist DWR in developing and implementing effective canal/forebay/tank maintenance. In addition, work with DWR to complete the internal inspection of the raw water pipeline at the Highway 46 crossing. [11/13]  
**Status** CCWA staff worked with DWR in addressing canal maintenance in 2013. Staff provided technical advice as well as field assistance during the application of copper sulfate and application of Nautique, a non-NSF 61 certified herbicide. Also, CCWA staff was able to obtain DWR’s commitment to conduct the interior pipe inspection at the highway 46 crossing during the planned 2013 DWR Winter Shutdown. Previously, DWR has postponed this task for three years in a row. CCWA staff has offered DWR assistance in performing the interior inspections as well.
- Goal** Continue to work with Department of Water Resource’s O&M staff through the State Water Contractors O&M and Engineering Committees to control O&M expenses and when possible to capitalize high cost projects. [Ongoing]  
**Status** The Deputy Director is an active participant in the State Water Contractors Operations, Maintenance and Engineering Committees. Work is ongoing.

Central Coast Water Authority  
Administration Department  
Fiscal Year 2014/15 Budget

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**Goal** Assist DWR, the State Water Contractors, the Federal Bureau of Reclamation, and the Federal Central Valley Project Contractors to plan, design, and implement the Bay Delta Conservation Plan. [Ongoing]  
**Status** BDCP and EIR/EIS released. Currently in 120 day review process.

**2014 Goals**

**Administration and Accounting**

Audit the entire Statement of Charges from DWR to CCWA for calendar year 2014 to determine that the amounts included in the Statement of Charges are correct and appropriate. This will be an on-going process throughout the year.

In conjunction with DWR, finalize the adjustments to the Coastal Branch Extension debt service allocations due to prior allocation errors in which DWR has allocated approximately \$10 million more in debt service costs to CCWA for the Coastal Branch Extension than the total construction costs financed. [12/2015]

Complete the negotiations to extend and amend the long-term water supply contracts with DWR, and obtain Santa Barbara County approval on proposed amendments after approval by the CCWA Board and individual project participants. [12/2014]

Participate and represent CCWA's interests in State Water Contractors Association and the State Water Project Contractors Authority. [Ongoing]

Continue working with DWR and San Luis Obispo County to create capacity for water exchange programs. [12/14]

Investigate permanent and/or long term water transfer opportunities for Carpinteria Valley Water District and other interested Project Participants.

Investigate exchange, groundwater banking and storage opportunities in Santa Barbara County, the Central Valley, and elsewhere in California. [12/14]

Devise alternate storage mechanisms to reduce the risk of losing future carryover water that gets stored in San Luis Reservoir. [Ongoing]

Execute necessary contract amendments to reacquire the 12,214 AF of suspended Table A water through the SBCFCWCD [12/14]

Prepare the FY 2014/15 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the "Distinguished Budget Presentation" award. [7/14]

Prepare a Comprehensive Annual Financial Report for FY 2013/14 in conformance with GFOA and submit it to GFOA for the "Excellence in Financial Reporting" award. [12/14]

Central Coast Water Authority  
Administration Department  
Fiscal Year 2014/15 Budget

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**DWR Coordination**

Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance.

Continue to participate within DWR's Municipal Water Quality Investigation Program. In addition, assist the DWR MWQI program with the Delta Sanitary Survey Update.

Cooperate with and assist DWR in developing and implementing effective canal/forebay/tank maintenance. Continue to work with DWR in addressing the pond weed issue through providing advice and technical assistance with dosing applications.

Continue to work with Department of Water Resource's O&M staff through the State Water Contractor's Operations, Maintenance and Engineering Committee to control O&M expenses and when possible to capitalize high cost projects.

Assist DWR, the State Water Contractors, the Federal Bureau of Reclamation, and the Federal Central Valley Project Contractors to plan, design, and implement the Bay Delta Conservation Plan.

**ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW**

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

The Administration Department operating expense budget for FY 2014/15 is increasing by \$49,304 or 4.09% when compared to the FY 2013/14 Budget. The total FY 2014/15 budget is \$1,253,662 compared to the FY 2013/14 budget of \$1,204,358. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$35,000 due to the following:

- Administration Department FY 2014/15 salary pool allocation of \$18,065 based on a salary pool percentage of 4.14%. However, the total salary and wage budget is only increasing by around \$15,000 because certain employees are at the top of the salary range and are therefore receiving a smaller percentage increase
- Health insurance expenses and cafeteria plan benefit expenses combined are increasing by about \$9,000 primarily due to a change in employee demographics.
- PERS retirement expense increase of about \$6,000 due to a change in the employer and employee contribution rate in the FY 2014/15 to 21.507% as compared to the prior year amount of 20.810%

Central Coast Water Authority  
**Administration Department**  
 Fiscal Year 2014/15 Budget

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General and Administrative General and administrative expenses are decreasing by \$5,000 primarily due to reallocation of expenses between departments for meeting and travel expenses.

Other Expenses Other Expenses are increasing by \$13,000, due to an increase in non-capitalized project expenses of \$7,500 (see below); also increases in insurance costs, computer related expenses and appropriated contingency.

<b>Non-Capitalized Projects</b>					
Project Description	Financial Reach	Total Project Cost <sup>(1)</sup>	WTP	Distribution	Administration
Storage Area Network (SAN) BAO replacement	ADM	31,500	10,500	10,500	10,500
Fiber Optic Switches	ADM	50,610	16,870	16,870	16,870
Board Room Data Projector	ADM	5,670			5,670
<b>TOTAL:</b>		<b>\$ 87,780</b>	<b>\$ 27,370</b>	<b>\$ 27,370</b>	<b>\$ 33,040</b>

(1) Excludes CCWA labor and overhead costs.

Central Coast Water Authority  
Administration Department  
Fiscal Year 2014/15 Budget

<b>Description:</b>	<b>Replacement of Storage Area Network (SAN) Buellton Administrative Office</b>
Department:	Water Treatment Plant, Distribution, Administration
Expanded Description	The existing SAN in the Buellton Administrative Office is currently five years old. The recommended replacement frequency is every five years.
Estimated Charge - Contractor	\$30,000
Contingency (5%)	\$1,500
Subtotal without CCWA Labor	<b>\$31,500</b>
Labor and overhead	\$1,399
<b>Total Cost</b>	<b>\$32,899</b>
Operating Budget Impact:	Through proactively replacing aging infrastructure, we avoid responding to breakdown conditions. The Storage Area Network device is a critical component of the overall CCWA server operation. If this equipment failed, CCWA's network consultant would be called into action on an emergency basis, which would increase costs as compared to a planned replacement project.

<b>Description:</b>	<b>Fiber Optic Switches</b>
Department:	Water Treatment Plant, Distribution, Administration
Expanded Description	The current fiber optic switches in the CCWA network are a proprietary and approximately 8 years old. The network has 26 switches. To begin an organized replacement program, 8 new switches are proposed to establish a separate path for security and administrative traffic. The new switches would not be purchased until after the network evaluation is completed.
Estimated Charge – Contractor	\$5,000
Estimated Charge – Materials	\$40,000
Taxes (8%)	\$3,200
Contingency (5%)	\$2,410
Subtotal without CCWA Labor	<b>\$50,610</b>
CCWA Labor	\$8,162
<b>Total Cost</b>	<b>\$58,772</b>
Operating Budget Impact:	The current fiber optic switches are near the end of their anticipated service life. In preparation of replacing the switches, the Network Evaluation Project will identify and develop a replacement plan for the switches. Considering that the security and administrative traffic have already been separated from the Supervision Control and Data Acquisition (SCADA) System traffic through establishing a virtual local area network, the first phase of the replacement plan will likely be establishing a separate physical communication path for the security and administrative traffic. Through an organized phased replacement program, the high cost of replacing all switches in one year is avoided and spread over multiple years.

Central Coast Water Authority  
**Administration Department**  
 Fiscal Year 2014/15 Budget

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Description:	Board Room Data Projector
Department:	Administration
Expanded Description	The existing data projector in the CCWA Board Room is over 10 years old. To provide reliable service, a replacement is proposed.
Estimated Charge – Materials	\$5,000
Tax (8%)	\$400
Contingency (5%)	\$270
Subtotal without CCWA Labor	<b>\$5,670</b>
CCWA Labor	\$574
Total Cost	\$6,244
Operating Budget Impact:	An important part of the on-going operation is to report to the Board of Directors to provide a status of the operation and also to receive direction on management issues. The data projector allows for clear presentation of important information to the Board of Directors. It is important to provide clear information to the board as they make their deliberations and decisions. Effective presentation of information will lead to well informed decisions, which will also lead to effective control over operational costs.

Central Coast Water Authority  
**Personnel Services Summary**  
**Administration Department**  
Fiscal Year 2014/15 Budget

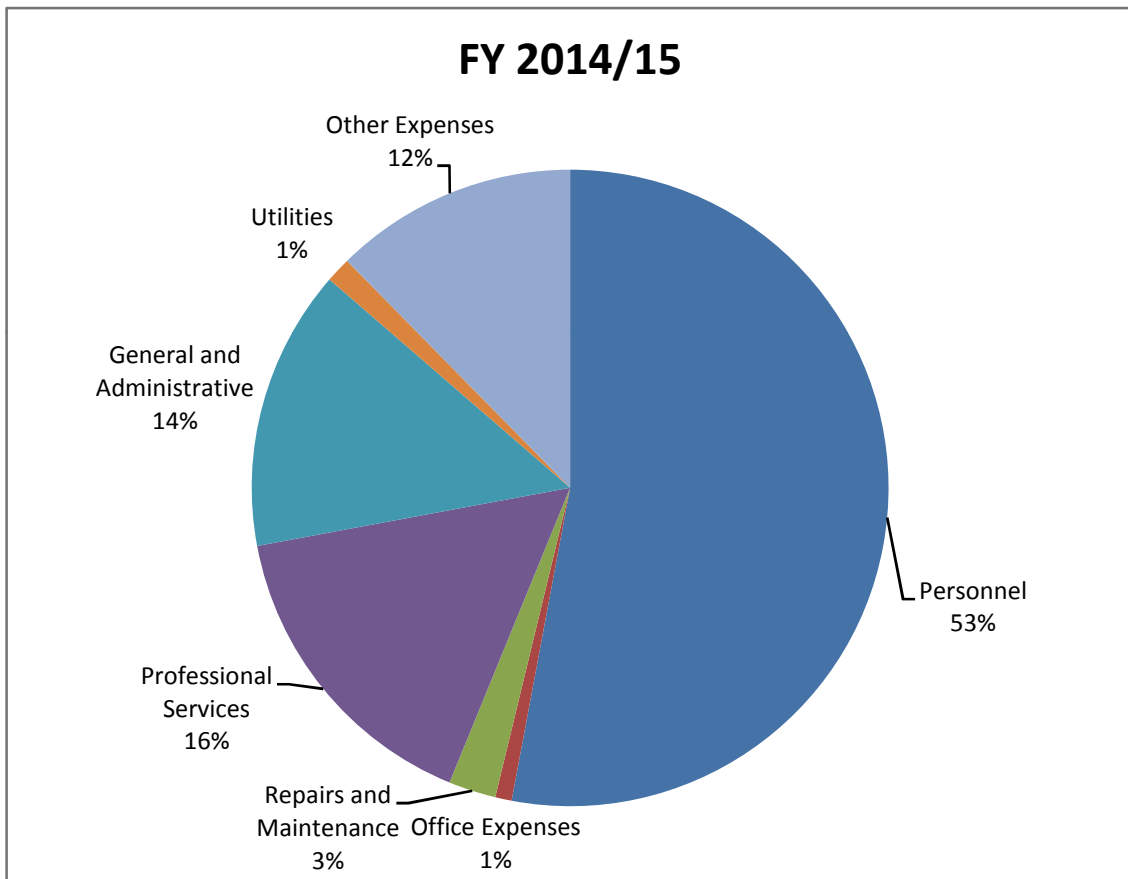
<b>PERSONNEL COUNT SUMMARY</b>					
Position Title	Number Auth. FY 2012/13	Number Auth. FY 2013/14	Number Requested FY 2014/15	Change Over FY 2012/13	Change Over FY 2013/14
Executive Director <sup>(1) (2)</sup>	0.50	0.50	0.50	-	-
Deputy Director <sup>(1) (2)</sup>	1.00	0.25	0.25	(0.75)	-
Operations Manager <sup>(1) (2)</sup>	0.25	-	-	(0.25)	-
Controller <sup>(2)</sup>	-	1.00	1.00	1.00	-
Senior Accountant <sup>(2)</sup>	1.00	-	-	(1.00)	-
Office Manager <sup>(2)</sup>	-	1.00	1.00	1.00	-
Accounting Technician	0.50	1.00	1.00	0.50	-
Secretary II <sup>(2)</sup>	1.75	0.75	0.75	(1.00)	-
<b>TOTAL:</b>	5.00	4.50	4.50	(0.50)	-

<b>PERSONNEL WAGE SUMMARY</b>						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2013/14 Total Annual Salary	Allocation to Admin Department
Executive Director <sup>(1) (2)</sup>	1	N/A	N/A	N/A	\$ 217,523	\$ 108,762
Deputy Director <sup>(1) (2)</sup>	1	N/A	N/A	N/A	\$ 152,158	\$ 38,040
Controller <sup>(2)</sup>	1	24	\$ 8,714	\$ 10,631	\$ 105,000	\$ 105,000
Office Manager <sup>(2)</sup>	1	19	\$ 6,704	\$ 8,179	\$ 76,336	\$ 76,336
Accounting Technician	1	12	\$ 4,686	\$ 5,717	\$ 58,987	\$ 58,987
Secretary II <sup>(2)</sup>	1	12	\$ 4,686	\$ 5,717	\$ 48,824	\$ 48,824
FY 2014/15 Salary Pool						\$ 18,065
<b>TOTAL:</b>						<b>\$ 454,014</b>

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).  
The Deputy Director is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).  
(2) CCWA succession plan position changes approved by the Board on March 22, 2012.

Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2014/15 Budget

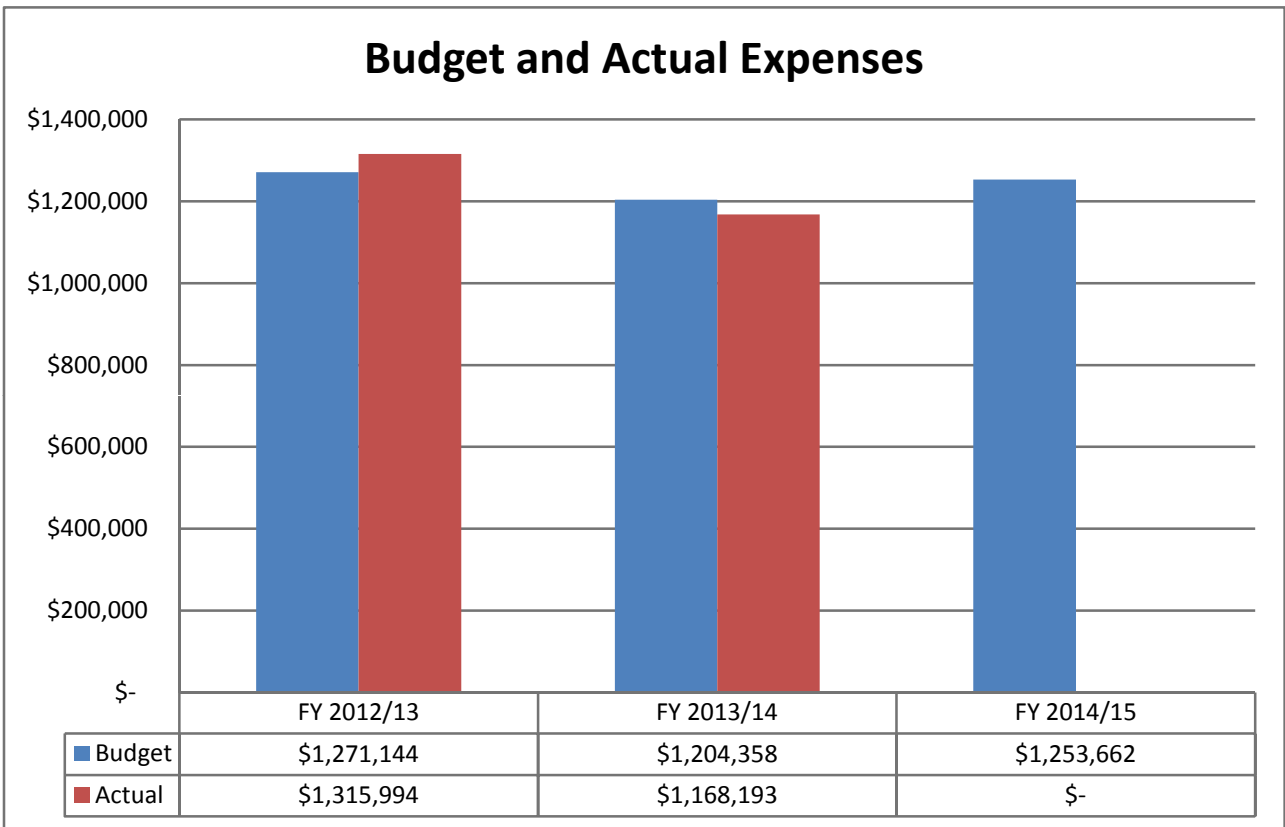
Item	FY 2014/15 Budget
Personnel	\$ 663,782
Office Expenses	10,500
Repairs and Maintenance	30,195
Professional Services	199,116
General and Administrative	179,163
Utilities	15,910
Other Expenses	154,996
<b>TOTAL:</b>	<u><u>\$ 1,253,662</u></u>





Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2014/15 Budget

Item	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget
Personnel	\$ 805,877	\$ 911,070	\$ 628,323	\$ 677,116	\$ 663,782
Office Expenses	12,700	9,971	10,500	9,208	10,500
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	27,375	25,652	29,060	25,462	30,195
Professional Services	103,824	96,531	196,484	184,113	199,116
General and Administration	176,801	164,966	183,716	165,909	179,163
Utilities	14,192	12,160	14,300	13,294	15,910
Other Expenses	130,375	95,642	141,975	93,091	154,996
<b>TOTAL:</b>	<b>\$ 1,271,144</b>	<b>\$ 1,315,994</b>	<b>\$ 1,204,358</b>	<b>\$ 1,168,193</b>	<b>\$ 1,253,662</b>



Central Coast Water Authority  
**Administration Department Operating Expenses**

Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>PERSONNEL EXPENSES</u></b>								
5000.10	Full-Time Regular Wages	\$ 574,962	\$ 622,822	\$ 438,375	\$ 457,902	\$ 454,014	\$ 15,639	3.57%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	2,000	2,958	2,000	4,853	5,000	3,000	150.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	117,142	128,651	91,226	105,597	97,645	6,419	7.04%
5100.15	Medicare Taxes	8,449	10,182	6,617	8,356	6,828	211	3.19%
5100.20	Health Insurance	55,143	49,381	43,768	48,185	54,787	11,018	25.17%
5100.25	Workers' Compensation	4,226	5,873	4,525	5,617	4,691	166	3.68%
5100.30	Vehicle Expenses	18,000	18,692	9,000	9,415	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	5,750	42,437	6,175	3,764	6,783	608	9.85%
5100.40	Cafeteria Plan Benefits	7,522	12,910	15,974	16,087	11,896	(4,077)	-25.52%
5100.45	Dental/Vision Plan	7,237	14,192	6,051	12,780	8,379	2,328	38.47%
5100.50	Long-Term Disability	2,216	2,201	1,675	1,884	1,742	67	4.01%
5100.55	Life Insurance	1,781	1,694	1,407	1,757	1,487	80	5.67%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,200	233	1,280	558	1,280	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
5100.86	Non-Capitalized Projects Overhead	-	(1,156)	-	362	-	-	N/A
<b>Total Personnel Expenses:</b>		<b>805,877</b>	<b>911,070</b>	<b>628,323</b>	<b>677,116</b>	<b>663,782</b>	<b>35,459</b>	<b>5.64%</b>

Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>OFFICE EXPENSES</u></b>								
5200.20	Office Supplies	7,200	5,620	6,000	5,823	6,000	-	0.00%
5200.30	Miscellaneous Office Expenses	5,500	4,351	4,500	3,385	4,500	-	0.00%
<b>Total Office Expenses:</b>		12,700	9,971	10,500	9,208	10,500	-	0.00%
<b><u>SUPPLIES AND EQUIPMENT</u></b>								
5500.10	Uniform Expenses	-	-	-	-	-	-	N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-	N/A
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	-	-	-	-	-	-	N/A
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	-	-	-	-	-	-	N/A
5500.40	Safety Supplies	-	-	-	-	-	-	N/A
5500.45	Fuel and Lubricants	-	-	-	-	-	-	N/A
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
<b>Total Supplies and Equipment:</b>		-	-	-	-	-	-	N/A
<b><u>MONITORING EXPENSES</u></b>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
<b>Total Monitoring Expenses:</b>		-	-	-	-	-	-	-

Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>REPAIRS AND MAINTENANCE</u></b>								
5700.10	Equipment Repairs and Maintenance	5,000	4,643	5,500	6,184	5,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	19,315	18,764	20,500	16,929	21,635	1,135	5.54%
5700.40	Landscape Maintenance	3,060	2,245	3,060	2,349	3,060	-	0.00%
	<b>Total Repairs and Maintenance:</b>	<b>27,375</b>	<b>25,652</b>	<b>29,060</b>	<b>25,462</b>	<b>30,195</b>	<b>1,135</b>	<b>3.91%</b>
<b><u>PROFESSIONAL SERVICES</u></b>								
5400.10	Professional Services	3,500	4,299	50,500	31,465	28,000	(22,500)	-44.55%
5400.20	Legal Services	75,000	69,887	107,500	114,824	132,500	25,000	23.26%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,324	2,345	3,484	2,824	3,616	132	3.79%
5400.60	Accounting Services	22,000	20,000	35,000	35,000	35,000	-	0.00%
	<b>Total Professional Services:</b>	<b>103,824</b>	<b>96,531</b>	<b>196,484</b>	<b>184,113</b>	<b>199,116</b>	<b>2,632</b>	<b>1.34%</b>
<b><u>GENERAL AND ADMINISTRATIVE</u></b>								
5300.10	Meeting and Travel	36,500	45,067	41,600	21,245	34,400	(7,200)	-17.31%
5300.20	Mileage Reimbursement	1,000	846	1,000	671	1,000	-	0.00%
5300.30	Dues and Memberships	125,141	111,038	128,856	136,791	132,463	3,607	2.80%
5300.40	Publications	1,750	698	1,500	1,500	1,500	-	0.00%
5300.50	Training	3,000	1,457	3,000	1,150	3,000	-	0.00%
5300.60	Advertising	850	-	-	-	-	-	N/A
5300.70	Printing and Binding	4,000	1,530	3,500	3,388	3,500	-	0.00%
5300.80	Postage	4,560	4,331	4,260	1,164	3,300	(960)	-22.54%
	<b>Total General and Administrative:</b>	<b>176,801</b>	<b>164,966</b>	<b>183,716</b>	<b>165,909</b>	<b>179,163</b>	<b>(4,553)</b>	<b>-2.48%</b>

Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>UTILITIES</u></b>								
5800.20	Natural Gas	420	345	450	184	450	-	0.00%
5800.30	Electric-Fixed	8,052	5,959	8,040	8,081	9,056	1,016	12.63%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	1,200	1,136	1,200	948	1,200	-	0.00%
5800.50	Telephone	2,220	2,387	2,310	2,223	2,664	354	15.32%
5800.60	Waste Disposal	2,300	2,333	2,300	1,858	2,540	240	10.43%
<b>Total Utilities:</b>		14,192	12,160	14,300	13,294	15,910	1,610	11.26%
<b><u>OTHER EXPENSES</u></b>								
5900.10	Insurance	21,576	19,595	16,923	20,500	18,777	1,853	10.95%
5900.30	Non-Capitalized Projects	-	-	25,550	-	33,040	7,490	29.32%
5900.40	Equipment Rental	5,340	4,479	5,020	4,641	5,020	-	0.00%
5900.50	Non-Capitalized Equipment	2,500	4,561	2,500	-	2,500	-	0.00%
5900.60	Computer Expenses	76,035	67,007	68,367	67,950	71,078	2,711	3.97%
5900.70	Appropriated Contingency	24,924	-	23,615	-	24,582	967	4.09%
<b>Total Other Expenses:</b>		130,375	95,642	141,975	93,091	154,996	13,021	9.17%
<b>TOTAL OPERATING EXPENSES</b>		\$ 1,271,144	\$ 1,315,994	\$ 1,204,358	\$ 1,168,193	\$ 1,253,662	\$ 49,304	4.09%

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

Description:                      Funds for the Administration Department regular employees. Includes \$18,065 for the FY 2014/15 salary pool.

<b>FY 14/15 Requested Budget</b>	454,014
<b>FY 13/14 Estimated Actual</b>	457,902
<b>Increase (Decrease)</b>	(3,888)

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

Description:                      Overtime expenses for non-exempt Administration employees.

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	4,853
<b>Increase (Decrease)</b>	147

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

Description:                      Not funded.

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

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

Description:                      Funds for the employer and employee portion of PERS retirement system contributions.

Based on a 21.507% contribution rate for FY 2014/15

<b>FY 14/15 Requested Budget</b>	97,645
<b>FY 13/14 Estimated Actual</b>	105,597
<b>Increase (Decrease)</b>	(7,952)

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

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

<b>FY 14/15 Requested Budget</b>	6,828
<b>FY 13/14 Estimated Actual</b>	8,356
<b>Increase (Decrease)</b>	(1,528)

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

Description:                      Funds for the employer provided portion of medical insurance coverage for Administration employees. Budget amount is based on actual medical insurance election for the Administration Department based on dependent status. Includes an estimated increase of 5% for 2015.

<b>FY 14/15 Requested Budget</b>	54,787
<b>FY 13/14 Estimated Actual</b>	48,185
<b>Increase (Decrease)</b>	6,602

Family	\$	19,580
Emp + 1	\$	15,061
Employee only	\$	7,531

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

Description:                      Funds for Workers' Compensation insurance for the Administration Department. Based on an X-Mod rate of 109%. Based on a 5% premium increase over FY 2013/14.

<b>FY 14/15 Requested Budget</b>	4,691
<b>FY 13/14 Estimated Actual</b>	5,617
<b>Increase (Decrease)</b>	(926)

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

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

<b>FY 14/15 Requested Budget</b>	9,000
<b>FY 13/14 Estimated Actual</b>	9,415
<b>Increase (Decrease)</b>	(415)

Decrease due to retirement of existing Executive Director.

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

Description:      Estimates \$1,428 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

<b>FY 14/15 Requested Budget</b>	6,783
<b>FY 13/14 Estimated Actual</b>	3,764
<b>Increase (Decrease)</b>	3,019

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

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

<b>FY 14/15 Requested Budget</b>	11,896
<b>FY 13/14 Estimated Actual</b>	16,087
<b>Increase (Decrease)</b>	(4,190)

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

Description:      Funds for the self-funded dental/vision plan. The plan provides \$3,192 per year per family for dental and vision expenses. Budgeted amount is \$2,234 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

<b>FY 14/15 Requested Budget</b>	8,379
<b>FY 13/14 Estimated Actual</b>	12,780
<b>Increase (Decrease)</b>	(4,401)

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

Description:      Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.43 per \$100 of salary.

<b>FY 14/15 Requested Budget</b>	1,742
<b>FY 13/14 Estimated Actual</b>	1,884
<b>Increase (Decrease)</b>	(141)



**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

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

<b>FY 14/15 Requested Budget</b>	1,487
<b>FY 13/14 Estimated Actual</b>	1,757
<b>Increase (Decrease)</b>	(270)

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

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

<b>FY 14/15 Requested Budget</b>	250
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	250

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

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

<b>FY 14/15 Requested Budget</b>	1,280
<b>FY 13/14 Estimated Actual</b>	558
<b>Increase (Decrease)</b>	722

Safety Program	\$	680
EAAP	\$	600
<b>TOTAL:</b>	\$	1,280

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

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

<b>FY 14/15 Requested Budget</b>	6,000
<b>FY 13/14 Estimated Actual</b>	5,823
<b>Increase (Decrease)</b>	177

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

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

<b>FY 14/15 Requested Budget</b>	4,500
<b>FY 13/14 Estimated Actual</b>	3,385
<b>Increase (Decrease)</b>	1,115

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

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

<b>FY 14/15 Requested Budget</b>	34,400
<b>FY 13/14 Estimated Actual</b>	21,245
<b>Increase (Decrease)</b>	13,155

\$	2,000	ACWA Conferences
\$	26,400	SWC Meetings (\$2,200 per month)
\$	2,000	DWR/Sacramento/MWQI
\$	4,000	Other miscellaneous meetings
\$	34,400	

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

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

<b>FY 14/15 Requested Budget</b>	1,000
<b>FY 13/14 Estimated Actual</b>	671
<b>Increase (Decrease)</b>	329

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

Description:                      Funds for professional dues.

<b>FY 14/15 Requested Budget</b>	132,463
<b>FY 13/14 Estimated Actual</b>	136,791
<b>Increase (Decrease)</b>	(4,329)

\$	85,938	SWC Bay Delta Charges
\$	3,276	SWPCA JPA & SFCWA JPA Dues
\$	6,400	MWQI Charges for 2014 Calendar Year
\$	16,604	ACWA
\$	14,995	SWPCA Delta Specific Project Committee
\$	2,250	Support various water education programs
\$	3,000	Employee Professional Dues and Misc.
\$	132,463	TOTAL

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

Description:      Funds for publications received by CCWA  
 \$                      750      Personnel related subscriptions  
 \$                      500      Employee professional publications  
 \$                      250      Other Publications - General  
 \$                      1,500      TOTAL

<b>FY 14/15 Requested Budget</b>	1,500
<b>FY 13/14 Estimated Actual</b>	1,500
<b>Increase (Decrease)</b>	-

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

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

<b>FY 14/15 Requested Budget</b>	3,000
<b>FY 13/14 Estimated Actual</b>	1,150
<b>Increase (Decrease)</b>	1,850

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

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

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

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

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

<b>FY 14/15 Requested Budget</b>	3,500
<b>FY 13/14 Estimated Actual</b>	3,388
<b>Increase (Decrease)</b>	112

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

Description:      Funds for all postal and mail expenses.

<b>FY 14/15 Requested Budget</b>	3,300
<b>FY 13/14 Estimated Actual</b>	1,164
<b>Increase (Decrease)</b>	2,136

\$	3,000	Postage meter expenses (\$250 per month)
\$	300	Overnight and shipping svcs (\$25 per month)
\$	3,300	TOTAL

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

Description:      Funds for miscellaneous consultants and other services.

<b>FY 14/15 Requested Budget</b>	28,000
<b>FY 13/14 Estimated Actual</b>	31,465
<b>Increase (Decrease)</b>	(3,465)

\$	2,500	Administration office alarm system
\$	500	CA DMV driver monitoring service
\$	25,000	Co. of Santa Barbara administration charge for State Water Project Contract Extension
\$	28,000	TOTAL

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

Description:      Funds for CCWA legal services.

<b>FY 14/15 Requested Budget</b>	132,500
<b>FY 13/14 Estimated Actual</b>	114,824
<b>Increase (Decrease)</b>	17,676

\$	120,000	Brownstein Hyatt Farber General Counsel
\$	10,000	Stradling Yocca Carlsen Personnel Counsel
\$	2,500	Metropolitan Water/Monterey II Litigation
\$	132,500	TOTAL

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

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

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

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

<b>FY 14/15 Requested Budget</b>	3,616
<b>FY 13/14 Estimated Actual</b>	2,824
<b>Increase (Decrease)</b>	792

\$	1,416	IRC 125 Plan administraton fees (\$118 per mo)
\$	1,200	Employee Assistance Program
\$	1,000	Other miscellaneous
\$	3,616	TOTAL

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

Description:                      Funds for the annual audit of the FY 2011/12 Financial Statements.

<b>FY 14/15 Requested Budget</b>	35,000
<b>FY 13/14 Estimated Actual</b>	35,000
<b>Increase (Decrease)</b>	-

\$	22,000	Nasiff, Hicks & Company
\$	13,000	Ernst & Young, LLP
\$	35,000	TOTAL

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

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

<b>FY 14/15 Requested Budget</b>	5,500
<b>FY 13/14 Estimated Actual</b>	6,184
<b>Increase (Decrease)</b>	(684)

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

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

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

<b>FY 14/15 Requested Budget</b>	21,635
<b>FY 13/14 Estimated Actual</b>	16,929
<b>Increase (Decrease)</b>	4,706

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

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

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

<b>FY 14/15 Requested Budget</b>	3,060
<b>FY 13/14 Estimated Actual</b>	2,349
<b>Increase (Decrease)</b>	711

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

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

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

<b>FY 14/15 Requested Budget</b>	450
<b>FY 13/14 Estimated Actual</b>	184
<b>Increase (Decrease)</b>	266


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

Description:      Funds for electrical service to the Administration building (\$755 per month).

<b>FY 14/15 Requested Budget</b>	9,056
<b>FY 13/14 Estimated Actual</b>	8,081
<b>Increase (Decrease)</b>	975


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

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

<b>FY 14/15 Requested Budget</b>	1,200
<b>FY 13/14 Estimated Actual</b>	948
<b>Increase (Decrease)</b>	252


**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

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

<b>FY 14/15 Requested Budget</b>	2,664	\$	180	Long distance and 800# (\$15 per month)
<b>FY 13/14 Estimated Actual</b>	2,223	\$	1,680	Local long distance (\$140 per month)
<b>Increase (Decrease)</b>	441	\$	804	Cell phones and airtime (\$67 per month)
		\$	2,664	TOTAL

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

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

<b>FY 14/15 Requested Budget</b>	2,540	\$	2,340	Waste Disposal service (\$195 per month)
<b>FY 13/14 Estimated Actual</b>	1,858	\$	200	Hazardous Waste Disposal
<b>Increase (Decrease)</b>	682	\$	2,540	TOTAL

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

Description:      Funds for insurance related expenses.

<b>FY 14/15 Requested Budget</b>	18,777	\$	1,514	Property and auto insurance based on allocation provided by JPIA
<b>FY 13/14 Estimated Actual</b>	20,500	\$	13,193	General Liability and E&O apportioned by payroll percentages
<b>Increase (Decrease)</b>	(1,723)	\$	4,070	Employee fidelity bond \$5 million limit
		\$	18,777	TOTAL

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

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

<b>FY 14/15 Requested Budget</b>	33,040
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	33,040

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2014/15 BUDGET**

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

Description:      Funds for rental of equipment.

<b>FY 14/15 Requested Budget</b>	5,020	\$	1,460	Postage meter (\$365 per quarter)
<b>FY 13/14 Estimated Actual</b>	4,641	\$	3,060	Copier lease (\$255 per month)
<b>Increase (Decrease)</b>	379	\$	500	Other
		\$	5,020	TOTAL

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

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

<b>FY 14/15 Requested Budget</b>	2,500
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	2,500

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

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

<b>FY 14/15 Requested Budget</b>	71,078	\$	62,238	CompuVision, Annual Service Agreements and Software Subscriptions
<b>FY 13/14 Estimated Actual</b>	67,950	\$	8,840	Software and other computer services
<b>Increase (Decrease)</b>	3,128	\$	71,078	TOTAL

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

Description:      2.0% of operating expenses

<b>FY 14/15 Requested Budget</b>	24,582
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	24,582





*Fire Pump Reinstallation Project*

## ***Water Treatment Plant Department***

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

# Highlights

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## **Department Information**

- Number of employees 14.80
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2014/15 requested water deliveries 33,511 acre-feet

## **Budget Information**

- Total FY 2014/15 O&M Budget \$ 4,035,574
- O&M Budget decrease over FY 2013/14 \$ (101,956)
  - Fixed cost increase over FY 2013/14 \$ 11,573
  - Variable cost decrease over FY 2013/14 \$ (113,528)
- Percentage decrease (2.46)%
- Fixed O&M Expenses \$ 2,926,028
- Variable O&M Expenses \$ 1,109,546
- FY 2014/15 budgeted chemical cost \$ 29.66 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
  - Fixed and Capital \$ 42.08
  - Variable \$ 5.06
- Exchange Agreement Modifications Per AF:
  - Fixed and Capital \$ 147.23
  - Variable \$ 33.11

## **Significant Accomplishments During FY 2013/14**

- CCWA staff worked with DWR in addressing various raw water canal maintenance issues. Of particular importance, Treatment Plant staff provided technical advice to DWR as well as field assistance and overall coordination during DWR's application of copper sulfate and Nautique, a non-NSF 61 certified herbicide, to the raw water canal.
- The Senior Chemist was successful in refurbishing the existing Gas Chromatograph Instrument. This device is now currently utilized for process disinfection byproduct analysis of samples collected from the CCWA turnouts and tank locations.

## **Significant Goals for FY 2014/15**

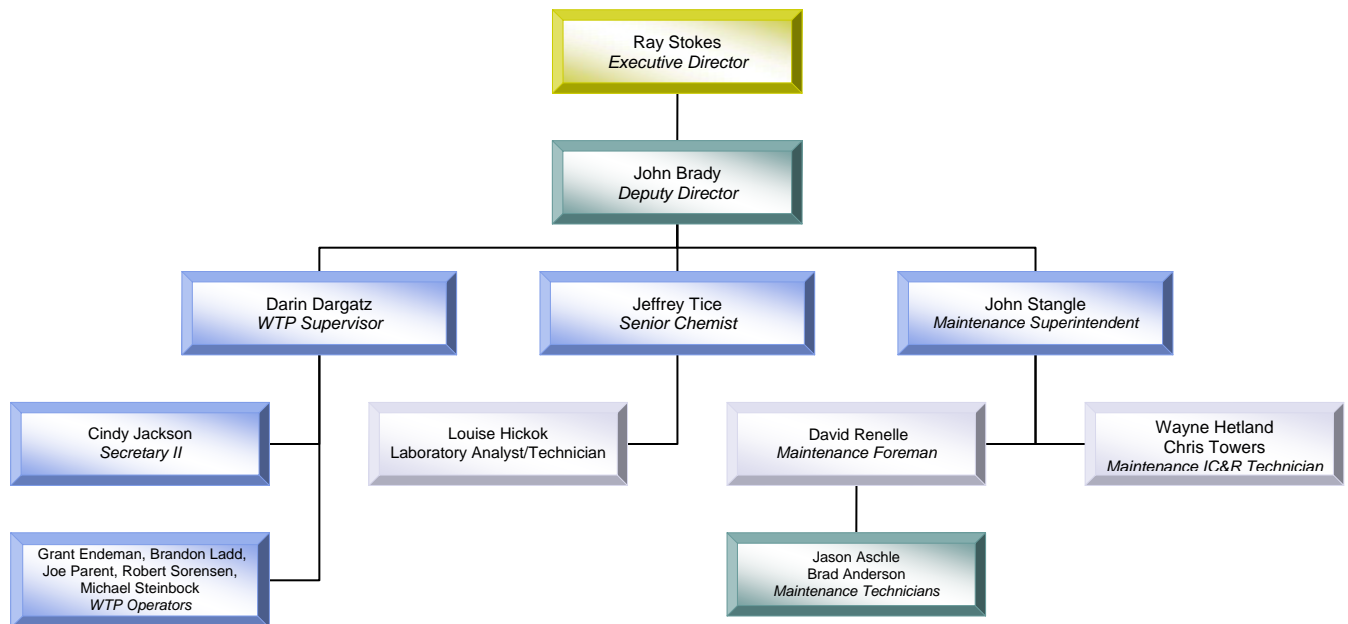
- Coordinate the implementation of the new Laboratory Information Management System (LIMS) and to incorporate its use into routine regulatory and management reporting. In addition, utilize the LIMS program to capture pipeline treatment records.
- Develop and implement an organized chemical tank internal inspection program. The program will identify procedures, equipment and frequency of inspection.

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

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



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

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

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

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

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

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

The following pages list the 2013 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2014 goals for the Water Treatment Plant Department.

**Operations and Maintenance**

**Goal** Continue with efforts to align the management and operation of the CCWA Treatment Plant and Distribution System with the development of written Standard Operating Procedures. [12/13]

**Status** Work continues.

**Goal** Establish a plan to catch up on deferred maintenance in an orderly and cost effective manner. The pavement inspection program will be utilized to identify pavement requiring slurry/fog sealing or repair and will schedule according to need and budget. In addition, all major facilities will be evaluated to identify painting needs and schedule according to need and budget. [4/13]

**Status** CCWA staff received asphalt condition assessment training. All paved areas managed by CCWA were inspected and ranked for maintenance work priority. CCWA staff moved forward in crack sealing efforts, completing work at the Santa Ynez Pumping Plant, Tank 2, 5 and 7. The Water Treatment Plant crack sealing near the clearwells is complete. Additional crack sealing and slurry sealing at the Water Treatment Plant is planned for July and August.

**Goal** Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR’s canal and pumping plant forebay cleaning. [11/13]

**Status** The quarterly raw water canal monitoring continues and the analytical results are utilized in planning shutdown and startup plant operations during the DWR winter shutdown event. The on-going monitoring results assisted CCWA in avoiding a major ammonia issue following the 2013 winter shutdown. Staff was able to observe extremely high levels of ammonia in the DWR pumping plant forebays. DWR subsequently drained the forebays and refilled with fresh water.

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- Goal** Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements, and re-vegetation and erosion control. [Ongoing]
- Status** The Senior Chemist earned his T-2 Water Treatment Plant Operator License. This license authorizes the Senior Chemist to collect water quality samples from CCWA turnouts and Tanks. Through sampling water quality samples on the north end of the pipeline, while the Distribution Technician collects samples from the southern portion of the pipeline, the weekly sampling task is completed in a timely manner and minimizes overtime.
- Goal** Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]
- Status** CCWA staff initiated development of a water delivery status database. This database is being designed to allow project participants a better understanding of the various classifications of water available to them in any given year.
- Goal** Assist project participants in preparing to meet new federal and state water quality regulations. [Ongoing]
- Status** Ongoing.
- Goal** Implement a feasibility study to consider the use of wireless voltage and current monitoring of the pipeline cathodic protection system rectifiers. [12/13]
- Status** No Action.

**2014 Goals**

Continue with efforts to align the management and operation of the CCWA Treatment Plant and Distribution System with AWWA Standards through the development of written Standard Operating Procedures.

Conduct a detailed review of all work tasks along the pipeline to identify optimum staffing assignments, staff routing and task frequency and timing. The results will be utilized to update CCWA's Computerized Maintenance Management System.

Continue the cathodic protection system monitoring program to include close interval survey to cover the entire length of the pipeline.

Continue with off-peak pumping during the PG&E Summer Season at the Santa Ynez Pumping Plant and continue monitoring pumping efficiency.

Identify and pursue all possible cost saving and quality enhancing opportunities

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with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements, and re-vegetation and erosion control.

Implement an organized chemical tank internal inspection program. The program will identify procedures, equipment and frequency of inspection.

Implement a feasibility study to consider the use of wireless voltage and current monitoring of the pipeline cathodic protection system rectifiers.

Review and assess the current vehicle replacement program. In 2009, CCWA revised its vehicle replacement to replace at 130,000 for trucks and 150,000 for sedans. The previous replacement frequency was to replace any vehicle exceeding 100,000 miles or 10 years. The purpose of the review is to determine if cost saving were achieved.

Develop a predictive maintenance program to assist with better planning in equipment replacement. The program will include the use of specialize tools and data analysis techniques to estimate remaining life of equipment and to assist with optimizing operation. [Ongoing]

Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. In addition, assist participant in identifying and evaluating alternative sources of supply. [Ongoing]

Assist project participants in preparing to meet new federal and state water quality regulations. [Ongoing]

#### **WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW**

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

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

For FY 2014/15, the Water Treatment Plant fixed O&M costs total \$2,926,028 or \$11,573 more than the FY 2013/14 budget.

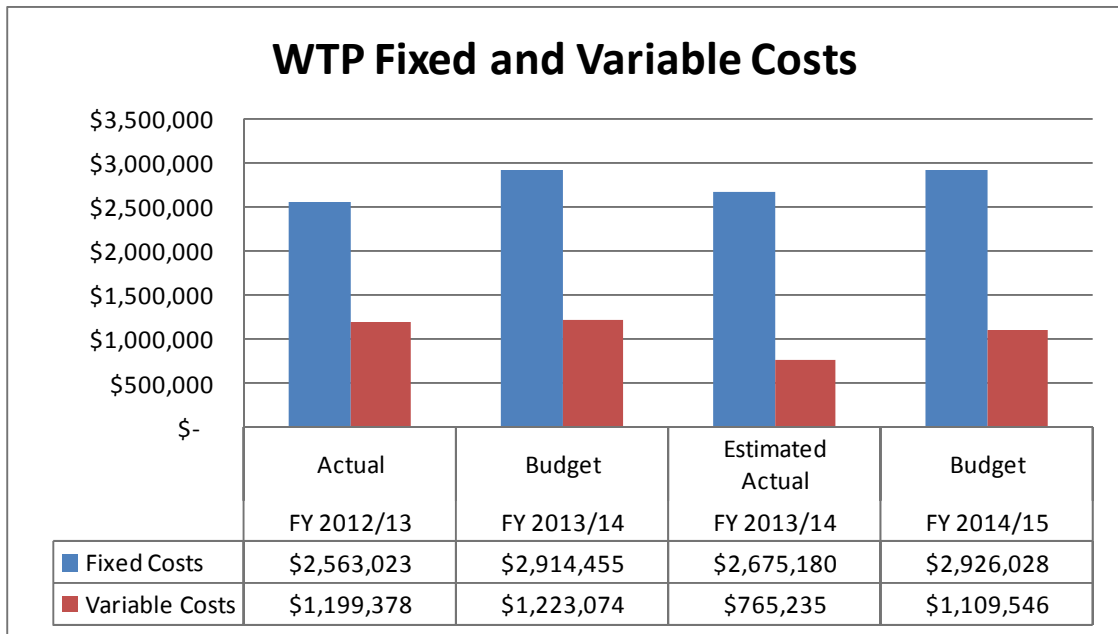
**Variable O&M Costs** are costs that vary with the amount of water processed at the treatment plant. These costs include chemical and electrical costs.



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For FY 2014/15, the Water Treatment Plant variable O&M costs total \$1,109,546 which is a decrease of \$113,528 from the FY 2013/14 budget. The FY 2014/15 variable O&M budget is comprised of \$1,015,379 for chemical expenses and \$94,167 for electrical costs based on treatment and delivery of 33,511 acre-feet of water for the year.

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



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

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

**Fiscal Year 2014/15 Operating Expense Budget**

The FY 2014/15 water treatment plant operating expense budget is \$4,035,574 which is \$101,956 less than the previous year's budget of \$4,137,529, a 2.46% decrease.

The personnel expense section of the Water Treatment Plant budget represents approximately 52% of the budget. Supplies and equipment comprise 27% with other expenses making up the balance of the budget. The variable O&M expenses are included in the supplies and equipment and utilities section of the budget. The chart on page 145 shows the allocation of the various components of the water treatment plant operating expense budget.

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Personnel Expenses Total personnel expenses are increasing by about \$43,000 when compared to the FY 2013/14 budget for the following reasons.

- The FY 2014/15 Budget includes a \$51,488 salary pool allocation based on a salary pool percentage of 4.14%. However, the total salaries and wages budget is only increasing by about \$16,000 because certain employees are at the top of the salary range and are therefore receiving a smaller percentage increase.
- Health insurance and cafeteria plan benefit increases of about \$8,000 due primarily to an increase in dental and vision benefit claims.
- PERS retirement expense increase of about \$15,000 is due to a change in the employer and employee contribution rate in the FY 2014/15 to 21.507% as compared to the prior year amount of 20.810%.

Supplies and Equipment Supplies and equipment are decreasing by around \$168,000 due primarily to lower chemical costs.

Monitoring Expenses Monitoring expenses are increasing by \$15,000 for lab tools and equipment as compared to last fiscal year because no funds were requested for the prior year.

Repairs and Maintenance Repairs and maintenance costs are increasing by about \$11,000 primarily for repairs and maintenance needed as equipment, structures and vehicles age.

Professional Services Professions services expenses are increasing by about \$8,000 for services regarding switch gear maintenance.

General and Administrative General and administrative expenses are increasing by \$9,000 primarily due to reallocation of expenses between departments for meeting and travel expenses.

Utilities Utility expenses are increasing by approximately \$31,000 due the changes in the costs and calculations of fixed and variable electric expenses.

Other Expenses Other expenses are decreasing by approximately \$50,000 primarily due to a \$51,000 decrease in non-capitalized projects.

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension is funded through the CCWA O&M assessments. Additionally, certain portions of the facilities around the Polonio Pass Water Treatment are owned by DWR but also operated and maintained by



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CCWA such as the access road to the Water Treatment Plant. Since CCWA does not own the DWR facilities, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the Water Treatment Plant which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table is a summary of the FY 2014/15 Water Treatment Plant Non-Capitalized Projects.

<b>Non-Capitalized Projects</b>			
<b>Project Description</b>	<b>Financial Reach</b>	<b>Amount <sup>(1)</sup></b>	
Backwash Water Pump Rebuild	WTP	\$	10,500
Pavement Maintenance Program	WTP		34,188
Sludge Collection System Repair	WTP		39,690
WTP Maintenance Pumps	WTP		6,804
Electrical Distribution Equipment and Tools	WTP		10,206
Painting Program	WTP		10,500
Sulfuric Tank Interior Inspection	WTP		7,875
Storage Area Network (SAN) BAO replacement <sup>(2)</sup>	WTP		10,500
Fiber Optic Switches <sup>(2)</sup>	WTP		16,870
WTP Air Monitors Replacement	WTP		11,550
Arc Flash Protective Clothing	WTP/ALL		1,474
<b>TOTAL:</b>		<b>\$</b>	<b>160,157</b>
<sup>(1)</sup> Excludes CCWA labor and overhead costs. <sup>(2)</sup> Please refer to the Administration Department section of this budget for narrative description of these projects.			

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<b>Description:</b>	<b>Backwash Water Pump Rebuild</b>
Department:	Water Treatment Plant
Expanded Description	The Backwash Water Pump is the same age and design as the Plant's Emergency Fire Pump. The Fire Pump failed and required an emergency repair in FY 13/14. This project will rebuild the Backwash Water Pump in a similar manner as the Fire Pump to ensure uninterrupted service.
Estimated Charge - Contractor	\$10,000
Contingency (5%)	\$500
Subtotal without CCWA Labor	<b>\$10,500</b>
CCWA Labor	\$3,098
Total Cost	\$13,598
Operating Budget Impact:	The Backwash Water Pump is responsible for pumping treated water to an elevated storage tank at the Water Treatment Plant. This tank provides the source of water supply for the Plant's potable water and utility water distribution systems. Both of these distribution systems are integral to the ongoing operation of the Water Treatment Plant. The utility water distribution system is used to backwash filters, provide carrier water for chemical dosing and to provide fire suppression. An unplanned failure of the Backwash Water Pump would significantly impact ongoing operations. This would result in an emergency repair of the pump and an emergency project to install temporary measures to pump treated water to the elevated tank. The cost to proactively rebuild the pump before failure is much more cost effective than unplanned emergency projects.

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<b>Description:</b>	<b>Pavement Maintenance Program</b>
Department:	Water Treatment Plant
Expanded Description	CCWA staff conducts annual inspections of all of the paved surfaces maintained by CCWA. Following the assessments, pavement maintenance work is planned for the following fiscal year. Staff has identified areas that require crack sealing and areas that require slurry sealing. CCWA will complete the crack sealing using in-house resources. Approximately five pallets of sealing material will be required to complete the crack sealing work. In addition, approximately 70,000 square feet of pavement requires slurry sealing by a contractor at approximately \$0.28 per sf.
Estimated Charge – Contractor	\$19,600
Estimated Charge – Material	\$12,000
Tax (8%)	\$960
Contingency (5%)	\$1,628
Subtotal without CCWA Labor	<b>\$34,188</b>
CCWA Labor	\$7,595
Total Cost	\$41,783
Operating Budget Impact:	The purpose of proactive pavement maintenance is to postpone for as long as possible the complete replacement of the pavement. The costs for crack sealing, slurry coating and pot-hole repair are minimal when compared to a full replacement program. Through routine assessments and implementation of proactive measures to lengthen the service life of the pavement, full replacement can be postponed significantly and can be carefully planned and budgeted for.

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 Fiscal Year 2014/15 Budget

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<b>Description:</b>	<b>Sludge Collection System Repair</b>
Department:	Water Treatment Plant
Expanded Description	A critical component of the sedimentation basin is the sludge removal system. The existing system is a chain and flight assembly that gently scrapes the floor of the sedimentation basin and directs the settled sludge to a collection trench for subsequent removal. This system has been in place since original construction and, based on inspections by the original manufacture and CCWA staff, the drive sprockets and bushing components of the system will require replacement for each basin. This will be the second phase of a three phase project.
Estimated Charge – Material	\$35,000
Tax (8%)	\$2,800
Contingency (5%)	\$1,890
Subtotal without CCWA Labor	<b>\$39,690</b>
CCWA Labor	\$3,098
Total Cost	\$42,788
Operating Budget Impact:	The sedimentation process of the treatment plant relies on the effective removal of accumulated sludge on the bottom of the sedimentation basin. If the settled sludge is not efficiently removed, the production rate of the treatment plant will be impacted and may cease altogether in the extreme case. CCWA’s mission is to provide a reliable water supply. Therefore, replacement of this component before failure is mission critical. A planned replacement program will avoid the higher costs of an emergency repair and the negative impact on delivery of water to project participants.

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Description:	WTP Maintenance Pumps
Department:	Water Treatment Plant
Expanded Description	There are many maintenance procedures that require pumps to drain water or chemical from a variety of structures. A gasoline powered 4 inch diameter inlet trash pump for moving water and a 2 inch diameter polypropylene pump for moving chemical are needed to support ongoing maintenance work.
Estimated Charge – Material	\$6,000
Tax (8%)	\$480
Contingency (5%)	\$324
Subtotal without CCWA Labor	<b>\$6,804</b>
CCWA Labor	\$300
Total Cost	\$7,104
Operating Budget Impact:	As the Water Treatment Plant ages, routine inspection becomes increasingly important to identify issues that require repair or servicing. Accordingly, CCWA staff implemented annual internal inspections of the Water Treatment Plant. To accommodate the internal inspections, staff must pump water from certain areas of the plant or pump chemicals from chemical storage tanks. Based on current rental rates, it is more cost effective to purchase the required pumps as opposed to renting the required pumps each time they are needed.

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<b>Electrical Distribution Equipment and Tools</b>	
<b>Description:</b>	<b>Electrical Distribution Equipment and Tools</b>
Department:	Water Treatment Plant
Expanded Description	To service, maintain and improve the electrical distribution systems within the Water Treatment Plant and Distribution System, a number of tools are needed and they include: (1) Battery Load Tester, (2) Conduit Bender Mechanical ½” to 1” RMC, (3) Conduit Bender Electrical ½” to 2” EMT and RMC, (4) Specialty Punch and adapter for hydraulic punch set, (5) 22mm switch knockout, (6) Clamp-on meter, (7) 4.5” cordless Grinder, (8) Fluke 789 Process Meter.
Estimated Charge – Materials	\$9,000
Tax (8%)	\$720
Contingency (5%)	\$486
Subtotal without CCWA Labor	<b>\$10,206</b>
CCWA Labor	\$300
Total Cost	\$10,506
Operating Budget Impact:	The single most effective method for reducing project costs is to utilize in-house talent as much as possible to complete the projects. Project costs can be reduced as much as 50% through completing work in-house. To facilitate this measure, it is important to provide the proper tools.

<b>Painting Program</b>	
<b>Description:</b>	<b>Painting Program</b>
Department:	Water Treatment Plant
Expanded Description	As part of the maintenance of buildings and structures, CCWA staff inspects all facilities annually. One aspect of the inspection is to assess the condition of all painted surfaces. The assessments are subsequently prioritized for service. A budget of \$10,000 has been established to handle repainting of surfaces with degrading paint.
Estimated Charge - Contractor	\$10,000
Contingency (5%)	\$500
Subtotal without CCWA Labor	<b>\$10,500</b>
Labor and overhead	\$5,896
Total Cost	\$16,396
Operating Budget Impact:	Painting the surfaces of buildings and facilities serves as a measure to protect the underlying materials from degradation from weathering. It is more cost effective to repaint as opposed to replacing structural components of buildings or other facilities. The service life of the underlying materials of the painted surface is significantly extended.

Central Coast Water Authority  
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<b>Sulfuric Tank Interior Inspection</b>	
Department:	Water Treatment Plant
Expanded Description	Review of the operations and maintenance manuals for the existing chemical storage tanks indicates that internal inspections are recommended on a periodic basis. This project will be to retain a contractor to conduct an internal chemical tank inspection. CCWA staff will drain, clean and prepare the tanks prior to inspection. This year, the Sulfuric Tanks are scheduled for inspection.
Estimated Charge - Contractor	\$7,500
Contingency (5%)	\$375
Subtotal without CCWA Labor	<b>\$7,875</b>
Labor and overhead	\$2,769
Total Cost	\$10,644
Operating Budget Impact:	Due to the corrosive nature of the chemicals in storage, the chemical tanks at the water treatment plant have internal liners to prevent corrosion of the tanks walls. It is important to inspect the integrity of these liners to ensure that the tanks remain protected from the corrosive nature of the chemical. If corrosion were to occur, leakage would occur and costly repairs or tank replacement would be necessary. The cost of tank replacement can range up to \$100,000.

Central Coast Water Authority  
 Water Treatment Plant Department  
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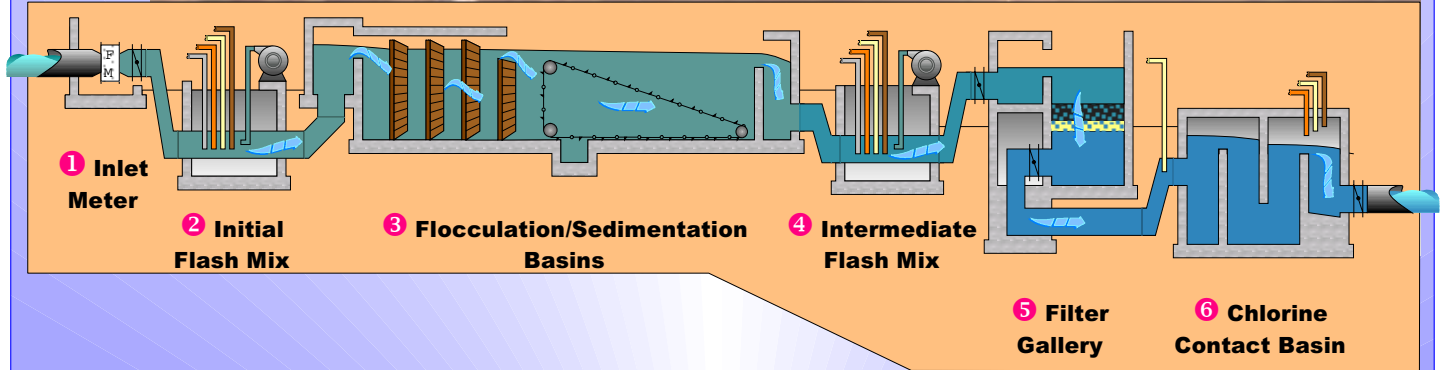
Description:	Water Treatment Plant Air Monitors Replacement
Department:	Water Treatment Plant
Expanded Description	There are numerous locations within the Water Treatment Plant that are classified as confined spaces by OSHA. Consequently, CCWA is required to maintain a confined space entry program. This program includes standard protocols for entering confined spaces, a permitting program to document compliance with entry requirements, employees training and also includes the use of monitoring equipment. The existing air monitoring units are past their expected service life and require replacement. These air monitors are critical safety equipment needed for routine confined space entries within the Treatment Plant
Estimated Charge – Materials	\$10,185
Tax (8%)	\$815
Contingency (5%)	\$550
Subtotal without CCWA Labor	<b>\$11,550</b>
CCWA Labor	\$1,098
Total Cost	\$12,648
Operating Budget Impact:	The typical service life of air monitors used for confined space entries is typically 5 years. Through diligent maintenance and routine calibrations, staff has been able to extend the life typically to 7 to 9 years. Replacement of the air monitors is required at this time because they are well beyond their anticipated service life and the manufacturer no longer provides technical support for the existing units. Staff can no longer reliably extend the service life of the existing units.



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Description:	Arc Flash Protective Clothing
Department:	Water Treatment Plant, Distribution
Expanded Description	OSHA has implemented regulations for addressing arc-flash hazards that arise from working on certain electrical equipment. These regulations require employee qualification standards, training, equipment hazard rankings, standard operating procedures and safety equipment. This project is to purchase the safety gear required for CCWA qualified electricians to work on a variety of electrical equipment with an arc-flash hazard rating.
Estimated Charge – Materials	\$2,600
Tax (8%)	\$208
Contingency (5%)	\$140
Subtotal without CCWA Labor	<b>\$2,948</b>
CCWA Labor	\$1,098
Total Cost	\$4,046
Operating Budget Impact:	Through purchasing the required safety gear for CCWA qualified electricians, work that would have been performed by an outside contractor can be completed by in-house staff. This significantly reduces cost and also improves safety. The improved safety results from CCWA staff being intimately familiar with the electrical equipment on-site as well as CCWA staff receiving pertinent safety training and the appropriate safety equipment.



# Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority  
Water Treatment Plant Department  
Fiscal Year 2014/15 Budget

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Regional Water Treatment Plant Allocation

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

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

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

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

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

The following tables show the calculation of the FY 2014/15 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority  
**Regional Water Treatment Plant Allocation and Credit**  
 FY 2014/15 Budget

Project Participant	Allocated Table A <sup>(1)</sup>				Unadjusted Fixed & Capital			Adjusted Fixed & Capital <sup>(4)</sup>			Fixed & Capital Retirement Charge <sup>(5)</sup>		
	Table A Amount	Exchange Deliveries	Allocated Table A	Allocated Table A Percentage	WTP Fixed Operating Costs <sup>(2)</sup>	Imputed WTP Debt Service Costs <sup>(3)</sup>	Total Unadjusted Fixed & Cap.	Capital Retirement Adjustment	Fixed O&M Retirement Adjustment	Total Adjusted Fixed & Capital	Allocated Table A % SB County	Fixed & Capital Retirement Adjustments	Cost Per AF of Allocated Table A Amount
Guadalupe	550	-	550	1.25%	\$ 39,853	\$ 41,123	\$ 80,977	\$ 52,878	\$ 51,245	\$ 104,123	1.41%	23,146	\$ 42.08
Santa Maria	16,200	-	16,200	36.90%	1,173,861	1,211,268	2,385,129	1,557,495	1,509,396	3,066,891	41.46%	681,762	42.08
Golden State Water	500	-	500	1.14%	36,230	37,385	73,615	48,071	46,586	94,657	1.28%	21,042	42.08
VAFB	5,500	-	5,500	12.53%	398,533	411,233	809,766	528,779	512,449	1,041,228	14.07%	231,462	42.08
Buellton	578	-	578	1.32%	41,892	43,217	85,099	55,570	53,854	109,424	1.48%	24,325	42.08
Santa Ynez (Solvang)	1,500	-	1,500	3.42%	108,691	112,154	220,845	144,213	139,759	283,971	3.84%	63,126	42.08
Santa Ynez	500	2,580	3,080	7.01%	223,178	37,385	260,563	296,116	286,972	583,088	7.88%	129,619	42.08
Goleta	4,500	(929)	3,571	8.13%	288,771	336,463	595,234	343,341	332,738	676,079	9.14%	150,291	42.08
Morehart	200	-	200	0.46%	14,492	14,954	29,446	19,228	18,635	37,863	0.51%	8,417	42.08
La Cumbre	1,000	-	1,000	2.28%	72,461	74,770	147,230	96,142	93,173	189,314	2.56%	42,084	42.08
Raytheon	50	-	50	0.11%	3,623	3,738	7,362	4,807	4,659	9,466	0.13%	2,104	42.08
Santa Barbara	3,000	(619)	2,381	5.42%	172,514	224,309	396,823	228,894	221,825	450,719	6.09%	100,194	42.08
Montecito	3,000	(619)	2,381	5.42%	172,514	224,309	396,823	228,894	221,825	450,719	6.09%	100,194	42.08
Carpinteria	2,000	(413)	1,587	3.61%	115,009	149,539	264,549	152,596	147,884	300,480	4.06%	66,796	42.08
SB County Subtotal:	39,078	-	39,078	89.00%	2,831,613	2,921,848	5,753,461	3,757,025	3,640,998	7,398,023	100.00%	1,644,561	
SLO County	4,830	-	4,830	11.00%	349,984	361,137	711,122	0	-	-	-	-	
TOTAL:	43,908	-	43,908	100.00%	\$ 3,181,598	\$ 3,282,985	\$ 6,464,583	\$ 3,757,025	\$ 3,640,998	\$ 7,398,023	100.00%	1,644,561	

**Fixed & Capital Retirement Allocation Factor**

Total South Coast Table A	11,170
Total SB County Table A	39,078
Subtotal:	50,248
<b>South Coast Retreated %</b>	<b>1.29</b>

Total Adjusted Fixed & Capital Costs (SB County)	\$ 7,398,023
Total Unadjusted Fixed & Capital Costs (SB County)	5,753,461
<b>Fixed &amp; Capital WTP Allocation Amount</b>	<b>\$ 1,644,561</b>

Project Participant	South Coast Fixed & Capital Retirement Credits <sup>(6)</sup>	
	Allocated Table A	Credit On Allocated Table A
Guadalupe		
Santa Maria		
Golden State Water		
VAFB		
Buellton		
Santa Ynez (Solvang)		
Santa Ynez	3,571	(147.23)
Goleta		
Morehart	200	(147.23)
La Cumbre	1,000	(147.23)
Raytheon	50	(147.23)
Santa Barbara	2,381	(147.23)
Montecito	2,381	(147.23)
Carpinteria	1,587	(147.23)
SB County Subtotal:	11,170	(1,644.561)
SLO County	0	-
TOTAL:	11,170	(1,644.561)

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

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

Central Coast Water Authority  
**Regional Water Treatment Plant Allocation and Credit**  
 FY 2014/15 Budget  
 Page 2

Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs			South Coast Variable Retirement Credits			TOTAL	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Retirement Variable Allocation	Retirement Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retirement Credits
Guadalupe	180		180	5,960	6,871	911					24,058
Santa Maria	14,747		14,747	488,265	562,941	74,676					756,438
Golden State Water	464		464	15,363	17,712	2,350					23,392
VAFB	4,008		4,008	132,703	152,998	20,296					251,758
Buellton	623		623	20,627	23,782	3,155					27,479
Santa Ynez (Solvang)	1,394		1,394	46,155	53,214	7,059					70,185
Santa Ynez	700	2,580	3,280	108,599	125,208	16,609					146,228
Goleta	1,837	(929)	908	30,070	34,669	4,599	908	20.37%	(30,070)	(33.11)	154,890
Morehart	200	-	200	6,622	7,635	1,013	200	4.49%	(6,622)	(33.11)	9,430
La Cumbre	809	-	809	26,786	30,882	4,097	809	18.14%	(26,786)	(33.11)	46,181
Raytheon	55	-	55	1,821	2,100	279	55	1.23%	(1,821)	(33.11)	2,383
Santa Barbara	1,596	(619)	977	32,341	37,288	4,946	977	21.91%	(32,341)	(33.11)	105,140
Montecito	1,830	(619)	1,211	40,089	46,220	6,131	1,211	27.15%	(40,089)	(33.11)	106,325
Carpinteria	712	(413)	299	9,906	11,421	1,515	299	6.71%	(9,906)	(33.11)	68,311
SB County Subtotal:	29,155	-	29,155	965,306	1,112,942	147,635	4,459	100.00%	(147,635)	(33.11)	1,792,196
SLO County	4,356		4,356	144,239	-	-	0	0.00%	-	-	-
TOTAL:	33,511	0	33,511	1,109,546	1,112,942	147,635	4,459	100.00%	(147,635)	-	1,792,196

**Variable Retirement Allocation Factor**

Total South Coast Deliveries	4,459
Total SB County Deliveries	29,155
Subtotal:	33,614

Central Coast Water Authority  
Water Treatment Plant Department  
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Santa Ynez Exchange Agreement

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

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

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

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

The benefits of exchange are:

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

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

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

Central Coast Water Authority  
**Santa Ynez Exchange Agreement Modifications**  
**FY 2014/15 Budget**

Project Participant	Table A Amounts		WTP Fixed O&M Exchange Modifications		WTP Capital Exchange Modifications		Total Fixed & Capital Exchange Mods
	Table A Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	WTP Capital Exchange Adjustments	
Guadalupe	550	1.25%	\$ 39,853	\$ 72	\$ 41,123	\$ 75	\$ -
Santa Maria	16,200	36.90%	1,173,861	72	1,211,268	75	-
Golden State Water	500	1.14%	36,230	72	37,385	75	-
VAFB	5,500	12.53%	398,533	72	411,233	75	-
Buellton	578	1.32%	41,882	72	43,217	75	-
Santa Ynez (Solvang)	1,500	3.42%	108,691	72	112,154	75	-
Santa Ynez	500	1.14%	36,230	72	37,385	75	192,906
Goleta	4,500	10.25%	326,072	72	336,463	75	(69,446)
Morehart	200	0.46%	14,492	72	14,954	75	-
La Cumbre	1,000	2.28%	72,461	72	74,770	75	-
Raytheon	50	0.11%	3,623	72	3,738	75	-
Santa Barbara	3,000	6.83%	217,382	72	224,309	75	(46,297)
Montecito	3,000	6.83%	217,382	72	224,309	75	(46,297)
Carpinteria	2,000	4.55%	144,921	72	149,539	75	(60,777)
SB County Subtotal:	39,078	89.00%	2,831,613	-	2,921,848	-	0
SLO County	4,830	11.00%	349,984	-	361,137	-	-
TOTAL:	43,908	100.00%	\$ 3,181,598	\$ -	\$ 3,282,985	\$ -	\$ 0

Project Participant	WTP Requested Water Deliveries			WTP Variable Exchange Modifications			Total Exchange Modifications	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	WTP Variable Costs Per Acre-Foot	Variable Exchange Modifications	TOTAL EXCHANGE MODIFICATIONS	Cost (Credit) Per Acre-Foot
Guadalupe	180	-	180	\$ 5,960	\$ 33.11	-	-	-
Santa Maria	14,747	-	14,747	488,265	33.11	-	-	-
Golden State Water	464	-	464	15,363	33.11	-	-	-
VAFB	4,008	-	4,008	132,703	33.11	-	-	-
Buellton	623	-	623	20,627	33.11	-	-	-
Santa Ynez (Solvang)	1,394	-	1,394	46,155	33.11	-	-	-
Santa Ynez	700	2,580	3,280	23,177	33.11	85,422	465,276	\$ 180
Goleta	1,837	(929)	908	60,822	33.11	(30,752)	(167,499)	\$ (180)
Morehart	200	-	200	6,622	33.11	-	-	-
La Cumbre	809	-	809	26,786	33.11	-	-	-
Raytheon	55	-	55	1,821	33.11	-	-	-
Santa Barbara	1,596	(619)	977	52,843	33.11	(20,501)	(111,666)	\$ (180)
Montecito	1,830	(619)	1,211	60,590	33.11	(20,501)	(111,666)	\$ (180)
Carpinteria	712	(413)	299	23,574	33.11	(13,688)	(74,444)	\$ (180)
SB County Subtotal:	29,155	-	29,155	965,306	-	-	-	-
SLO County	4,356	-	4,356	144,239	-	-	-	-
TOTAL:	33,511	0	33,511	\$ 1,109,546	\$ -	\$ -	\$ -	\$ -

Central Coast Water Authority  
**Personnel Services Summary**  
**Water Treatment Plant Department**  
Fiscal Year 2014/15 Budget

<b>PERSONNEL COUNT SUMMARY</b>					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2012/13	Auth. FY 2013/14	Requested FY 2014/15	Over FY 2012/13	Over FY 2013/14
Executive Director <sup>(1)</sup>	0.25	0.25	0.25	-	-
Deputy Director <sup>(2)</sup>	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent <sup>(3)</sup>	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Regulatory Specialist <sup>(4)</sup>	0.25	0.25	0.25	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance, IC&R Techs <sup>(5)</sup>	1.60	1.60	1.60	-	-
WTP Operators	5.00	5.00	5.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
Secretary II	0.75	0.75	0.75	-	-
<b>TOTAL:</b>	14.80	14.80	14.80	-	-

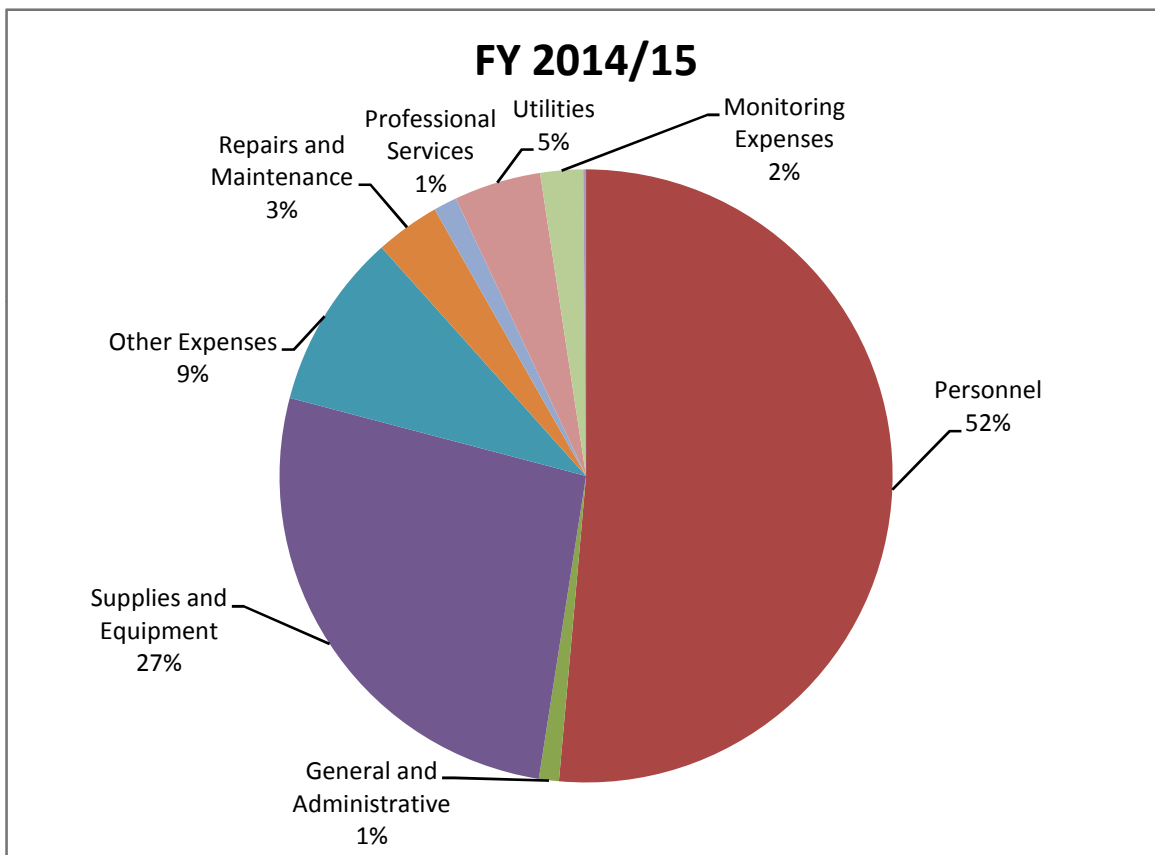
<b>PERSONNEL WAGE SUMMARY</b>						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2013/14 Total Annual Salary	Allocation to WTP Dept.
Executive Director <sup>(1)</sup>	1	N/A	N/A	N/A	\$ 217,523	\$ 54,381
Deputy Director <sup>(2)</sup>	1	N/A	N/A	N/A	\$ 152,158	\$ 53,255
WTP Supervisor	1	21	\$ 7,445	\$ 9,083	\$ 103,425	\$ 103,425
Maintenance Superintendent <sup>(3)</sup>	1	21	\$ 7,445	\$ 9,083	\$ 103,425	\$ 62,055
Maintenance Foreman	1	17	\$ 6,036	\$ 7,364	\$ 83,840	\$ 83,840
Regulatory Specialist <sup>(4)</sup>	1	19	\$ 6,704	\$ 8,179	\$ 93,130	\$ 23,283
Senior Chemist	1	19	\$ 6,704	\$ 8,179	\$ 88,983	\$ 88,983
Maintenance Technicians	2	14	\$ 5,155	\$ 6,289	\$ 148,508	\$ 148,508
Maintenance, IC&R Tech <sup>(5)</sup>	2	16	\$ 5,727	\$ 6,987	\$ 158,719	\$ 126,975
WTP Operators	5	15	\$ 5,434	\$ 6,629	\$ 377,365	\$ 377,365
Laboratory Analyst	1	13	\$ 4,892	\$ 5,968	\$ 71,616	\$ 71,616
Secretary II	1	12	\$ 4,686	\$ 5,717	\$ 48,824	\$ 48,824
FY 2014/15 Salary Pool						\$ 51,488
<b>TOTAL:</b>						\$ 1,293,997

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



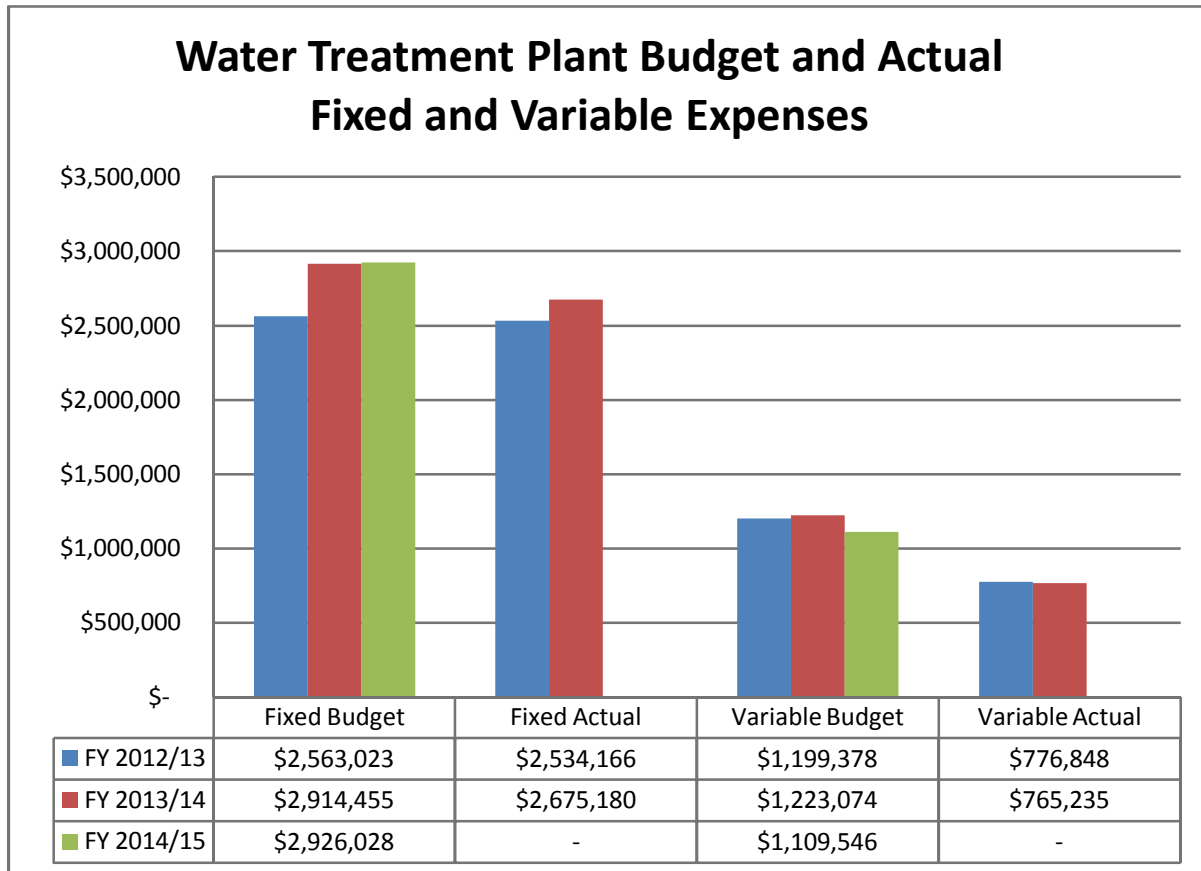
Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2014/15 Budget

Item	FY 2014/15 Budget
Personnel	\$ 2,074,854
Office Expenses	6,250
Supplies and Equipment	1,075,354
Monitoring Expenses	90,305
Repairs and Maintenance	137,325
Professional Services	50,360
General and Administrative	42,200
Utilities	184,978
Other Expenses	373,948
<b>TOTAL:</b>	<b>\$ 4,035,574</b>



Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2014/15 Budget

Item	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget
Personnel	\$ 1,858,126	\$ 1,914,397	\$ 2,032,142	\$ 1,939,943	\$ 2,074,854
Office Expenses	5,020	4,938	6,250	5,263	6,250
Supplies and Equipment	1,203,558	810,337	1,243,790	809,590	1,075,354
Monitoring Expenses	71,760	69,395	75,305	63,614	90,305
Repairs and Maintenance	125,450	127,260	126,200	136,072	137,325
Professional Services	41,760	41,853	42,760	25,882	50,360
General and Administrative	36,200	37,130	33,200	42,190	42,200
Utilities	152,596	127,933	154,254	130,490	184,978
Other Expenses	267,931	177,770	423,629	287,371	373,948
<b>Total:</b>	<b>\$ 3,762,401</b>	<b>\$ 3,311,013</b>	<b>\$ 4,137,529</b>	<b>\$ 3,440,415</b>	<b>\$ 4,035,574</b>



Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>PERSONNEL EXPENSES</u></b>								
5000.10	Full-Time Regular Wages	\$ 1,195,435	\$ 1,221,286	\$ 1,278,228	\$ 1,244,147	\$ 1,293,997	\$ 15,769	1.23%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	59,772	52,406	63,911	65,148	64,700	788	1.23%
5000.40	Standby Pay	22,922	30,128	22,959	28,417	23,044	85	0.37%
5000.50	Shift Differential Pay	14,000	15,688	16,486	13,770	16,551	66	0.40%
5100.10	PERS Retirement	241,054	250,894	263,351	250,616	278,300	14,949	5.68%
5100.15	Medicare Taxes	18,945	18,999	20,457	18,809	20,911	454	2.22%
5100.20	Health Insurance	199,188	208,327	220,134	210,276	208,041	(12,092)	-5.49%
5100.25	Workers' Compensation	37,743	50,858	56,677	49,278	57,337	661	1.17%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	14,450	-	19,565	-	21,491	1,926	9.85%
5100.40	Cafeteria Plan Benefits	15,438	24,613	29,265	25,017	43,851	14,586	49.84%
5100.45	Dental/Vision Plan	22,902	29,117	26,160	22,129	31,394	5,234	20.01%
5100.50	Long-Term Disability	4,767	5,046	5,232	4,981	5,300	68	1.30%
5100.55	Life Insurance	5,459	5,807	5,587	5,589	5,805	218	3.91%
5100.60	Employee Physicals	450	320	450	386	450	-	0.00%
5000.30	Temporary Services	2,000	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	908	2,680	1,379	2,680	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
<b>Total Personnel Expenses:</b>		1,858,126	1,914,397	2,032,142	1,939,943	2,074,854	42,712	2.10%

Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>OFFICE EXPENSES</u></b>								
5200.20	Office Supplies	2,500	2,471	2,500	1,418	2,500	-	0.00%
5200.30	Miscellaneous Office Expenses	2,520	2,468	3,750	3,844	3,750	-	0.00%
<b>Total Office Expenses:</b>		5,020	4,938	6,250	5,263	6,250	-	0.00%
<b><u>SUPPLIES AND EQUIPMENT</u></b>								
5500.10	Uniform Expenses	7,755	6,614	7,755	7,368	8,025	270	3.48%
5500.15	Minor Tools and Equipment	8,800	12,109	5,000	3,770	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	500	484	500	290	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,142,053	753,836	1,186,085	743,931	1,015,379	(170,706)	-14.39%
5500.35	Maintenance Supplies/Hardware	10,000	10,301	10,000	14,749	12,000	2,000	20.00%
5500.40	Safety Supplies	5,000	6,029	5,000	3,900	5,000	-	0.00%
5500.45	Fuel and Lubricants	26,450	20,721	26,450	35,583	26,450	-	0.00%
5500.50	Seed/Erosion Control Supplies	3,000	243	3,000	-	3,000	-	0.00%
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
<b>Total Supplies and Equipment:</b>		1,203,558	810,337	1,243,790	809,590	1,075,354	(168,436)	-13.54%
<b><u>MONITORING EXPENSES</u></b>								
5600.10	Lab Supplies	53,455	54,971	57,000	58,363	57,000	-	0.00%
5600.20	Lab Tools and Equipment	-	-	-	-	15,000	15,000	N/A
5600.30	Lab Testing	18,305	14,425	18,305	5,252	18,305	-	0.00%
<b>Total Monitoring Expenses:</b>		71,760	69,395	75,305	63,614	90,305	15,000	19.92%

Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b><u>REPAIRS AND MAINTENANCE</u></b>								
5700.10	Equipment Repairs and Maintenance	90,000	94,991	90,000	104,427	100,000	10,000	11.11%
5700.20	Vehicle Repairs and Maintenance	5,000	3,299	5,000	3,382	5,000	-	0.00%
5700.30	Building Maintenance	25,450	24,645	26,200	24,303	27,325	1,125	4.29%
5700.40	Landscape Maintenance	5,000	4,326	5,000	3,960	5,000	-	0.00%
<b>Total Repairs and Maintenance:</b>		125,450	127,260	126,200	136,072	137,325	11,125	8.82%
<b><u>PROFESSIONAL SERVICES</u></b>								
5400.10	Professional Services	19,100	15,677	20,100	10,874	27,700	7,600	37.81%
5400.20	Legal Services	-	-	-	-	-	-	N/A
5400.30	Engineering Services	5,000	7,114	5,000	-	5,000	-	0.00%
5400.40	Permits	17,100	19,063	17,100	15,007	17,100	-	0.00%
5400.50	Non-Contractual Services	560	-	560	-	560	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
<b>Total Professional Services:</b>		41,760	41,853	42,760	25,882	50,360	7,600	17.77%
<b><u>GENERAL AND ADMINISTRATIVE</u></b>								
5300.10	Meeting and Travel	10,000	17,311	6,500	13,609	13,500	7,000	107.69%
5300.20	Mileage Reimbursement	500	86	500	131	500	-	0.00%
5300.30	Dues and Memberships	14,200	10,465	14,200	18,142	15,200	1,000	7.04%
5300.40	Publications	500	348	500	395	500	-	0.00%
5300.50	Training	7,000	4,702	7,500	2,905	7,500	-	0.00%
5300.60	Advertising	1,500	874	1,500	2,428	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	2,500	3,344	2,500	4,581	3,500	1,000	40.00%
<b>Total General and Administrative:</b>		36,200	37,130	33,200	42,190	42,200	9,000	27.11%

Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
<b>UTILITIES</b>								
5800.20	Natural Gas	6,165	6,734	8,100	1,825	6,800	(1,300)	-16.05%
5800.30	Electric-Fixed	77,461	92,046	98,519	102,081	75,084	(23,436)	-23.79%
5800.31	Electric-Variabile	57,325	23,012	36,989	21,304	94,167	57,178	154.58%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	7,500	3,384	6,500	2,837	4,782	(1,718)	-26.43%
5800.60	Waste Disposal	4,145	2,757	4,145	2,442	4,145	-	0.00%
<b>Total Utilities:</b>		152,596	127,933	154,254	130,490	184,978	30,724	19.92%

**OTHER EXPENSES**

5900.10	Insurance	73,073	72,934	79,961	74,182	78,482	(1,479)	-1.85%
5900.30	Non-Capitalized Projects	68,501	41,208	210,980	141,062	160,157	(50,823)	-24.09%
5900.40	Equipment Rental	13,100	12,213	17,000	13,062	17,000	-	0.00%
5900.50	Non-Capitalized Equipment	5,000	1,257	5,000	9,525	5,000	-	0.00%
5900.60	Computer Expenses	58,002	50,158	53,542	49,540	55,937	2,395	4.47%
5900.70	Appropriated Contingency	50,255	-	57,146	-	57,373	227	0.40%
<b>Total Other Expenses:</b>		267,931	177,770	423,629	287,371	373,948	(49,681)	-11.73%
<b>TOTAL OPERATING EXPENSES</b>		\$ 3,762,401	\$ 3,311,013	\$ 4,137,529	\$ 3,440,415	\$ 4,035,574	\$ (101,956)	-2.46%

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5000.10

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

Description: Funds for the WTP staff salaries.  
Includes \$51,488 for the FY 2014/15 salary pool.

<b>FY 14/15 Requested Budget</b>	1,293,997
<b>FY 13/14 Estimated Actual</b>	1,244,147
<b>Increase (Decrease)</b>	49,850

**ACCOUNT NUMBER:** 5000.20

**ACCOUNT TITLE:** Overtime

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

<b>FY 14/15 Requested Budget</b>	64,700
<b>FY 13/14 Estimated Actual</b>	65,148
<b>Increase (Decrease)</b>	(448)

**ACCOUNT NUMBER:** 1300.60

**ACCOUNT TITLE:** Capitalized Salaries and Overtime

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

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5000.30

**ACCOUNT TITLE:** Temporary Services

Description: Temporary services for the  
Water Treatment Plant Department.

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

\$ - TOTAL

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5000.40

**ACCOUNT TITLE:** Stand-by Pay

Description: Funds for stand-by pay for one employee assigned to stand-by duty on a 24-hour basis. Based on 1.89 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$2.22 per hour for Instrumentation and Control employee stand-by pay (1/3 to WTP and 2/3 to Distribution)

<b>FY 14/15 Requested Budget</b>	23,044
<b>FY 13/14 Estimated Actual</b>	28,417
<b>Increase (Decrease)</b>	(5,373)

**ACCOUNT NUMBER:** 5000.50

**ACCOUNT TITLE:** Shift Differential Pay

Description: Funds for shift employee pay.

<b>FY 14/15 Requested Budget</b>	16,551
<b>FY 13/14 Estimated Actual</b>	13,770
<b>Increase (Decrease)</b>	2,782

**ACCOUNT NUMBER:** 5100.10

**ACCOUNT TITLE:** PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 21.507% contribution rate for FY 2014/15

<b>FY 14/15 Requested Budget</b>	278,300
<b>FY 13/14 Estimated Actual</b>	250,616
<b>Increase (Decrease)</b>	27,684

**ACCOUNT NUMBER:** 5100.15

**ACCOUNT TITLE:** Medicare

Description: Funds for the employer portion of Medicare taxes for the WTP department. Amount is equal to 1.45% of all wages and salaries.

<b>FY 14/15 Requested Budget</b>	20,911
<b>FY 13/14 Estimated Actual</b>	18,809
<b>Increase (Decrease)</b>	2,102



**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5100.20

**ACCOUNT TITLE:** Health Insurance

<b>FY 14/15 Requested Budget</b>	208,041
<b>FY 13/14 Estimated Actual</b>	210,276
<b>Increase (Decrease)</b>	(2,235)

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2015.

Family	\$	19,580
Emp + 1	\$	15,061
Employee only	\$	7,531

**ACCOUNT NUMBER:** 5100.25

**ACCOUNT TITLE:** Workers' Compensation Insurance

<b>FY 14/15 Requested Budget</b>	57,337
<b>FY 13/14 Estimated Actual</b>	49,278
<b>Increase (Decrease)</b>	8,059

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 109%. Based on a 5% premium increase over FY 2012/13.

**ACCOUNT NUMBER:** 5100.35

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

<b>FY 14/15 Requested Budget</b>	21,491
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	21,491

Description: Estimates \$1,428 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

**ACCOUNT NUMBER:** 5100.40

**ACCOUNT TITLE:** Cafeteria Plan Benefits

<b>FY 14/15 Requested Budget</b>	43,851
<b>FY 13/14 Estimated Actual</b>	25,017
<b>Increase (Decrease)</b>	18,834

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

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5100.45

**ACCOUNT TITLE:** Dental/Vision Plan

<b>FY 14/15 Requested Budget</b>	31,394
<b>FY 13/14 Estimated Actual</b>	22,129
<b>Increase (Decrease)</b>	9,265

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,192 per year per family for dental and vision expenses. Budgeted amount is \$2,234 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

**ACCOUNT NUMBER:** 5100.50

**ACCOUNT TITLE:** Long-Term Disability

<b>FY 14/15 Requested Budget</b>	5,300
<b>FY 13/14 Estimated Actual</b>	4,981
<b>Increase (Decrease)</b>	318

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.43 per \$100 of salary.

**ACCOUNT NUMBER:** 5100.55

**ACCOUNT TITLE:** Life Insurance

<b>FY 14/15 Requested Budget</b>	5,805
<b>FY 13/14 Estimated Actual</b>	5,589
<b>Increase (Decrease)</b>	217

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

**ACCOUNT NUMBER:** 5100.60

**ACCOUNT TITLE:** Employee Physicals

<b>FY 14/15 Requested Budget</b>	450
<b>FY 13/14 Estimated Actual</b>	386
<b>Increase (Decrease)</b>	64

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

\$ 450 3 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5100.65

**ACCOUNT TITLE:** Employee Education Reimbursement

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

<b>FY 14/15 Requested Budget</b>	1,000
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	1,000

**ACCOUNT NUMBER:** 5100.80

**ACCOUNT TITLE:** Employee Incentive Programs

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

<b>FY 14/15 Requested Budget</b>	2,680
<b>FY 13/14 Estimated Actual</b>	1,379
<b>Increase (Decrease)</b>	1,301

Safety Program	\$	1,380
EAAP		1,300
<b>TOTAL:</b>	\$	2,680

**ACCOUNT NUMBER:** 1300.60

**ACCOUNT TITLE:** Capitalized Employee Benefits

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

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5200.20

**ACCOUNT TITLE:** Office Supplies

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

<b>FY 14/15 Requested Budget</b>	2,500
<b>FY 13/14 Estimated Actual</b>	1,418
<b>Increase (Decrease)</b>	1,082

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5200.30

**ACCOUNT TITLE:** Miscellaneous Office Expenses

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

<b>FY 14/15 Requested Budget</b>	3,750
<b>FY 13/14 Estimated Actual</b>	3,844
<b>Increase (Decrease)</b>	(94)

**ACCOUNT NUMBER:** 5300.10

**ACCOUNT TITLE:** Meetings and Travel

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

<b>FY 14/15 Requested Budget</b>	13,500
<b>FY 13/14 Estimated Actual</b>	13,609
<b>Increase (Decrease)</b>	(109)

**ACCOUNT NUMBER:** 5300.20

**ACCOUNT TITLE:** Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

<b>FY 14/15 Requested Budget</b>	500
<b>FY 13/14 Estimated Actual</b>	131
<b>Increase (Decrease)</b>	369

**ACCOUNT NUMBER:** 5300.30

**ACCOUNT TITLE:** Dues and Memberships

Description: Funds for professional dues.

<b>FY 14/15 Requested Budget</b>	15,200
<b>FY 13/14 Estimated Actual</b>	18,142
<b>Increase (Decrease)</b>	(2,942)

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

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5300.40

**ACCOUNT TITLE:** Publications

Description: Funds for publications received by the WTP.

<b>FY 14/15 Requested Budget</b>	500
<b>FY 13/14 Estimated Actual</b>	395
<b>Increase (Decrease)</b>	105


**ACCOUNT NUMBER:** 5300.50

**ACCOUNT TITLE:** Training

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

<b>FY 14/15 Requested Budget</b>	7,500
<b>FY 13/14 Estimated Actual</b>	2,905
<b>Increase (Decrease)</b>	4,595

\$	7,500	\$500 per employee

**ACCOUNT NUMBER:** 5300.60

**ACCOUNT TITLE:** Advertising

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

<b>FY 14/15 Requested Budget</b>	1,500
<b>FY 13/14 Estimated Actual</b>	2,428
<b>Increase (Decrease)</b>	(928)


**ACCOUNT NUMBER:** 5300.80

**ACCOUNT TITLE:** Postage

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

<b>FY 14/15 Requested Budget</b>	3,500
<b>FY 13/14 Estimated Actual</b>	4,581
<b>Increase (Decrease)</b>	(1,081)


**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5400.10

**ACCOUNT TITLE:** Professional Services  
**Description:** Outside professional services including:  
 \$ 1,000 Cathodic protection  
 2,000 Fire system/extinguisher inspection  
 5,400 Security  
 2,400 Crane inspection  
 700 Oil analysis  
 10,000 Switch gear maintenance  
 3,200 Emergency generator/forklift service  
 3,000 Equipment Calibration  
 \$ 27,700 TOTAL

<b>FY 14/15 Requested Budget</b>	27,700
<b>FY 13/14 Estimated Actual</b>	10,874
<b>Increase (Decrease)</b>	16,826

**ACCOUNT NUMBER:** 5400.20

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

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5400.30

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

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	5,000

**ACCOUNT NUMBER:** 5400.40

**ACCOUNT TITLE:** Permits  
**Description:** Funds for all required permits for the WTP including the California Department of Health.  
 \$ 12,000 Drinking Water Program  
 2,000 DHS Lab Accreditation  
 1,400 Emergency Generator Permit  
 1,700 Hazardous Materials Fees  
 \$ 17,100 TOTAL

<b>FY 14/15 Requested Budget</b>	17,100
<b>FY 13/14 Estimated Actual</b>	15,007
<b>Increase (Decrease)</b>	2,093

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5400.50

**ACCOUNT TITLE:** Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

<b>FY 14/15 Requested Budget</b>	560
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	560

\$ 560 Employee Assistance Program

\$ 560 TOTAL

**ACCOUNT NUMBER:** 5500.10

**ACCOUNT TITLE:** Uniform Expenses

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

<b>FY 14/15 Requested Budget</b>	8,025
<b>FY 13/14 Estimated Actual</b>	7,368
<b>Increase (Decrease)</b>	657

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

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

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

- Misc. uniform requirements (jackets, etc.)

\$ 8,025 TOTAL

**ACCOUNT NUMBER:** 5500.15

**ACCOUNT TITLE:** Minor Tools and Equipment

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

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	3,770
<b>Increase (Decrease)</b>	1,230

**ACCOUNT NUMBER:** 5500.20

**ACCOUNT TITLE:** Spare Parts

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

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5500.25

**ACCOUNT TITLE:** Landscape Supplies

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

<b>FY 14/15 Requested Budget</b>	500
<b>FY 13/14 Estimated Actual</b>	290
<b>Increase (Decrease)</b>	210

\$ 500 Herbicide

\$ 500 TOTAL

**ACCOUNT NUMBER:** 5500.31

**ACCOUNT TITLE:** Chemicals-Variable

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

<b>FY 14/15 Requested Budget</b>	1,015,379
<b>FY 13/14 Estimated Actual</b>	743,931
<b>Increase (Decrease)</b>	271,448

(1) WTP Plant: \$29.66 per acre foot and 33,511 acre feet of requests  
 (2) Santa Ynez Pumping Station: \$3.43/af for 4,459 AF pumped water  
 (3) Tank 5 and 7 Chlorination at \$1.48/af for 8,290 AF @ 50%

**ACCOUNT NUMBER:** 5500.35

**ACCOUNT TITLE:** Maintenance Supplies/Hardware

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

<b>FY 14/15 Requested Budget</b>	12,000
<b>FY 13/14 Estimated Actual</b>	14,749
<b>Increase (Decrease)</b>	(2,749)

**ACCOUNT NUMBER:** 5500.40

**ACCOUNT TITLE:** Safety Supplies

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

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	3,900
<b>Increase (Decrease)</b>	1,100



**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5500.50

**ACCOUNT TITLE:** Seed/Plants/Erosion Control Supplies

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

<b>FY 14/15 Requested Budget</b>	3,000
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	3,000

\$	3,000	Erosion maintenance
\$	3,000	TOTAL

**ACCOUNT NUMBER:** 5500.45

**ACCOUNT TITLE:** Fuel and Lubricants

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

<b>FY 14/15 Requested Budget</b>	26,450
<b>FY 13/14 Estimated Actual</b>	35,583
<b>Increase (Decrease)</b>	(9,133)


**ACCOUNT NUMBER:** 5600.10

**ACCOUNT TITLE:** Laboratory Supplies

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

<b>FY 14/15 Requested Budget</b>	57,000
<b>FY 13/14 Estimated Actual</b>	58,363
<b>Increase (Decrease)</b>	(1,363)


**ACCOUNT NUMBER:** 5600.20

**ACCOUNT TITLE:** Laboratory Tools and Equipment

Description: Funds for the purchase of non-capitalized tools and equipment for the laboratory. The equipment includes: DR-6000, Hot Plate, Conductivity Meter and Probe, DO Meter and Prope, two portable pH meters and TOC Gas Generator.

<b>FY 14/15 Requested Budget</b>	15,000
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	15,000


**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5600.30

**ACCOUNT TITLE:** Lab Testing

Description: Funds for outside lab services.

<b>FY 14/15 Requested Budget</b>	18,305
<b>FY 13/14 Estimated Actual</b>	5,252
<b>Increase (Decrease)</b>	13,053

\$	4,320	MIB Monitoring
	7,330	Annual Compliance Monitoring
	530	Monthly Compliance Monitoring
	3,850	DBP
	1,800	Cryptosporidium and Giardia
	475	DI Water Testing
\$	18,305	TOTAL

**ACCOUNT NUMBER:** 5700.10

**ACCOUNT TITLE:** Equipment Repairs and Maintenance

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

<b>FY 14/15 Requested Budget</b>	100,000
<b>FY 13/14 Estimated Actual</b>	104,427
<b>Increase (Decrease)</b>	(4,427)


**ACCOUNT NUMBER:** 5700.20

**ACCOUNT TITLE:** Vehicle Repairs and Maintenance

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

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	3,382
<b>Increase (Decrease)</b>	1,618


**ACCOUNT NUMBER:** 5700.30

**ACCOUNT TITLE:** Building Maintenance

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

<b>FY 14/15 Requested Budget</b>	27,325
<b>FY 13/14 Estimated Actual</b>	24,303
<b>Increase (Decrease)</b>	3,022

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	15,725	Janitorial service
	3,500	HVAC
	3,900	Janitorial Supplies
\$	27,325	TOTAL

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5700.40

**ACCOUNT TITLE:** Landscape Maintenance

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

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	3,960
<b>Increase (Decrease)</b>	1,040

**ACCOUNT NUMBER:** 5800.20

**ACCOUNT TITLE:** Natural Gas Service

Description: Funds for propane gas service to the WTP.

<b>FY 14/15 Requested Budget</b>	6,800
<b>FY 13/14 Estimated Actual</b>	1,825
<b>Increase (Decrease)</b>	4,975

**ACCOUNT NUMBER:** 5800.30

**ACCOUNT TITLE:** Electric Service-Fixed

Description: Funds for electrical service to the WTP.

<b>FY 14/15 Requested Budget</b>	75,084
<b>FY 13/14 Estimated Actual</b>	102,081
<b>Increase (Decrease)</b>	(26,998)

**ACCOUNT NUMBER:** 5800.31

**ACCOUNT TITLE:** Electric Service-Variable

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

<b>FY 14/15 Requested Budget</b>	94,167
<b>FY 13/14 Estimated Actual</b>	21,304
<b>Increase (Decrease)</b>	72,863

	\$2.81	\$/AF
	33,511	AF
<b>\$</b>	94,108	TOTAL

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5800.40

**ACCOUNT TITLE:** Water/Sewer

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

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5800.50

**ACCOUNT TITLE:** Telephone

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

<b>FY 14/15 Requested Budget</b>	4,782
<b>FY 13/14 Estimated Actual</b>	2,837
<b>Increase (Decrease)</b>	1,945

**ACCOUNT NUMBER:** 5800.60

**ACCOUNT TITLE:** Waste Disposal

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

<b>FY 14/15 Requested Budget</b>	4,145
<b>FY 13/14 Estimated Actual</b>	2,442
<b>Increase (Decrease)</b>	1,703

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

**ACCOUNT NUMBER:** 5900.10

**ACCOUNT TITLE:** Insurance

Description: Funds for insurance coverage.

<b>FY 14/15 Requested Budget</b>	78,482
<b>FY 13/14 Estimated Actual</b>	74,182
<b>Increase (Decrease)</b>	4,299

\$	40,881	Property and auto coverage based on the apportionment provided by JPIA.
\$	37,600	General liability and E&O based on salary proportions.
\$	78,482	TOTAL

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5900.30

**ACCOUNT TITLE:** Non-Capitalized Projects

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

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

<b>FY 14/15 Requested Budget</b>	160,157
<b>FY 13/14 Estimated Actual</b>	141,062
<b>Increase (Decrease)</b>	19,095

**ACCOUNT NUMBER:** 5900.40

**ACCOUNT TITLE:** Equipment Rental

Description: Funds for rental of equipment for the WTP.

<b>FY 14/15 Requested Budget</b>	17,000
<b>FY 13/14 Estimated Actual</b>	13,062
<b>Increase (Decrease)</b>	3,938

\$	3,900	Copier lease
	10,100	Motorized equipment
	3,000	Lagoon cleaning
\$	17,000	TOTAL

**ACCOUNT NUMBER:** 5900.50

**ACCOUNT TITLE:** Non-Capitalized Fixed Assets

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

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	9,525
<b>Increase (Decrease)</b>	(4,525)

**ACCOUNT NUMBER:** 5900.60

**ACCOUNT TITLE:** Computer Expenses

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

<b>FY 14/15 Requested Budget</b>	55,937
<b>FY 13/14 Estimated Actual</b>	49,540
<b>Increase (Decrease)</b>	6,397

\$	45,097	CompuVision, Annual Service Agreements and Software Subscriptions
\$	10,840	Software, New Computers and other computer services.
\$	55,937	TOTAL

**CENTRAL COAST WATER AUTHORITY  
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**ACCOUNT NUMBER:** 5900.70

**ACCOUNT TITLE:** Appropriated Contingency

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

<b>FY 14/15 Requested Budget</b>	57,373
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	57,373




*Close Interval Survey of Pipeline – March 2014*

## ***Distribution Department***

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

# Highlights

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## Department Information

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

## Budget Information

- Total FY 2014/15 O&M Budget \$ 2,612,382
- O&M Budget increase over FY 2013/14 \$ 399,275
  - Fixed cost increase over FY 2013/14 41,530
  - Variable cost increase over FY 2013/14 \$ 357,745
- Percentage increase 18.04%
- Fixed O&M expenses \$ 2,065,203
- Variable O&M expenses \$ 547,179
- FY 2014/15 budgeted electrical cost \$122.71 per acre-foot

## Significant Accomplishments During FY 2013/14

- Distribution staff successfully caught up on deferred pavement maintenance, which was postponed during the recession and associated budget reductions. The effort involved a pavement assessment program, prioritizing critical pavement maintenance tasks and implementing all crack sealing with in-house personnel. Distribution completed pavement crack sealing at the Santa Ynez Pumping Plant, Tank 2, 5 and 7. Additional crack sealing and slurry sealing are planned for next fiscal year.
- The close interval survey program for the CCWA pipeline was initiated. The program included training of Distribution staff and modifying all pipeline rectifiers with current interrupters, which are required for the close interval survey. Distribution staff completed the close interval survey for Reach 1 and the survey continues.

## Significant Goals for FY 2014/15

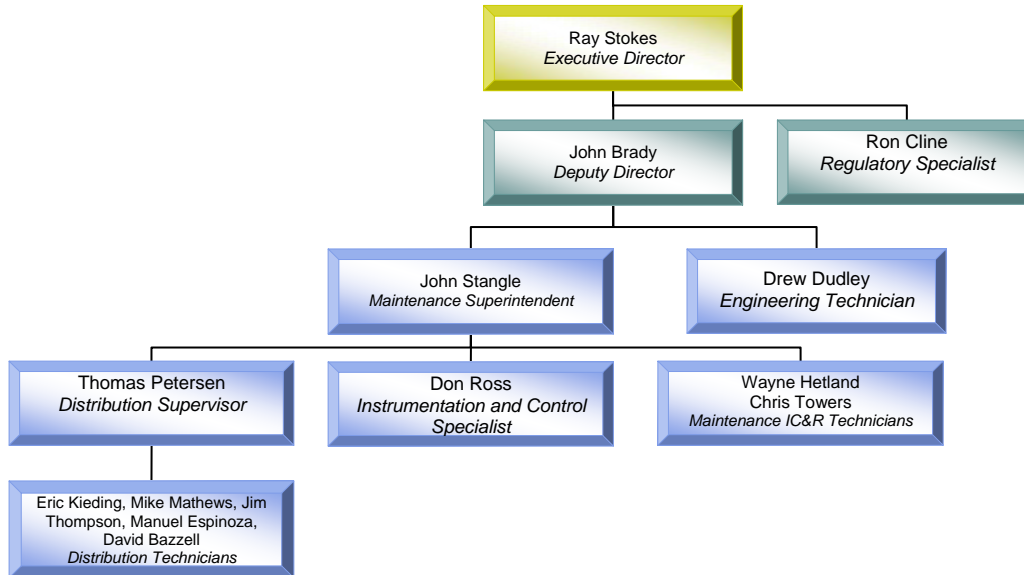
- Conduct a detailed review of all work tasks along the pipeline to identify optimum staffing assignments, staff routing and task frequency and timing. The results will be utilized to update CCWA's Computerized Maintenance Management System.
- Develop a predictive maintenance program to assist with better in planning equipment replacement. The program will include the use of specialize tools and data analysis techniques to estimate remaining life of equipment and to assist with optimizing operation.



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The Distribution Department is responsible for maintaining the distribution system (i.e., pipeline and ancillary facilities).



The Distribution Department is comprised of the field Distribution Technicians, IT/Instrumentation and Control Specialist and Maintenance IC&R Technicians

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, dechloramination and disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 130 miles of pipeline and operate and maintain five storage tanks, nine turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

The IT/Instrumentation and Control Specialist and Maintenance/Instrumentation and Control Technicians report to the Maintenance Superintendent and maintain all distribution electrical, electronic, fiber optic and instrumentation systems. They also assist the Maintenance Superintendent in maintaining plant electrical, electronic and fiber optic systems.

The Distribution Maintenance and Instrumentation and Control staff are supported by the Maintenance Superintendent and Deputy Director, who provide long term planning and establish priorities.

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The Regulatory Specialist reports to the Executive Director and divides time between Distribution and Water Treatment Plant Departments. The Regulatory Specialist is responsible for safety, environmental monitoring, and regulatory compliance.

The following pages list the 2013 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2014 goals for the Distribution Department.

**Operations and Maintenance**

**Goal** Continue the cathodic protection system monitoring program to include close interval survey efforts. Continue the internal pipeline inspections, to include video monitoring, documentation and mortar sampling, if merited. [11/13]

**Status** Distribution staff received training on conducting close interval training. All rectifiers were upgraded to allow installation of current interrupters, which is required for the close interval survey. The Close Interval Survey is complete for Reach 1 and survey continues. Also, Distribution staff utilized videos for the first time as part of documenting the internal pipeline inspections.

**Goal** Continue with off-peak pumping during the PG&E Summer Season at the Santa Ynez Pumping Plant and continue monitoring pumping efficiency. [12/13]

**Status** CCWA staff continues to schedule pumping to Lake Cachuma during off-peak periods whenever possible.

**Engineering**

**Goal** Coordinate the continued development of the CCWA network. The development of the network will include the upgrade of the Fiber Optic Network to provide for Security Cameras, SCADA and Administrative functions. In addition, the operating systems for various Servers and controllers will be upgraded. [12/13]

**Status** CCWA staff completed the following: (1) identified and resolved significant band width issues within the network, (2) completed the development of a virtual local area network for the SCADA system and thus segmenting this function from the administrative network, (3) CCWA implemented a number of proactive measures to manage its managed network service consultant, including establishing a client portal for tracking work, negotiating a new contract, and routine production of network health reports, (4) implemented a new remote data backup program within the secured CCWA network. All data is back-up and stored both in Buellton Administrative Office and the Water Treatment Plant.

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- Goal** Coordinate the implementation of the new Laboratory Information Management System (LIMS). [7/13]  
**Status** CCWA Staff prepared Technical Specifications and a Request For Bid document for the LIMS Replacement Project. The RFB was advertised and competitive bids were solicited.
- Goal** Continue implementation of Phase IV of the CCWA Geographical Information System (GIS) Project. [12/13]  
**Status** CCWA Staff continued to populate the GIS database with easement documentation, new encroachment permits, valve exercise records and current property owner information. A property owner flier was mailed to every property owner to provide CCWA contact information for leaks or security response issues. Staff solicited proposal to migrate the GIS to provide client-server function.
- Goal** Refurbish the Gas Chromatograph Instrument in the laboratory. [10/13]  
**Status** The Senior Chemist was successful in refurbishing the Gas Chromatograph Instrument. This device is now currently utilized for process disinfection byproduct analysis of samples collected from the CCWA turnouts and tank locations.
- Goal** Complete construction of the SYII Pipeline Repair Project and coordinate all Prop 84 Grant invoicing to recover costs. [7/13]  
**Status** Competitive bids for the pipeline repair work were solicited through a Request For Bid process. The construction contract was awarded to Lapidus Construction Inc. and construction has been completed. Prop 84 grant funds have been paid, in part. All invoices for grant reimbursement have been submitted to DWR for processing.
- Goal** Coordinate engineering studies for (1) the geotechnical investigation of Lagoon C at the Water Treatment Plant to address the side slope seepage issue, (2) concrete repair of the damaged Tank 5 and 7 columns, (3) the repair strategy for the coupling at Isolation Vault #2. [4/13]  
**Status** Special engineering studies were completed for (1) the geotechnical investigation of Lagoon C at the Water Treatment Plant to address the side slope seepage issue and (2) the repair strategy for the coupling at Isolation Vault #2. The engineering study for concrete repair at Tank 7 is complete with a recommendation for further investigation to evaluate the potential for an active punch sheer failure mechanism at the column floor interface.
- Goal** Coordinate the design and construction work for the Shandon Turnout. Solicit input from both DWR and San Luis Obispo County.[12/13]  
**Status** Design work has advanced to the 90% design stage. DWR has reviewed the 90% design and provided comments. The project will be implemented with San Luis Obispo County constructing the Turnout, with CCWA staff performing required monitoring and

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coordination. The project was reorganized to have San Luis Obispo County take the lead role in managing the construction project. A construction agreement was prepared and approved by the CCWA Board. The agreement will shift all expenses and potential liability risk to San Luis Obispo County. The construction cost estimate for the Turnout is approximately \$200,000.

- Goal** Continue development of five- and twenty-year Capital Improvement programs. [12/13]  
**Status** Work continues to identify projects on 5 and 20 year horizon.

**Environmental and Safety**

- Goal** Update CCWA Hazard Communication Program to reflect new OSHA Global Harmonized Standard.  
**Status** Completed 9/2013
- Goal** Schedule Cal/OSHA Consultation Inspection for WTP.  
**Status** Postponed
- Goal** Monitor/Maintain R.O.W. Vegetation & Oaks + Arroyo Grande Mitigation Site (AGMS).  
**Status** On-going
- Goal** Work as needed on SYII pipeline repair projects and undertake required mitigation as required by regulatory agencies.  
**Status** Construction Completed. Environmental Mitigation started on 12/2013 - Responsible for 5 years.
- Goal** Process Safety Review by Risk Management Professionals.  
**Status** Completed
- Goal** Coordinate work with Cardno-Entrix, California Department of Fish and Wildlife (DFW) and Federal Fish and Wildlife Service (F&W) to finalize Habitat Conservation Plan (HCP).  
**Status** On-going

**2014 GOALS**

**Engineering**

Coordinate the continued development of the CCWA network. The development of the network will include a detailed network assessment and evaluation. The focus of the assessment will be to implement phase 1 of the fiber optic switch replacement project and to ensure optimum topology, software and infrastructure for the network.

Coordinate the implementation of the new Laboratory Information Management System (LIMS) and to incorporate its use into routine regulatory and management

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reporting. In addition, utilize the LIMS program to capture pipeline treatment records.

Continue implementation of Phase IV of the CCWA Geographical Information System (GIS) Project through migrating to a client server platform. The goal will be to expand its use to all CCWA employees.

Coordinate engineering studies for (1) Chlorine Contact Basin to Filter Effluent pipe connection repair design, (2) Santa Ynez Pumping Plant Surge Tank Pedestal Investigation and Repair design, (3) Tank 5 Column Investigation and Repair design.

Continue to work with the County of San Luis Obispo in activating the Shandon Turnout. CCWA staff will monitor the construction work for the Shandon Turnout and coordinate construction activities with CCWA's ongoing operations.

Evaluate the overall treatment and distribution system to determine minimum and maximum flows and to identify any required equipment modification to optimize system performance.

Implement a feasibility study to consider the enhanced monitoring of the UPS battery systems on the pipeline, administrative office and water treatment plant

**Environmental and Safety**

Schedule Cal/OSHA Consultation Inspection for WTP.

Monitor/Maintain R.O.W. Vegetation & Oaks + AGMS.

Work as needed on SYII pipeline repair project mitigation as required by regulatory agencies.

RMP 5 year audit.

Coordinate work with Cardno-Entrix, DFW and F&W Service to finalize HCP.

Replace outdated/unsupported gas monitors. Will be a budgeted item.

**DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW**

The distribution system for the State water facilities is divided into segments called "Financial Reaches." These financial reaches are the portions of the pipeline through which the project participants receive and pay for water in accordance with their Water Supply Agreements.

Participation in each financial reach is based on the location of a particular project participant's turnout. Each participant pays for its share of the Coastal Branch and Authority financial reaches down to the financial reach from which

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that participant takes delivery of water. For example, South Coast project participants pay for their share of all financial reaches since they take delivery from the terminus of the Authority pipeline.

The financial reaches for the distribution system include Authority reaches and DWR reaches. The facilities owned by the Authority are considered Authority reaches and those owned by DWR are considered DWR reaches.

The Distribution Department is responsible for maintaining both the Authority and the DWR reaches downstream of the Polonio Pass Water Treatment Plant.

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The following is a list of the various financial reaches including the facilities and/or landmarks located in each reach.

**DWR REACHES**

- Reach 33B Tank 1 through the Chorro Valley turnout
- Reach 34 Chorro Valley turnout through the Lopez turnout
- Reach 35 Lopez turnout through the Guadalupe turnout
- Reach 36 Deleted
- Reach 37 Guadalupe turnout to Southern Pacific Railroad crossing near Casmalia
- Reach 38 Southern Pacific Railroad crossing near Casmalia through Tank 5

**CCWA [Authority] REACHES**

- Mission Hills Tank 5 to La Purisima Road
- Santa Ynez I La Purisima Road to the Santa Ynez Pumping Facility
- Santa Ynez II Santa Ynez Pumping Facility to Lake Cachuma

The table and map on page 185 shows the participation by project participant, by financial reach and the corresponding percentage share of the operating costs for each project participant in each reach.

**Distribution Allocation of Operating Expenses by Financial Reach**

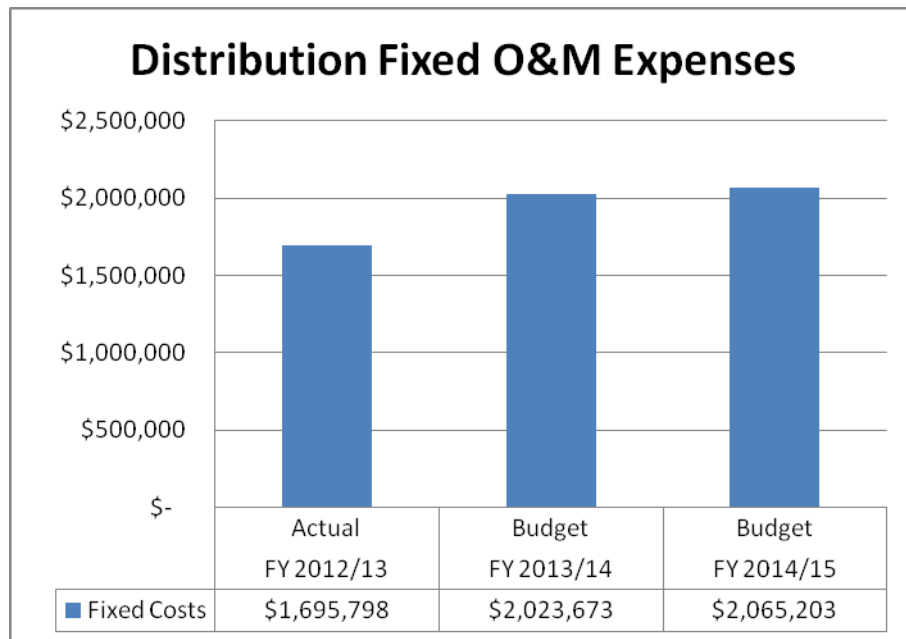
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2012/13 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

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<b>Distribution Department Financial Reach Allocation</b>			
<b>Financial Reach</b>	<b>FY 2014/15 Allocation Percentage</b>	<b>FY 2013/14 Allocation Percentage</b>	<b>Increase (Decrease)</b>
Reach 33B	26.40%	25.22%	1.18%
Reach 34	11.12%	11.42%	-0.30%
Reach 35	3.93%	4.48%	-0.55%
Reach 37	2.90%	3.76%	-0.86%
Reach 38	4.03%	4.44%	-0.41%
Mission Hills II	13.26%	13.63%	-0.37%
Santa Ynez I	16.11%	17.83%	-1.72%
Santa Ynez II	22.25%	19.23%	3.02%
<b>TOTAL:</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

**Fixed O&M Costs** are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and repair and maintenance costs. The following graph shows the three-year trend for the Distribution Department Fixed O&M expenses. As the graph shows, the FY 2014/15 fixed O&M costs are \$41,530 higher than the prior year budget amount.

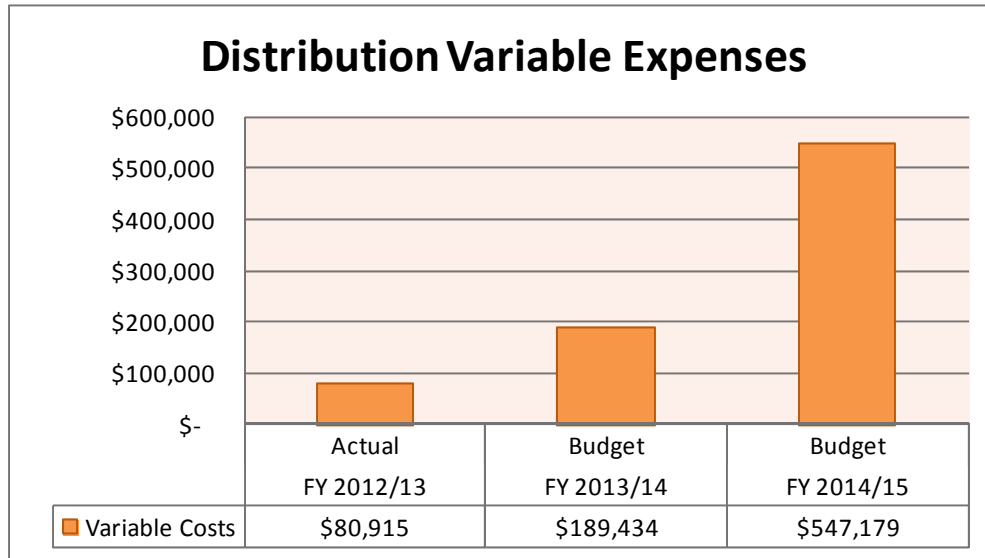




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Fiscal Year 2014/15 Budget

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**Variable O&M Costs** are all costs that vary with the amount of water processed. The Distribution Department variable expenses are solely electrical costs to pump the South Coast project participant water into Lake Cachuma. The following graph shows the three-year trend for the Distribution Department variable O&M costs. As the graph shows, the FY 2014/15 variable O&M costs are \$357,745 higher than the prior year budget amounts.



The following table shows the allocation of the Distribution Department variable O&M costs (electrical costs) for the Fiscal Year 2014/15 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries <sup>(1)</sup>	Distribution Electrical Costs at \$122.71/AF
Goleta	908.20	\$ 111,370
Morehart	200.00	24,543
La Cumbre	809.00	99,275
Raytheon	55.00	6,749
Santa Barbara	976.80	120,014
Montecito	1,210.80	148,626
Carpinteria	299.20	36,858
<b>Total South Coast:</b>	<b>4,459.00</b>	<b>\$ 547,435</b>
(1) Excludes water deliveries exchanged with Santa Ynez ID#1.		

Central Coast Water Authority  
Distribution Department  
Fiscal Year 2014/15 Budget

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Fiscal Year 2014/15 Operating Expense Budget

The Fiscal Year 2014/15 Distribution Department operating expense budget is \$2,612,382, which is \$399,275 higher than the previous year's budget of \$2,213,107, an increase of 18.04%. The personnel expense section of the Distribution Department budget represents approximately 57% of the budget. Utilities comprise 23%, with other expenses making up the balance of the budget. The chart on page 18\* shows percentage of the various components of the Distribution Department operating expense budget. Variable O&M costs are included in the supplies and equipment and utilities categories.

Personnel Expenses Personnel expenses are increasing by about \$6,000 attributed to the following:

- The FY 2014/15 Budget includes a \$36,946 salary pool allocation based on a salary pool percentage of 4.14%. However, the total salaries and wages budget is actually decreasing by about \$5,000 due in part to the lower starting salary for a newly filled position. Additionally, because certain employees have remained at the top of their salary range, stalling their salary growth.
- PERS retirement expenses are increasing by about \$15,000 due to salary increases and the change in the employer and employee contribution rate for the FY 2014/15 to 21.507% as compared to the prior year amount of 20.810%
- Health insurance and cafeteria plan benefit combined reflect decreases of around \$4,000 which is attributed to the small 0.16% health premium increase as opposed to the 5% increase included in the previous fiscal year budget.

Utility Expenses Utility expenses are increasing by about \$360,000 attributed to an increase in the estimated electrical cost per acre-foot of delivering water into Lake Cachuma from \$92.44/AF in FY 2013/14 compared to \$122.71/AF for FY 2014/15 coupled with a 2,409 increase in water deliveries to Lake Cachuma.

Other Expenses Other expenses are increasing by approximately \$28,000 due to an increase in non-capitalized project expenses (see the discussion on non-capitalized projects later in this section of the Budget).

Central Coast Water Authority  
Distribution Department  
Fiscal Year 2014/15 Budget

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Turnout Expenses Turnout expenses include funds for utility expenses at each turnout, equipment repairs and maintenance, and non-capitalized projects.

The following table shows the FY 2014/15 O&M budget for the various CCWA turnouts.

<b>TURNOUT EXPENSES</b>								
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Capital Projects <sup>(1)</sup>	TOTAL	
Guadalupe	\$ 539	\$ 1,000	\$ -	\$ 500	\$ 2,039	\$ -	\$ 2,039	
Santa Maria	439	1,500	-	500	2,439		2,439	
Golden State Water Co.	724	3,000	-	500	4,224		4,224	
Vandenberg Air Force Base	-	1,500	-	500	2,000		2,000	
Buellton	339	1,500	-	500	2,339		2,339	
Santa Ynez (Solvang)	230	1,000	-	500	1,730		1,730	
Santa Ynez	-	1,000	-	500	1,500		1,500	
Chorro Valley	-	1,500	900	500	2,900		2,900	
Lopez	572	1,500	-	500	2,572		2,572	
<b>TOTAL:</b>	<b>\$ 2,844</b>	<b>\$ 13,500</b>	<b>\$ 900</b>	<b>\$ 4,500</b>	<b>\$ 21,744</b>	<b>\$ -</b>	<b>\$ 21,744</b>	

(1) Please see the CIP section of the budget for information regarding the Turnout capital projects.

**Non-Capitalized Projects**

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, since CCWA does not own the DWR portion of the Coastal Branch Extension, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the distribution system which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2014/15.

Central Coast Water Authority  
Distribution Department  
Fiscal Year 2014/15 Budget

<b><i>Non-Capitalized Projects-Reach Specific</i></b>		
<b>Project Description</b>	<b>Financial Reach</b>	<b>Amount</b>
Pavement Maintenance Program	ALL	8,190
Painting Program	ALL	5,250
Electric Motor Maintenance Tools	ALL	7,371
Storage Area Network (SAN) BAO replacement <sup>(1)</sup>	ALL	10,500
Fiber Optic Switches <sup>(1)</sup>	ALL	16,870
Distribution Air Monitors Replacement	ALL	15,717
Arc Flash Protective Clothing	ALL/WTP	1,474
<b>TOTAL NON-CAPITALIZED PROJECTS</b>		<b>\$ 65,372</b>
<p>(1) Please see the Administration Department section of this budget for narrative discussions on these non-capitalized projects.</p>		

<b>Description:</b>	<b>Pavement Maintenance Program</b>
Department:	Distribution
Expanded Description	CCWA staff conducts annual inspections of all of the paved surfaces maintained by CCWA. One part of the pavement maintenance program is to fill in asphalt cracks with CCWA's crack sealing machine. Approximately one pallet of sealing material is required for FY 14/15. In addition, approximately 18,000 square feet of pavement requires slurry sealing by a contractor this year at \$0.28 per sf.
Estimated Charge – Contractor	\$5,100
Estimated Charge – Materials	\$2,500
Taxes (8%)	\$200
Contingency (5%)	\$390
Subtotal without CCWA Labor	<b>\$8,190</b>
CCWA Labor	\$6,380
Total Cost	\$14,570
Operating Budget Impact:	The purpose of proactive pavement maintenance is to postpone for as long as possible the complete replacement of the pavement. The costs for crack sealing, slurry coating and pot-hole repair are minimal when compared to a full replacement program. Through routine assessments and implementation of proactive measures to lengthen the service life of the pavement, full replacement can be postponed significantly and can be carefully planned and budgeted for.

Central Coast Water Authority  
Distribution Department  
Fiscal Year 2014/15 Budget

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<b>Painting Program</b>	
Department:	Distribution
Expanded Description	As part of the maintenance of buildings and structures, CCWA staff inspects all facilities annually. One aspect of the inspection is to assess the condition of all painted surfaces. The assessments are subsequently prioritized for service. A budget of \$10,000 has been established to handle repainting of surfaces with degrading paint.
Estimated Charge - Contractor	\$5,000
Contingency (5%)	\$250
Subtotal without CCWA Labor	<b>\$5,250</b>
Labor and overhead	\$5,189
Total Cost	\$10,439
Operating Budget Impact:	Painting the surfaces of buildings and structures serves as a measure to protect the underlying materials from degradation from weathering. It is more cost effective to repaint as opposed to replacing structural components of buildings or other structures. The service life of the underlying materials of the painted surface is significantly extended

<b>Electric Motor Maintenance Tools</b>	
Department:	Distribution
Expanded Description	To proactively maintain aging pumps and electric motors, additional monitoring and maintenance will be required. The following tools will be utilized by CCWA to monitor the condition of the pumps and motors: (1) megger, (2) vibration monitor, (3) rotation meter.
Estimated Charge – Materials	\$6,500
Taxes (8%)	\$520
Contingency (5%)	\$351
Total Cost	\$7,371
Operating Budget Impact:	The single most effective method for reducing project costs is to utilize in-house talent as much as possible to complete the projects. Project costs can be reduced as much as 50% through completing work in-house. To facilitate this measure, it is important to provide the proper tools. These tools are particularly important at this time, as they will primarily be used to monitor and maintain the pumps at Santa Ynez Pumping Plant. This pumping plant will be operated at near 100% capacity for most of 2014.

Central Coast Water Authority  
 Distribution Department  
 Fiscal Year 2014/15 Budget

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Description:	Distribution Air Monitors Replacement
Department:	Distribution
Expanded Description	The vast majority of the facilities on the CCWA pipeline are classified as confined spaces by OSHA. Consequently, CCWA is required to maintain a confined space entry program. This program includes standard protocols for entering confined spaces, a permitting program to document compliance with entry requirements, employees training and also includes the use of monitoring equipment. The existing air monitoring units are past their expected service life and require replacement. These air monitors are critical safety equipment needed for routine confined space entries along the pipeline.
Estimated Charge – Materials	\$13,860
Tax (8%)	\$1,109
Contingency (5%)	\$748
Subtotal without CCWA Labor	<b>\$15,717</b>
CCWA Labor	\$1,098
Total Cost	\$16,815
Operating Budget Impact:	The typical service life of air monitors used for confined space entries is typically 5 years. Through diligent maintenance and routine calibrations, staff has been able to extend the life typically to 7 to 9 years. Replacement of the air monitors is required at this time because they are well beyond their anticipated service life and the manufacturer no longer provides technical support for the existing units. Staff can no longer reliably extend the service life of the existing units.

Central Coast Water Authority  
 Distribution Department  
 Fiscal Year 2014/15 Budget

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Description:	Arc Flash Protective Clothing
Department:	Water Treatment Plant, Distribution
Expanded Description	OSHA has implemented regulations for addressing arc-flash hazards that arise from working on certain electrical equipment. These regulations require employee qualification standards, training, equipment hazard rankings, standard operating procedures and safety equipment. This project is to purchase the safety gear required for CCWA qualified electricians to work on a variety of electrical equipment with an arc-flash hazard rating.
Estimated Charge – Materials	\$2,600
Tax (8%)	\$208
Contingency (5%)	\$140
Subtotal without CCWA Labor	<b>\$2,948</b>
CCWA Labor	\$1,098
Total Cost	\$4,046
Operating Budget Impact:	Through purchasing the required safety gear for CCWA qualified electricians, work that would have been performed by an outside contractor can be completed by in-house staff. This significantly reduces cost and also improves safety. The improved safety results from CCWA staff being intimately familiar with the electrical equipment on-site as well as CCWA staff receiving pertinent safety training and the appropriate safety equipment.

Central Coast Water Authority  
**Personnel Services Summary**  
**Distribution Department**  
Fiscal Year 2014/15 Budget

<b>PERSONNEL COUNT SUMMARY</b>					
Position Title	Number Auth. FY 2012/13	Number Auth. FY 2013/14	Number Requested FY 2014/15	Change Over FY 2012/13	Change Over FY 2013/14
Executive Director <sup>(1)</sup>	0.25	0.25	0.25	-	-
Deputy Director <sup>(2)</sup>	0.40	0.40	0.40	-	-
Regulatory Specialist <sup>(3)</sup>	0.75	0.75	0.75	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Maintenance Superintendent <sup>(4)</sup>	0.40	0.40	0.40	-	-
Maintenance/IC&R Technicians <sup>(5)</sup>	0.40	0.40	0.40	-	-
Distribution Technician	5.00	5.00	5.00	-	-
<b>TOTAL:</b>	10.20	10.20	10.20	-	-

<b>PERSONNEL WAGE SUMMARY</b>						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2013/14 Total Annual Salary	Allocation to Dist. Dept.
Executive Director <sup>(1)</sup>	1	N/A	N/A	N/A	\$ 217,523	\$ 54,381
Deputy Director <sup>(2)</sup>	1	N/A	N/A	N/A	\$ 152,158	\$ 60,863
Regulatory Specialist <sup>(3)</sup>	1	19	\$ 6,704	\$ 8,179	\$ 93,130	\$ 69,848
Distribution Supervisor	1	19	\$ 6,704	\$ 8,179	\$ 93,130	\$ 93,130
Engineering Technician	1	16	\$ 5,727	\$ 6,987	\$ 83,840	\$ 83,840
Instrumentation & Control Specialist	1	18	\$ 6,361	\$ 7,761	\$ 93,130	\$ 93,130
Maintenance Superintendent <sup>(4)</sup>	1	21	\$ 7,445	\$ 9,083	\$ 103,425	\$ 41,370
Maintenance/IC&R Tehcnician <sup>(5)</sup>	2	16	\$ 5,727	\$ 6,987	\$ 158,719	\$ 31,744
Distribution Technicians	5	14	\$ 5,155	\$ 6,289	\$ 363,274	\$ 363,274
FY 2014/15 Salary Pool						\$ 36,946
<b>TOTAL:</b>						<b>\$ 928,525</b>

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

(2) The Operations Manager is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

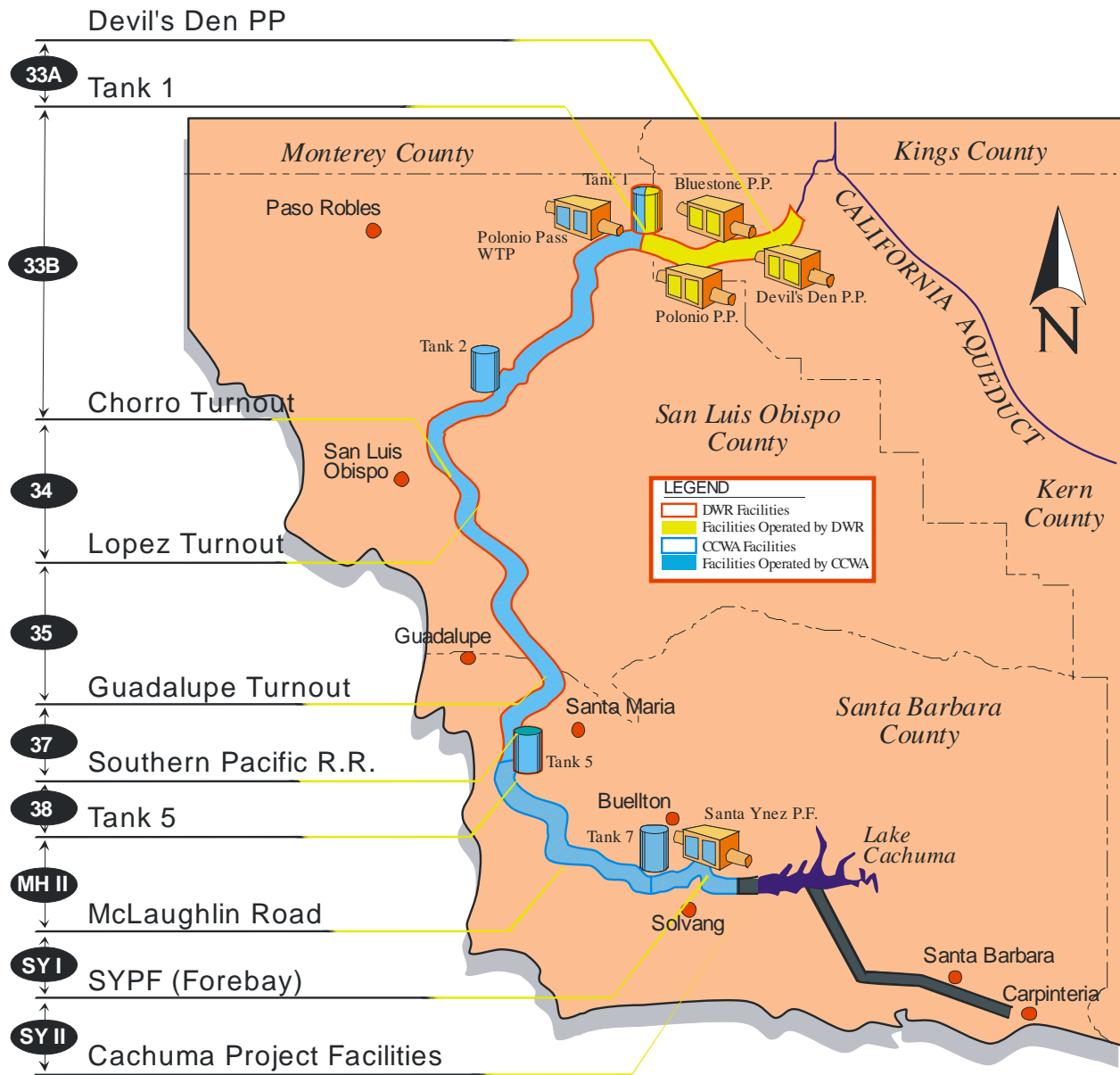
(3) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).

(4) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).

(5) The two Maintenance IC&R Technicians are allocated to Water Treatment Plant (80%) and Distribution (20%).



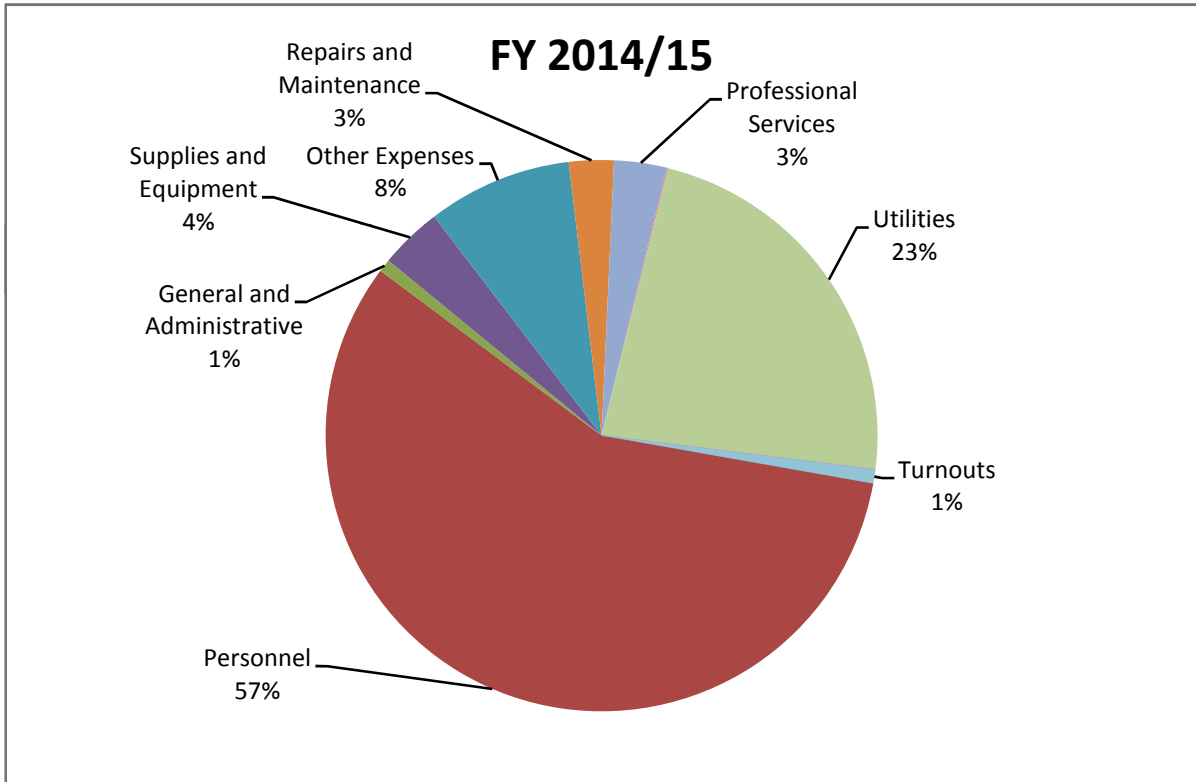
# COASTAL BRANCH FINANCIAL REACHES



Purveyor	CONTRACT ENTITLEMENT IN FINANCIAL REACHES								
	WTP / 33B	34	35	37	38	MH II	SY I	SY II	
Shandon	100								
Chorro Valley	2,338								
Lopez	2,392	2,392							
Guadalupe	550	550	550						
Santa Maria	16,200	16,200	16,200	16,200					
Golden State Water	500	500	500	500					
Vandenberg AFB	5,500	5,500	5,500	5,500	5,500	5,500			
Buellton	578	578	578	578	578	578	578		
Santa Ynez (Solvang)	1,500	1,500	1,500	1,500	1,500	1,500	1,500		
Santa Ynez	500	500	500	500	500	500	500		
Goleta	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	
Morehart Land	200	200	200	200	200	200	200	200	200
LaCumbre	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Raytheon	50	50	50	50	50	50	50	50	50
Santa Barbara	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Montecito	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Carpinteria	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
<b>TOTAL</b>	<b>43,908 AF</b>	<b>41,470 AF</b>	<b>39,078 AF</b>	<b>38,528 AF</b>	<b>21,828 AF</b>	<b>21,828 AF</b>	<b>16,328 AF</b>	<b>13,750 AF</b>	

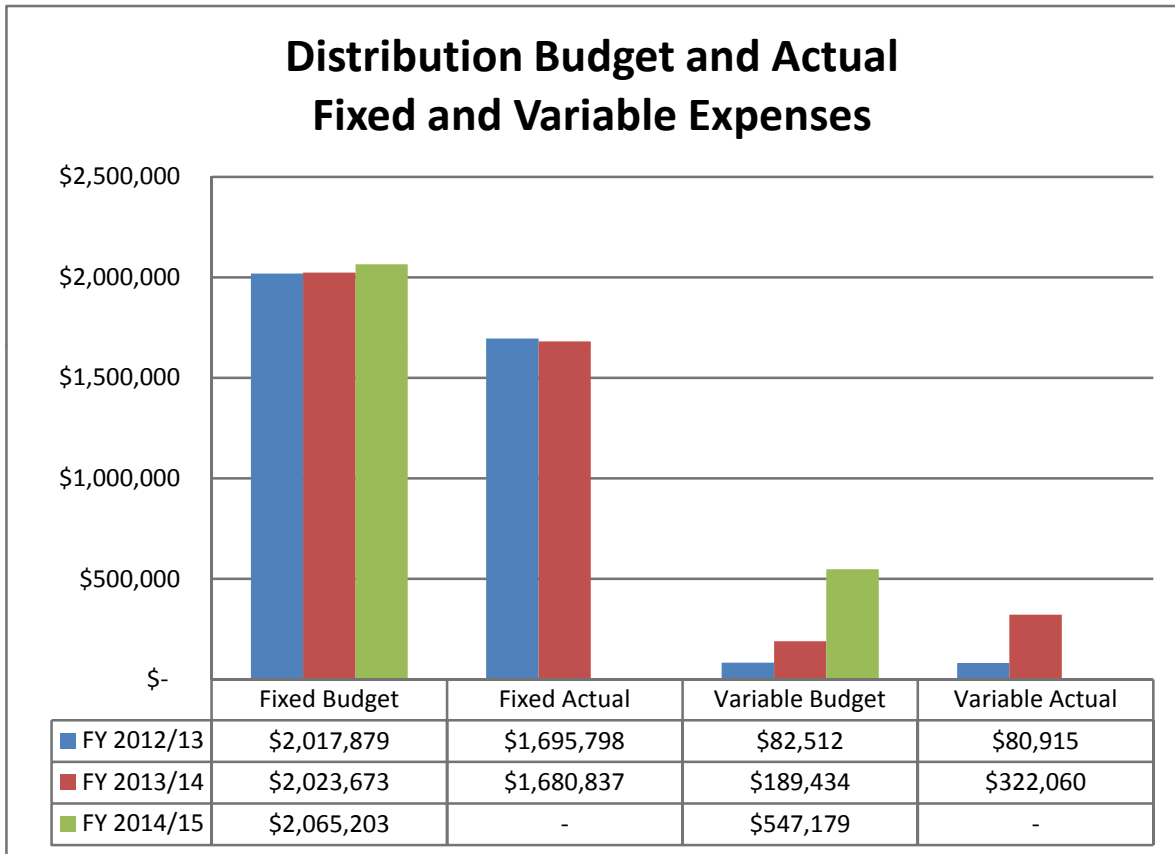
Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2014/15 Budget

Item	FY 2014/15 Budget
Personnel	\$ 1,500,176
Office Expenses	2,400
Supplies and Equipment	95,627
Monitoring Expenses	-
Repairs and Maintenance	68,700
Professional Services	80,375
General and Administrative	19,600
Utilities	602,134
Other Expenses	221,626
Turnouts	21,744
<b>TOTAL:</b>	<b>\$ 2,612,382</b>



Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2014/15 Budget

Item	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget
Personnel	\$ 1,467,032	\$ 1,293,787	\$ 1,493,828	\$ 1,343,065	\$ 1,500,176
Office Expenses	1,800	1,632	2,100	2,106	2,400
Supplies and Equipment	95,627	84,255	99,527	80,158	95,627
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	61,200	57,091	61,200	50,687	68,700
Professional Services	82,925	53,818	83,125	6,867	80,375
General and Administrative	18,900	24,415	15,900	14,944	19,600
Utilities	133,491	121,649	242,196	370,799	602,134
Other Expenses	200,209	100,143	193,813	107,183	221,626
Turnouts	39,207	39,926	21,419	27,089	21,744
<b>TOTAL:</b>	<b>\$ 2,100,391</b>	<b>\$ 1,776,714</b>	<b>\$ 2,213,107</b>	<b>\$ 2,002,898</b>	<b>\$ 2,612,382</b>



Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change Budget
<b><u>PERSONNEL EXPENSES</u></b>								
5000.10	Full-Time Regular Wages	\$ 950,893	\$ 831,141	\$ 933,292	\$ 881,223	\$ 928,525	\$ (4,767)	-0.51%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	59,545	56,923	60,863	49,373	60,328	(535)	-0.88%
5000.40	Standby Pay	29,288	22,676	29,986	21,533	29,667	(319)	-1.06%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	183,815	168,206	183,891	165,143	199,698	15,807	8.60%
5100.15	Medicare Taxes	15,233	12,735	15,024	12,811	15,004	(20)	-0.13%
5100.20	Health Insurance	149,488	127,729	169,007	135,941	156,588	(12,419)	-7.35%
5100.25	Workers' Compensation	29,751	31,679	40,719	30,745	39,841	(879)	-2.16%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	10,800	-	13,260	-	14,566	1,306	9.85%
5100.40	Cafeteria Plan Benefits	7,532	7,093	11,974	6,572	16,212	4,238	35.40%
5100.45	Dental/Vision Plan	18,390	20,411	18,992	22,355	22,792	3,800	20.01%
5100.50	Long-Term Disability	3,789	3,149	3,800	3,035	3,777	(23)	-0.61%
5100.55	Life Insurance	4,460	3,539	3,970	3,265	4,130	160	4.02%
5100.60	Employee Physicals	450	-	450	-	450	-	0.00%
5000.30	Temporary Services	-	-	5,000	-	5,000	-	0.00%
5100.80	Employee Incentive Programs	2,600	656	2,600	1,899	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	7,849	-	9,170	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
<b>Total Personnel Expenses:</b>		<b>1,467,032</b>	<b>1,293,787</b>	<b>1,493,828</b>	<b>1,343,065</b>	<b>1,500,176</b>	<b>6,349</b>	<b>0.42%</b>

Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change FY 2013/14 Budget
5200.20	Office Supplies	1,200	480	1,200	949	1,200	-	0.00%
5200.30	Miscellaneous Office Expenses	600	1,152	900	1,157	1,200	300	33.33%
<b>Total Office Expenses:</b>		<b>1,800</b>	<b>1,632</b>	<b>2,100</b>	<b>2,106</b>	<b>2,400</b>	<b>300</b>	<b>14.29%</b>

**SUPPLIES AND EQUIPMENT**

5500.10	Uniform Expenses	6,747	5,212	6,747	3,838	6,747	-	0.00%
5500.15	Minor Tools and Equipment	5,000	3,352	8,900	3,045	5,000	(3,900)	-43.82%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	375	1,000	160	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	7,410	10,000	5,273	10,000	-	0.00%
5500.40	Safety Supplies	5,000	4,679	5,000	8,169	5,000	-	0.00%
5500.45	Fuel and Lubricants	59,380	61,566	59,380	59,334	59,380	-	0.00%
5500.50	Seed/Erosion Control Supplies	8,000	1,130	8,000	-	8,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	531	500	339	500	-	0.00%
<b>Total Supplies and Equipment:</b>		<b>95,627</b>	<b>84,255</b>	<b>99,527</b>	<b>80,158</b>	<b>95,627</b>	<b>(3,900)</b>	<b>-3.92%</b>

**MONITORING EXPENSES**

5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
<b>Total Monitoring Expenses:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>

Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change Budget
<b><u>REPAIRS AND MAINTENANCE</u></b>								
5700.10	Equipment Repairs and Maintenance	40,000	38,571	40,000	27,552	40,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	10,000	11,267	10,000	10,297	15,000	5,000	50.00%
5700.30	Building Maintenance	7,200	3,803	7,200	10,520	9,700	2,500	34.72%
5700.40	Landscape Maintenance	4,000	3,450	4,000	2,318	4,000	-	0.00%
	<b>Total Repairs and Maintenance:</b>	<b>61,200</b>	<b>57,091</b>	<b>61,200</b>	<b>50,687</b>	<b>68,700</b>	<b>7,500</b>	<b>12.25%</b>
<b><u>PROFESSIONAL SERVICES</u></b>								
5400.10	Professional Services	73,325	44,628	74,325	5,299	71,575	(2,750)	-3.70%
5400.20	Legal Services	-	-	-	-	-	-	N/A
5400.30	Engineering Services	5,000	5,714	5,000	-	5,000	-	0.00%
5400.40	Permits	4,600	3,476	3,800	1,568	3,800	-	0.00%
5400.50	Non-Contractual Services	-	-	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
	<b>Total Professional Services:</b>	<b>82,925</b>	<b>53,818</b>	<b>83,125</b>	<b>6,867</b>	<b>80,375</b>	<b>(2,750)</b>	<b>-3.31%</b>
<b><u>GENERAL AND ADMINISTRATIVE</u></b>								
5300.10	Meeting and Travel	9,000	19,424	6,000	10,683	11,000	5,000	83.33%
5300.20	Mileage Reimbursement	150	-	150	87	150	-	0.00%
5300.30	Dues and Memberships	1,500	769	1,500	1,521	1,850	350	23.33%
5300.40	Publications	500	404	500	395	500	-	0.00%
5300.50	Training	5,000	3,013	5,000	585	5,000	-	0.00%
5300.60	Advertising	2,000	316	2,000	1,302	500	(1,500)	-75.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	750	489	750	370	600	(150)	-20.00%
	<b>Total General and Administrative:</b>	<b>18,900</b>	<b>24,415</b>	<b>15,900</b>	<b>14,944</b>	<b>19,600</b>	<b>3,700</b>	<b>23.27%</b>

Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2014/15 Administration/O&M Budget

Account Number	Account Name	FY 2012/13 Budget	FY 2012/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Budget	Change from FY 2013/14 Budget	Percent Change Budget
<b>UTILITIES</b>								
5800.20	Natural Gas	847	557	940	326	940	-	0.00%
5800.30	Electric Fixed	37,682	32,037	40,272	40,123	42,833	2,561	6.36%
5800.31	Electric-Variable	82,512	80,915	189,434	322,060	547,179	357,745	188.85%
5800.40	Water	1,550	1,526	1,650	1,830	2,000	350	21.21%
5800.50	Telephone	8,000	4,519	7,000	4,396	6,282	(718)	-10.26%
5800.60	Waste Disposal	2,900	2,094	2,900	2,063	2,900	-	0.00%
	<b>Total Utilities:</b>	<b>133,491</b>	<b>121,649</b>	<b>242,196</b>	<b>370,799</b>	<b>602,134</b>	<b>359,938</b>	<b>148.61%</b>
<b>OTHER EXPENSES</b>								
5900.10	Insurance	48,351	48,145	51,584	48,660	49,859	(1,724)	-3.34%
5900.30	Non-Capitalized Projects	47,469		37,037	12,164	65,372	28,335	76.51%
5900.40	Equipment Rental	12,000	6,341	12,000	1,716	10,000	(2,000)	-16.67%
5900.50	Non-Capitalized Equipment	7,000	3,055	7,000	-	7,000	-	0.00%
5900.60	Computer Expenses	46,592	42,602	46,932	44,644	49,327	2,395	5.10%
5900.70	Appropriated Contingency	38,798	-	39,260	-	40,068	808	2.06%
	<b>Total Other Expenses:</b>	<b>200,209</b>	<b>100,143</b>	<b>193,813</b>	<b>107,183</b>	<b>221,626</b>	<b>27,813</b>	<b>14.35%</b>
	Turnouts	39,207	39,926	21,419	27,089	21,744	325	1.52%
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,100,391</b>	<b>\$ 1,776,714</b>	<b>\$ 2,213,107</b>	<b>\$ 2,002,898</b>	<b>\$ 2,612,382</b>	<b>399,275</b>	<b>18.04%</b>

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5000.10

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

Description: Funds for the Distribution regular full-time employees. Includes \$36,946 for FY 2014/15 salary pool.

<b>FY 14/15 Requested Budget</b>	928,525
<b>FY 13/14 Estimated Actual</b>	881,223
<b>Increase (Decrease)</b>	47,302

**ACCOUNT NUMBER:** 5000.20

**ACCOUNT TITLE:** Overtime

Description: Funds for overtime expenses for non-exempt Distribution employees.

<b>FY 14/15 Requested Budget</b>	60,328
<b>FY 13/14 Estimated Actual</b>	49,373
<b>Increase (Decrease)</b>	10,955

Overtime is set at 5.0% of salaries plus one hour per day to monitor SCADA system.

**ACCOUNT NUMBER:** 1300.60

**ACCOUNT TITLE:** Capitalized Salaries and Overtime

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

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5000.30

**ACCOUNT TITLE:** Temporary Services

Description: Temporary services for an intern program to work on the Geographical Informational System input and drawings.

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	5,000



**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5000.40

**ACCOUNT TITLE:** Stand-by Pay

<b>FY 14/15 Requested Budget</b>	29,667
<b>FY 13/14 Estimated Actual</b>	21,533
<b>Increase (Decrease)</b>	8,135

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by duty on a 24-hour basis. Based on \$1.90 per hour (5% of average hourly rate). 2/3 of Instrumentation Employee standby pay allocated to Distribution Department and 1/3 allocated to the Water Treatment Plant Department.

**ACCOUNT NUMBER:** 5100.10

**ACCOUNT TITLE:** PERS Retirement

<b>FY 14/15 Requested Budget</b>	199,698
<b>FY 13/14 Estimated Actual</b>	165,143
<b>Increase (Decrease)</b>	34,555

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 21.507% contribution rate for FY 2014/15 based on the 2% @ 55 formula.

**ACCOUNT NUMBER:** 5100.15

**ACCOUNT TITLE:** Medicare

<b>FY 14/15 Requested Budget</b>	15,004
<b>FY 13/14 Estimated Actual</b>	12,811
<b>Increase (Decrease)</b>	2,193

Description: Funds for the employer portion of Medicare taxes for the Distribution Department. Amount is equal to 1.45% of all wages.

**ACCOUNT NUMBER:** 5100.20

**ACCOUNT TITLE:** Health Insurance

<b>FY 14/15 Requested Budget</b>	156,588
<b>FY 13/14 Estimated Actual</b>	135,941
<b>Increase (Decrease)</b>	20,647

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2015.

Family	\$	19,580
Emp + 1	\$	15,061
Employee only	\$	7,531

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5100.25

**ACCOUNT TITLE:** Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Distribution department. Based on an X-Mod rate of 109%. Based on a 5% premium increase over FY 2012/13

<b>FY 14/15 Requested Budget</b>	39,841
<b>FY 13/14 Estimated Actual</b>	30,745
<b>Increase (Decrease)</b>	9,095

**ACCOUNT NUMBER:** 5100.35

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

Description: Estimates \$1,428 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

<b>FY 14/15 Requested Budget</b>	14,566
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	14,566

**ACCOUNT NUMBER:** 5100.40

**ACCOUNT TITLE:** Cafeteria Plan Benefits

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

<b>FY 14/15 Requested Budget</b>	16,212
<b>FY 13/14 Estimated Actual</b>	6,572
<b>Increase (Decrease)</b>	9,640

**ACCOUNT NUMBER:** 5100.45

**ACCOUNT TITLE:** Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,192 per year per family for dental and vision expenses. Budgeted amount is \$2,234 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

<b>FY 14/15 Requested Budget</b>	22,792
<b>FY 13/14 Estimated Actual</b>	22,355
<b>Increase (Decrease)</b>	437

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5100.50

**ACCOUNT TITLE:** Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.43 per \$100 of salary.

<b>FY 14/15 Requested Budget</b>	3,777
<b>FY 13/14 Estimated Actual</b>	3,035
<b>Increase (Decrease)</b>	742

**ACCOUNT NUMBER:** 5100.55

**ACCOUNT TITLE:** Life Insurance

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

<b>FY 14/15 Requested Budget</b>	4,130
<b>FY 13/14 Estimated Actual</b>	3,265
<b>Increase (Decrease)</b>	865

**ACCOUNT NUMBER:** 5100.60

**ACCOUNT TITLE:** Employee Physicals

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

<b>FY 14/15 Requested Budget</b>	450
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	450

**ACCOUNT NUMBER:** 5100.65

**ACCOUNT TITLE:** Employee Education Reimbursement

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

<b>FY 14/15 Requested Budget</b>	1,000
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	1,000

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5100.80

**ACCOUNT TITLE:** Employee Incentive Programs

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

<b>FY 14/15 Requested Budget</b>	2,600
<b>FY 13/14 Estimated Actual</b>	1,899
<b>Increase (Decrease)</b>	701

Safety Program	\$	1,300
EAAP	\$	1,300
<b>TOTAL:</b>	\$	2,600

**ACCOUNT NUMBER:** 1300.60

**ACCOUNT TITLE:** Capitalized Employee Benefits

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

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-


**ACCOUNT NUMBER:** 5200.20

**ACCOUNT TITLE:** Office Supplies

Description: Funds for office supplies for the Distribution Department.

<b>FY 14/15 Requested Budget</b>	1,200
<b>FY 13/14 Estimated Actual</b>	949
<b>Increase (Decrease)</b>	251


**ACCOUNT NUMBER:** 5200.30

**ACCOUNT TITLE:** Miscellaneous Office Expenses

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

<b>FY 14/15 Requested Budget</b>	1,200
<b>FY 13/14 Estimated Actual</b>	1,157
<b>Increase (Decrease)</b>	43


**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5300.10

**ACCOUNT TITLE:** Meetings and Travel

Description: Funds for Distribution Department employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and Deputy Director as well as travel expenses for winter maintenance.

<b>FY 14/15 Requested Budget</b>	11,000
<b>FY 13/14 Estimated Actual</b>	10,683
<b>Increase (Decrease)</b>	317

**ACCOUNT NUMBER:** 5300.20

**ACCOUNT TITLE:** Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

<b>FY 14/15 Requested Budget</b>	150
<b>FY 13/14 Estimated Actual</b>	87
<b>Increase (Decrease)</b>	63

**ACCOUNT NUMBER:** 5300.30

**ACCOUNT TITLE:** Dues and Memberships

Description: Funds for professional dues and memberships in required areas.

<b>FY 14/15 Requested Budget</b>	1,850
<b>FY 13/14 Estimated Actual</b>	1,521
<b>Increase (Decrease)</b>	329

- DPH Licenses
- NACE Certifications
- Backflow Certification
- Safety Certification

**ACCOUNT NUMBER:** 5300.40

**ACCOUNT TITLE:** Publications

Description: Funds for publications received by the Distribution Department.

<b>FY 14/15 Requested Budget</b>	500
<b>FY 13/14 Estimated Actual</b>	395
<b>Increase (Decrease)</b>	105

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5300.50

**ACCOUNT TITLE:** Training

Description: Funds for training Distribution Department staff.  
Does not include educational reimbursement.

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	585
<b>Increase (Decrease)</b>	4,415

\$ 5,000 - \$500 per employee

**ACCOUNT NUMBER:** 5300.60

**ACCOUNT TITLE:** Advertising

Description: Funds for public relations materials  
for the Distribution Department including open position advertising.

<b>FY 14/15 Requested Budget</b>	500
<b>FY 13/14 Estimated Actual</b>	1,302
<b>Increase (Decrease)</b>	(802)

**ACCOUNT NUMBER:** 5300.80

**ACCOUNT TITLE:** Postage

Description: Funds for all postal and mail expenses  
for the Distribution Department.

<b>FY 14/15 Requested Budget</b>	600
<b>FY 13/14 Estimated Actual</b>	370
<b>Increase (Decrease)</b>	230

**ACCOUNT NUMBER:** 5400.10

**ACCOUNT TITLE:** Professional Services

Description:

\$	50,000	Environmental Services
	10,000	Cathodic protection
	3,200	Emergency generator and forklift service
	1,000	Oil analysis
	2,375	Fire extinguisher and SCBA inspections
	1,000	Crane inspections
	4,000	Security
\$	71,575	TOTAL

<b>FY 14/15 Requested Budget</b>	71,575
<b>FY 13/14 Estimated Actual</b>	5,299
<b>Increase (Decrease)</b>	66,276

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5400.20

**ACCOUNT TITLE:** Legal Services

Description: Not funded for current fiscal year.

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5400.30

**ACCOUNT TITLE:** Engineering Services

Description: Funds for all non-capitalized engineering services.

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	5,000

**ACCOUNT NUMBER:** 5400.40

**ACCOUNT TITLE:** Permits

Description: Funds for all required permits for the Distribution Department.

<b>FY 14/15 Requested Budget</b>	3,800
<b>FY 13/14 Estimated Actual</b>	1,568
<b>Increase (Decrease)</b>	2,232

1,500	Low Threat Discharge Permit
1,300	Diesel Permit
1,000	SYPP, Tank 7 and 5 Business Plan
\$ 3,800	TOTAL

**ACCOUNT NUMBER:** 5400.50

**ACCOUNT TITLE:** Non-Contractual Services

Description: Funds for miscellaneous non-contractual services. Not funded this year.

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5500.10

**ACCOUNT TITLE:** Uniform Expenses

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

<b>FY 14/15 Requested Budget</b>	6,747
<b>FY 13/14 Estimated Actual</b>	3,838
<b>Increase (Decrease)</b>	2,909

\$	3,402	Uniform Service (\$284 month)
\$	1,350	Blue jean pants (\$150/year employee allowance)
\$	1,575	Boots (\$175/year employee allowance)
\$	420	Misc. uniform requirements (jackets, etc.)
\$	6,747	TOTAL

**ACCOUNT NUMBER:** 5500.15

**ACCOUNT TITLE:** Minor Tools and Equipment

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

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	3,045
<b>Increase (Decrease)</b>	1,955

**ACCOUNT NUMBER:** 5500.20

**ACCOUNT TITLE:** Spare Parts

Description: Not funded.

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5500.25

**ACCOUNT TITLE:** Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station and the Buellton office.

<b>FY 14/15 Requested Budget</b>	1,000
<b>FY 13/14 Estimated Actual</b>	160
<b>Increase (Decrease)</b>	840



**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5500.30

**ACCOUNT TITLE:** Chemicals-Fixed

Description: Not funded.

<b>FY 14/15 Requested Budget</b>	-
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5500.35

**ACCOUNT TITLE:** Maintenance Supplies/Hardware

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

<b>FY 14/15 Requested Budget</b>	10,000
<b>FY 13/14 Estimated Actual</b>	5,273
<b>Increase (Decrease)</b>	4,727

**ACCOUNT NUMBER:** 5500.40

**ACCOUNT TITLE:** Safety Supplies

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

<b>FY 14/15 Requested Budget</b>	5,000
<b>FY 13/14 Estimated Actual</b>	8,169
<b>Increase (Decrease)</b>	(3,169)

**ACCOUNT NUMBER:** 5500.45

**ACCOUNT TITLE:** Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for Distribution Department vehicles. Does not include mileage reimbursement expenses.

<b>FY 14/15 Requested Budget</b>	59,380
<b>FY 13/14 Estimated Actual</b>	59,334
<b>Increase (Decrease)</b>	46

\$	52,376	Vehicles
\$	1,751	Emergency Generator Sets
\$	3,502	Lubricants
\$	1,751	Miscellaneous
\$	59,380	TOTAL

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5500.50

**ACCOUNT TITLE:** Seed/Plants/Erosion Control Supplies

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

<b>FY 14/15 Requested Budget</b>	8,000
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	8,000

\$	1,000	Seed
	1,000	Plants and materials
	6,000	Erosion control
\$	8,000	TOTAL

**ACCOUNT NUMBER:** 5500.55

**ACCOUNT TITLE:** Backflow Prevention Supplies

Description: Funds for backflow prevention.

<b>FY 14/15 Requested Budget</b>	500
<b>FY 13/14 Estimated Actual</b>	339
<b>Increase (Decrease)</b>	161


**ACCOUNT NUMBER:** 5700.10

**ACCOUNT TITLE:** Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of Distribution Department equipment.

<b>FY 14/15 Requested Budget</b>	40,000
<b>FY 13/14 Estimated Actual</b>	27,552
<b>Increase (Decrease)</b>	12,448


**ACCOUNT NUMBER:** 5700.20

**ACCOUNT TITLE:** Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of Distribution Department vehicles. Increased to allow for aging vehicles approaching 100,000 miles.

<b>FY 14/15 Requested Budget</b>	15,000
<b>FY 13/14 Estimated Actual</b>	10,297
<b>Increase (Decrease)</b>	4,703


**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5700.30

**ACCOUNT TITLE:** Building Maintenance

Description: Funds for the repair and maintenance of the Santa Ynez Pumping Facility.

<b>FY 14/15 Requested Budget</b>	9,700
<b>FY 13/14 Estimated Actual</b>	10,520
<b>Increase (Decrease)</b>	(820)

\$	3,500	Janitorial Service
	1,700	Pest Control
	4,500	HVAC, includes quarterly inspection
\$	9,700	TOTAL

**ACCOUNT NUMBER:** 5700.40

**ACCOUNT TITLE:** Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

<b>FY 14/15 Requested Budget</b>	4,000
<b>FY 13/14 Estimated Actual</b>	2,318
<b>Increase (Decrease)</b>	1,682

\$	3,300	SYPF (\$275 month avg)
\$	700	SYPF spring mowing
\$	4,000	TOTAL

**ACCOUNT NUMBER:** 5800.20

**ACCOUNT TITLE:** Natural Gas Service

Description: Funds for natural gas service for the Distribution Department.

<b>FY 14/15 Requested Budget</b>	940
<b>FY 13/14 Estimated Actual</b>	326
<b>Increase (Decrease)</b>	614


**ACCOUNT NUMBER:** 5800.30

**ACCOUNT TITLE:** Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

<b>FY 14/15 Requested Budget</b>	42,833
<b>FY 13/14 Estimated Actual</b>	40,123
<b>Increase (Decrease)</b>	2,709

\$	17,724	Suite B & C	\$1,477 month
	715	2 ISO vaults	\$60 month
	3,948	2 Tanks	\$329 month
	2,856	11 Rectifiers	\$238 month
	3,218	EDV	\$268 month
	14,373	SYPF	\$1,198 month
\$	42,833	TOTAL	

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5800.31

**ACCOUNT TITLE:** Electric Service-Variable

Description: Funds for electrical service for the  
Distribution Department.

<b>FY 14/15 Requested Budget</b>	547,179
<b>FY 13/14 Estimated Actual</b>	322,060
<b>Increase (Decrease)</b>	225,119

Acre feet pumped	4,459
Cost per acre foot	\$122.71
<b>TOTAL</b>	<b>\$547,179</b>

**ACCOUNT NUMBER:** 5800.40

**ACCOUNT TITLE:** Water/Sewer

Description: Funds for water and sewer service to  
the Distribution Department.

<b>FY 14/15 Requested Budget</b>	2,000
<b>FY 13/14 Estimated Actual</b>	1,830
<b>Increase (Decrease)</b>	170


**ACCOUNT NUMBER:** 5800.50

**ACCOUNT TITLE:** Telephone

Description: Funds for Distribution Department phones including  
long distance and cellular phone bills.

<b>FY 14/15 Requested Budget</b>	6,282
<b>FY 13/14 Estimated Actual</b>	4,396
<b>Increase (Decrease)</b>	1,886


**ACCOUNT NUMBER:** 5800.60

**ACCOUNT TITLE:** Waste Disposal

Description: Funds for trash service and removal of  
hazardous waste (waste oil) for the Distribution Department.

<b>FY 14/15 Requested Budget</b>	2,900
<b>FY 13/14 Estimated Actual</b>	2,063
<b>Increase (Decrease)</b>	837

\$	2,500	Trash service
	400	Hazardous waste removal
<b>\$</b>	<b>2,900</b>	<b>TOTAL</b>


**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5900.10

**ACCOUNT TITLE:** Insurance

Description: Funds for insurance coverage.

<b>FY 14/15 Requested Budget</b>	49,859
<b>FY 13/14 Estimated Actual</b>	48,660
<b>Increase (Decrease)</b>	1,199

\$	22,879	Property and Auto Insurance as apportioned by JPIA.
\$	26,981	General liability and E&O insurance pro rated by salary percentages.
\$	49,859	TOTAL

**ACCOUNT NUMBER:** 5900.30

**ACCOUNT TITLE:** Non-Capitalized Projects

Description: Funds for projects along the pipeline on facilities which are not owned by CCWA or do not qualify for capitalization under the CCWA capitalization policy (see detailed breakout in this section of the budget).

<b>FY 14/15 Requested Budget</b>	65,372
<b>FY 13/14 Estimated Actual</b>	12,164
<b>Increase (Decrease)</b>	53,209


**ACCOUNT NUMBER:** 5900.40

**ACCOUNT TITLE:** Equipment Rental

Description: Funds for rental of equipment for the Distribution Department.

<b>FY 14/15 Requested Budget</b>	10,000
<b>FY 13/14 Estimated Actual</b>	1,716
<b>Increase (Decrease)</b>	8,284


**ACCOUNT NUMBER:** 5900.50

**ACCOUNT TITLE:** Non-Capitalized Fixed Assets

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

<b>FY 14/15 Requested Budget</b>	7,000
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	7,000


**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2014/15 BUDGET**

**ACCOUNT NUMBER:** 5900.60

**ACCOUNT TITLE:** Computer Expenses

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

<b>FY 14/15 Requested Budget</b>	49,327
<b>FY 13/14 Estimated Actual</b>	44,644
<b>Increase (Decrease)</b>	4,683

\$	36,287	<u>CompuVision, Annual Service Agreements, and Software Subscriptions</u>
\$	13,040	<u>Software, New Computers, DSL Allowance and other computer services.</u>
\$	49,327	<b>TOTAL</b>

**ACCOUNT NUMBER:** 5900.70

**ACCOUNT TITLE:** Appropriated Contingency

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

<b>FY 14/15 Requested Budget</b>	40,068
<b>FY 13/14 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	40,068




*Polonio Pass Water Treatment Plant Exit Vault Investigation – March 2014*

## **Capital Improvements**

**T**he Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.

Central Coast Water Authority  
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The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2014/15 is \$495,810.

Capitalization Criteria

The Authority capitalizes project expenditures and fixed asset purchases for those projects and assets that (1) are greater than \$10,000 and (2) have an estimated useful life longer than five years, with the exception of computer related equipment which is amortized over three years.

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. Currently, for FY 2013/14, it is not yet known if funds will need to be carried over into FY 2014/15 from FY 2013/14.

**Funding of Capital Improvements Expenditures**

The FY 2014/15 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2014/15 capital improvements by department and financial reach.

<b><i>FY 2014/15 Capital Improvements</i></b>					
Capital Improvements	Specific		Water Treatment		Total
	Financial Reach	Administration	Plant	Distribution	
Phase 3 ABB Meter Replacement Program	WTP		39,690		39,690
Chlorination Feed Equipment	WTP		45,360		45,360
Powered Activate Carbon (PAC) Dosing System	WTP		105,000		105,000
CCB/Filter Effluent Connection/Meter Relocation	WTP		21,000		21,000
Tank 7 Column Investigation	SYI			63,000	63,000
Santa Ynez Pumping Plant Surge Tank Pedistal Investigation	SYII			31,500	31,500
Network Evaluation	ADM/ALL/WTP	10,500	10,500	10,500	31,500
ICR Truck - Replace D058	ALL			34,020	34,020
ICR Truck - Replace T016	WTP		34,020		34,020
Distribution Truck - Replace D067 O&M Crew	ALL			34,020	34,020
Engineering Tech Truck - Replace D059	ALL			28,350	28,350
Maint Superintendant Truck - Replace T018	ALL			28,350	28,350
<b>Total:</b>		<b>\$ 10,500</b>	<b>\$ 255,570</b>	<b>\$ 229,740</b>	<b>\$ 495,810</b>



Central Coast Water Authority  
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State Water Project Construction Project

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities, which traverse the Santa Ynez Mountains.

<b>Description:</b>	<b>Phase 3 ABB Meter Replacement Program</b>
Department:	Water Treatment Plant
Expanded Description	ABB changed the basic design of their mag-meters and have stopped manufacturing the older models. The replacement plan for CCWA's 40 mag-meters includes three phases over three years. Phase 1 included purchase of spare parts for repair work and the first round of meter replacement. Phase 2 will consist of replacing 20 meters. Phase 3 will consist of replacing the remaining 20 meters. All of the old meters will serve as replacement parts. This is the third phase and will consist of purchasing the remaining 20 new mag-meter replacements.
Estimated Charge - Material	\$35,000
Tax (8%)	\$2,800
Contingency (5%)	\$1,890
Subtotal without CCWA Labor	<b>\$39,690</b>
CCWA Labor	\$7,548
Total Cost	\$47,238
Operating Budget Impact:	The CCWA operation requires the use of highly accurate flow meters for measuring chemical dosage rates and water deliveries. The electromagnetic flow meters in use have proven to be highly reliable, precise and accurate. CCWA has maintained an inventory of spare parts to ensure that the older meters can remain operational until they are ultimately replaced in FY 14/15. The cost of total replacement of all meters has been spread out over time, as opposed to one large project to replace all meters at once. This has allowed staff to effectively schedule the replacement work at a reasonable rate, while balancing with other work load demands.

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Description:	Chlorination Feed Equipment
Department:	Water Treatment Plant
Expanded Description	The existing chlorinators and associated equipment has been in service over ten years and is approaching the end of its service life. The project will replace the aging equipment with equipment meeting current standards.
Estimated Charge – Material	\$40,000
Tax (8%)	\$3,200
Contingency (5%)	\$2,160
Subtotal without CCWA Labor	<b>\$45,360</b>
CCWA Labor	\$10,831
Total Cost	\$56,191
Operating Budget Impact:	The economics and effectiveness of using chlorine gas is quite considerable. The current cost of chlorine gas for CCWA is \$600/ton and the current cost of 12.5% sodium hypochlorite for CCWA is \$1.98/gallon, which translates to \$3,168/ton. This indicates that Chlorine gas is approximately 1/5 the cost of sodium hypochlorite solution. Considering that CCWA uses up to one ton of chlorine gas per day, the savings are significant. Consequently, the proactive maintenance of the chlorination system is justified from both a cost effectiveness basis as well as from a safety perspective.

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<b>Description:</b>	<b>Powered Activated Carbon (PAC) Dosing System</b>
Department:	Water Treatment Plant
Expanded Description	Following CCWA staff's research, it was determined that replacement of the Granular Activated Carbon (GAC) Filter Media could be indefinitely postponed from the typical three year replacement cycle without impacting the plant's ability to reduce Total Organic Carbon (TOC) as required by regulation. The only caveat to this plan was that the plant would not be able to remove taste and odor compounds that are infrequently produced in the source water. This project will purchase a PAC Dosing System that will allow the plant to reduce taste and odor causing compounds in the raw water, as well as provide an additional tool to assist with TOC removal.
Estimated Charge - Contractor	\$100,000
Contingency (5%)	<u>\$5,000</u>
Subtotal without CCWA Labor	<b>\$105,000</b>
Labor and overhead	\$6,991
Total Cost	\$111,991
Operating Budget Impact:	Through postponing the replacement of the GAC filter media since 2009, CCWA has avoided approximately 16 filter media change-outs. Considering that the cost for each filter change-out is approximately \$250,000, this measure has resulted in a savings of \$4,000,000. The reason to purchase the PAC System at this time is that the availability of a PAC Dosing System for rent is highly variable from year to year. In addition, due to low flows in the State Water Project System in the immediate future, the potential of elevated TOC as well as taste and odor compounds are increased.

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<b>Description:</b>	<b>CCB/Filter Effluent Connection and Meter Relocation Design Phase</b>
Department:	Water Treatment Plant
Expanded Description	A separation was identified at the joint linking the combined filter effluent pipe to the Chlorine Contact Basin. The separation was repaired through placement of mortar within the separation. This project proposes to implement a permanent fix as well as relocate the filter effluent flow meter in a more optimal location.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	<u>\$1,000</u>
Subtotal without CCWA Labor	<b>\$21,000</b>
Labor and overhead	\$3,442
Total Cost	\$24,442
Operating Budget Impact:	<p>Although the joint separation has been temporarily repaired, it is anticipated that the repair will eventually fail and result in leakage of water from the Chlorine Contact Basin. A permanent repair will avoid the loss of water from leakage and also save the associated treatment and conveyance costs of water that would have leaked.</p> <p>Relocating the filter effluent flow meter to a more appropriate measurement location allows for improved and reliable flow measurements. This will facilitate a higher level of control over chemical dosing, which avoids wasting chemical and thus saving costs.</p> <p>Combining the permanent repair of the pipe separation with the relocation of the filter effluent flow meter optimizes the cost of the overall project.</p>

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Description:	Tank 7 Column Investigation
Department:	Distribution – Reach SYI
Expanded Description	The results of an engineering inspection of the interior roof columns of Tank #7 suggested that there is the potential of an active punch-shear failure mechanism of the columns in process. The consultant recommended that additional investigation be performed to determine if the columns are failing via a punch-shear mechanism. This project will implement the recommendations of the engineering inspection report.
Estimated Charge - Contractor	\$60,000
Contingency (5%)	\$3,000
Subtotal without CCWA Labor	<b>\$63,000</b>
Labor and overhead	\$3,817
Total Cost	\$66,817
Operating Budget Impact:	Tank 7 is an important reservoir in the CCWA pipeline. It serves as a pressure break in the aqueduct, which allowed the pipeline between Tank 7 and the Santa Ynez Pumping Plant to be constructed with lower pressure class pipe. This measure provided significant savings in construction costs for that section of the pipeline. In addition, Tank 7 is an important location for nitrification control treatment. Losing Tank 7 due to column failure would disrupt the water deliveries south of Tank 7 and would require specialized design and construction to bring the pipeline back into operation. Proactively evaluating and designing the repair option will ensure that (1) the repair can occur during a normally scheduled outage, such as winter shutdown, (2) avoid the loss of water in the event the floor of the reservoir is compromised as a result of a column failure and (3) avoid the high cost of responding to a column failure in Tank 7 on an emergency basis.

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<b>Description:</b>	<b>Santa Ynez Pumping Plant Surge Tank Pedestal Investigation</b>
Department:	Distribution – Reach SYII
Expanded Description	The pedestal supporting the surge tank at the Santa Ynez Pumping Plant has become deteriorated, with deep cracks near the edges of the pedestal. This project will include the design phase for the repair. A structural evaluation and a recommendation for a repair approach will be developed. It is anticipated that this project will lead into a repair project budgeted for FY 15/16.
Estimated Charge – Contractor	\$30,000
Contingency (5%)	<u>\$1,500</u>
Subtotal without CCWA Labor	<b>\$31,500</b>
CCWA Labor	\$1,063
Total Cost	\$32,563
Operating Budget Impact:	The surge tank at the Santa Ynez Pumping Plant is an important hydraulic control for the pumping operation. It provides a mechanism to attenuate the occurrence of pressure transients within the pipeline between the pumping plant and Bradbury Dam. Pressure transients have the potential of causing significant damage to the pipeline if they are not mitigated through the use of a surge tank. If the concrete pedestal upon which the surge tank is mounted fails, the surge tank will need to be isolated to control any leakage and repaired. The cost of repairing the surge tank pedestal is much less than costs for repairing a damaged surge tank and any damage to the pipeline arising from an unmitigated pressure transient.

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<b>Description:</b>	<b>Network Evaluation</b>
Department:	Water Treatment Plant, Distribution, Administration
Expanded Description	The network has evolved with time and changing technologies. In consideration of the migration to a virtual environment and the advancement of the fiber optic switches, it would be prudent to conduct an overall review of the network topology, equipment and software to determine the optimum path of maintaining and developing the CCWA network into the future.
Estimated Charge - Contractor	\$30,000
Contingency (5%)	<u>\$1,500</u>
Subtotal without CCWA Labor	<b>\$31,500</b>
Labor and overhead	\$2,573
<b>Total Cost</b>	<b>\$34,073</b>
Operating Budget Impact:	The CCWA network operation is critical to administrative functions and on-going water treatment and distribution operations. The network provides the communication, data processing and data storage infrastructure for all major facilities within the CCWA system. If the network operation fails, administrative workflow functions are critically impaired and water treatment and distribution operations will continue without the benefit of the Supervisory Control and Data Acquisition System. Due to the critical nature of the CCWA Network and the cost of the hardware and software, well thought out planning is required to ensure that the system is adequately maintained and developed through time to meet future needs. Poor planning will result if wasted effort and compromised operation.

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<b>Description:</b>	<b>Instrumentation, Calibration &amp; Repair Technician Truck - Replace D058 Truck</b>
Department:	Distribution
Expanded Description	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 130,000 at start of FY 14/15
Estimated Charge – Materials	\$30,000
Tax (8%)	\$2,400
Contingency (5%)	<u>\$1,620</u>
Subtotal without CCWA Labor	<b>\$34,020</b>
CCWA Labor	\$300
Total Cost	\$34,320
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and is controlled with a variety of instrumentation, actuator and network communication equipment. To ensure continuous reliable operations of the pipeline, this equipment must be routinely serviced and quickly repaired if issues arise. By providing a vehicle for the Instrumentation Calibration and Repair Technician, these tasks can be implemented in an efficient proactive manner. Breakdown of this equipment may result in the need to manually operate portions or the entire pipeline, which would require a significant increase in staffing to operate the pipeline.

<b>Description:</b>	<b>Instrumentation, Calibration &amp; Repair Technician Truck - Replace T016 Truck</b>
Department:	Water Treatment Plant
Expanded Description	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 154,000 at start of FY 14/15
Estimated Charge – Materials	\$30,000
Tax (8%)	\$2,400
Contingency (5%)	<u>\$1,620</u>
Subtotal without CCWA Labor	<b>\$34,020</b>
CCWA Labor	\$300
Total Cost	\$34,320
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and is controlled with a variety of instrumentation, actuator and network communication equipment. To ensure continuous reliable operations of the pipeline, this equipment must be routinely serviced and quickly repaired if issues arise. By providing a vehicle for the Instrumentation Calibration and Repair Technician, these tasks can be implemented in an efficient proactive manner. Breakdown of this equipment may result in the need to manually operate portions or the entire pipeline, which would require a significant increase in staffing to operate the pipeline.



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<b>Description:</b>	<b>Distribution Truck - Replace D067 O&amp;M Crew</b>
Department:	Distribution
Expanded Description	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 130,000 at start of FY 14/15
Estimated Charge – Materials	\$30,000
Tax (8%)	\$2,400
Contingency (5%)	\$1,620
Subtotal without CCWA Labor	<b>\$34,020</b>
CCWA Labor	\$300
Total Cost	\$34,320
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and has a variety of appearances and facilities that must be maintained and operated by CCWA’s licensed Distribution Operators. To ensure continuous reliable operations of the pipeline, this equipment must be routinely serviced, maintained and quickly repaired if issues arise. By providing a vehicle for the Distribution Crew, these tasks can be implemented in an efficient proactive manner.

<b>Description:</b>	<b>Engineering Technician Vehicle - Replace D059 Truck</b>
Department:	Distribution
Expanded Description	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 135,000 at start of FY 14/15
Estimated Charge – Materials	\$25,000
Tax (8%)	\$2,000
Contingency (5%)	\$1,350
Subtotal without CCWA Labor	<b>\$28,350</b>
CCWA Labor	\$300
Total Cost	\$28,650
Operating Budget Impact:	The CCWA pipeline was primarily constructed within easements located on private land over its entire 140 mile length. If construction occurs on these parcels of private land within the pipeline easement, CCWA has a right to issue encroachment permits to ensure the pipeline and fiber optic cable are protected during and after construction. The Engineering Technician is responsible for implementing the encroachment program and is required to make field inspections during construction within the pipeline easement. Consequently, a vehicle is needed for the Engineering Technician to properly implement the encroachment permit program. If encroachments were not permitted and monitored, the potential for damage to the pipeline and fiber optic cable would significantly increase. Damage may include severing the fiber optic cable or damaging the pipeline and creating a leak.

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Description:	Maintenance Superintendent Vehicle - Replace T018 Truck
Department:	Distribution
Expanded Description	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 130,000 at start of FY 14/15
Estimated Charge – Materials	\$25,000
Tax (8%)	\$2,000
Contingency (5%)	\$1,350
Subtotal without CCWA Labor	<b>\$28,350</b>
CCWA Labor	\$300
Total Cost	\$28,650
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and is controlled with a variety of instrumentation, actuator and network communication equipment. To ensure continuous reliable operations of the pipeline, this equipment must be routinely serviced and quickly repaired if issues arise. By providing a vehicle for the Maintenance Superintendent, these tasks can be implemented in an efficient proactive manner. Breakdown of this equipment may result in the need to manually operate portions or the entire pipeline, which would require a significant increase in staffing to operate the pipeline.



*Bradbury Dam - April 2014*

## ***CCWA Bond Debt***

**T**he CCWA Bond Debt section of the FY 2014/15 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, and the project participant debt payment schedule.



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Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

**General Discussion**

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

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Series 2006 A Refunding Revenue Bonds

On September 28, 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996 A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% and were issued to reduce the Authority's total debt service payments over the next 15 years by \$4.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments to the Authority with respect to the project. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated September 28, 2006 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "2006A Revenue Bond Debt Service Schedule" in this section*).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

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Fiscal Year 2014/15 Budget

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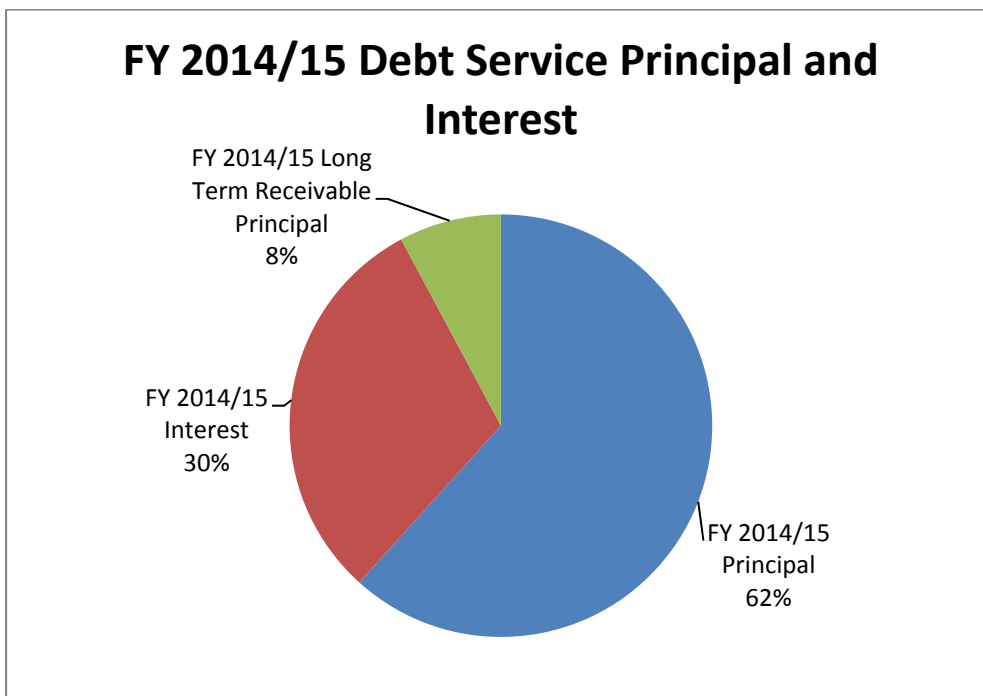
**Fiscal Year 2014/15 Debt Service Budget**

For FY 2014/15, total 2006A principal payments are \$8,010,000 and total interest due is \$3,510,100, totaling \$11,520,100. Additionally, Bond Trustee fees in the amount of \$2,000 are included in the debt service assessment.

The following are adjustments to the CCWA 2006A revenue bond debt service payments:

- Debt Service Account Interest Income Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the debt service payment dates on the bonds. Total estimated investment income is \$13,597.

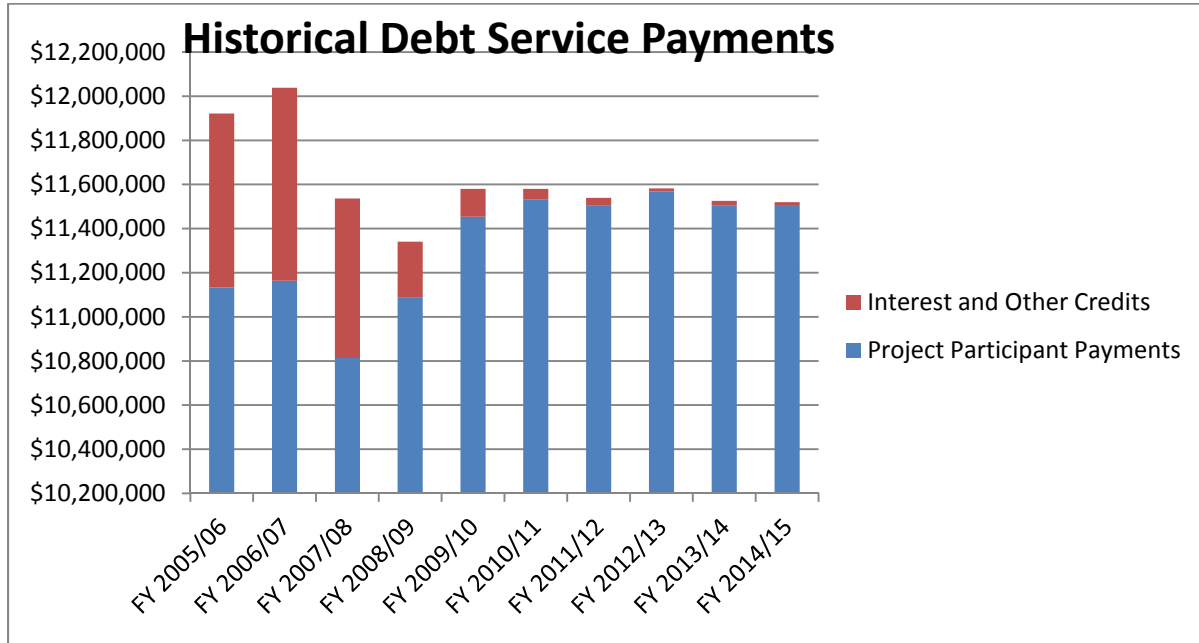
The following chart shows the total principal and interest payments for the 2006A revenue bonds for FY 2014/15.



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Historical CCWA Revenue Bond Debt Service Payments

The following graph shows the composition of the source of funds for payment of the CCWA revenue bond debt service payments for the past 10 years.



Project Participant Financing of Local Facilities

When the Authority's facilities were constructed and financed with the original 1992 Revenue bond proceeds, certain financing participants elected to finance local facilities and costs with proceeds from the CCWA revenue bond issue. Since CCWA does not own these facilities, the financed costs are shown as a long-term receivable on the CCWA financial statements.

A portion of each principal payment paid by the financing participants who financed local facilities reduces the long-term receivable balance of the local facilities, and repayment of the long-term receivable is in direct proportion to the annual payment of principal on the outstanding CCWA 2006A revenue bonds.

The following table shows the original long-term receivable balance, payments against the long-term receivable prior to FY 2014/15 and the portion of the FY 2014/15 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.



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<b>Bond Principal Payment Allocated to Financed Local Facilities</b>				
<b>Financing Participant</b>	<b>Original Financed Local Facilities</b>	<b>Principal Payments Prior to FY 2014/15</b>	<b>FY 2014/15 Bond Principal Allocated to Local Facilities</b>	<b>Long Term Receivable Balance</b>
Avila Beach	\$ 41,348	\$ (21,769)	\$ (2,062)	\$ 17,517
California Men's Colony	915,568	(478,237)	(46,056)	391,275
County of SLO	976,433	(510,045)	(49,116)	417,273
Cuesta College	457,835	(239,146)	(23,031)	195,659
Morro Bay	7,036,800	(3,691,398)	(352,310)	2,993,092
Oceano	281,692	(148,303)	(14,047)	119,342
Pismo Beach	465,088	(244,855)	(23,193)	197,040
Shandon	33,276	(17,519)	(1,659)	14,098
Guadalupe	1,201,137	(632,364)	(59,898)	508,874
Buellton	195,505	(102,928)	(9,749)	82,828
Santa Ynez (Solvang)	479,456	(199,570)	(26,006)	253,880
Santa Ynez	159,819	(83,326)	(11,524)	64,969
Goleta	2,969,066	(1,563,128)	(148,062)	1,257,877
Morehart Land	12,390	(5,917)	(682)	5,791
La Cumbre	61,948	(29,584)	(3,408)	28,956
Raytheon	18,052	(9,504)	(900)	7,648
Santa Barbara	648,172	(341,244)	(32,323)	274,605
Montecito	934,625	(446,341)	(51,422)	436,862
Carpinteria	929,035	(489,110)	(46,329)	393,596
<b>TOTAL:</b>	<b>\$ 17,817,245</b>	<b>\$ (9,254,287)</b>	<b>\$ (901,779)</b>	<b>\$ 7,661,179</b>

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Central Coast Water Authority  
**2006 Revenue Bond Series A Debt Service Payments**  
 Fiscal Year 2014/15 Budget

Financing Participant	Allocation Percentage	FY 2014/15 Series A (10/1/14) Principal Payment	FY 2014/15 Series A (10/1/14) Interest Payment	FY 2014/15 Series A (4/1/15) Interest Payment	Trustee Expenses	Debt Service Account Interest & Credits <sup>(1)</sup>	FY 2014/15 Total Payments
Avila Beach	0.11449%	\$ 9,170	\$ 2,124	\$ 1,895	\$ 2	\$ (16)	\$ 13,176
California Men's Colony	1.00140%	80,212	18,578	16,572	20	(139)	115,244
County of SLO	1.06675%	85,447	19,790	17,654	21	(148)	122,765
Cuesta College	0.50074%	40,109	9,290	8,287	10	(69)	57,626
Morro Bay	6.46135%	517,554	119,869	106,930	129	(894)	743,589
Oceano	0.83707%	67,050	15,529	13,853	17	(116)	96,333
Pismo Beach	1.38347%	110,816	25,666	22,895	28	(191)	159,214
Shandon	0.11336%	9,080	2,103	1,876	2	(16)	13,045
Guadalupe	1.42469%	114,118	26,431	23,578	28	(196)	163,959
Buellton	2.52375%	202,153	46,820	41,766	50	(338)	290,452
Santa Ynez (Solvang)	7.75040%	620,807	143,783	128,263	155	(1,056)	891,953
Santa Ynez	2.91069%	233,146	53,998	48,170	58	(396)	334,976
Goleta	24.42782%	1,956,668	453,179	404,262	489	(3,327)	2,811,270
Morehart Land	1.12175%	89,852	20,810	18,564	22	(153)	129,096
La Cumbre	5.37046%	430,174	99,632	88,877	107	(737)	618,054
Raytheon	0.23482%	18,809	4,356	3,886	5	(34)	27,021
Santa Barbara	15.01654%	1,202,825	278,583	248,512	300	(2,005)	1,728,216
Montecito	17.65001%	1,413,766	327,439	292,094	353	(2,420)	2,031,231
Carpinteria	10.09044%	808,244	187,195	166,989	202	(1,347)	1,161,283
<b>TOTAL:</b>	<b>100.00000%</b>	<b>\$ 8,010,000</b>	<b>\$ 1,855,175</b>	<b>\$ 1,654,925</b>	<b>\$ 2,000</b>	<b>\$ (13,597)</b>	<b>\$ 11,508,503</b>

(1) Represents interest on the financing participant debt service payments for FY 2013/14.

Central Coast Water Authority  
 CCWA Bond Debt  
 Fiscal Year 2014/15 Budget

Central Coast Water Authority  
**Series 2006A Revenue Bond Debt Service Schedule**  
**Dated September 28, 2006**

Debt Service Date	Interest Rate	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Year Debt Service (Cash)	
4/1/2007			2,927,860	123,190,000	2,927,860	
10/1/2007	4.000%	5,895,000	2,879,863	117,295,000		
4/1/2008			2,761,963	117,295,000	11,536,825	
10/1/2008	4.000%	6,190,000	2,761,963	111,105,000		
4/1/2009			2,638,163	111,105,000	11,590,125	
10/1/2009	4.000%	6,430,000	2,638,163	104,675,000		
4/1/2010			2,509,563	104,675,000	11,577,725	
10/1/2010	4.000%	6,695,000	2,509,563	97,980,000		
4/1/2011			2,375,663	97,980,000	11,580,225	
10/1/2011	5.000%	6,960,000	2,375,663	91,020,000		
4/1/2012			2,201,663	91,020,000	11,537,325	
10/1/2012	4.00% - 4.50%	7,335,000	2,201,663	83,685,000		
4/1/2013			2,045,800	83,685,000	11,582,463	
10/1/2013	5.000%	7,625,000	2,045,800	76,060,000		
4/1/2014			1,855,175	76,060,000	11,525,975	
<b>10/1/2014</b>	<b>5.000%</b>	<b>8,010,000</b>	<b>1,855,175</b>	<b>68,050,000</b>		
<b>4/1/2015</b>			<b>1,654,925</b>	<b>68,050,000</b>	<b>11,520,100 FY 2014/15</b>	
10/1/2015	5.000%	8,405,000	1,654,925	59,645,000		
4/1/2016			1,444,800	59,645,000	11,504,725	
10/1/2016	5.000%	8,825,000	1,444,800	50,820,000		
4/1/2017			1,224,175	50,820,000	11,493,975	
10/1/2017	4.000%	9,265,000	1,224,175	41,555,000		
4/1/2018			1,038,875	41,555,000	11,528,050	
10/1/2018	5.000%	9,640,000	1,038,875	31,915,000		
4/1/2019			797,875	31,915,000	11,476,750	
10/1/2019	5.000%	10,125,000	797,875	21,790,000		
4/1/2020			544,750	21,790,000	11,467,625	
10/1/2020	5.000%	10,630,000	544,750	11,160,000		
4/1/2021			279,000	11,160,000	11,453,750	
10/1/2021	5.000%	11,160,000	279,000	-	11,439,000	
			\$ 123,190,000	\$ 52,552,498	\$ -	\$ 175,742,498



*Dechlorinating at Blowoff #1 – Winter 2013 Shutdown*

## ***Reserves and Cash Management***

**T**he Reserves and Cash Management section of the FY 2014/15 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

# Highlights

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**FY 2014/15 Total Reserve Balances** **\$10,071,083**

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 8,071,083

Central Coast Water Authority  
Reserves and Cash Management  
Fiscal Year 2014/15 Budget

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This section of the Budget discusses the two cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

**Operations and Maintenance Reserve Fund Policy**

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

**Purpose:** The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

**Contributions:** Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

**Administration:** The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority  
Reserves and Cash Management  
Fiscal Year 2014/15 Budget

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Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgments. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

***Operations and Maintenance Reserve Fund***

Project Participant	Table A Amount	% of Table A	Operating Reserve
City of Buellton	578	1.48%	\$ 29,582
Carpinteria Valley Water District	2,000	5.12%	102,359
Goleta Water District	4,500	11.52%	230,309
City of Guadalupe	550	1.41%	28,149
La Cumbre Mutual Water Company	1,000	2.56%	51,180
Montecito Water District	3,000	7.68%	153,539
Morehart Land Company	200	0.51%	10,236
City of Santa Barbara	3,000	7.68%	153,539
Raytheon Systems Company	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
Golden State Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
<b>TOTAL</b>	<b>39,078</b>	<b>100.00%</b>	<b>\$ 2,000,000</b>



Central Coast Water Authority  
Reserves and Cash Management  
Fiscal Year 2014/15 Budget

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**Rate Coverage Reserve Fund**

During its December 18, 1997 regular meeting, the Board of Directors also adopted the “Rate Coverage Reserve Fund” policy as follows:

**Purpose:** The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).

**Contributions:** Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor, which has elected to participate in the Rate Fund, shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor’s Contract Payments with respect to that year. A participating Contractor’s initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund’s creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty-days (60) of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor’s obligations until the subsequent July 1. For example to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund’s creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.

**Withdrawal:** A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.



Central Coast Water Authority  
Reserves and Cash Management  
Fiscal Year 2014/15 Budget

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**Administration:** Investments of deposits in the Rate Coverage Reserve Fund will be in Permitted Investments described in clause (A) of the definition thereof contained in the Indenture of Trust, dated as of November 1, 1996, with maturities of one year or less or in the Local Agency Investment Fund or in other investments approved in writing by AMBAC. Rate Fund investment earnings shall be credited to the Contractors account within the Fund except to the extent the Contractor directs the Authority to credit said earnings to the Contractor's payments obligations or as otherwise directed by the Contractor. Deposits and related earnings on deposits for each project participant will be accounted for on an individual project participant basis even if commingled for investment purposes. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the Rate Fund.

**Use of Funds:** Monies in the Rate Fund shall not be expended for any purpose, except upon approval of the Board of Directors (i) for emergency expenses, and (ii) to the extent necessary to supplement funds available from the O&M Reserve Fund provided that the Contractor submits written documentation to the Authority that it is in compliance with its WSA rate coverage obligations without considering the proposed expenditure from the fund.

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of December 31, 2013. Participation in the fund for FY 2014/15 is not yet known. Prior to June 30, 2014, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2014/15.

***FY 2013/14 Rate Coverage Reserve Fund***

Project Participant	FY 2013/14 Deposit
City of Buellton	\$ 259,074
Carpinteria Valley Water District	818,142
City of Guadalupe	168,207
La Cumbre Mutual Water Company	392,114
Montecito Water District	1,090,508
City of Santa Maria	4,300,920
Santa Ynez, RWCD, I.D. #1 (Solvang)	607,700
Santa Ynez, RWCD, I.D. #1	419,107
County of San Luis Obispo (Shandon)	15,313
<b>TOTAL:</b>	<b>\$ 8,071,083</b>

Central Coast Water Authority  
Reserves and Cash Management  
Fiscal Year 2014/15 Budget

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**Cash Management**

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

CCWA Investment Pool

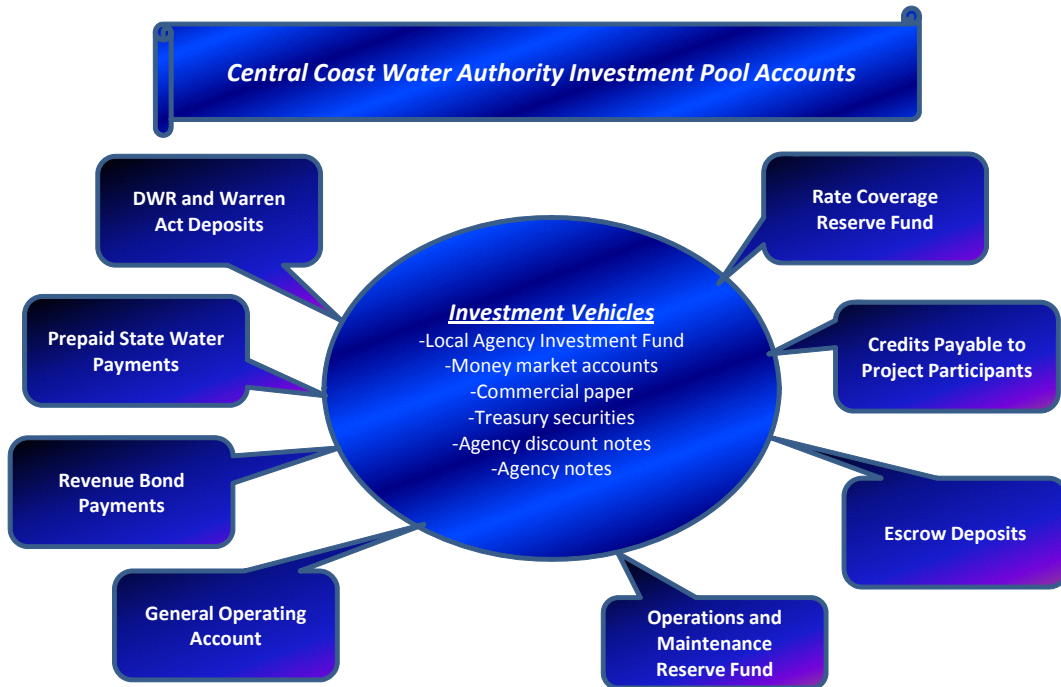
All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy. All cash and investments other than those funds held by the Authority’s Revenue bond trustee are allocated and invested in an investment pool which is comprised of the various “types” of payments paid by the Authority’s project participants further broken down by individual project participants within each account.

Each account within the CCWA investment pool receives investment income based on the account’s proportional share of the average daily balance for the month.

The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.

Central Coast Water Authority  
Reserves and Cash Management  
Fiscal Year 2014/15 Budget

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Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account

Central Coast Water Authority  
Reserves and Cash Management  
Fiscal Year 2014/15 Budget

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represent annual debt service payments on the outstanding revenue bonds [refer to the “CCWA Bond Debt” section of this budget].

- DWR and Warren Act Deposits – funds paid by the CCWA project participants for both fixed and variable DWR payments and payments to the US Bureau of Reclamation for Warren Act charges for delivery of State Water into Lake Cachuma [refer to the “DWR” section of this budget].
- Escrow Deposits – deposits received from certain “non-public agency” project participants as required under their individual water supply agreements. The deposits are approximately equal to one year’s State water payment.
- Credits payable to Project Participants– credits from many sources but primarily for O&M credits and interest income credits for under-expended O&M costs from the prior fiscal year.



*Rescue training at Polonio Pass Water Treatment Plant – November 2013*

## ***Ten Year Financial Plan***

**T**he Ten Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant for the next ten years.

Central Coast Water Authority  
Ten Year Financial Plan  
Fiscal Year 2014/15 Budget

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**T**he Ten Year Financial Plan shows the allocated share of the Authority's costs to each project participant for the next ten fiscal years beginning with the current budget year.

The Ten Year Financial Plan is prepared to provide each project participant an estimate of future costs for the Authority. Specifically, these projections are used by the Authority's project participants to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet the coverage covenant contained in the Water Supply Agreements (*please refer to the "Budget Foreword" section of this document for additional information regarding the Water Supply Agreements and the coverage covenant*).

Central Coast Water Authority  
**ALL PROJECT PARTICIPANTS**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	10,278	9,316	9,521	9,553	9,553	9,553	9,553	9,553	9,553	9,553
Table A Water Deliveries-2nd Quarter	5,145	7,997	8,060	8,078	8,078	8,078	8,078	8,078	8,078	8,078
Table A Water Deliveries-3rd Quarter	7,267	7,361	7,386	7,387	7,387	7,387	7,387	7,387	7,387	7,387
Table A Water Deliveries-4th Quarter	8,242	8,386	8,414	8,417	8,417	8,417	8,417	8,417	8,417	8,417
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>30,931</b>	<b>33,059</b>	<b>33,382</b>	<b>33,434</b>	<b>33,434</b>	<b>33,434</b>	<b>33,434</b>	<b>33,434</b>	<b>33,434</b>	<b>33,434</b>
Exchange Deliveries-1st Quarter	1,404	1,404	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210
Exchange Deliveries-2nd Quarter	171	171	251	251	251	251	251	251	251	251
Exchange Deliveries-3rd Quarter	89	225	225	225	225	225	225	225	225	225
Exchange Deliveries-4th Quarter	916	884	884	884	884	884	884	884	884	884
<b>Total FY Exchange Deliveries (acre-feet)</b>	<b>2,580</b>	<b>2,684</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>
CCWA Variable Cost per AF Assumptions	\$ 155	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 202
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 6,740,703	\$ 6,942,924	\$ 7,151,212	\$ 7,365,748	\$ 7,586,720	\$ 7,814,322	\$ 8,048,752	\$ 8,290,214	\$ 8,538,921	\$ 8,795,088
CCWA Variable O&M Costs <sup>(2)</sup>	1,915,347	1,338,422	1,381,062	1,424,346	1,467,076	1,511,088	1,556,421	1,603,114	1,651,207	1,700,743
CCWA Revenue Bond Payments	11,346,428	11,479,725	11,468,975	11,503,050	11,451,750	11,442,625	11,428,750	11,414,000	-	-
<b>Subtotal: CCWA Costs</b>	<b>20,002,478</b>	<b>19,761,071</b>	<b>20,001,248</b>	<b>20,293,144</b>	<b>20,505,546</b>	<b>20,768,035</b>	<b>21,033,923</b>	<b>21,307,328</b>	<b>10,190,128</b>	<b>10,495,832</b>
<b>DWR Costs</b>										
Transportation Capital	19,005,342	18,837,808	18,834,323	18,779,562	18,689,768	18,655,379	18,646,997	18,641,434	18,637,323	18,634,765
Coastal Branch Extension	3,283,404	3,715,055	3,623,265	3,326,040	2,477,421	2,042,454	2,919,347	3,010,675	3,585,856	2,604,745
Water System Revenue Bond Surcharge	1,862,717	1,919,636	1,892,984	1,840,338	1,539,461	1,805,990	1,595,697	1,653,016	1,572,102	1,610,959
Transportation Minimum OMP&R	7,787,572	6,980,891	7,406,277	7,436,923	7,507,097	7,585,752	7,658,262	7,735,381	7,811,254	7,889,936
Delta Water Charge	2,024,583	2,145,297	2,260,490	2,375,642	2,497,128	2,624,646	2,758,499	2,899,001	3,046,487	3,201,303
DWR Variable Costs	4,705,865	5,090,056	5,257,423	5,415,927	5,579,222	5,747,454	5,920,772	6,099,331	6,283,290	6,472,814
<b>Subtotal: DWR Costs</b>	<b>\$ 38,669,483</b>	<b>\$ 38,688,742</b>	<b>\$ 39,274,763</b>	<b>\$ 39,174,433</b>	<b>\$ 38,290,096</b>	<b>\$ 38,461,674</b>	<b>\$ 39,499,573</b>	<b>\$ 40,038,839</b>	<b>\$ 40,936,312</b>	<b>\$ 40,414,523</b>
DWR Future Capital Projects (BDCP) <sup>(5)</sup>	-	-	-	-	-	-	-	-	-	-
<b>Total Projected State Water Costs</b>	<b>\$ 58,671,961</b>	<b>\$ 58,449,813</b>	<b>\$ 59,276,011</b>	<b>\$ 59,467,576</b>	<b>\$ 58,795,643</b>	<b>\$ 59,229,709</b>	<b>\$ 60,533,495</b>	<b>\$ 61,346,167</b>	<b>\$ 51,126,440</b>	<b>\$ 50,910,355</b>

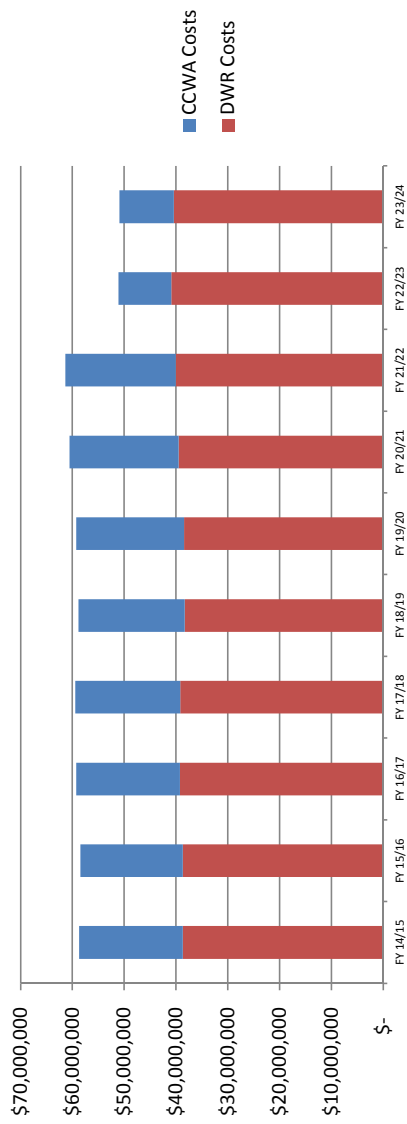


Central Coast Water Authority  
**ALL PROJECT PARTICIPANTS**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<i>Projected Payments by Due Date</i>	
June 1st Fixed Payment <sup>(3)</sup>	\$ 52,021,336 \$ 52,637,526 \$ 52,627,303 \$ 51,749,344 \$ 51,971,167 \$ 53,056,303 \$ 53,643,722 \$ 43,191,942 \$ 42,736,797
April 1st Variable Payment <sup>(4)</sup>	1,938,360 1,981,821 2,035,175 2,079,388 2,132,725 2,211,191 2,277,594 2,354,532 2,405,834
July 1st Variable Payment	1,012,901 1,479,773 1,552,096 1,597,868 1,641,116 1,693,520 1,740,470 1,844,675 1,900,168
October 1st Variable Payment	1,289,153 1,453,605 1,501,118 1,543,536 1,587,773 1,633,317 1,680,207 1,728,482 1,778,184
January 1st Variable Payment	1,749,659 1,632,393 1,683,086 1,734,443 1,787,294 1,841,767 1,897,915 1,955,788 2,015,441
	2,076,930

**NOTES**  
 (1) Actual water delivery requests for the first four years and delivery estimates thereafter.  
 (2) CCWA fixed and variable costs based on a 3% inflation factor.  
 (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2014/15 fixed payment is paid on June 1, 2014).  
 (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.  
 (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.

**Projected Future State Water Costs**  
**All CCWA Project Participants**





Central Coast Water Authority  
**City of Guadalupe**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Water Deliveries-1st Quarter	45	45	171	171	171	171	171	171	171	171
Water Deliveries-2nd Quarter	45	45	155	155	155	155	155	155	155	155
Water Deliveries-3rd Quarter	45	150	150	150	150	150	150	150	150	150
Water Deliveries-4th Quarter	45	129	129	129	129	129	129	129	129	129
<b>Total FY Water Deliveries (acre-feet)</b>	<b>180</b>	<b>369</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>605</b>

CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209

<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 95,365	\$ 98,226	\$ 101,173	\$ 104,208	\$ 107,335	\$ 110,555	\$ 113,871	\$ 117,287	\$ 120,806	\$ 124,430
CCWA Variable O&M Costs <sup>(2)</sup>	5,960	12,341	20,841	21,466	22,110	22,773	23,456	24,160	24,885	25,631
CCWA Bond Payments & O&M Credits	163,467	163,551	163,398	163,883	163,152	163,022	162,825	162,614	-	-
Subtotal: CCWA Costs	264,792	274,118	285,411	289,557	292,597	296,350	300,152	304,062	145,691	150,062

<b>DWR Costs</b>										
Transportation Capital	267,166	264,811	264,762	263,992	262,730	262,246	262,128	262,050	261,992	261,956
Coastal Branch Extension	-	-	-	-	-	-	-	-	-	-
Water System Revenue Bond Surcharge	25,868	26,098	25,746	25,079	21,055	24,916	21,736	22,521	21,238	22,030
Transportation Minimum OMP&R	114,760	97,766	103,750	104,190	105,232	106,284	107,348	108,421	109,505	110,600
Delta Water Charge	26,935	27,669	29,145	30,695	32,322	34,030	35,824	37,708	39,686	41,762
DWR Variable Costs <sup>(6)</sup>	12,415	60,811	102,695	105,776	108,949	112,218	115,584	119,052	122,623	126,302
Subtotal: DWR Costs	\$ 447,144	\$ 477,155	\$ 526,098	\$ 529,732	\$ 530,288	\$ 539,695	\$ 542,621	\$ 549,751	\$ 555,044	\$ 562,651
DWR Future Capital Projects (BDGP) <sup>(5)</sup>										

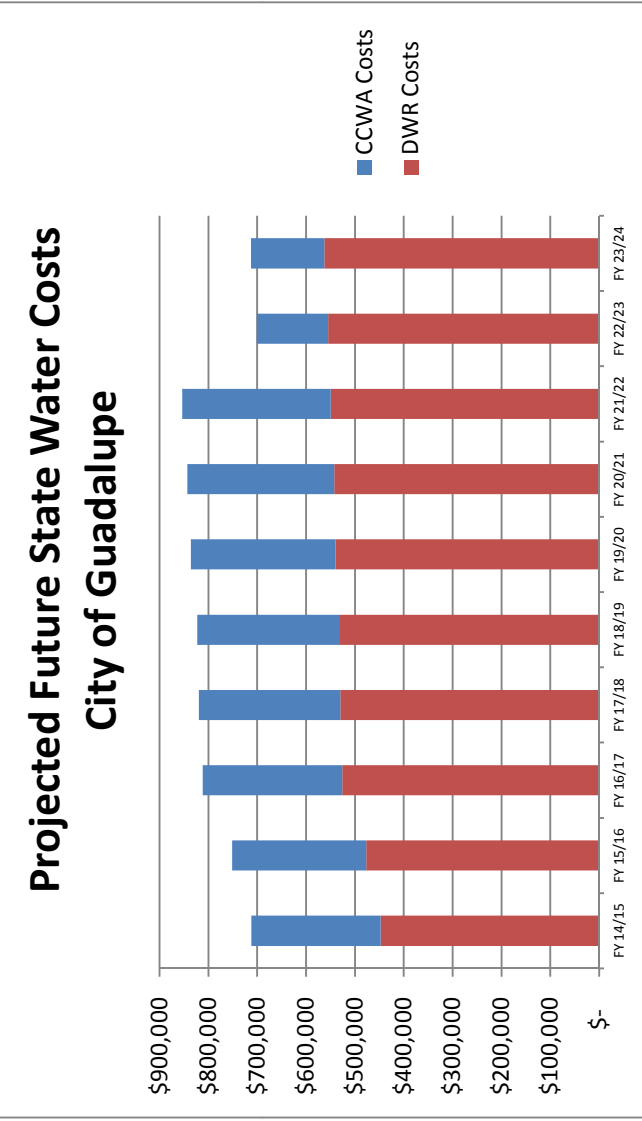
<b>Total Projected State Water Costs</b>	\$ 711,936	\$ 751,273	\$ 811,509	\$ 819,289	\$ 822,885	\$ 836,045	\$ 842,773	\$ 853,813	\$ 700,735	\$ 712,712
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Central Coast Water Authority  
**City of Guadalupe**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment <sup>(3)</sup>	\$ 693,561	\$ 678,121	\$ 687,974	\$ 692,047	\$ 691,825	\$ 701,054	\$ 703,732	\$ 710,601	\$ 553,226	\$ 560,779										
April 1st Variable Payment <sup>(4)</sup>	4,594	8,921	34,917	35,964	37,043	38,154	39,299	40,478	41,692	42,943										
July 1st Variable Payment	4,594	8,921	31,650	32,599	33,577	34,584	35,622	36,691	37,791	38,925										
October 1st Variable Payment	4,594	29,737	30,629	31,548	32,494	33,469	34,473	35,507	36,572	37,669										
January 1st Variable Payment	4,594	25,573	26,341	27,131	27,945	28,783	29,647	30,536	31,452	32,396										

**NOTES**

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2014/15 fixed payment is paid on June 1, 2014).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



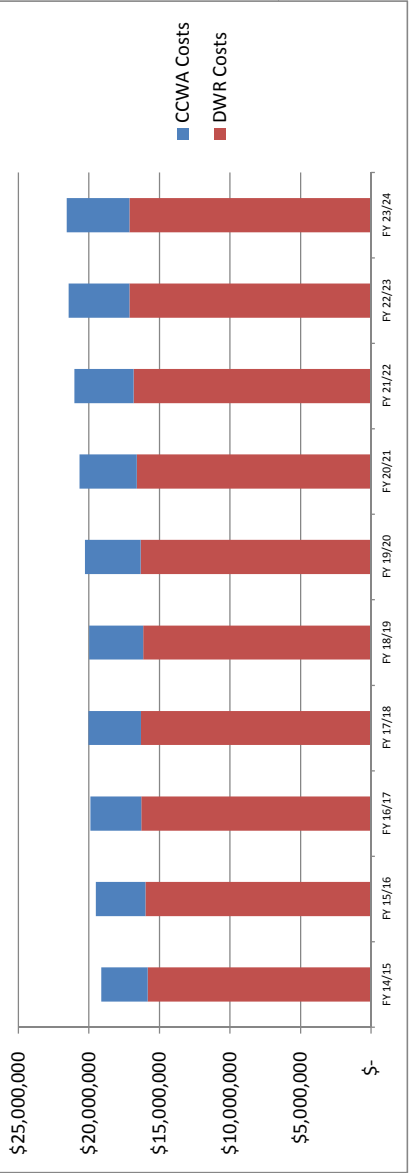
Central Coast Water Authority  
**City of Santa Maria**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF)</b> <sup>(1)</sup>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Water Deliveries-1st Quarter	4,146	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150
Water Deliveries-2nd Quarter	2,301	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370
Water Deliveries-3rd Quarter	3,800	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Water Deliveries-4th Quarter	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
<b>Total FY Water Deliveries (acre-feet)</b>	<b>14,747</b>	<b>17,770</b>	<b>17,770</b>	<b>17,770</b>	<b>17,770</b>	<b>17,770</b>	<b>17,770</b>	<b>17,770</b>	<b>17,770</b>	<b>17,770</b>
CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 2,825,720	\$ 2,910,492	\$ 2,997,807	\$ 3,087,741	\$ 3,180,373	\$ 3,275,784	\$ 3,374,058	\$ 3,475,280	\$ 3,579,538	\$ 3,686,924
CCWA Variable O&M Costs <sup>(2)</sup>	488,265	594,302	612,131	630,495	649,409	668,892	688,959	709,627	730,916	752,844
CCWA Bond Payments & O&M Credits	(13,014)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	3,300,972	3,504,794	3,609,937	3,718,236	3,829,783	3,944,676	4,063,016	4,184,907	4,310,454	4,439,768
<b>DWR Costs</b>										
Transportation Capital	7,869,243	7,799,875	7,798,432	7,775,758	7,738,579	7,724,340	7,720,869	7,718,566	7,716,863	7,715,804
Coastal Branch Extension	715,695	809,783	789,776	724,988	540,012	445,201	636,340	656,247	781,621	567,765
Water System Revenue Bond Surcharge	761,941	768,715	758,339	738,695	620,171	733,904	640,237	663,335	625,544	648,884
Transportation Minimum OMP&R	3,169,963	2,879,654	3,055,917	3,068,877	3,099,566	3,130,561	3,161,875	3,193,485	3,225,420	3,257,675
Delta Water Charge	793,359	814,982	858,453	904,098	952,024	1,002,347	1,055,186	1,110,667	1,168,922	1,230,090
DWR Variable Costs <sup>(6)</sup>	2,515,403	2,928,496	3,016,351	3,106,841	3,200,047	3,296,048	3,394,929	3,496,777	3,601,681	3,709,731
Subtotal: DWR Costs	\$ 15,825,603	\$ 16,001,506	\$ 16,277,268	\$ 16,319,257	\$ 16,150,398	\$ 16,332,401	\$ 16,609,437	\$ 16,839,078	\$ 17,120,052	\$ 17,129,949
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	<b>\$ 19,126,575</b>	<b>\$ 19,506,299</b>	<b>\$ 19,887,205</b>	<b>\$ 20,037,493</b>	<b>\$ 19,980,180</b>	<b>\$ 20,277,077</b>	<b>\$ 20,672,453</b>	<b>\$ 21,023,985</b>	<b>\$ 21,430,506</b>	<b>\$ 21,569,716</b>

Central Coast Water Authority  
**City of Santa Maria**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<i>Projected Payments by Due Date</i>	
June 1st Fixed Payment <sup>(3)</sup>	\$ 16,122,907 \$ 16,258,723 \$ 16,300,157 \$ 16,130,724 \$ 16,312,137 \$ 16,588,565 \$ 16,817,580 \$ 17,097,909 \$ 17,107,142
April 1st Variable Payment <sup>(4)</sup>	844,457 1,020,957 1,051,586 1,083,133 1,115,627 1,149,096 1,183,569 1,219,076 1,255,648 1,293,318
July 1st Variable Payment	468,668 866,327 892,317 919,086 946,659 975,058 1,004,310 1,034,439 1,065,473 1,097,437
October 1st Variable Payment	773,984 743,415 765,718 788,689 812,350 836,721 861,822 887,677 914,307 941,736
January 1st Variable Payment	916,560 892,098 918,861 946,427 974,820 1,004,065 1,034,187 1,065,212 1,097,169 1,130,084

**Projected Future State Water Costs  
 City of Santa Maria**



**NOTES**

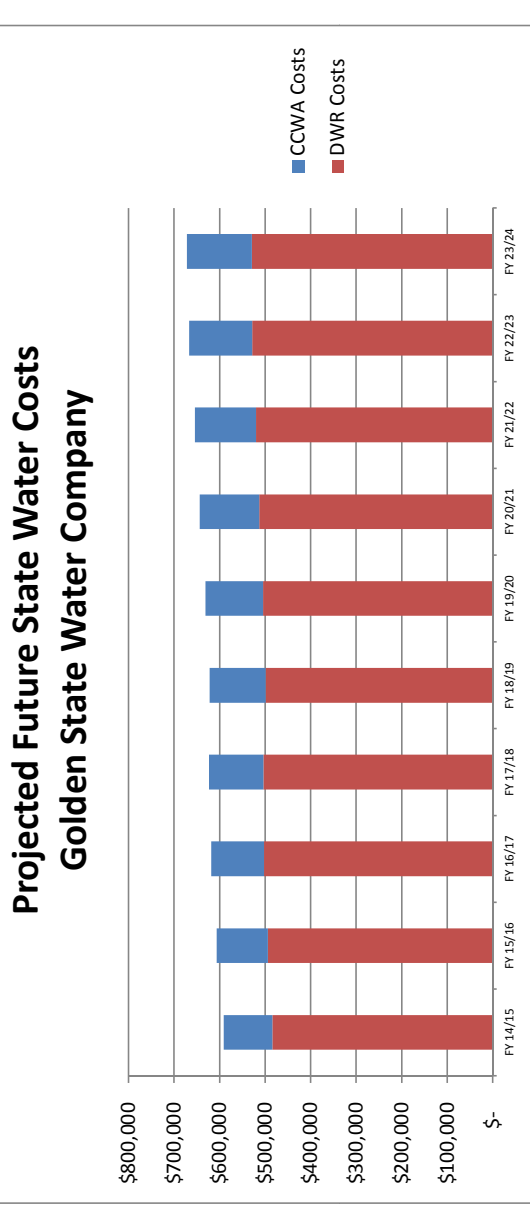
- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
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- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.

Central Coast Water Authority  
**Golden State Water Company**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Water Deliveries-1st Quarter	148	157	157	157	157	157	157	157	157	157
Water Deliveries-2nd Quarter	63	140	140	140	140	140	140	140	140	140
Water Deliveries-3rd Quarter	120	120	120	120	120	120	120	120	120	120
Water Deliveries-4th Quarter	133	133	133	133	133	133	133	133	133	133
<b>Total FY Water Deliveries (acre-feet)</b>	<b>464</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>550</b>
CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 91,407	\$ 94,149	\$ 96,974	\$ 99,883	\$ 102,880	\$ 105,966	\$ 109,145	\$ 112,419	\$ 115,792	\$ 119,266
CCWA Variable O&M Costs <sup>(2)</sup>	15,363	18,394	18,946	19,514	20,100	20,703	21,324	21,964	22,623	23,301
CCWA Bond Payments & O&M Credits	(74)	-	-	-	-	-	-	-	-	-
<b>Subtotal: CCWA Costs</b>	<b>106,696</b>	<b>112,544</b>	<b>115,920</b>	<b>119,398</b>	<b>122,979</b>	<b>126,669</b>	<b>130,469</b>	<b>134,383</b>	<b>138,414</b>	<b>142,567</b>
<b>DWR Costs</b>										
Transportation Capital	242,878	240,737	240,692	239,993	238,845	238,406	238,298	238,227	238,175	238,142
Coastal Branch Extension	22,089	24,993	24,376	22,376	16,667	13,741	19,640	20,255	24,124	17,524
Water System Revenue Bond Surcharge	23,517	23,726	23,406	22,799	19,141	22,651	19,760	20,473	19,307	20,027
Transportation Minimum OMP&R	99,539	88,878	94,318	94,718	95,666	96,622	97,589	98,564	99,550	100,546
Delta Water Charge	24,486	25,154	26,495	27,904	29,383	30,937	32,567	34,280	36,078	37,966
DWR Variable Costs <sup>(6)</sup>	71,576	90,640	93,359	96,160	99,045	102,016	105,077	108,229	111,476	114,820
<b>Subtotal: DWR Costs</b>	<b>\$ 484,085</b>	<b>\$ 494,128</b>	<b>\$ 502,647</b>	<b>\$ 503,951</b>	<b>\$ 498,747</b>	<b>\$ 504,373</b>	<b>\$ 512,932</b>	<b>\$ 520,028</b>	<b>\$ 528,709</b>	<b>\$ 529,024</b>
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	<b>\$ 590,781</b>	<b>\$ 606,672</b>	<b>\$ 618,567</b>	<b>\$ 623,348</b>	<b>\$ 621,726</b>	<b>\$ 631,042</b>	<b>\$ 643,401</b>	<b>\$ 654,411</b>	<b>\$ 667,124</b>	<b>\$ 671,591</b>

Central Coast Water Authority  
**Golden State Water Company**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>	
June 1st Fixed Payment <sup>(3)</sup>	\$ 503,842
April 1st Variable Payment <sup>(4)</sup>	27,730
July 1st Variable Payment	11,804
October 1st Variable Payment	22,484
January 1st Variable Payment	24,920
	\$ 497,637
	\$ 506,261
	\$ 507,674
	\$ 502,582
	\$ 508,323
	\$ 517,000
	\$ 524,219
	\$ 533,026
	\$ 533,470
	31,124
	32,058
	33,020
	34,010
	35,031
	36,082
	37,164
	38,279
	39,427
	27,754
	28,587
	29,444
	30,328
	31,238
	32,175
	33,140
	34,134
	35,158
	23,789
	24,503
	25,238
	26,775
	27,578
	28,406
	29,258
	30,136
	26,366
	27,157
	27,972
	28,811
	29,676
	30,566
	31,483
	32,427
	33,400



**NOTES**

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Central Coast Water Authority  
**Vandenberg AFB**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

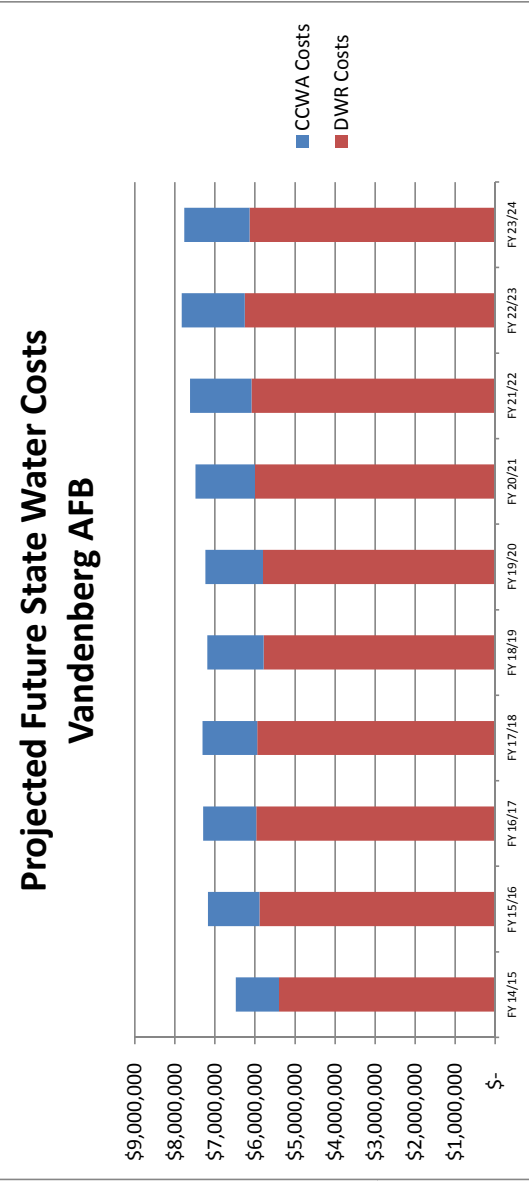
<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Water Deliveries-1st Quarter	973	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655	1,655
Water Deliveries-2nd Quarter	240	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Water Deliveries-3rd Quarter	1,350	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450	1,450
Water Deliveries-4th Quarter	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445
<b>Total FY Water Deliveries (acre-feet)</b>	<b>4,008</b>	<b>6,050</b>	<b>6,050</b>	<b>6,050</b>	<b>6,050</b>	<b>6,050</b>	<b>6,050</b>	<b>6,050</b>	<b>6,050</b>	<b>6,050</b>
CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 1,050,380	\$ 1,081,892	\$ 1,114,349	\$ 1,147,779	\$ 1,182,212	\$ 1,217,679	\$ 1,254,209	\$ 1,291,835	\$ 1,330,591	\$ 1,370,508
CCWA Variable O&M Costs <sup>(2)</sup>	132,703	202,337	208,407	214,659	221,099	227,732	234,564	241,601	248,849	256,314
CCWA Bond Payments & O&M Credits	(104,229)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	1,078,854	1,284,229	1,322,756	1,362,438	1,403,311	1,445,411	1,488,773	1,533,436	1,579,439	1,626,822
<b>DWR Costs</b>										
Transportation Capital	2,671,657	2,648,106	2,647,616	2,639,918	2,627,295	2,622,461	2,621,283	2,620,501	2,619,923	2,619,563
Coastal Branch Extension	641,420	725,744	707,812	649,749	483,969	398,997	570,300	588,142	700,504	508,842
Water System Revenue Bond Surcharge	258,684	260,983	257,461	250,792	210,552	249,165	217,365	225,206	212,376	220,300
Transportation Minimum OMP&R	1,066,513	977,660	1,037,503	1,041,903	1,052,322	1,062,845	1,073,476	1,084,208	1,095,050	1,106,001
Delta Water Charge	269,350	276,692	291,450	306,947	323,218	340,303	358,242	377,078	396,856	417,623
DWR Variable Costs <sup>(6)</sup>	495,562	997,040	1,026,951	1,057,760	1,089,493	1,122,177	1,155,843	1,190,518	1,226,233	1,263,020
Subtotal: DWR Costs	\$ 5,403,185	\$ 5,886,225	\$ 5,968,793	\$ 5,947,067	\$ 5,786,849	\$ 5,795,949	\$ 5,996,508	\$ 6,085,653	\$ 6,250,943	\$ 6,135,350
DWR Future Capital Projects (BDCCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	\$ 6,482,039	\$ 7,170,453	\$ 7,291,548	\$ 7,309,505	\$ 7,190,160	\$ 7,241,359	\$ 7,485,281	\$ 7,619,089	\$ 7,830,382	\$ 7,762,172

Central Coast Water Authority  
**Vandenberg AFB**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment <sup>(3)</sup>	\$	5,853,775	\$	5,971,077	\$	6,056,190	\$	6,037,087	\$	5,879,568	\$	5,891,450	\$	6,094,875	\$	6,186,970	\$	6,355,300	\$	6,242,837
April 1st Variable Payment <sup>(4)</sup>		152,520		328,094		337,937		348,075		358,517		369,273		380,351		391,761		403,514		415,620
July 1st Variable Payment		37,621		297,366		306,287		315,476		324,940		334,688		344,729		355,071		365,723		376,695
October 1st Variable Payment		211,616		287,454		296,078		304,960		314,109		323,532		333,238		343,235		353,532		364,138
January 1st Variable Payment		226,507		286,463		295,057		303,908		313,026		322,416		332,089		342,051		352,313		362,882

**NOTES**

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Central Coast Water Authority  
**City of Buellton**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

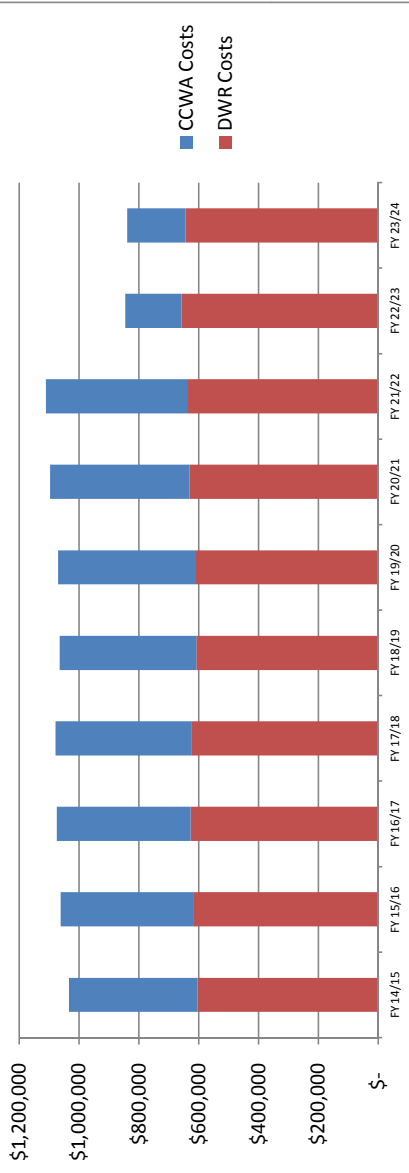
<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Water Deliveries-1st Quarter	186	182	182	182	182	182	182	182	182	182
Water Deliveries-2nd Quarter	127	144	144	144	144	144	144	144	144	144
Water Deliveries-3rd Quarter	150	150	150	150	150	150	150	150	150	150
Water Deliveries-4th Quarter	160	160	160	160	160	160	160	160	160	160
<b>Total FY Water Deliveries (acre-feet)</b>	<b>623</b>	<b>636</b>	<b>636</b>	<b>636</b>	<b>636</b>	<b>636</b>	<b>636</b>	<b>636</b>	<b>636</b>	<b>636</b>
CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b><u>CCWA Costs</u></b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 128,191	\$ 132,036	\$ 135,998	\$ 140,078	\$ 144,280	\$ 148,608	\$ 153,066	\$ 157,658	\$ 162,388	\$ 167,260
CCWA Variable O&M Costs <sup>(2)</sup>	20,627	21,270	21,909	22,566	23,243	23,940	24,658	25,398	26,160	26,945
CCWA Bond Payments & O&M Credits	280,316	289,720	289,448	290,308	289,014	288,783	288,433	288,061	-	-
Subtotal: CCWA Costs	429,133	443,027	447,355	452,952	456,536	461,332	466,158	471,118	188,548	194,205
<b><u>DWR Costs</u></b>										
Transportation Capital	280,767	278,292	278,240	277,431	276,105	275,597	275,473	275,391	275,330	275,292
Coastal Branch Extension	67,407	76,269	74,385	68,283	50,861	41,931	59,933	61,808	73,617	53,475
Water System Revenue Bond Surcharge	27,185	27,427	27,057	26,356	22,127	26,185	22,843	23,667	22,319	23,152
Transportation Minimum OMP&R	112,635	102,743	109,032	109,494	110,589	111,695	112,813	113,940	115,080	116,231
Delta Water Charge	28,315	29,087	30,638	32,267	33,978	35,774	37,660	39,640	41,719	43,902
DWR Variable Costs <sup>(6)</sup>	88,121	104,813	107,957	111,196	114,532	117,968	121,507	125,152	128,907	132,774
Subtotal: DWR Costs	\$ 604,431	\$ 618,631	\$ 627,309	\$ 625,028	\$ 608,192	\$ 609,150	\$ 630,229	\$ 639,599	\$ 656,971	\$ 644,825
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	<b>\$ 1,033,565</b>	<b>\$ 1,061,658</b>	<b>\$ 1,074,664</b>	<b>\$ 1,077,980</b>	<b>\$ 1,064,728</b>	<b>\$ 1,070,482</b>	<b>\$ 1,096,387</b>	<b>\$ 1,110,716</b>	<b>\$ 845,519</b>	<b>\$ 839,030</b>

Central Coast Water Authority  
**City of Buellton**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																					
June 1st Fixed Payment <sup>(3)</sup>	\$	924,816	\$	944,798	\$	944,218	\$	926,954	\$	928,574	\$	950,222	\$	960,166	\$	690,453	\$	679,311			
April 1st Variable Payment <sup>(4)</sup>		32,467		37,163		38,278		39,426		40,609		41,827		43,082		44,374		45,706			
July 1st Variable Payment		22,169		29,404		30,286		31,194		32,130		33,094		34,087		35,109		36,163			
October 1st Variable Payment		26,183		30,629		31,548		32,494		33,469		34,473		35,507		36,572		37,669			
January 1st Variable Payment		27,929		32,671		33,651		34,660		35,700		36,771		37,874		39,010		40,181			

- NOTES**
- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
  - (2) CCWA fixed and variable costs based on a 3% inflation factor.
  - (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2014/15 fixed payment is paid on June 1, 2014).
  - (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
  - (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
  - (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.

**Projected Future State Water Costs  
 City of Buellton**



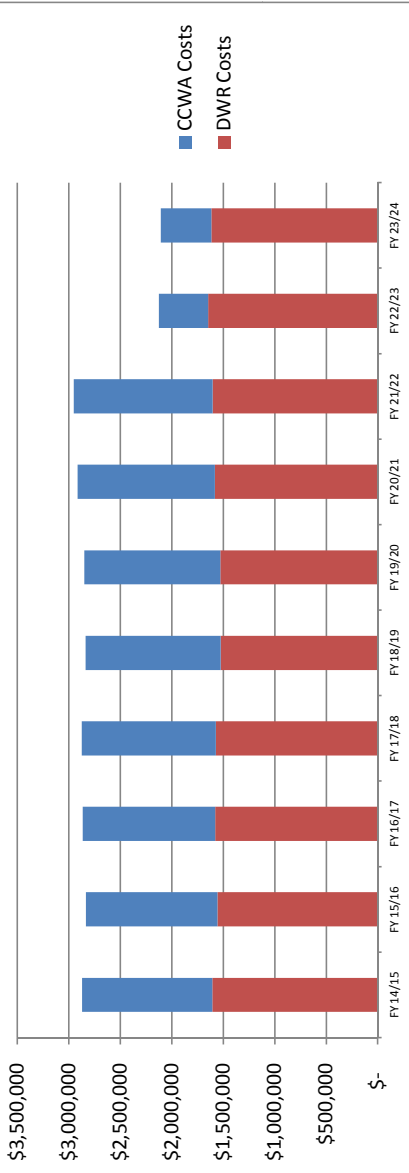
Central Coast Water Authority  
**Santa Ynez ID#1 (Solvang)**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Water Deliveries-1st Quarter	470	415	415	415	415	415	415	415	415	415
Water Deliveries-2nd Quarter	219	380	380	380	380	380	380	380	380	380
Water Deliveries-3rd Quarter	330	330	330	330	330	330	330	330	330	330
Water Deliveries-4th Quarter	375	375	375	375	375	375	375	375	375	375
<b>Total FY Water Deliveries (acre-feet)</b>	<b>1,394</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b><u>CCWA Costs</u></b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 327,208	\$ 337,024	\$ 347,135	\$ 357,549	\$ 368,275	\$ 379,323	\$ 390,703	\$ 402,424	\$ 414,497	\$ 426,932
CCWA Variable O&M Costs <sup>(2)</sup>	46,155	50,166	51,671	53,221	54,818	56,462	58,156	59,901	61,698	63,549
CCWA Bond Payments & O&M Credits	890,225	889,725	888,891	891,532	887,556	886,849	885,774	884,631	-	-
Subtotal: CCWA Costs	1,263,587	1,276,915	1,287,697	1,302,302	1,310,649	1,322,635	1,334,633	1,346,956	476,195	490,481
<b><u>DWR Costs</u></b>										
Transportation Capital	721,919	715,555	715,423	713,343	709,932	708,626	708,308	708,096	707,940	707,843
Coastal Branch Extension	174,933	197,930	193,040	177,204	131,992	108,817	155,536	160,402	191,047	138,775
Water System Revenue Bond Surcharge	68,673	69,284	68,349	66,578	55,896	66,146	57,704	59,786	56,380	58,484
Transportation Minimum OMP&R	280,906	258,465	274,286	275,449	278,204	280,986	283,796	286,634	289,500	292,395
Delta Water Charge	67,239	68,601	72,260	76,102	80,137	84,373	88,820	93,491	98,394	103,543
DWR Variable Costs <sup>(6)</sup>	291,892	247,200	254,616	262,254	270,122	278,226	286,573	295,170	304,025	313,146
Subtotal: DWR Costs	\$ 1,605,563	\$ 1,557,036	\$ 1,577,974	\$ 1,570,932	\$ 1,526,282	\$ 1,527,174	\$ 1,580,738	\$ 1,603,578	\$ 1,647,285	\$ 1,614,185
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	<b>\$ 2,869,150</b>	<b>\$ 2,833,951</b>	<b>\$ 2,865,671</b>	<b>\$ 2,873,234</b>	<b>\$ 2,836,932</b>	<b>\$ 2,849,809</b>	<b>\$ 2,915,371</b>	<b>\$ 2,950,534</b>	<b>\$ 2,123,480</b>	<b>\$ 2,104,666</b>

Central Coast Water Authority  
**Santa Ynez ID#1 (Solvang)**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>	
June 1st Fixed Payment <sup>(3)</sup>	\$ 2,531,103
April 1st Variable Payment <sup>(4)</sup>	82,271
July 1st Variable Payment	75,333
October 1st Variable Payment	65,421
January 1st Variable Payment	74,342
	\$ 2,559,384
	84,739
	77,593
	67,383
	76,572
	\$ 2,557,758
	87,282
	79,921
	69,405
	78,869
	\$ 2,511,991
	89,900
	82,318
	71,487
	81,235
	\$ 2,515,121
	92,597
	84,788
	73,631
	83,672
	\$ 2,570,642
	95,375
	87,331
	75,840
	86,182
	\$ 2,595,463
	98,236
	89,951
	78,116
	88,768
	\$ 1,757,758
	101,183
	92,650
	80,459
	91,431
	\$ 1,727,971
	104,219
	95,429
	82,873
	94,174

**Projected Future State Water Costs  
 Santa Ynez ID#1 (Solvang)**



**NOTES**

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2014/15 fixed payment is paid on June 1, 2014).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.

Central Coast Water Authority

**Santa Ynez ID#1**

State Water Cost Ten-Year Projections

Fiscal Year 2014/15 Budget

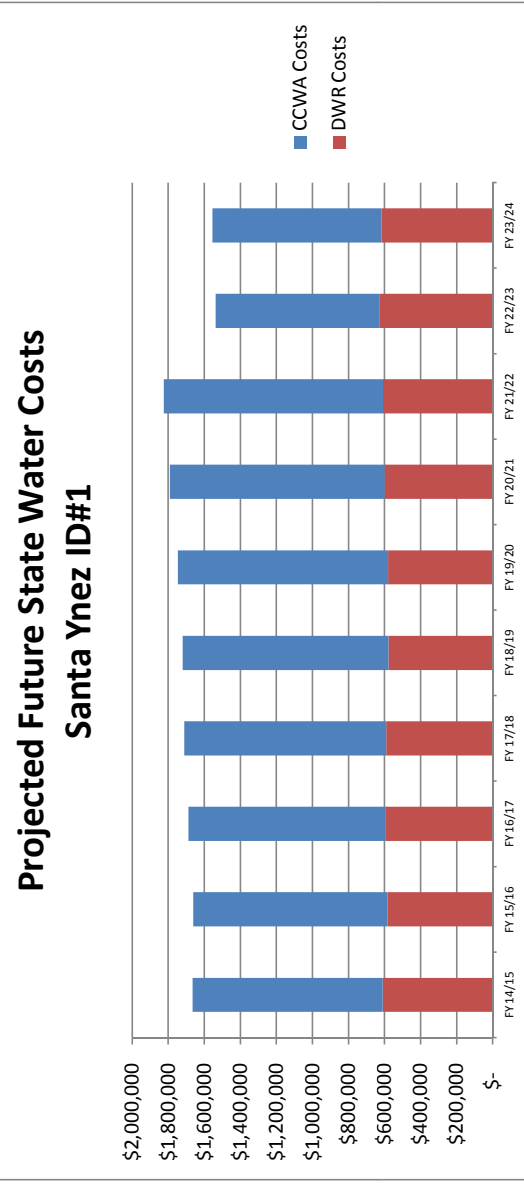
<b>Water Deliveries-Fiscal Year Basis (AF)</b> <sup>(1)</sup>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	270	270	270	270	270	270	270	270	270	270
Table A Water Deliveries-2nd Quarter	120	120	120	120	120	120	120	120	120	120
Table A Water Deliveries-3rd Quarter	100	100	100	100	100	100	100	100	100	100
Table A Water Deliveries-4th Quarter	210	210	210	210	210	210	210	210	210	210
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>	<b>700</b>
Exchange Deliveries-1st Quarter	1,404	1,404	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210
Exchange Deliveries-2nd Quarter	171	171	251	251	251	251	251	251	251	251
Exchange Deliveries-3rd Quarter	89	225	225	225	225	225	225	225	225	225
Exchange Deliveries-4th Quarter	916	884	884	884	884	884	884	884	884	884
<b>Total FY Exchange Deliveries (acre-feet)</b>	<b>2,580</b>	<b>2,684</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>	<b>2,570</b>
CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 612,680	\$ 631,060	\$ 649,992	\$ 669,491	\$ 689,576	\$ 710,264	\$ 731,571	\$ 753,519	\$ 776,124	\$ 799,408
CCWA Variable O&M Costs <sup>(2)</sup>	108,599	113,175	112,643	116,022	119,503	123,088	126,781	130,584	134,502	138,537
CCWA Bond Payments & O&M Credits	333,834	334,139	333,826	334,818	333,325	333,059	332,655	332,226	-	-
Subtotal: CCWA Costs	1,055,112	1,078,374	1,096,461	1,120,332	1,142,404	1,166,411	1,191,008	1,216,329	1,240,626	1,266,445
<b>DWR Costs</b>										
Transportation Capital	249,592	247,392	247,346	246,627	245,448	244,996	244,886	244,813	244,759	244,726
Coastal Branch Extension	58,311	65,977	64,347	59,068	43,997	36,272	51,845	53,467	63,682	46,258
Water System Revenue Bond Surcharge	25,393	25,619	25,273	24,619	20,669	24,459	21,337	22,107	20,848	21,625
Transportation Minimum OMP&R	106,187	97,047	102,988	103,424	104,459	105,503	106,559	107,624	108,700	109,787
Delta Water Charge	30,249	32,014	33,722	35,514	37,397	39,374	41,450	43,629	45,917	48,320
DWR Variable Costs <sup>(6)</sup>	140,229	115,360	118,821	122,385	126,057	129,839	133,734	137,746	141,878	146,135
Subtotal: DWR Costs	\$ 609,962	\$ 583,409	\$ 592,496	\$ 591,638	\$ 578,027	\$ 580,444	\$ 599,811	\$ 609,386	\$ 625,785	\$ 616,851
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	<b>\$ 1,665,074</b>	<b>\$ 1,661,783</b>	<b>\$ 1,688,957</b>	<b>\$ 1,711,970</b>	<b>\$ 1,720,431</b>	<b>\$ 1,746,855</b>	<b>\$ 1,790,819</b>	<b>\$ 1,825,715</b>	<b>\$ 1,536,411</b>	<b>\$ 1,554,796</b>

Central Coast Water Authority  
**Santa Ynez ID#1**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment <sup>(3)</sup>	\$	1,416,246	\$	1,433,248	\$	1,457,493	\$	1,473,562	\$	1,474,871	\$	1,493,928	\$	1,530,304	\$	1,557,385	\$	1,260,031	\$	1,270,124
April 1st Variable Payment <sup>(4)</sup>		126,993		100,481		96,813		99,717		102,709		105,790		108,964		112,233		115,600		119,068
July 1st Variable Payment		22,076		29,508		33,149		34,144		35,168		36,223		37,310		38,429		39,582		40,769
October 1st Variable Payment		14,338		27,349		28,170		29,015		29,885		30,782		31,705		32,657		33,636		34,645
January 1st Variable Payment		85,421		71,196		73,332		75,532		77,798		80,132		82,535		85,012		87,562		90,189

**NOTES**

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Central Coast Water Authority

**Goleta Water District**

State Water Cost Ten-Year Projections  
Fiscal Year 2014/15 Budget

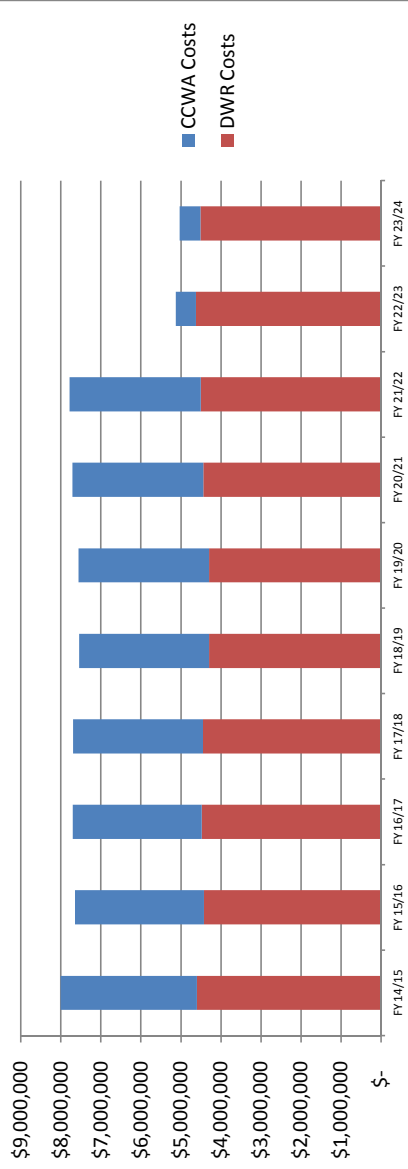
<b>Water Deliveries-Fiscal Year Basis (AF)</b> <sup>(1)</sup>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	908	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Table A Water Deliveries-2nd Quarter	0	0	1	1	1	1	1	1	1	1
Table A Water Deliveries-3rd Quarter	(0)	1	1	1	1	1	1	1	1	1
Table A Water Deliveries-4th Quarter	0	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>908</b>	<b>1</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	505	505	436	436	436	436	436	436	436	436
Exchange Deliveries-2nd Quarter	62	62	90	90	90	90	90	90	90	90
Exchange Deliveries-3rd Quarter	32	81	81	81	81	81	81	81	81	81
Exchange Deliveries-4th Quarter	330	318	318	318	318	318	318	318	318	318
<b>Total FY Exchange Deliveries (acre-feet)</b>	<b>929</b>	<b>966</b>	<b>925</b>	<b>925</b>	<b>925</b>	<b>925</b>	<b>925</b>	<b>925</b>	<b>925</b>	<b>925</b>
CCWA Variable Cost per AF Assumptions	\$ 155	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 202
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 397,119	\$ 409,033	\$ 421,303	\$ 433,943	\$ 446,961	\$ 460,370	\$ 474,181	\$ 488,406	\$ 503,058	\$ 518,150
CCWA Variable O&M Costs <sup>(2)</sup>	194,194	-	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	2,808,871	2,804,246	2,801,620	2,809,944	2,797,412	2,795,183	2,791,794	2,788,191	-	-
Subtotal: CCWA Costs	3,400,184	3,213,279	3,222,924	3,243,886	3,244,373	3,255,553	3,265,975	3,276,597	503,058	518,150
<b>DWR Costs</b>										
Transportation Capital	2,208,879	2,189,408	2,189,003	2,182,638	2,172,202	2,168,205	2,167,231	2,166,584	2,166,107	2,165,809
Coastal Branch Extension	524,798	593,790	579,119	531,613	395,975	326,452	466,609	481,207	573,140	416,325
Water System Revenue Bond Surcharge	236,397	238,499	235,280	229,185	192,412	227,699	198,638	205,804	194,079	201,320
Transportation Minimum OMP&R	1,014,600	905,858	961,306	965,382	975,036	984,787	994,637	1,004,581	1,014,626	1,024,773
Delta Water Charge	331,652	340,719	358,893	377,976	398,012	419,051	441,141	464,336	488,691	514,263
DWR Variable Costs <sup>(6)</sup>	287,126	159,362	157,013	161,724	166,575	171,573	176,720	182,021	187,482	193,106
Subtotal: DWR Costs	\$ 4,603,452	\$ 4,427,636	\$ 4,480,613	\$ 4,448,517	\$ 4,300,213	\$ 4,297,766	\$ 4,444,976	\$ 4,504,533	\$ 4,624,125	\$ 4,515,598
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	\$ 8,003,636	\$ 7,640,915	\$ 7,703,537	\$ 7,692,404	\$ 7,544,586	\$ 7,553,319	\$ 7,710,951	\$ 7,781,131	\$ 5,127,183	\$ 5,033,748

Central Coast Water Authority  
**Goleta Water District**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment <sup>(3)</sup>	\$ 7,522,316	\$ 7,481,553	\$ 7,546,524	\$ 7,530,680	\$ 7,378,011	\$ 7,381,747	\$ 7,534,231	\$ 7,599,109	\$ 4,939,701	\$ 4,840,641										
April 1st Variable Payment <sup>(4)</sup>	370,226	83,478	73,740	75,952	78,231	80,578	82,995	85,485	88,049	90,691										
July 1st Variable Payment	16,245	10,288	15,552	16,019	16,499	16,994	17,504	18,029	18,570	19,127										
October 1st Variable Payment	8,384	13,673	14,084	14,506	14,941	15,390	15,851	16,327	16,817	17,321										
January 1st Variable Payment	86,465	52,043	53,605	55,213	56,869	58,575	60,333	62,143	64,007	65,927										

- NOTES**
- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
  - (2) CCWA fixed and variable costs based on a 3% inflation factor.
  - (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2014/15 fixed payment is paid on June 1, 2014).
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**Projected Future State Water Costs  
 Goleta Water District**





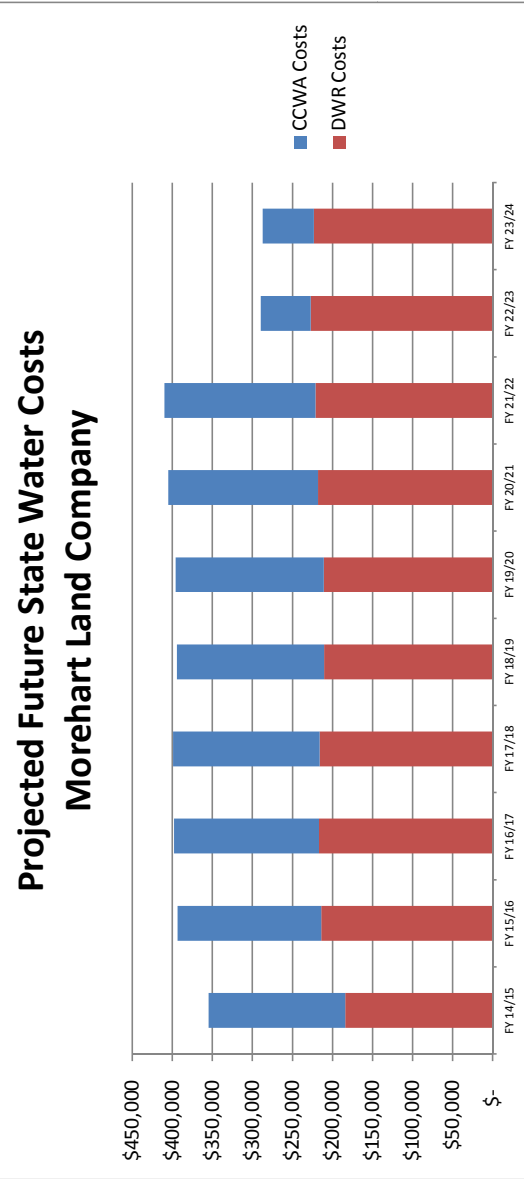
Central Coast Water Authority  
**Morehart Land Company**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	54	59	59	59	59	59	59	59	59	59
Table A Water Deliveries-2nd Quarter	35	50	50	50	50	50	50	50	50	50
Table A Water Deliveries-3rd Quarter	60	60	60	60	60	60	60	60	60	60
Table A Water Deliveries-4th Quarter	51	51	51	51	51	51	51	51	51	51
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>200</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>
CCWA Variable Cost per AF Assumptions	\$ 155	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 202
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b><u>CCWA Costs</u></b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 14,910	\$ 15,357	\$ 15,818	\$ 16,292	\$ 16,781	\$ 17,285	\$ 17,803	\$ 18,337	\$ 18,887	\$ 19,454
CCWA Variable O&M Costs <sup>(2)</sup>	42,765	35,164	36,219	37,305	38,424	39,577	40,764	41,987	43,247	44,544
CCWA Bond Payments & O&M Credits	113,056	128,774	128,653	129,035	128,460	128,358	128,202	128,036	-	-
Subtotal: CCWA Costs	170,731	179,295	180,690	182,633	183,666	185,219	186,770	188,361	62,134	63,998
<b><u>DWR Costs</u></b>										
Transportation Capital	97,151	96,295	96,277	95,997	95,538	95,362	95,319	95,291	95,270	95,257
Coastal Branch Extension	23,324	26,391	25,739	23,627	17,599	14,509	20,738	21,387	25,473	18,503
Water System Revenue Bond Surcharge	9,407	9,490	9,362	9,120	7,656	9,061	7,904	8,189	7,723	8,011
Transportation Minimum OMP&R	37,949	35,551	37,727	37,887	38,266	38,649	39,035	39,426	39,820	40,218
Delta Water Charge	9,795	10,062	10,598	11,162	11,753	12,375	13,027	13,712	14,431	15,186
DWR Variable Costs <sup>(6)</sup>	6,464	36,256	37,344	38,464	39,618	40,806	42,031	43,292	44,590	45,928
Subtotal: DWR Costs	\$ 184,090	\$ 214,045	\$ 217,047	\$ 216,257	\$ 210,431	\$ 210,762	\$ 218,055	\$ 221,296	\$ 227,307	\$ 223,104
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	<b>\$ 354,821</b>	<b>\$ 393,339</b>	<b>\$ 397,737</b>	<b>\$ 398,890</b>	<b>\$ 394,096</b>	<b>\$ 395,981</b>	<b>\$ 404,824</b>	<b>\$ 409,658</b>	<b>\$ 289,441</b>	<b>\$ 287,102</b>

Central Coast Water Authority  
**Morehart Land Company**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment <sup>(3)</sup>	\$	305,592	\$	321,919	\$	324,174	\$	323,121	\$	316,054	\$	315,598	\$	322,029	\$	324,379	\$	201,604	\$	196,630
April 1st Variable Payment <sup>(4)</sup>		13,292		19,153		19,728		20,320		20,930		21,557		22,204		22,870		23,556		24,263
July 1st Variable Payment		8,615		16,232		16,719		17,220		17,737		18,269		18,817		19,382		19,963		20,562
October 1st Variable Payment		14,768		19,478		20,062		20,664		21,284		21,923		22,580		23,258		23,956		24,674
January 1st Variable Payment		12,553		16,556		17,053		17,565		18,092		18,634		19,193		19,769		20,362		20,973

NOTES  
 (1) Actual water delivery requests for the first four years and delivery estimates thereafter.  
 (2) CCWA fixed and variable costs based on a 3% inflation factor.  
 (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2014/15 fixed payment is paid on June 1, 2014).  
 (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.  
 (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.  
 (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority  
**La Cumbre Mutual Water Company**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	225	190	190	190	190	190	190	190	190	190
Table A Water Deliveries-2nd Quarter	140	186	186	186	186	186	186	186	186	186
Table A Water Deliveries-3rd Quarter	270	270	270	270	270	270	270	270	270	270
Table A Water Deliveries-4th Quarter	174	174	174	174	174	174	174	174	174	174
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>809</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>	<b>820</b>

CCWA Variable Cost per AF Assumptions	\$ 155	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 202
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209

<b><u>CCWA Costs</u></b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 79,906	\$ 82,303	\$ 84,772	\$ 87,316	\$ 89,935	\$ 92,633	\$ 95,412	\$ 98,274	\$ 101,223	\$ 104,259
CCWA Variable O&M Costs <sup>(2)</sup>	172,983	131,065	134,997	139,047	143,218	147,515	151,940	156,498	161,193	166,029
CCWA Bond Payments & O&M Credits	616,946	616,515	615,937	617,767	615,012	614,522	613,777	612,985	-	-
<b>Subtotal: CCWA Costs</b>	<b>869,835</b>	<b>829,883</b>	<b>835,707</b>	<b>844,130</b>	<b>848,165</b>	<b>854,670</b>	<b>861,129</b>	<b>867,758</b>	<b>262,416</b>	<b>270,289</b>

<b><u>DWR Costs</u></b>										
Transportation Capital	485,756	481,474	481,385	479,985	477,690	476,811	476,597	476,455	476,350	476,284
Coastal Branch Extension	116,622	131,953	128,693	118,136	87,994	72,545	103,691	106,935	127,364	92,517
Water System Revenue Bond Surcharge	47,033	47,452	46,811	45,598	38,282	45,303	39,521	40,947	38,614	40,055
Transportation Minimum OMP&R	194,252	177,756	188,637	189,437	191,331	193,245	195,177	197,129	199,100	201,091
Delta Water Charge	48,973	50,308	52,991	55,808	58,767	61,873	65,135	68,560	72,156	75,931
DWR Variable Costs <sup>(6)</sup>	70,798	135,136	139,190	143,366	147,667	152,097	156,660	161,359	166,200	171,186
<b>Subtotal: DWR Costs</b>	<b>\$ 963,433</b>	<b>\$ 1,024,079</b>	<b>\$ 1,037,707</b>	<b>\$ 1,032,331</b>	<b>\$ 1,001,731</b>	<b>\$ 1,001,873</b>	<b>\$ 1,036,781</b>	<b>\$ 1,051,384</b>	<b>\$ 1,079,784</b>	<b>\$ 1,057,064</b>
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										

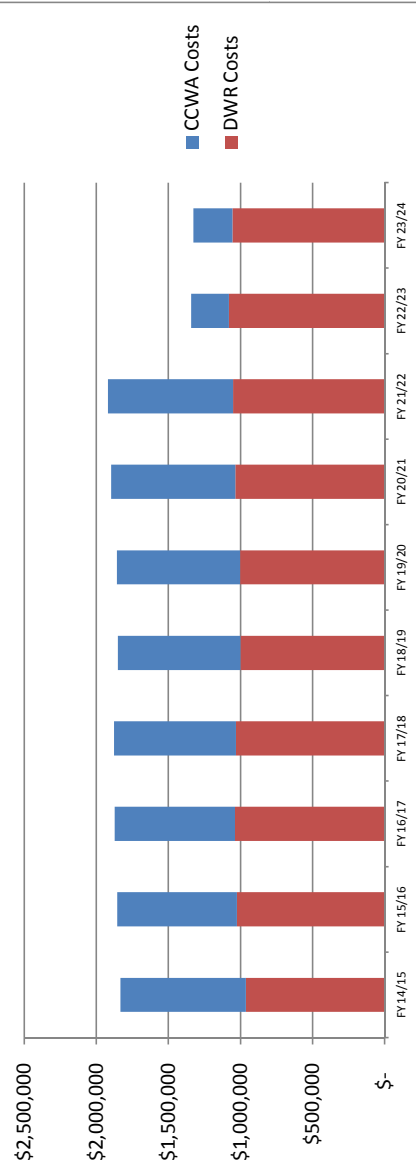
<b>Total Projected State Water Costs</b>	<b>\$ 1,833,268</b>	<b>\$ 1,853,962</b>	<b>\$ 1,873,413</b>	<b>\$ 1,876,460</b>	<b>\$ 1,849,897</b>	<b>\$ 1,856,543</b>	<b>\$ 1,897,910</b>	<b>\$ 1,919,142</b>	<b>\$ 1,342,200</b>	<b>\$ 1,327,353</b>
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Central Coast Water Authority  
**La Cumbre Mutual Water Company**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																					
June 1st Fixed Payment <sup>(3)</sup>	\$	1,589,487	\$	1,587,761	\$	1,599,226	\$	1,594,048	\$	1,559,012	\$	1,556,932	\$	1,589,310	\$	1,601,284	\$	1,014,806	\$	990,137	
April 1st Variable Payment <sup>(4)</sup>		67,801		61,681		63,531		65,437		67,400		69,422		71,505		73,650		75,860		78,135	
July 1st Variable Payment		42,187		60,382		62,194		64,059		65,981		67,961		70,000		72,099		74,262		76,490	
October 1st Variable Payment		81,361		87,652		90,281		92,990		95,779		98,653		101,612		104,661		107,800		111,034	
January 1st Variable Payment		52,432		56,487		58,181		59,927		61,724		63,576		65,483		67,448		69,471		71,555	

- NOTES**
- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
  - (2) CCWA fixed and variable costs based on a 3% inflation factor.
  - (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2014/15 fixed payment is paid on June 1, 2014).
  - (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
  - (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
  - (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.

**Projected Future State Water Costs  
 La Cumbre Mutual Water Company**



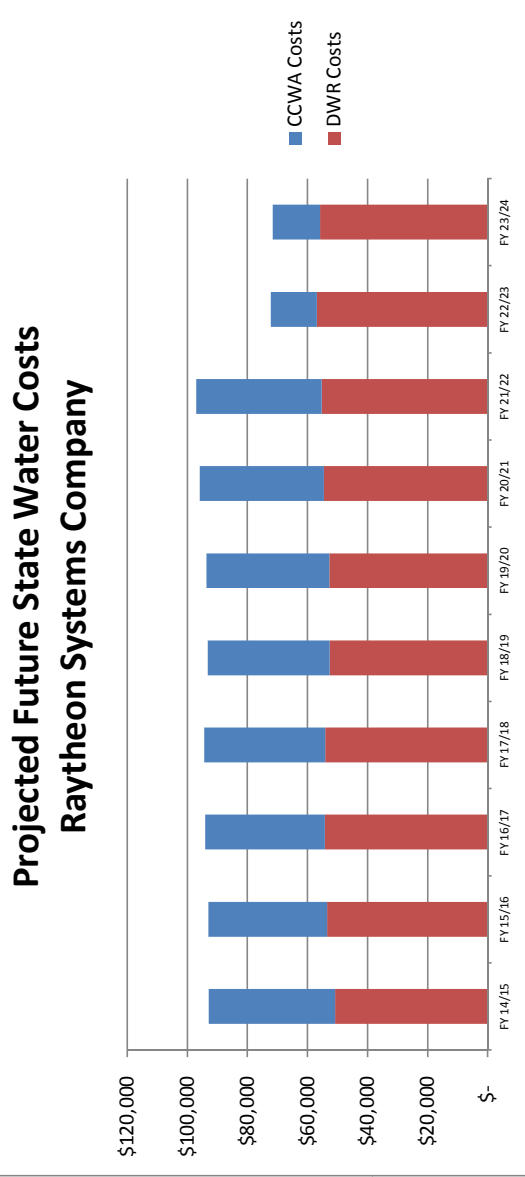
Central Coast Water Authority  
**Raytheon Systems Company**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	23	23	23	23	23	23	23	23	23	23
Table A Water Deliveries-2nd Quarter	15	15	15	15	15	15	15	15	15	15
Table A Water Deliveries-3rd Quarter	-	-	-	-	-	-	-	-	-	-
Table A Water Deliveries-4th Quarter	17	17	17	17	17	17	17	17	17	17
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>
Exchange Deliveries-1st Quarter										
Exchange Deliveries-2nd Quarter										
Exchange Deliveries-3rd Quarter										
Exchange Deliveries-4th Quarter										
<b>Total FY Exchange Deliveries (acre-feet)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
CCWA Variable Cost per AF Assumptions	\$ 155	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 202
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 3,587	\$ 3,695	\$ 3,806	\$ 3,920	\$ 4,037	\$ 4,159	\$ 4,283	\$ 4,412	\$ 4,544	\$ 4,681
CCWA Variable O&M Costs <sup>(2)</sup>	11,760	8,791	9,055	9,326	9,606	9,894	10,191	10,497	10,812	11,136
CCWA Bond Payments & O&M Credits	26,825	26,956	26,931	27,011	26,891	26,869	26,837	26,802	-	-
<b>Subtotal: CCWA Costs</b>	<b>42,172</b>	<b>39,442</b>	<b>39,791</b>	<b>40,257</b>	<b>40,534</b>	<b>40,922</b>	<b>41,311</b>	<b>41,711</b>	<b>42,356</b>	<b>42,817</b>
<b>DWR Costs</b>										
Transportation Capital	24,288	24,074	24,069	23,999	23,885	23,841	23,830	23,823	23,817	23,814
Coastal Branch Extension	5,831	6,598	6,435	5,907	4,400	3,627	5,185	5,347	6,368	4,626
Water System Revenue Bond Surcharge	2,352	2,373	2,341	2,280	1,914	2,265	1,976	2,047	1,931	2,003
Transportation Minimum OMP&R	10,579	8,888	9,432	9,472	9,567	9,662	9,759	9,856	9,955	10,055
Delta Water Charge	2,449	2,515	2,650	2,790	2,938	3,094	3,257	3,428	3,608	3,797
DWR Variable Costs <sup>(6)</sup>	5,258	9,064	9,336	9,616	9,904	10,202	10,508	10,823	11,148	11,482
<b>Subtotal: DWR Costs</b>	<b>\$ 50,755</b>	<b>\$ 53,511</b>	<b>\$ 54,262</b>	<b>\$ 54,064</b>	<b>\$ 52,608</b>	<b>\$ 52,690</b>	<b>\$ 54,514</b>	<b>\$ 55,324</b>	<b>\$ 56,827</b>	<b>\$ 55,776</b>
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	<b>\$ 92,928</b>	<b>\$ 92,953</b>	<b>\$ 94,053</b>	<b>\$ 94,322</b>	<b>\$ 93,142</b>	<b>\$ 93,613</b>	<b>\$ 95,825</b>	<b>\$ 97,035</b>	<b>\$ 72,183</b>	<b>\$ 71,593</b>

Central Coast Water Authority  
**Raytheon Systems Company**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment <sup>(3)</sup>	\$	75,910	\$	75,098	\$	75,663	\$	75,379	\$	73,631	\$	73,517	\$	75,126	\$	75,715	\$	50,223	\$	48,974
April 1st Variable Payment <sup>(4)</sup>		7,117		7,467		7,691		7,921		8,159		8,404		8,656		8,916		9,183		9,458
July 1st Variable Payment		4,641		4,870		5,016		5,166		5,321		5,481		5,645		5,814		5,989		6,169
October 1st Variable Payment		-		-		-		-		-		-		-		-		-		-
January 1st Variable Payment		5,260		5,519		5,684		5,855		6,031		6,211		6,398		6,590		6,787		6,991

**NOTES**  
 (1) Actual water delivery requests for the first four years and delivery estimates thereafter.  
 (2) CCWA fixed and variable costs based on a 3% inflation factor.  
 (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2014/15 fixed payment is paid on June 1, 2014).  
 (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.  
 (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.  
 (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority

**City of Santa Barbara**

State Water Cost Ten-Year Projections

Fiscal Year 2014/15 Budget

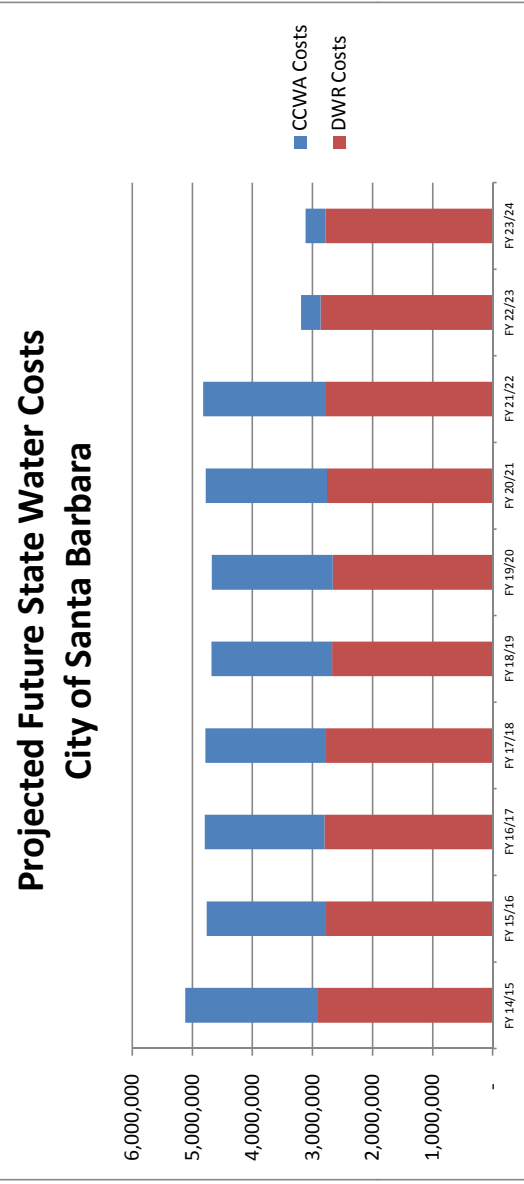
<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	677	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-2nd Quarter	301	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-3rd Quarter	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Table A Water Deliveries-4th Quarter	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>977</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	337	337	290	290	290	290	290	290	290	290
Exchange Deliveries-2nd Quarter	41	41	60	60	60	60	60	60	60	60
Exchange Deliveries-3rd Quarter	21	54	54	54	54	54	54	54	54	54
Exchange Deliveries-4th Quarter	220	212	212	212	212	212	212	212	212	212
<b>Total FY Exchange Deliveries (acre-feet)</b>	<b>619</b>	<b>644</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>
CCWA Variable Cost per AF Assumptions	\$ 155	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 202
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 254,332	\$ 261,962	\$ 269,820	\$ 277,915	\$ 286,253	\$ 294,840	\$ 303,685	\$ 312,796	\$ 322,180	\$ 331,845
CCWA Variable O&M Costs <sup>(2)</sup>	208,862	-	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	1,727,818	1,723,858	1,722,243	1,727,360	1,719,657	1,718,287	1,716,203	1,713,988	-	-
Subtotal: CCWA Costs	\$ 2,191,012	\$ 1,985,819	\$ 1,992,064	\$ 2,005,275	\$ 2,005,909	\$ 2,013,127	\$ 2,019,888	\$ 2,026,784	\$ 322,180	\$ 331,845
<b>DWR Costs</b>										
Transportation Capital	1,457,267	1,444,421	1,444,154	1,439,955	1,433,070	1,430,433	1,429,791	1,429,364	1,429,049	1,428,853
Coastal Branch Extension	349,865	395,860	386,079	354,408	263,983	217,635	311,073	320,805	382,093	277,550
Water System Revenue Bond Surcharge	141,100	142,355	140,433	136,795	114,846	135,908	118,562	122,840	115,841	120,164
Transportation Minimum OMP&R	592,854	533,269	565,911	568,310	573,994	579,734	585,532	591,386	597,300	603,273
Delta Water Charge	146,918	150,923	158,973	167,425	176,301	185,620	195,405	205,679	216,467	227,794
DWR Variable Costs <sup>(6)</sup>	236,925	105,966	104,393	107,524	110,750	114,073	117,495	121,020	124,650	128,390
Subtotal: DWR Costs	2,924,930	2,772,794	2,799,943	2,774,419	2,672,944	2,663,402	2,757,858	2,791,093	2,865,401	2,786,024
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	<b>\$ 5,115,942</b>	<b>\$ 4,758,614</b>	<b>\$ 4,792,006</b>	<b>\$ 4,779,695</b>	<b>\$ 4,678,854</b>	<b>\$ 4,676,529</b>	<b>\$ 4,777,746</b>	<b>\$ 4,817,877</b>	<b>\$ 3,187,581</b>	<b>\$ 3,117,869</b>

Central Coast Water Authority  
**City of Santa Barbara**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment <sup>(3)</sup>	\$	4,670,154	\$	4,652,647	\$	4,687,614	\$	4,672,170	\$	4,568,104	\$	4,562,457	\$	4,660,251	\$	4,696,858	\$	3,062,930	\$	2,989,479
April 1st Variable Payment <sup>(4)</sup>		283,226		55,544		49,160		50,635		52,154		53,718		55,330		56,990		58,700		60,460
July 1st Variable Payment		95,526		6,750		10,145		10,449		10,763		11,086		11,418		11,761		12,114		12,477
October 1st Variable Payment		5,866		8,575		8,832		9,097		9,370		9,651		9,940		10,238		10,546		10,862
January 1st Variable Payment		61,170		34,912		35,959		37,038		38,149		39,294		40,473		41,687		42,937		44,226

**NOTES**

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2014/15 fixed payment is paid on June 1, 2014).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.





Central Coast Water Authority  
**Montecito Water District**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	677	20	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-2nd Quarter	526	18	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-3rd Quarter	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Table A Water Deliveries-4th Quarter	8	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>1,211</b>	<b>37</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>

*Small 1 and 2 acre-feet amounts are due to rounding differences.*

Exchange Deliveries-1st Quarter	337	337	290	290	290	290	290	290	290	290
Exchange Deliveries-2nd Quarter	41	41	60	60	60	60	60	60	60	60
Exchange Deliveries-3rd Quarter	21	54	54	54	54	54	54	54	54	54
Exchange Deliveries-4th Quarter	220	212	212	212	212	212	212	212	212	212
<b>Total FY Exchange Deliveries (acre-feet)</b>	<b>619</b>	<b>644</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>	<b>617</b>

CCWA Variable Cost per AF Assumptions	\$ 155	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 202
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209

<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 247,769	\$ 255,202	\$ 262,858	\$ 270,744	\$ 278,866	\$ 287,232	\$ 295,849	\$ 304,725	\$ 313,866	\$ 323,282
CCWA Variable O&M Costs <sup>(2)</sup>	258,897	5,888	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	2,028,126	2,026,173	2,024,275	2,030,290	2,021,235	2,019,625	2,017,176	2,014,572	-	-
<b>Subtotal: CCWA Costs</b>	<b>2,534,792</b>	<b>2,287,263</b>	<b>2,287,133</b>	<b>2,301,033</b>	<b>2,300,101</b>	<b>2,306,857</b>	<b>2,313,025</b>	<b>2,319,297</b>	<b>313,866</b>	<b>323,282</b>

<b>DWR Costs</b>										
Transportation Capital	1,457,267	1,444,421	1,444,154	1,439,955	1,433,070	1,430,433	1,429,791	1,429,364	1,429,049	1,428,853
Coastal Branch Extension	349,865	395,860	386,079	354,408	263,983	217,635	311,073	320,805	382,093	277,550
Water System Revenue Bond Surcharge	141,100	142,355	140,433	136,795	114,846	135,908	118,562	122,840	115,841	120,164
Transportation Minimum OMP&R	592,854	533,269	565,911	568,310	573,994	579,734	585,532	591,386	597,300	603,273
Delta Water Charge	146,918	150,923	158,973	167,425	176,301	185,620	195,405	205,679	216,467	227,794
DWR Variable Costs <sup>(6)</sup>	335,098	112,229	104,393	107,524	110,750	114,073	117,495	121,020	124,650	128,390
<b>Subtotal: DWR Costs</b>	<b>\$ 3,023,103</b>	<b>\$ 2,779,057</b>	<b>\$ 2,799,943</b>	<b>\$ 2,774,419</b>	<b>\$ 2,672,944</b>	<b>\$ 2,663,402</b>	<b>\$ 2,757,858</b>	<b>\$ 2,791,093</b>	<b>\$ 2,865,401</b>	<b>\$ 2,786,024</b>
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										

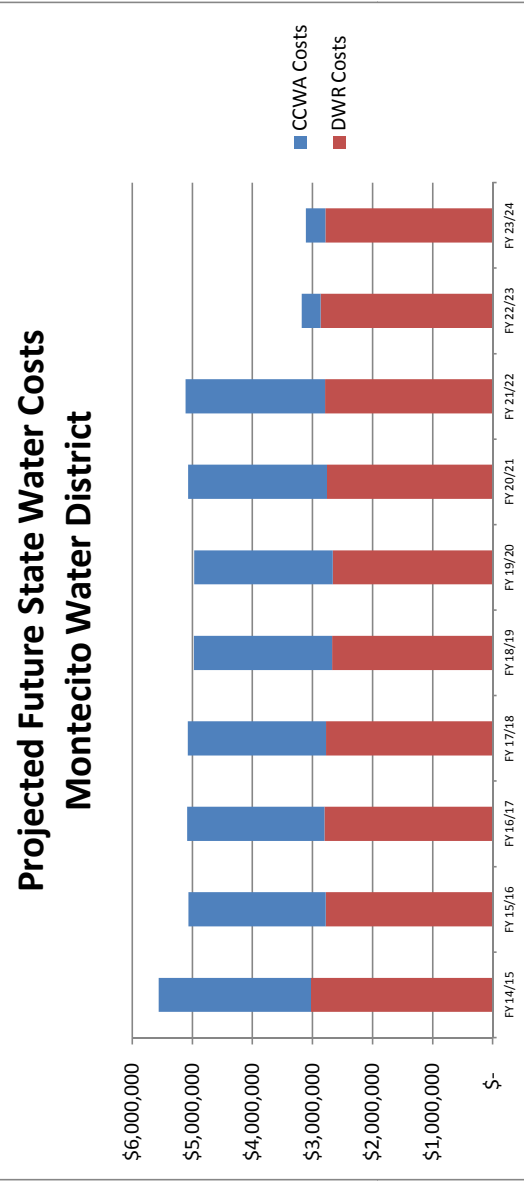
<b>Total Projected State Water Costs</b>	\$ 5,557,896	\$ 5,066,320	\$ 5,087,076	\$ 5,075,453	\$ 4,973,046	\$ 4,970,259	\$ 5,070,883	\$ 5,110,390	\$ 3,179,267	\$ 3,109,306
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Central Coast Water Authority  
**Montecito Water District**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment <sup>(3)</sup>	\$	4,963,901	\$	4,948,203	\$	4,982,683	\$	4,967,928	\$	4,862,295	\$	4,856,187	\$	4,953,388	\$	4,989,370	\$	3,054,617	\$	2,980,916
April 1st Variable Payment <sup>(4)</sup>		329,132		62,037		49,160		50,635		52,154		53,718		55,330		56,990		58,700		60,460
July 1st Variable Payment		184,041		12,594		10,145		10,449		10,763		11,086		11,418		11,761		12,114		12,477
October 1st Variable Payment		6,816		8,575		8,832		9,097		9,370		9,651		9,940		10,238		10,546		10,862
January 1st Variable Payment		74,006		34,912		35,959		37,038		38,149		39,294		40,473		41,687		42,937		44,226

**NOTES**

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed and variable costs based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2014/15 fixed payment is paid on June 1, 2014).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



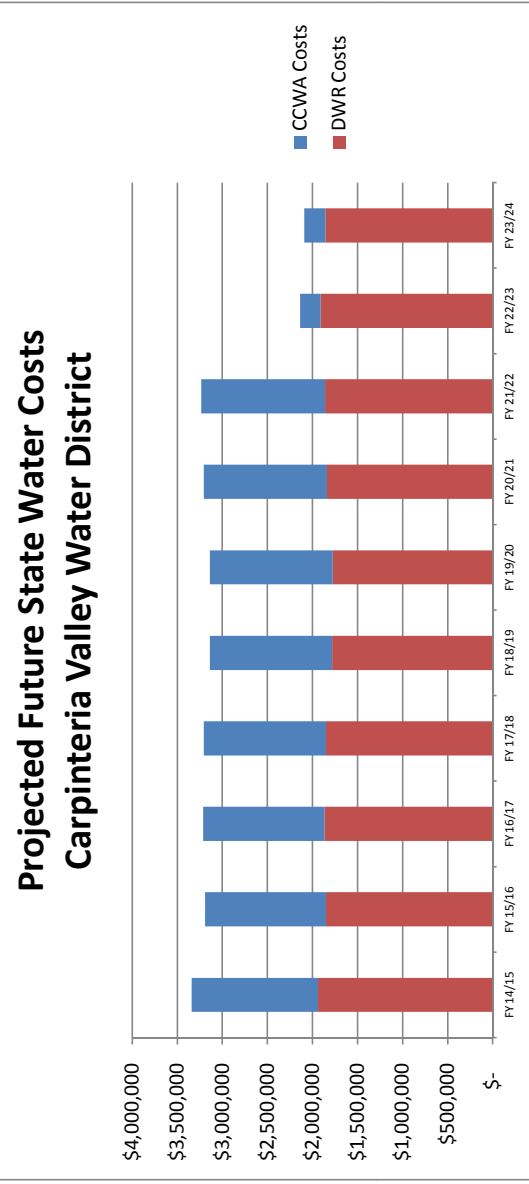
Central Coast Water Authority  
**Carpinteria Valley Water District**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	300	0	0	0	0	0	0	0	0	0
Table A Water Deliveries-2nd Quarter	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Table A Water Deliveries-3rd Quarter	(0)	1	1	1	1	1	1	1	1	1
Table A Water Deliveries-4th Quarter	(1)	1	1	1	1	1	1	1	1	1
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>299</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	225	225	194	194	194	194	194	194	194	194
Exchange Deliveries-2nd Quarter	27	27	40	40	40	40	40	40	40	40
Exchange Deliveries-3rd Quarter	14	36	36	36	36	36	36	36	36	36
Exchange Deliveries-4th Quarter	147	141	141	141	141	141	141	141	141	141
<b>Total FY Exchange Deliveries (acre-feet)</b>	<b>413</b>	<b>429</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>
CCWA Variable Cost per AF Assumptions	\$ 155	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 202
DWR Variable Cost per AF Assumptions	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180	\$ 185	\$ 191	\$ 197	\$ 203	\$ 209
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 179,427	\$ 184,809	\$ 190,354	\$ 196,064	\$ 201,946	\$ 208,005	\$ 214,245	\$ 220,672	\$ 227,292	\$ 234,111
CCWA Variable O&M Costs <sup>(2)</sup>	63,976	-	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	1,158,974	1,158,355	1,157,270	1,160,708	1,155,532	1,154,611	1,153,211	1,151,723	-	-
Subtotal: CCWA Costs	1,402,376	1,343,164	1,347,623	1,356,772	1,357,478	1,362,616	1,367,456	1,372,395	227,292	234,111
<b>DWR Costs</b>										
Transportation Capital	971,512	962,948	962,769	959,970	955,380	953,622	953,194	952,909	952,699	952,568
Coastal Branch Extension	233,243	263,907	257,386	236,272	175,989	145,090	207,382	213,870	254,729	185,034
Water System Revenue Bond Surcharge	94,067	94,903	93,622	91,197	76,564	90,605	79,042	81,893	77,228	80,109
Transportation Minimum OMP&R	393,980	355,513	377,274	378,874	382,662	386,489	390,355	394,257	398,200	402,182
Delta Water Charge	97,946	100,615	105,982	111,617	117,534	123,747	130,270	137,119	144,311	151,863
DWR Variable Costs <sup>(6)</sup>	148,998	71,029	70,104	72,207	74,374	76,605	78,903	81,270	83,708	86,219
Subtotal: DWR Costs	\$ 1,939,746	\$ 1,848,914	\$ 1,867,138	\$ 1,850,137	\$ 1,782,503	\$ 1,776,158	\$ 1,839,145	\$ 1,861,319	\$ 1,910,875	\$ 1,857,975
DWR Future Capital Projects (BDCP) <sup>(5)</sup>										
<b>Total Projected State Water Costs</b>	<b>\$ 3,342,122</b>	<b>\$ 3,192,078</b>	<b>\$ 3,214,761</b>	<b>\$ 3,206,910</b>	<b>\$ 3,139,981</b>	<b>\$ 3,138,774</b>	<b>\$ 3,206,601</b>	<b>\$ 3,233,714</b>	<b>\$ 2,138,167</b>	<b>\$ 2,092,086</b>

Central Coast Water Authority  
**Carpinteria Valley Water District**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																					
June 1st Fixed Payment <sup>(3)</sup>	\$	3,129,148	\$	3,121,049	\$	3,144,657	\$	3,134,702	\$	3,065,607	\$	3,062,169	\$	3,127,698	\$	3,152,444	\$	2,054,459	\$	2,005,867	
April 1st Variable Payment <sup>(4)</sup>		157,038		37,138		32,996		33,986		35,006		36,056		37,138		38,252		39,399		40,581	
July 1st Variable Payment		8,076		4,392		6,763		6,966		7,175		7,391		7,612		7,841		8,076		8,318	
October 1st Variable Payment		4,188		6,257		6,445		6,639		6,838		7,043		7,254		7,472		7,696		7,927	
January 1st Variable Payment		43,672		23,491		24,196		24,922		25,669		26,439		27,233		28,050		28,891		29,758	

NOTES  
 (1) Actual water delivery requests for the first four years and delivery estimates thereafter.  
 (2) CCWA fixed and variable costs based on a 3% inflation factor.  
 (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2014/15 fixed payment is paid on June 1, 2014).  
 (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.  
 (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.  
 (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.



Central Coast Water Authority  
**Chorro Valley Turnout**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	599	599	726	726	726	726	726	726	726	726
Table A Water Deliveries-2nd Quarter	485	485	472	472	472	472	472	472	472	472
Table A Water Deliveries-3rd Quarter	532	490	490	490	490	490	490	490	490	490
Table A Water Deliveries-4th Quarter	559	650	650	650	650	650	650	650	650	650
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>2,175</b>	<b>2,224</b>	<b>2,338</b>	<b>2,338</b>	<b>2,338</b>	<b>2,338</b>	<b>2,338</b>	<b>2,338</b>	<b>2,338</b>	<b>2,338</b>

CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
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<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 202,940	\$ 209,028	\$ 215,299	\$ 221,758	\$ 228,410	\$ 235,263	\$ 242,320	\$ 249,590	\$ 257,078	\$ 264,790
CCWA Variable O&M Costs <sup>(2)</sup>	72,014	74,372	80,529	82,945	85,434	87,997	90,637	93,356	96,156	99,041
CCWA Bond Payments & O&M Credits	1,025,633	1,036,647	1,035,676	1,038,753	1,034,121	1,033,297	1,032,044	1,030,712	-	-
Subtotal: CCWA Costs	\$ 1,300,587	\$ 1,320,047	\$ 1,331,504	\$ 1,343,456	\$ 1,347,965	\$ 1,356,556	\$ 1,365,001	\$ 1,373,658	\$ 353,234	\$ 363,831

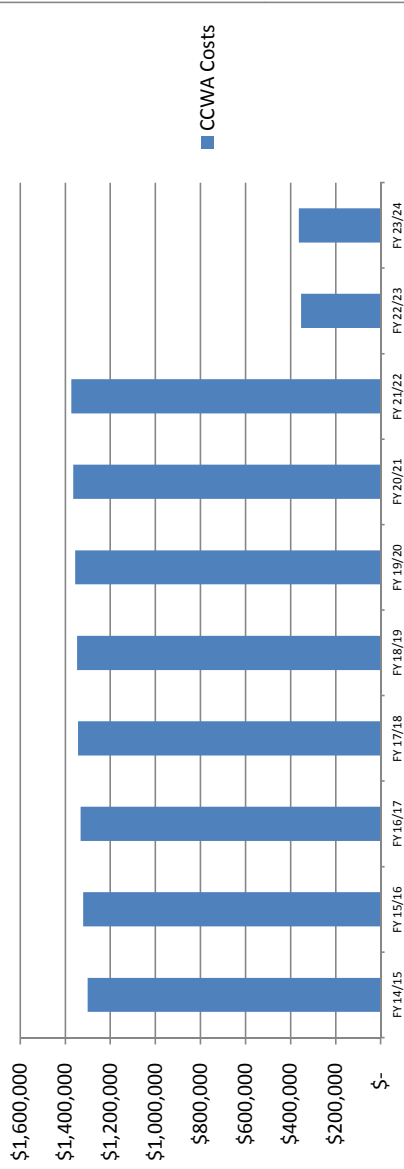
<b>Total Projected State Water Costs</b>	\$ 1,300,587	\$ 1,320,047	\$ 1,331,504	\$ 1,343,456	\$ 1,347,965	\$ 1,356,556	\$ 1,365,001	\$ 1,373,658	\$ 353,234	\$ 363,831
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Central Coast Water Authority  
**Chorro Valley Turnout**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>	
June 1st Fixed Payment <sup>(3)</sup>	\$ 1,228,573
April 1st Variable Payment <sup>(4)</sup>	19,816
July 1st Variable Payment	16,073
October 1st Variable Payment	17,624
January 1st Variable Payment	18,501
	\$ 1,245,675
	20,017
	16,235
	16,391
	21,729
	\$ 1,250,975
	25,010
	16,256
	16,883
	22,381
	\$ 1,260,511
	25,760
	16,743
	17,389
	23,053
	\$ 1,262,531
	26,533
	17,246
	17,911
	23,744
	\$ 1,268,559
	27,329
	17,763
	18,448
	24,457
	\$ 1,274,364
	28,149
	18,296
	19,002
	25,190
	\$ 1,280,302
	28,993
	18,845
	19,572
	25,946
	\$ 1,286,559
	29,863
	19,410
	20,159
	26,724
	\$ 1,293,302
	30,759
	19,993
	20,764
	27,526

NOTES  
 (1) Actual water delivery requests for the first four years and delivery estimates thereafter.  
 (2) CCWA fixed and variable costs based on a 3% inflation factor.  
 (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).  
 (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.  
 (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.

**Projected Future State Water Costs  
 Chorro Valley Turnout (SLO County)**



Central Coast Water Authority

**Lopez Turnout**

State Water Cost Ten-Year Projections  
Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter	577	551	524	556	556	556	556	556	556	556
Table A Water Deliveries-2nd Quarter	527	543	528	546	546	546	546	546	546	546
Table A Water Deliveries-3rd Quarter	511	491	516	517	517	517	517	517	517	517
Table A Water Deliveries-4th Quarter	566	543	571	574	574	574	574	574	574	574
<b>Total FY Table A Deliveries (acre-feet)</b>	<b>2,181</b>	<b>2,128</b>	<b>2,140</b>	<b>2,192</b>	<b>2,192</b>	<b>2,192</b>	<b>2,192</b>	<b>2,192</b>	<b>2,192</b>	<b>2,192</b>

CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 221,207	\$ 227,843	\$ 234,678	\$ 241,718	\$ 248,970	\$ 256,439	\$ 264,132	\$ 272,056	\$ 280,218	\$ 288,624
CCWA Variable O&M Costs <sup>(2)</sup>	72,225	71,157	73,715	77,778	80,112	82,515	84,990	87,540	90,166	92,871
CCWA Bond Payments & O&M Credits	276,610	268,055	267,804	268,600	267,402	267,189	266,865	266,521	-	-
Subtotal: CCWA Costs	\$ 570,041	\$ 567,055	\$ 576,197	\$ 588,097	\$ 596,484	\$ 606,143	\$ 615,988	\$ 626,117	\$ 370,384	\$ 381,496

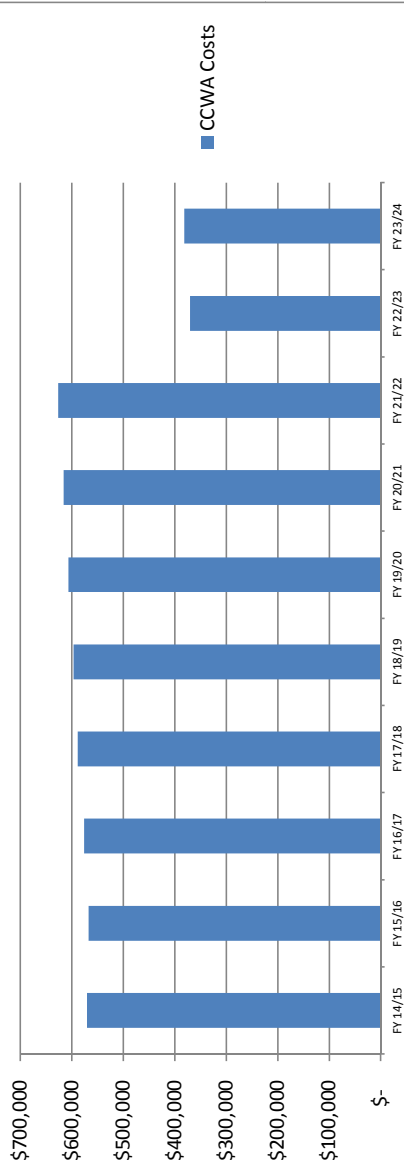
<b>Total Projected State Water Costs</b>	\$ 570,041	\$ 567,055	\$ 576,197	\$ 588,097	\$ 596,484	\$ 606,143	\$ 615,988	\$ 626,117	\$ 370,384	\$ 381,496
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Central Coast Water Authority  
**Lopez Turnout**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>	
June 1st Fixed Payment <sup>(3)</sup>	\$ 497,816
April 1st Variable Payment <sup>(4)</sup>	19,114
July 1st Variable Payment	17,459
October 1st Variable Payment	16,921
January 1st Variable Payment	18,731
	\$ 502,482
	18,059
	18,197
	17,773
	19,686
	\$ 510,318
	19,710
	19,365
	18,343
	20,361
	\$ 516,372
	20,301
	19,946
	18,893
	20,972
	\$ 523,628
	20,910
	20,544
	19,460
	21,601
	\$ 530,997
	21,537
	21,161
	20,044
	22,249
	\$ 538,577
	22,183
	21,796
	20,645
	22,916
	\$ 280,218
	22,849
	22,449
	21,264
	23,604
	\$ 288,624
	23,534
	23,123
	21,902
	24,312

NOTES  
 (1) Actual water delivery requests for the first four years and delivery estimates thereafter.  
 (2) CCWA fixed and variable costs based on a 3% inflation factor.  
 (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).  
 (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.  
 (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.

**Projected Future State Water Costs  
 Lopez Turnout (SLO County)**





Central Coast Water Authority

**Shandon**

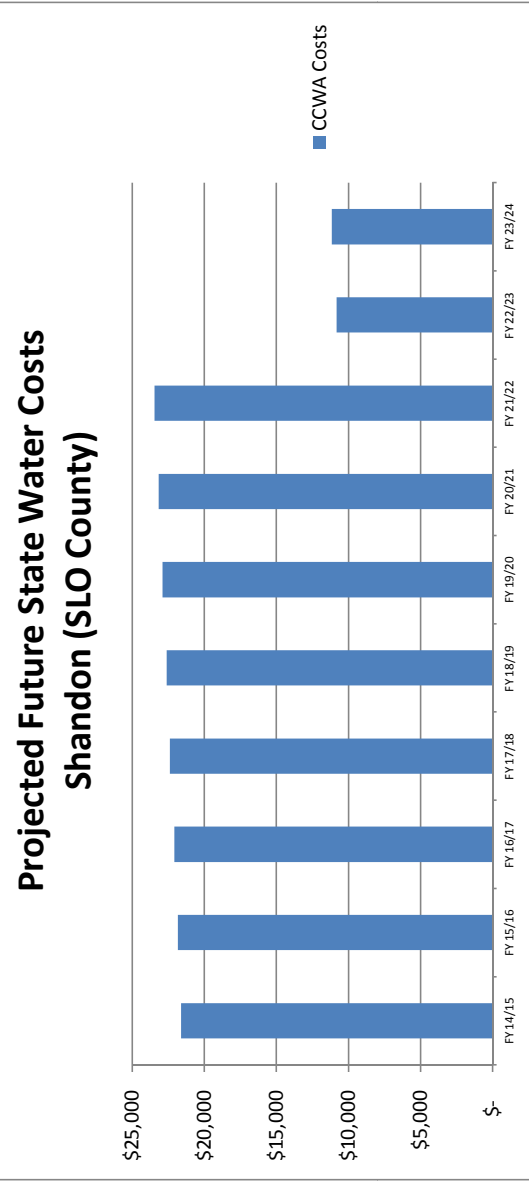
State Water Cost Ten-Year Projections  
Fiscal Year 2014/15 Budget

<b>Water Deliveries-Fiscal Year Basis (AF) <sup>(1)</sup></b>	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Table A Water Deliveries-1st Quarter										
Table A Water Deliveries-2nd Quarter										
Table A Water Deliveries-3rd Quarter										
Table A Water Deliveries-4th Quarter										
Total FY Table A Deliveries (acre-feet)	-	-	-	-	-	-	-	-	-	-
CCWA Variable Cost per AF Assumptions	\$ 32	\$ 33	\$ 34	\$ 35	\$ 37	\$ 38	\$ 39	\$ 40	\$ 41	\$ 42
<b>CCWA Costs</b>										
CCWA Fixed O&M Costs <sup>(2)</sup>	\$ 8,556	\$ 8,813	\$ 9,077	\$ 9,349	\$ 9,630	\$ 9,919	\$ 10,216	\$ 10,523	\$ 10,839	\$ 11,164
CCWA Variable O&M Costs <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-
CCWA Bond Payments & O&M Credits	13,045	13,013	13,001	13,039	12,981	12,971	12,955	12,938	-	-
Subtotal: CCWA Costs	\$ 21,601	\$ 21,826	\$ 22,078	\$ 22,389	\$ 22,611	\$ 22,890	\$ 23,171	\$ 23,461	\$ 23,461	\$ 23,461
<b>Total Projected State Water Costs</b>	\$ 21,601	\$ 21,826	\$ 22,078	\$ 22,389	\$ 22,611	\$ 22,890	\$ 23,171	\$ 23,461	\$ 23,461	\$ 23,461

Central Coast Water Authority  
**Shandon**  
 State Water Cost Ten-Year Projections  
 Fiscal Year 2014/15 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment <sup>(3)</sup>	\$	21,601	\$	22,078	\$	22,389	\$	22,611	\$	22,890	\$	23,171	\$	23,461	\$	10,839	\$	11,164		
April 1st Variable Payment <sup>(4)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July 1st Variable Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October 1st Variable Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
January 1st Variable Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES  
 (1) Actual water delivery requests for the first four years and delivery estimates thereafter.  
 (2) CCWA fixed and variable costs based on a 3% inflation factor.  
 (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2013/14 fixed payment is paid on June 1, 2013).  
 (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.  
 (5) Estimated future BDCP costs and other DWR capital projects are not included in these estimates pending further clarification of BDCP costs.



Central Coast Water Authority  
**CCWA Fixed Costs**  
 Ten-Year Financial Plan Projections  
 FY 2014/15 Budget

Allocation Percentage	Base Year									
	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Base Fixed O&M Costs	6,740,703	6,740,703	6,942,924	7,151,212	7,365,748	7,586,720	7,814,322	8,048,752	8,290,214	8,538,921
Inflation Factor		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Projected Fixed O&M	6,740,703	6,942,924	7,151,212	7,365,748	7,586,720	7,814,322	8,048,752	8,290,214	8,538,921	8,795,088
Capital Improvement Projects	-	-	-	-	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CCWA FIXED COSTS</b>	<b>6,740,703</b>	<b>6,942,924</b>	<b>7,151,212</b>	<b>7,365,748</b>	<b>7,586,720</b>	<b>7,814,322</b>	<b>8,048,752</b>	<b>8,290,214</b>	<b>8,538,921</b>	<b>8,795,088</b>
Guadalupe	1.41%	95,365	98,226	101,173	104,208	107,335	113,871	117,287	120,806	124,430
Santa Maria	41.92%	2,825,720	2,910,492	2,997,807	3,087,741	3,180,373	3,374,058	3,475,280	3,579,538	3,686,924
Golden State Water	1.36%	91,407	94,149	96,974	99,883	102,880	109,145	112,419	115,792	119,266
Vandenber AFB	15.58%	1,050,380	1,081,892	1,114,349	1,147,779	1,182,212	1,254,209	1,291,835	1,330,591	1,370,508
Buellton	1.90%	128,191	132,036	135,998	140,078	144,280	153,066	157,658	162,388	167,260
Santa Ynez (Solvang)	4.85%	327,208	337,024	347,135	357,549	368,275	390,703	402,424	414,497	426,932
Santa Ynez	9.09%	612,680	631,060	649,992	669,491	689,576	731,571	753,519	776,124	799,408
Goleta	5.89%	397,119	409,033	421,303	433,943	446,961	474,181	488,406	503,058	518,150
Morehart Land Co.	0.22%	14,910	15,357	15,818	16,292	16,781	17,803	18,337	18,887	19,454
La Cumbre	1.19%	79,906	82,303	84,772	87,316	89,935	95,412	98,274	101,223	104,259
Raytheon	0.05%	3,587	3,695	3,806	3,920	4,037	4,283	4,412	4,544	4,681
Santa Barbara	3.77%	254,332	261,962	269,820	277,915	286,253	303,685	312,796	322,180	331,845
Montecito	3.68%	247,769	255,202	262,858	270,744	278,866	295,849	304,725	313,866	323,282
Carpinteria	2.66%	179,427	184,809	190,354	196,064	201,946	214,245	220,672	227,292	234,111
Shandon	0.13%	8,556	8,813	9,077	9,349	9,630	10,216	10,523	10,839	11,164
Chorro Valley	3.01%	202,940	209,028	215,299	221,758	228,410	242,320	249,590	257,078	264,790
Lopez	3.28%	221,207	227,843	234,678	241,718	248,970	264,132	272,056	280,218	288,624
<b>Total:</b>	<b>100.00%</b>	<b>6,740,703</b>	<b>6,942,924</b>	<b>7,151,212</b>	<b>7,365,748</b>	<b>7,586,720</b>	<b>7,814,322</b>	<b>8,048,752</b>	<b>8,290,214</b>	<b>8,538,921</b>

Central Coast Water Authority  
**CCWA & DWR Variable Cost Projections**  
 Ten-Year Financial Plan Projections  
 FY 2014/15 Budget

Base Year	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
CCWA Variable Costs/AF-North County	32	32	33	34	35	37	38	39	40	41
Inflation Factor		3%	3%	3%	3%	3%	3%	3%	3%	3%
Projected CCWA Variable \$/AF-North County	32	33	34	35	37	38	39	40	41	42
CCWA Variable Costs/AF-South County	155	155	160	165	170	175	180	185	191	197
Inflation Factor		3%	3%	3%	3%	3%	3%	3%	3%	3%
Projected CCWA Variable \$/AF-South County	155	160	165	170	175	180	185	191	197	202
Estimated DWR Variable \$/AF	160	160	165	170	175	180	185	191	197	203
Inflation Factor		3%	3%	3%	3%	3%	3%	3%	3%	3%
Projected DWR Variable \$/AF	160	165	170	175	180	185	191	197	203	209

Central Coast Water Authority  
**CCWA Bond Debt**  
 Ten-Year Financial Plan Projections  
 FY 2014/15 Budget

	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Principal Payment	8,010,000	8,405,000	8,825,000	9,265,000	9,640,000	10,125,000	10,630,000	11,160,000	-	-
Interest Payment	3,510,100	3,099,725	2,668,975	2,263,050	1,836,750	1,342,625	823,750	279,000	-	-
Other Costs (Credits)	(11,597)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-	-
<b>TOTAL DEBT SERVICE PAYMENTS</b>	<b>11,508,503</b>	<b>11,479,725</b>	<b>11,468,975</b>	<b>11,503,050</b>	<b>11,451,750</b>	<b>11,442,625</b>	<b>11,428,750</b>	<b>11,414,000</b>	-	-
Guadalupe	163,959	163,551	163,398	163,883	163,152	163,022	162,825	162,614	-	-
Santa Maria	-	-	-	-	-	-	-	-	-	-
Golden State Water	-	-	-	-	-	-	-	-	-	-
Vandenberg AFB	-	-	-	-	-	-	-	-	-	-
Buellton	290,452	289,720	289,448	290,308	289,014	288,783	288,433	288,061	-	-
Santa Ynez (Solvang)	891,953	889,725	888,891	891,532	887,556	886,849	885,774	884,631	-	-
Santa Ynez	334,976	334,139	333,826	334,818	333,325	333,059	332,655	332,226	-	-
Goleta	2,811,270	2,804,246	2,801,620	2,809,944	2,797,412	2,795,183	2,791,794	2,788,191	-	-
Morehart Land Co.	129,096	128,774	128,653	129,035	128,460	128,358	128,202	128,036	-	-
La Cumbre	618,054	616,515	615,937	617,767	615,012	614,522	613,777	612,985	-	-
Raytheon	27,021	26,956	26,931	27,011	26,891	26,869	26,837	26,802	-	-
Santa Barbara	1,728,216	1,723,858	1,722,243	1,727,360	1,719,657	1,718,287	1,716,203	1,713,988	-	-
Montecito	2,031,231	2,026,173	2,024,275	2,030,290	2,021,235	2,019,625	2,017,176	2,014,572	-	-
Carpinteria	1,161,283	1,158,355	1,157,270	1,160,708	1,155,532	1,154,611	1,153,211	1,151,723	-	-
Shandon	13,045	13,013	13,001	13,039	12,981	12,971	12,955	12,938	-	-
Chorro Valley	1,039,224	1,036,647	1,035,676	1,038,753	1,034,121	1,033,297	1,032,044	1,030,712	-	-
Lopez	268,722	268,055	267,804	268,600	267,402	267,189	266,865	266,521	-	-
<b>Total:</b>	<b>11,508,503</b>	<b>11,479,725</b>	<b>11,468,975</b>	<b>11,503,050</b>	<b>11,451,750</b>	<b>11,442,625</b>	<b>11,428,750</b>	<b>11,414,000</b>	-	-

Central Coast Water Authority  
**DWR Transportation Capital Charges**  
 Ten-Year Financial Plan Projections  
 FY 2014/15 Budget

	Allocation									
	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Percentage										
Current Year Charges	22,607,004	22,620,910	22,617,425	22,562,664	22,472,870	22,438,481	22,430,099	22,424,536	22,420,425	22,417,867
Rate Management Credits	(2,837,351)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)
(Over)/Under Payment	(762,477)	(762,477)	(762,477)	(762,477)	(762,477)	(762,477)	(762,477)	(762,477)	(762,477)	(762,477)
Miscellaneous Charges/(Credits)	(1,834)	-	-	-	-	-	-	-	-	-
<b>TOTAL PAYMENTS</b>	<b>19,005,342</b>	<b>18,837,808</b>	<b>18,834,323</b>	<b>18,779,562</b>	<b>18,689,768</b>	<b>18,655,379</b>	<b>18,646,997</b>	<b>18,641,434</b>	<b>18,637,323</b>	<b>18,634,765</b>
Guadalupe	267,166	264,811	264,762	263,992	262,730	262,246	262,128	262,050	261,992	261,956
Santa Maria	7,869,243	7,799,875	7,798,432	7,775,758	7,738,579	7,724,340	7,720,869	7,718,566	7,716,863	7,715,804
Golden State Water	242,878	240,737	240,692	239,993	238,845	238,406	238,298	238,227	238,175	238,142
Vandenber AFB	2,671,657	2,648,106	2,647,616	2,639,918	2,627,295	2,622,461	2,621,283	2,620,501	2,619,923	2,619,563
Buellton	280,767	278,292	278,240	277,431	276,105	275,597	275,473	275,391	275,330	275,292
Santa Ynez (Solvang)	721,919	715,555	715,423	713,343	709,932	708,626	708,308	708,096	707,940	707,843
Santa Ynez	249,592	247,392	247,346	246,627	245,448	244,996	244,886	244,813	244,759	244,726
Goleta	2,208,879	2,189,408	2,189,003	2,182,638	2,172,202	2,168,205	2,167,231	2,166,584	2,166,107	2,165,809
Morehart Land Co.	97,151	96,295	96,277	95,997	95,538	95,362	95,319	95,291	95,270	95,257
La Cumbre	485,756	481,474	481,385	479,985	477,690	476,811	476,597	476,455	476,350	476,284
Raytheon	24,288	24,074	24,069	23,999	23,885	23,841	23,830	23,823	23,817	23,814
Santa Barbara	1,457,267	1,444,421	1,444,154	1,439,955	1,433,070	1,430,433	1,429,791	1,429,364	1,429,049	1,428,853
Montecito	1,457,267	1,444,421	1,444,154	1,439,955	1,433,070	1,430,433	1,429,791	1,429,364	1,429,049	1,428,853
Carpinteria	971,512	962,948	962,769	959,970	955,380	953,622	953,194	952,909	952,699	952,568
<b>Total:</b>	<b>19,005,342</b>	<b>18,837,808</b>	<b>18,834,323</b>	<b>18,779,562</b>	<b>18,689,768</b>	<b>18,655,379</b>	<b>18,646,997</b>	<b>18,641,434</b>	<b>18,637,323</b>	<b>18,634,765</b>

Central Coast Water Authority  
**DWR Coastal Branch Extension**  
 Ten-Year Financial Plan Projections  
 FY 2014/15 Budget

Allocation	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Principal	2,106,191	2,491,801	2,518,121	2,400,429	1,680,036	1,094,050	1,926,820	2,090,831	2,871,956	2,073,397
Interest	1,256,111	1,188,633	1,130,979	1,050,493	978,644	929,773	880,298	817,422	736,347	643,911
Bond Cover	888,777	923,399	897,564	772,682	591,422	610,053	722,281	824,704	802,256	689,692
Return of Prior Year Cover	(784,401)	(888,777)	(923,399)	(897,564)	(772,682)	(591,422)	(610,053)	(722,281)	(824,704)	(802,256)
Other Charges/(Credits)	(183,274)	-	-	-	-	-	-	-	-	-
<b>TOTAL PAYMENTS</b>	<b>3,283,404</b>	<b>3,715,055</b>	<b>3,623,265</b>	<b>3,326,040</b>	<b>2,477,421</b>	<b>2,042,454</b>	<b>2,919,347</b>	<b>3,010,675</b>	<b>3,585,856</b>	<b>2,604,745</b>
Guadalupe	-	-	-	-	-	-	-	-	-	-
Santa Maria	715,695	809,783	789,776	724,988	540,012	445,201	636,340	656,247	781,621	567,765
Golden State Water	22,089	24,993	24,376	22,376	16,667	13,741	19,640	20,255	24,124	17,524
Vandenber AFB	641,420	725,744	707,812	649,749	483,969	398,997	570,300	588,142	700,504	508,842
Buellton	67,407	76,269	74,385	68,283	50,861	41,931	59,933	61,808	73,617	53,475
Santa Ynez (Solvang)	174,933	197,930	193,040	177,204	131,992	108,817	155,536	160,402	191,047	138,775
Santa Ynez	58,311	65,977	64,347	59,068	43,997	36,272	51,845	53,467	63,682	46,258
Goleta	524,798	593,790	579,119	531,613	395,975	326,452	466,609	481,207	573,140	416,325
Morehart Land Co.	23,324	26,391	25,739	23,627	17,599	14,509	20,738	21,387	25,473	18,503
La Cumbre	116,622	131,953	128,693	118,136	87,994	72,545	103,691	106,935	127,364	92,517
Raytheon	5,831	6,598	6,435	5,907	4,400	3,627	5,185	5,347	6,368	4,626
Santa Barbara	349,865	395,860	386,079	354,408	263,983	217,635	311,073	320,805	382,093	277,550
Montecito	349,865	395,860	386,079	354,408	263,983	217,635	311,073	320,805	382,093	277,550
Carpinteria	233,243	263,907	257,386	236,272	175,989	145,090	207,382	213,870	254,729	185,034
<b>Total:</b>	<b>3,283,404</b>	<b>3,715,055</b>	<b>3,623,265</b>	<b>3,326,040</b>	<b>2,477,421</b>	<b>2,042,454</b>	<b>2,919,347</b>	<b>3,010,675</b>	<b>3,585,856</b>	<b>2,604,745</b>

Central Coast Water Authority  
**DWR Water System Revenue Bond Surcharge**  
 Ten-Year Financial Plan Projections  
 FY 2014/15 Budget

	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Allocation Percentage										
WSRB Charge	2,979,673	3,100,944	3,125,298	3,087,261	2,781,909	2,934,759	2,768,440	2,756,716	2,659,521	2,676,730
Return of Prior Year Cover(41%)	(1,116,956)	(1,221,666)	(1,271,387)	(1,281,372)	(1,265,777)	(1,140,583)	(1,203,251)	(1,135,060)	(1,130,254)	(1,090,404)
Other Charges/(Credits)	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PAYMENTS</b>	<b>1,862,717</b>	<b>1,879,278</b>	<b>1,853,911</b>	<b>1,805,889</b>	<b>1,516,132</b>	<b>1,794,176</b>	<b>1,565,189</b>	<b>1,621,656</b>	<b>1,529,267</b>	<b>1,586,326</b>
Guadalupe	1.39%	25,868	26,098	25,746	25,079	21,055	21,736	22,521	21,238	22,030
Santa Maria	40.90%	761,941	768,715	758,339	738,695	620,171	640,237	663,335	625,544	648,884
Golden State Water	1.26%	23,517	23,726	23,406	22,799	19,141	19,760	20,473	19,307	20,027
Vandenberg AFB	13.89%	258,684	260,983	257,461	250,792	210,552	217,365	225,206	212,376	220,300
Buellton	1.46%	27,185	27,427	27,057	26,356	22,127	22,843	23,667	22,319	23,152
Santa Ynez (Solvang)	3.69%	68,673	69,284	68,349	66,578	55,896	57,704	59,786	56,380	58,484
Santa Ynez	1.36%	25,393	25,619	25,273	24,619	20,669	21,337	22,107	20,848	21,625
Goleta	12.69%	236,397	238,499	235,280	229,185	192,412	198,638	205,804	194,079	201,320
Morehart Land Co.	0.50%	9,407	9,490	9,362	9,120	7,656	7,904	8,189	7,723	8,011
La Cumbre	2.52%	47,033	47,452	46,811	45,598	38,282	39,521	40,947	38,614	40,055
Raytheon	0.13%	2,352	2,373	2,341	2,280	1,914	1,976	2,047	1,931	2,003
Santa Barbara	7.57%	141,100	142,355	140,433	136,795	114,846	118,562	122,840	115,841	120,164
Montecito	7.57%	141,100	142,355	140,433	136,795	114,846	118,562	122,840	115,841	120,164
Carpinteria	5.05%	94,067	94,903	93,622	91,197	76,564	79,042	81,893	77,228	80,109
<b>Total:</b>	<b>100.00%</b>	<b>1,862,717</b>	<b>1,879,278</b>	<b>1,853,911</b>	<b>1,805,889</b>	<b>1,516,132</b>	<b>1,565,189</b>	<b>1,621,656</b>	<b>1,529,267</b>	<b>1,586,326</b>



Central Coast Water Authority  
**DWR Transportation Minimum OMP&R**

Ten-Year Financial Plan Projections  
 FY 2014/15 Budget

Allocation	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Percentage										
Current Year Charges	7,420,541	7,052,319	7,483,991	7,515,729	7,590,887	7,666,796	7,743,483	7,820,898	7,899,107	7,978,098
(Over)/Under Payment	501,887	-	-	-	-	-	-	-	-	-
BDCP/DHCCP-Non-Construction	23,985	-	-	-	-	-	-	-	-	-
Miscellaneous Charges/(Credits)	(158,841)	-	-	-	-	-	-	-	-	-
<b>TOTAL PAYMENTS</b>	<b>7,787,572</b>	<b>7,052,319</b>	<b>7,483,991</b>	<b>7,515,729</b>	<b>7,590,887</b>	<b>7,666,796</b>	<b>7,743,483</b>	<b>7,820,898</b>	<b>7,899,107</b>	<b>7,978,098</b>
Guadalupe	114,760	97,766	103,750	104,190	105,232	106,284	107,348	108,421	109,505	110,600
Santa Maria	3,169,963	2,879,654	3,055,917	3,068,877	3,099,566	3,130,561	3,161,875	3,193,485	3,225,420	3,257,675
Golden State Water	99,539	88,878	94,318	94,718	95,666	96,622	97,589	98,564	99,550	100,546
Vandenberg AFB	1,066,513	977,660	1,037,503	1,041,903	1,052,322	1,062,845	1,073,476	1,084,208	1,095,050	1,106,001
Buellton	112,635	102,743	109,032	109,494	110,589	111,695	112,813	113,940	115,080	116,231
Santa Ynez (Solvang)	280,906	258,465	274,286	275,449	278,204	280,986	283,796	286,634	289,500	292,395
Santa Ynez	106,187	97,047	102,988	103,424	104,459	105,503	106,559	107,624	108,700	109,787
Goleta	1,014,600	905,858	961,306	965,382	975,036	984,787	994,637	1,004,581	1,014,626	1,024,773
Morehart Land Co.	37,949	35,551	37,727	37,887	38,266	38,649	39,035	39,426	39,820	40,218
La Cumbre	194,252	177,756	188,637	189,437	191,331	193,245	195,177	197,129	199,100	201,091
Raytheon	10,579	8,888	9,432	9,472	9,567	9,662	9,759	9,856	9,955	10,055
Santa Barbara	592,854	533,269	565,911	568,310	573,994	579,734	585,532	591,386	597,300	603,273
Montecito	592,854	533,269	565,911	568,310	573,994	579,734	585,532	591,386	597,300	603,273
Carpinteria	393,980	355,513	377,274	378,874	382,662	386,489	390,355	394,257	398,200	402,182
<b>Total:</b>	<b>7,787,572</b>	<b>7,052,319</b>	<b>7,483,991</b>	<b>7,515,729</b>	<b>7,590,887</b>	<b>7,666,796</b>	<b>7,743,483</b>	<b>7,820,898</b>	<b>7,899,107</b>	<b>7,978,098</b>

Central Coast Water Authority  
**DWR Delta Water Charge**  
 Ten-Year Financial Plan Projections  
 FY 2014/15 Budget

		Table A & Drought									
Table A & Drought Buffer		FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Delta Water Charge \$/AF-Base		\$ 46 \$	46 \$	49 \$	51 \$	54 \$	56 \$	59 \$	62 \$	65 \$	69 \$
Inflation %		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Projected DWC-Base Charges		\$ 46 \$	49 \$	51 \$	54 \$	56 \$	59 \$	62 \$	65 \$	69 \$	72 \$
Rate Management Credits/AF		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Miscellaneous Charges/(Credits)		-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		\$ 43 \$	46 \$	48 \$	51 \$	53 \$	56 \$	59 \$	62 \$	66 \$	69 \$
605	Guadalupe	1.33%	27,669	29,145	30,695	32,322	34,030	35,824	37,708	39,686	41,762
17,820	Santa Maria	39.18%	814,982	858,453	904,098	952,024	1,002,347	1,055,186	1,110,667	1,168,922	1,230,090
550	Golden State Water	1.21%	24,486	26,495	27,904	29,383	30,937	32,567	34,280	36,078	37,966
6,050	Vandenber AFB	13.30%	269,350	291,450	306,947	323,218	340,303	358,242	377,078	396,856	417,623
636	Buellton	1.40%	28,315	30,638	32,267	33,978	35,774	37,660	39,640	41,719	43,902
1,500	Santa Ynez (Solvang)	3.30%	67,239	72,260	76,102	80,137	84,373	88,820	93,491	98,394	103,543
700	Santa Ynez	1.54%	30,249	33,722	35,514	37,397	39,374	41,450	43,629	45,917	48,320
7,450	Goleta	16.38%	331,652	358,893	377,976	398,012	419,051	441,141	464,336	488,691	514,263
220	Morehart Land Co.	0.48%	9,795	10,598	11,162	11,753	12,375	13,027	13,712	14,431	15,186
1,100	La Cumbre	2.42%	48,973	52,991	55,808	58,767	61,873	65,135	68,560	72,156	75,931
55	Raytheon	0.12%	2,449	2,650	2,790	2,938	3,094	3,257	3,428	3,608	3,797
3,300	Santa Barbara	7.25%	146,918	158,973	167,425	176,301	185,620	195,405	205,679	216,467	227,794
3,300	Montecito	7.25%	146,918	158,973	167,425	176,301	185,620	195,405	205,679	216,467	227,794
2,200	Carpinteria	4.84%	97,946	105,982	111,617	117,534	123,747	130,270	137,119	144,311	151,863
45,486	Total:	100.00%	2,024,583 \$	2,191,224 \$	2,307,732 \$	2,430,066 \$	2,558,516 \$	2,693,389 \$	2,835,006 \$	2,983,704 \$	3,139,836 \$



*Bradbury Dam Bypass Project – April 2014*

## ***Appendix***

**T**he Appendix to the FY 2014/15 Budget contains miscellaneous statistical information on the CCWA and a glossary of terms.

Central Coast Water Authority  
Santa Barbara County Area Description  
Fiscal Year 2014/15 Budget

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**S**anta Barbara County is located on the Pacific coast of the southern portion of the U.S. state of California, just west of Ventura County. The estimated total population of the County as of January 2012 was 427,267 according to the Santa Barbara County website. The county seat is Santa Barbara and the largest city is Santa Maria.

For thousands of years, the area was home to the Chumash tribe of Native Americans, complex hunter-gathers who lived along the coast and in interior valleys leaving rock art in many locations including Painted Cave. European contact had devastating effects on the Chumash Indians, including a series of disease epidemics that drastically reduced Chumash population. The Chumash survived, however, and thousands of Chumash descendants still live in the Santa Barbara area or surrounding counties.

The County has a total area of 3,789 square miles and four of the Channel Islands – San Miguel Island, Anacapa Island, Santa Cruz Island and Santa Rosa Island – are in Santa Barbara County. They form the largest part of the Channel Islands National Park.

Santa Barbara County has a mountainous interior abutting a coastal plains area. The largest concentration of people is on this coastal plain, referred to as the south coast – the part of the county south of the Santa Ynez Mountains – which includes the cities of Santa Barbara, Goleta and Carpinteria, as well as the unincorporated areas of Hope Ranch, Mission Canyon, Montecito and Isla Vista. North of the mountains are the towns of Santa Ynez, Solvang, Buellton, Lompoc; the unincorporated towns of Los Olivos and Ballard; the unincorporated areas of Mission Hills and Vandenberg Village; and Vandenberg Air Force Base, where the Santa Ynez River flows out to the sea. North of the Santa Ynez Valley are the cities of Santa Maria and Guadalupe.

Santa Barbara County, often branded as the American Riviera, is home to a beautiful landscape and great climate for living, playing and working. The County is well known for its strong sense of community, prime agricultural land, award winning wineries, and attractive cultural and tourism opportunities. However, Santa Barbara County also touts its talented and highly skilled workforce, and growing business sectors, from high tech to health care to design. Quality institutions like UC Santa Barbara and Vandenberg Airforce Base continue to attract high quality individuals to the County. It is these attributes that attract and retain businesses in the area.

Central Coast Water Authority  
 Miscellaneous Statistical Information  
 Fiscal Year 2014/15 Budget

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Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	29.50
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2014/15 Santa Barbara County requested deliveries	29,155 acre-feet
San Luis Obispo State water Table A	4,830 acre-feet
FY 2014/15 San Luis Obispo requested deliveries	4,356 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	340,000
San Luis Obispo County	<u>41,000</u>
TOTAL	381,000

Central Coast Water Authority  
Glossary of Terms  
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## A

**Account** - A record of a business transaction; a reckoning of money received or paid.

**Accounting System** - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

**Accrual** - The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

**Acre-Foot of Water** - The volume of water that would cover one acre to a depth of one foot.

**Adoption** - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

**Advance Refunding** - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

**Amortization** - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

**Aqueduct** - A canal for conveying a large amount of water.

**Assets** - Resources owned or held by a government which have monetary value.

## B

**Bond Call** - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

**Budget** - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

Central Coast Water Authority  
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## C

**Capital Improvements** - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

**Capitalized Interest** - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

**Carry-Over** - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are "carried over" into the subsequent fiscal year.

**Coastal Branch Phase II - A** 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

**Coverage** - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

## D

**Debt** - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

**Defeasance** - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

**Deficiency** - A general term indicating the amount by which anything falls short of some requirement of expectation.

**Deficit** - The excess of expenditures over revenues during an accounting period.

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

**Department of Water Resources** - The state agency responsible for financing, constructing and operating State Water Project facilities.

**Depreciation** - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear,

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**Glossary of Terms**  
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deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

**Drought Buffer - A** portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

## **E**

**Enterprise Fund - A** fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

**Entity - The** basic unit upon which accounting and/or financial reporting activities focus.

**Expenditures - A** decrease in net financial resources.

## **F**

**Financing Participant - An** Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

**Financial Reaches - Segments** of the CCWA and DWR pipeline from or through which project participants receive water.

**Fiscal Year - A** twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

**Fixed Asset - Assets** of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

**Fixed O&M Costs - Operating** and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

**Fixed Project Costs - Capital** costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

## **G**

**General Fund - The** Authority's cash balance net of reserve balances.



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## **J**

**Joint Powers Authority** - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

## **L**

**Line Item** - Expenditure classifications established to account for and budget the appropriations approved.

**Water Treatment and Local Facilities Agreements** - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

## **M**

**Maintenance** - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

**Master Water Treatment Agreement** - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

**Modified Accrual Basis** - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

**Monterey Agreement** - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

**MOU Trust Fund** - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

**Municipal** - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

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## O

**Obligations** - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

**Off Aqueduct Charge** - Bond debt service, cover and reserves for transmission costs allocated to DWR off-aqueduct power facilities (power cost which includes both fixed and variable cost elements.)

**Operating Expenses**- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

## P

**Pass-Through Charges** - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

**Polonio Pass Water Treatment Plant** - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

**Projected** - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

**Project Participant** - Each entity which has executed a Water Supply Agreement with the Authority.

**Proprietary Fund** - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

## R

**Rate Management Funds Credit** - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

**Reach** - see "Financial Reach"

**Regional Water Treatment Plant Allocation** - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

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**Reserves** - A budgeted amount to be set aside in an account for future use.

**Resolution** - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

**Revenue** - An inflow of assets, not necessarily in cash, in exchange for services rendered.

**Revenue Bond** - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

**Right of Way** - A legal right of passage over another person's ground.

## S

**Santa Ynez Exchange Agreement** - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

**SCADA System** - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

**State Water Project** - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

## T

**Table A Amount** - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

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**Table A Reduction** - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

**Transportation Capital Costs** - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

**Transportation Charge - Minimum Operation, Maintenance, Power and Replacement (OMP&R) - Operating** costs incurred by DWR that do not depend on or vary with quantities of water delivered to the Authority.

**Turnback Pool Reduction** - Elections by project participants to "turnback" a portion of their State water in a given year.

**Turnout** - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

**Variable O&M Charges** - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

**Warren Act Charges** - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

**Water Supply Agreement** - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

**Water System Revenue Bond Surcharge** - The surcharge is the difference between the total project charges collected at the project interest rate for a project and the annual financing costs of the water system revenue bonds issued for that project. Project interest rate is the melded financing costs for projects not financed with water system revenue bonds.

## **THE STATE WATER PROJECT IN SANTA BARBARA COUNTY**

### **Introduction**

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

### **History of the State Water Project**

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).

Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

## **The State Water Project in Santa Barbara County**

### *The Early Years*

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

### *The 1980's and 1990's*

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report, needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.



## **The Central Coast Water Authority**

### *Early Activities*

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water. Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Southern California Water Company, La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch

Phase II project, which extends from northwest Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

### *Project Financing, Development and Implementation*

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000.)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the

federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The

change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings. CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting

from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

### *A Commitment to Environmental Protection*

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's cultural experts could study the sites, report them to the state and federal agencies and then mitigate.



- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and curating 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County) and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

### *Water Supply Reliability*

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 80% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out. In the meantime, the reliability of requested deliveries by CCWA project participants is much higher – virtually 100% – because their current total demand is significantly less than 39,078 acre feet per year.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement

among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.

- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.
- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

### **The Future**

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and

service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

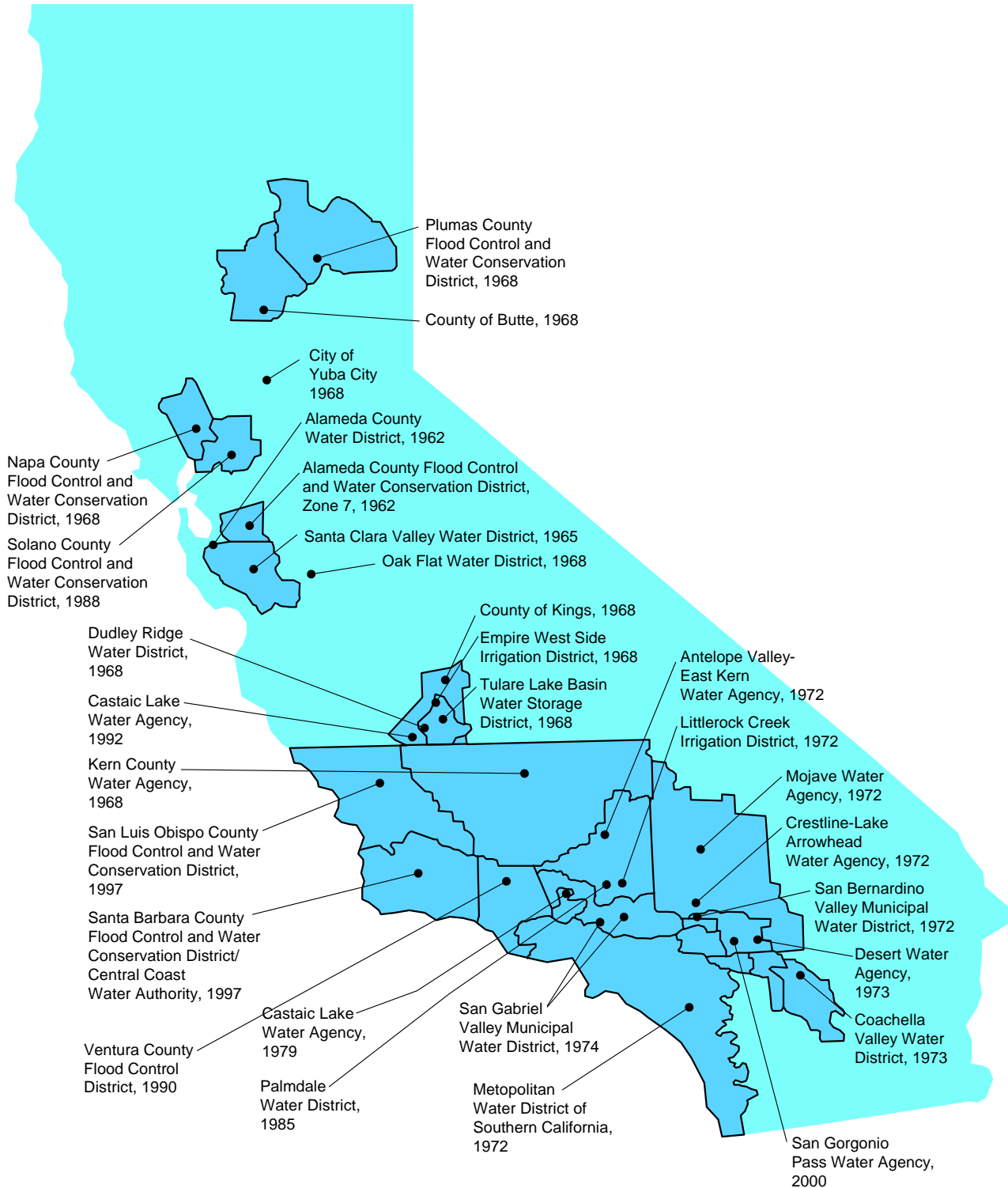
The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives. CCWA has built both the organization and infrastructure that will support this vision well into the future.

July 1998

Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies  
(and year of initial water delivery)**



**Table 1**

**COASTAL BRANCH PHASE II PROJECT DATA \***

<b>Tank Sites*</b>	1	1	2	5	7
	raw water	treated water	treated water	treated water	treated water
# of tanks	3	2	2	2	1
total capacity (million gallons)	24.2	9.8	6.4	5	2.5

\* Tank sites 3, 4 and 6 were eliminated during design of the facilities.

<b>Polonio Pass Water Treatment Plant</b>	43 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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<b>Pipeline</b>		
<u>Location (from/to)</u>	<u>Pipeline Diameter (inches)</u>	<u>Distance (miles)</u>
Devils Den Pumping Plant/Tank1	57	13.0
Tank1/Salinas River	48	33.0
Salinas River/Cuesta Tunnel	51	7.1
Cuesta Tunnel/Tank 5	42	47.5
Tank 5/Purisima Road	39	13.3
Purisima Road/Santa Ynez Pumping Facility	36	21.2
Santa Ynez P.F./Lake Cachuma	30	8.0
<b>Total Pipeline &gt;&gt;&gt;</b>		<b>143.1</b>

<b>Pump Plants</b>	<u>Flow Rate (cfs)</u>	<u>Horsepower (each pump)</u>	<u># of Pumps</u>	<u>Lift (ft)</u>
Devils Den Pumping Plant (DWR)	100	1760	6	550
Bluestone Pumping Plant (DWR)	100	1760	6	550
Polonio Pass Pumping Plant (DWR)	100	1760	6	550
Santa Ynez Pumping Facility (CCWA)	22	300	5	250

<b>Turnouts</b>	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	California Cities Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Santa Barbara Research Center, La Cumbre Mutual Water Co.

\* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.