



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

March 3, 2022

TO: CCWA Operating Committee

FROM: Dessi Mladenova
Controller

SUBJECT: CCWA FY 2022/23 Preliminary Budget

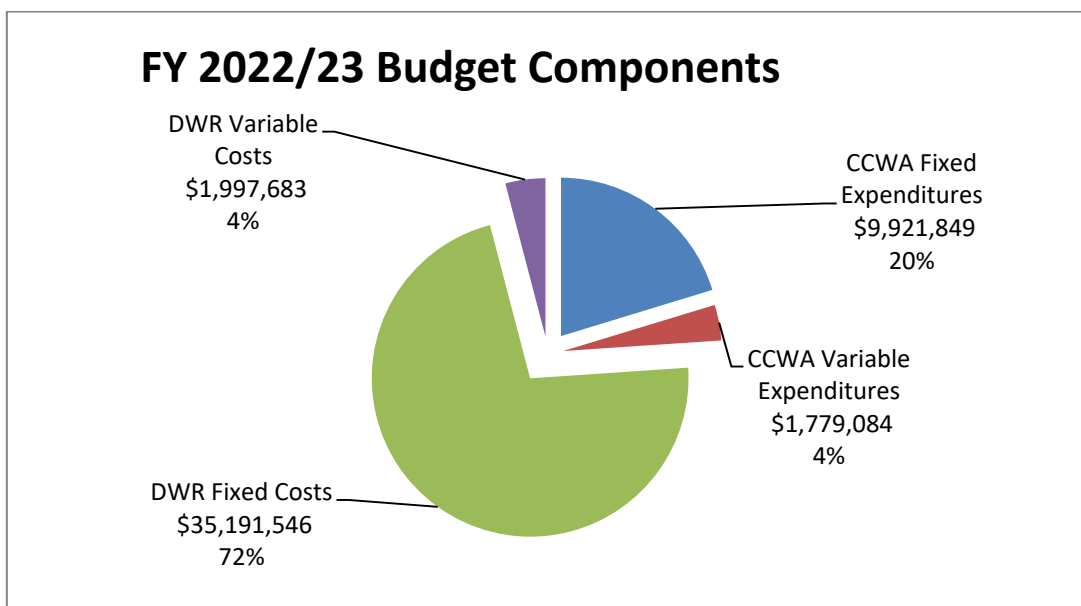
SUMMARY

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

DISCUSSION

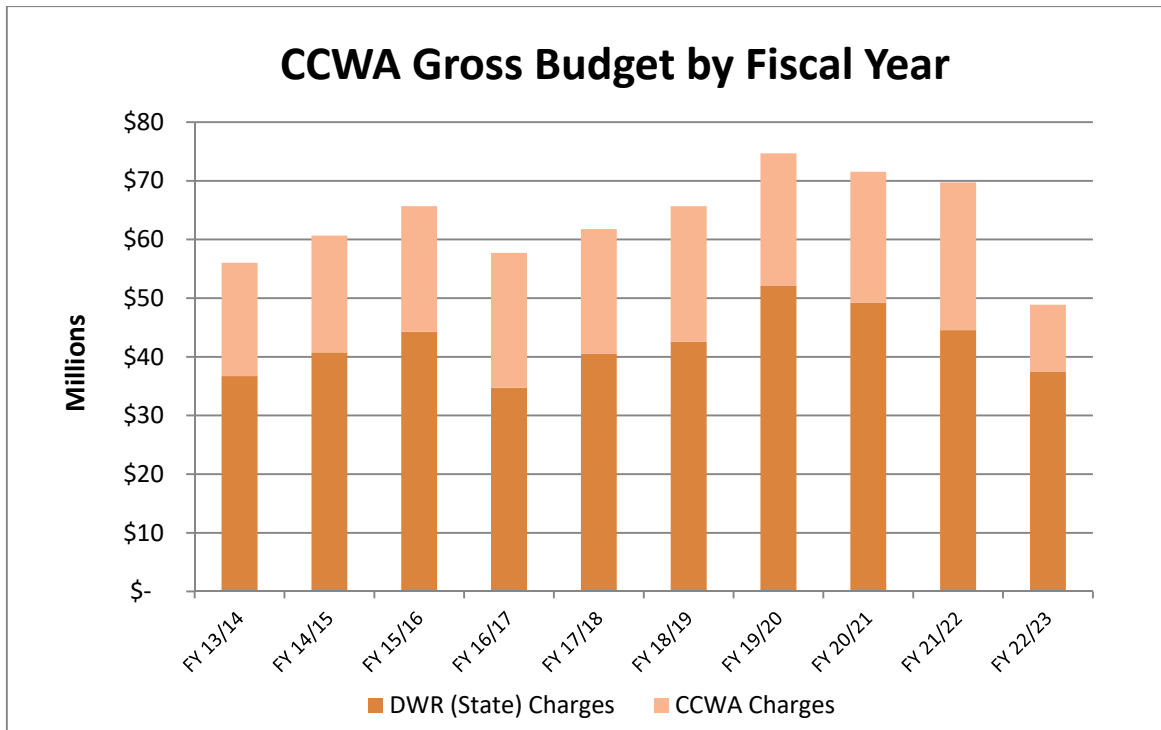
The FY 2022/23 Preliminary Budget calls for total project participant payments of \$47.4 million compared to the FY 2021/22 budget of \$69.6 million, a \$22.2 million decrease.

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



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

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



CCWA Operating Expense Budget

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

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

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

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

Water Deliveries

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

Personnel Expenses

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

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

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

Supplies and Equipment

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

Monitoring Expenses

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

Repairs and Maintenance

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

Professional Services

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

General and Administrative

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

Utilities

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

Other Expenses

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

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

CCWA Capital Improvement & Non-Capital Projects

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

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

Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement Modifications

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

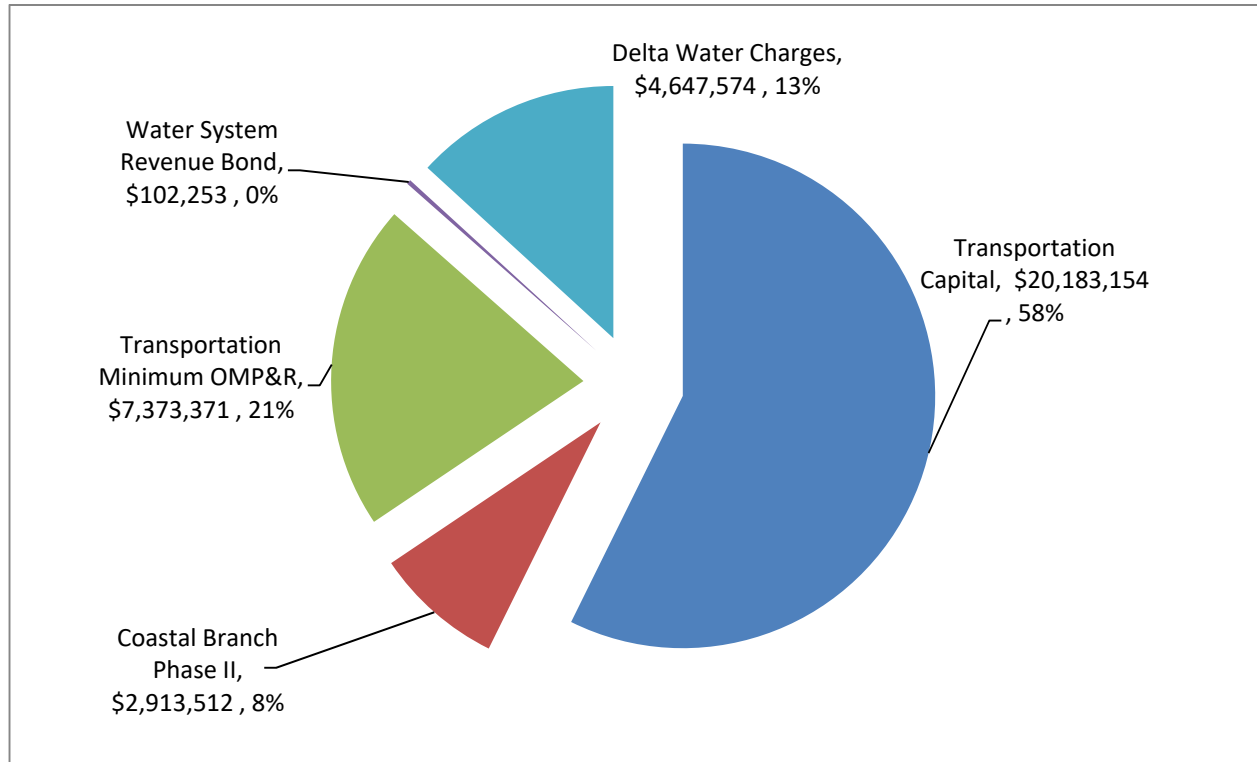
Please refer to the Water Treatment Plant section of the Budget for additional information on the regional water treatment plant allocation and Santa Ynez exchange agreement modifications.

Warren Act and Trust Fund Payments

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

DWR FIXED COSTS

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



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

Transportation Capital

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

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

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

Coastal Branch Extension-Transportation Capital Reach 37 and 38

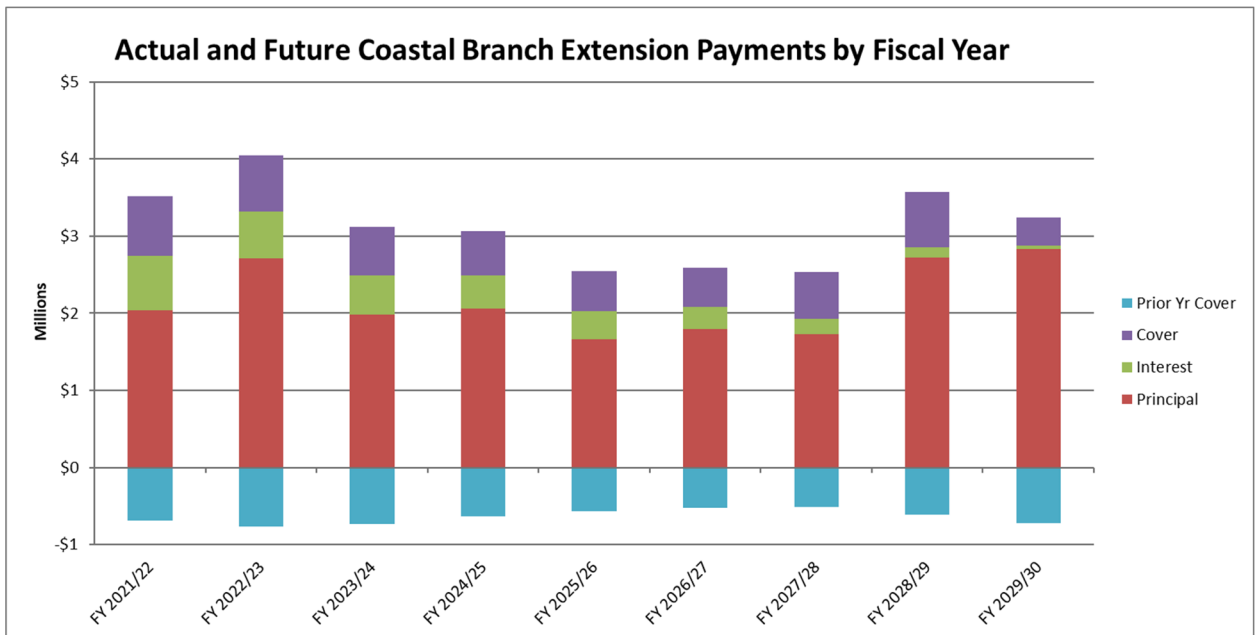
This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according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

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

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

Principal, Interest and Bond Cover Changes

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



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

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

Transportation Minimum OMP&R

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

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

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

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

Water System Revenue Bond Surcharge

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

Delta Water Charge

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

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

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

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

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

DWR VARIABLE COSTS

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

- Off-Aqueduct Charge
- Variable OMP&R

Variable OMP&R Charges

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

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

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

Variable Cost Per Acre-Foot Analysis

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

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

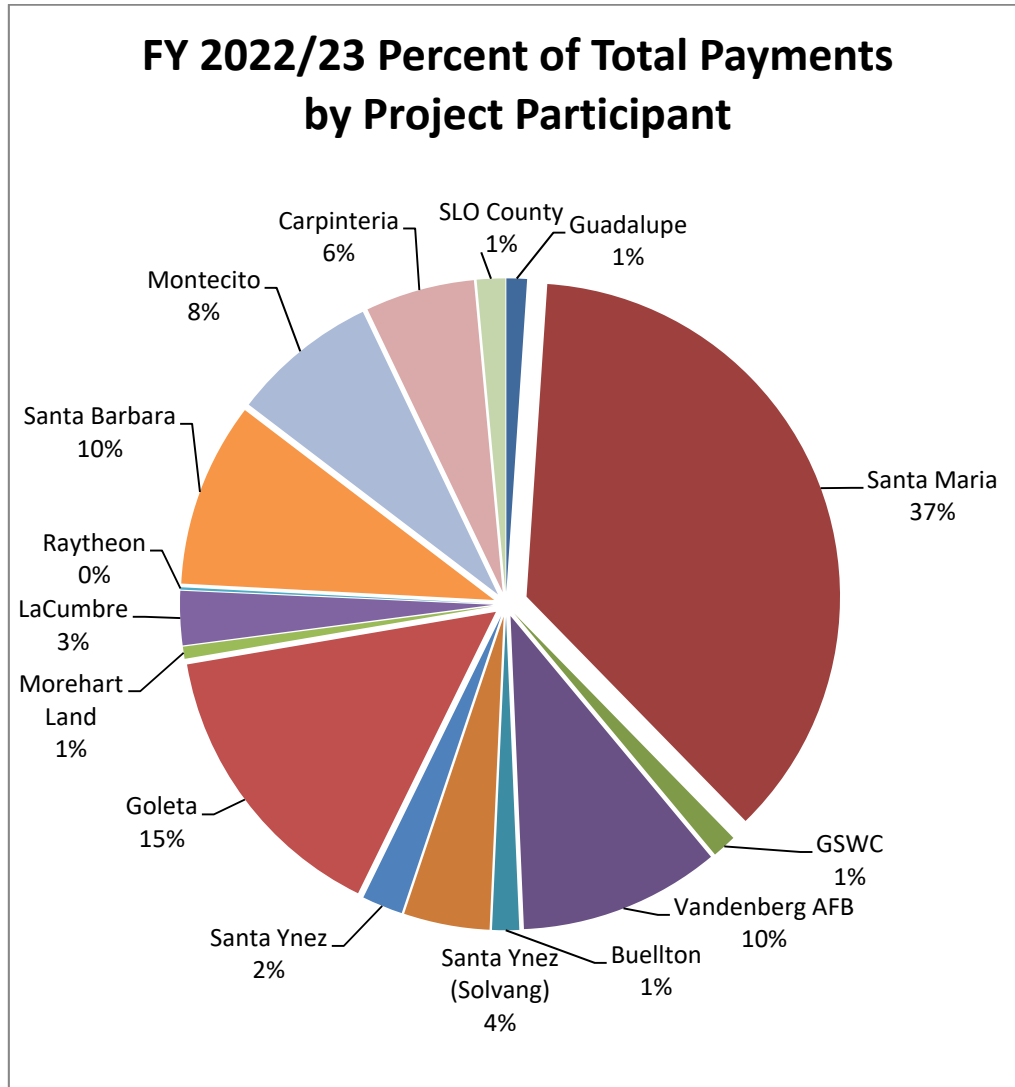
Total Payments Comparison by Project Participant

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

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

FY 2022/23 Total Payments by Percentage

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



Budget in Brief

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

Budget Items Not Included in the Preliminary Budget

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

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

- Significant Accomplishments, Goals and Performance Measures

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

DHM



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

FY 2022/23 BUDGET SUMMARY

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

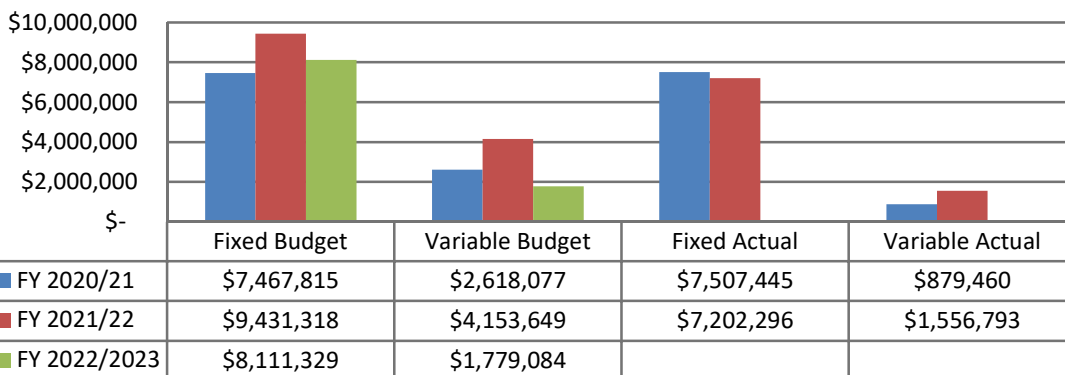
\$20.9 million decrease in the gross budget, excluding CCWA credits

CCWA OPERATING EXPENSES

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

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

Operating Expenses Fixed and Variable Expenses



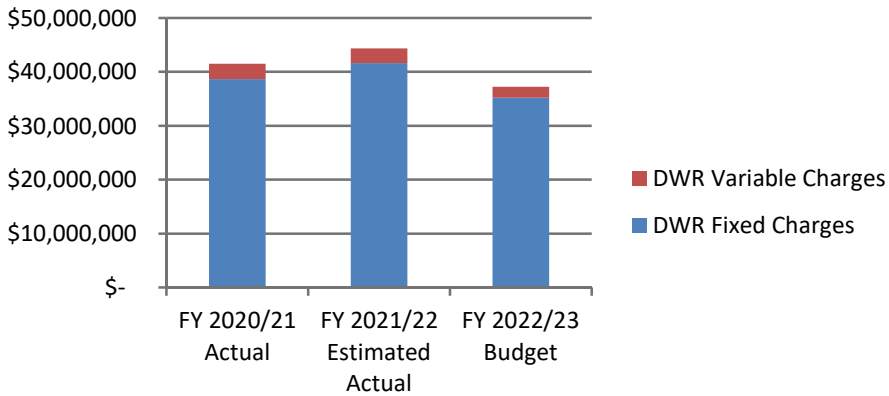
DWR FIXED AND VARIABLE CHARGES

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

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

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

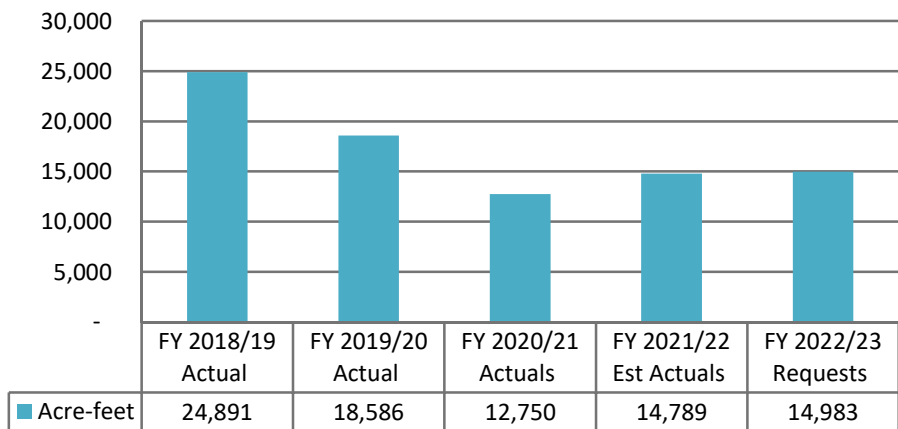
DWR Fixed and Variable Charges



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

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

Water Deliveries and Requests

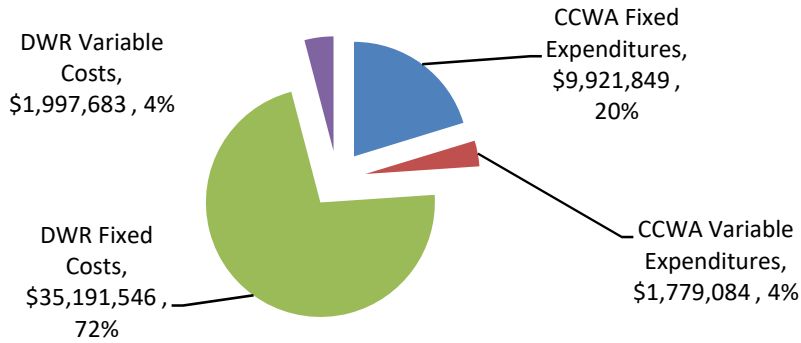


OTHER EXPENDITURES

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

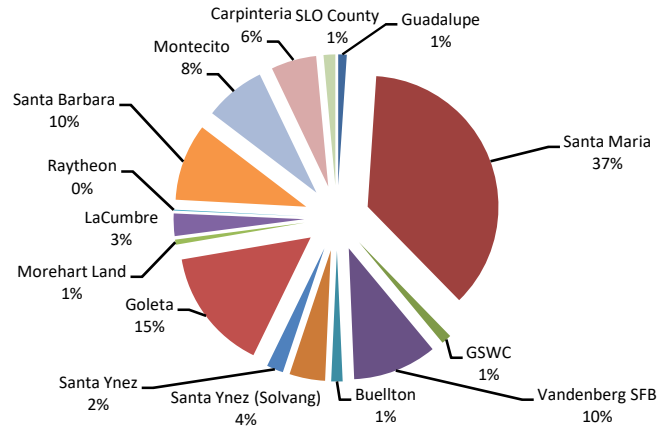
\$168k increase in Capital & Non-Capital Projects; \$10.2 million decrease in debt service payments; \$114k decrease in Warren Act Charges.

FY 2022/23 Budget Components



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

FY 2022/23 Percent of Total Payments by Project Participant



FY 2022/23 Variable Cost Per Acre-Foot

Table A Water

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

Santa Ynez Exchange Water

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

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

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2022/2023 Budget

Project Participant	Unadjusted Fixed CCWA Operating Expense ⁽¹⁾	Unadjusted Variable CCWA Operating Expense	Exchange Agreement Cap. & Fixed	Exchange Agreement Variable	Regional WTP Allocation	Regional WTP Credit	Adjusted Charge	Warren Act Charges	2016A Revenue Bond Debt Service	Subtotal FY 2022/2023 CCWA	Non-Annual Recurring Expenses	CCWA (Credits) Amount Due	Total FY 2022/2023 CCWA
Guadalupe	\$ 96,888	\$ 746	\$ -	\$ -	\$ 17,249	\$ -	\$ 114,883	\$ -	\$ -	\$ 114,883	\$ -	\$ (20,705)	\$ 94,178
Santa Maria	2,825,141	87,418	-	-	\$541,211	-	3,453,771	-	-	3,453,771	-	(359,819)	3,093,951
Golden State Water	91,335	2,361	-	-	\$16,533	-	110,229	-	-	110,229	-	(5,497)	104,732
Vandenberg AFB	1,147,049	65,486	-	-	\$201,879	-	1,414,414	-	-	1,414,414	-	(785,212)	629,202
Buellton	140,913	4,660	-	-	\$20,090	-	165,663	-	-	165,663	-	(18,387)	147,277
Santa Ynez (Solvang)	361,783	57,471	-	-	\$75,120	-	494,374	-	-	494,374	-	(52,688)	441,686
Santa Ynez	121,473	18,639	155,071	97,857	\$122,651	-	515,691	-	-	515,691	-	(2,461)	513,230
Goleta	1,388,767	707,226	(55,826)	(35,228)	\$218,728	(\$580,897)	1,642,769	180,786	-	1,823,555	-	(59,723)	1,763,833
Morehart Land	61,723	23,284	-	-	\$9,533	(\$26,402)	68,139	6,264	-	74,403	-	(4,131)	70,272
La Cumbre	308,615	28,027	-	-	\$34,766	(\$106,535)	264,873	7,540	-	272,413	-	(10,613)	261,800
Raytheon	15,431	-	-	-	\$1,534	(\$4,923)	12,042	-	-	12,042	-	(1,097)	10,944
Santa Barbara	925,845	349,028	(37,217)	(23,486)	\$127,945	(\$351,974)	990,141	87,580	-	1,077,721	-	(6,833)	1,070,889
Montecito	925,845	23,486	(37,217)	(23,486)	\$80,430	(\$258,156)	710,901	-	-	710,901	-	(45,504)	665,398
Carpinteria	617,230	158,378	(24,811)	(15,657)	\$74,451	(\$213,235)	596,356	38,396	-	634,752	-	(29,295)	605,457
Shandon	14,452	-	-	-	-	-	14,452	-	-	14,452	-	(3,057)	11,395
Chorro Valley	267,824	135,694	-	-	-	-	403,519	-	-	403,519	-	(60,085)	343,434
Lopez	290,971	117,179	-	-	-	-	408,150	-	-	408,150	-	(68,425)	339,725
TOTAL:	\$ 9,601,283	\$ 1,779,084	\$ (0)	\$ 0	\$ 1,542,122	\$ (1,542,122)	\$ 11,380,367	\$ 320,566	\$ -	\$ 11,700,933	\$ -	\$ (1,533,532)	\$ 10,167,402

(1) Includes Capital and Non-Capital Projects.

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES						TOTAL DWR and CCWA
	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	DWR Interest Income	Total DWR Charges	
Guadalupe	\$ 283,361	\$ -	\$ -	\$ 62,037	\$ -	\$ 59,518	\$ 404,917	\$ 25	\$ 2,172	\$ 2,197	\$ (477)	\$ 406,638	\$ 500,816
Santa Maria	8,346,048	635,068	-	3,274,635	-	1,753,507	14,009,258	3,723	254,667	258,390	(13,231)	14,254,417	17,348,369
Golden State Water	259,224	19,601	-	139,855	5,957	59,652	484,289	105	6,878	6,983	(379)	490,893	595,626
Vandenberg AFB	2,833,531	215,610	353,551	92,218	0	595,183	4,090,093	1,336	190,774	192,110	-	4,282,203	4,911,404
Buellton	297,784	22,659	37,155	79,558	0	62,712	499,868	198	13,575	13,773	(500)	513,141	660,417
Santa Ynez (Solvang)	769,461	58,803	96,423	385,909	14,944	162,688	1,488,228	2,018	167,425	169,443	(862)	1,656,808	2,098,494
Santa Ynez	257,594	19,601	32,141	48,538	-	70,786	428,660	380	54,300	54,680	(1,151)	482,189	995,419
Goleta	2,314,825	176,408	289,269	928,129	-	521,787	4,230,417	7,730	666,804	674,534	(3,343)	4,901,608	6,665,441
Morehart Land	103,023	7,840	12,856	55,423	2,383	23,262	204,788	240	19,548	19,788	(103)	224,473	294,745
La Cumbre	518,448	39,202	64,282	279,710	11,914	119,305	1,032,861	251	23,530	23,781	(811)	1,055,830	1,317,630
Raytheon	25,763	1,960	3,214	8,311	-	5,340	45,109	-	-	-	(48)	45,061	56,005
Santa Barbara	1,555,344	117,605	192,846	839,131	35,743	357,914	3,098,582	3,686	341,728	345,414	(2,831)	3,441,165	4,512,054
Montecito	1,545,344	117,605	192,846	632,495	-	350,991	2,839,281	983	68,418	69,401	(2,810)	2,905,872	3,571,269
Carpinteria	1,030,229	78,403	128,564	423,728	0	234,268	1,895,193	1,755	165,434	167,189	(1,771)	2,060,611	2,666,068
Goleta 2500 AF	43,176	-	-	123,171	31,312	270,662	468,320	-	-	-	-	468,320	468,320
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	11,395
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	343,434
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	339,725
TOTAL:	\$ 20,183,154	\$ 1,510,365	\$ 1,403,147	\$ 7,373,371	\$ 102,253	\$ 4,647,574	\$ 35,219,863	\$ 22,430	\$ 1,975,253	\$ 1,997,683	\$ (28,317)	\$ 37,189,229	\$ 47,356,630



De-Chlorination trailer preparing for injection at Santa Ynez Pump Station inlet vault – November 2020

Budget Foreword

The Budget Foreword section of the FY 2022/23 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.

Authority Overview

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
- Areas served Santa Barbara County
San Luis Obispo County
- Project Participants 13 - Santa Barbara County
11 - San Luis Obispo County
- Estimated total population served 440,668 - Santa Barbara County
41,000 - 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

- Administrative Offices Buellton
- Water Treatment Plant Polonio Pass, Shandon
Capacity 50 million gallons per day
- Pumping Plant Santa Ynez
Capacity 13 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 30.25

Central Coast Water Authority

Reader's Guide

Fiscal Year 2022/23 Budget

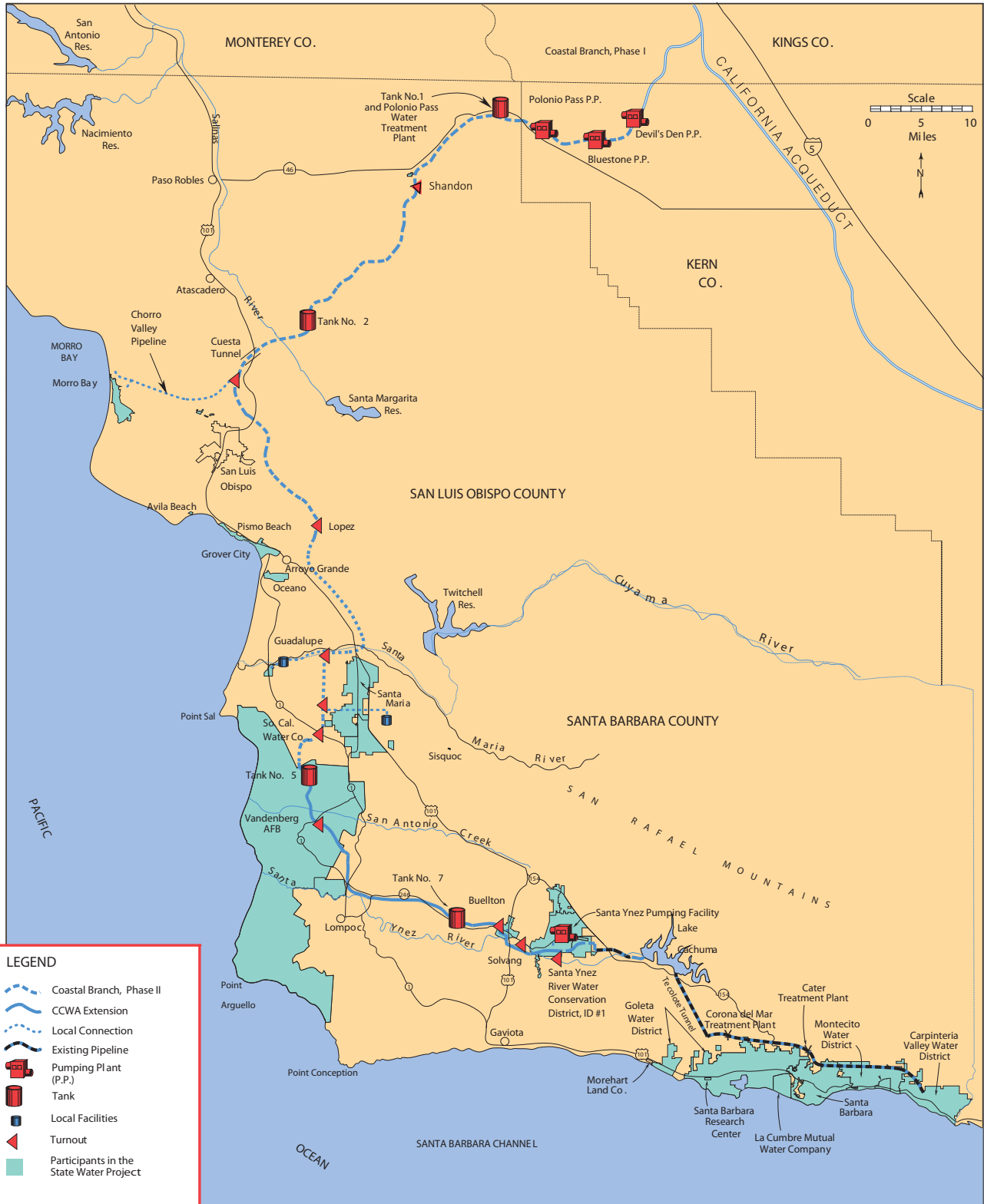
The organization and presentation of the Central Coast Water Authority's fiscal year budget is designed to satisfy the needs of citizens, ratepayers, public officials and Authority employees. It is organized and structured to meet external and internal managerial needs. As a comprehensive management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

The Authority's budget is divided into the following ten (10) 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. **PROJECTS** The projects section of the budget is comprised of the Capital, Non-Capital and Extraordinary Projects and includes a narrative discussion on the capitalization criteria and funding detail
- VII. **CCWA BOND DEBT** The bond debt section contains information on the Authority's outstanding revenue bonds, security and the project participant debt payment schedule.
- VIII. **RESERVES AND CASH MANAGEMENT** The reserves and cash management section includes information regarding the Authority's O&M reserve fund, rate coverage reserve fund, DWR reserve fund, and cash management information.
- IX. **TEN YEAR FINANCIAL PLAN** The ten year financial plan section of the budget provides the ten year pro forma projections for each project participant.
- X. **APPENDIX** The appendix includes a glossary of terms, acronyms 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.

Project Map



LEGEND

- Coastal Branch, Phase II
- CCWA 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
Fiscal Year 2022/23 Budget

The Authority is a public entity duly organized and existing under a Joint Exercise of Powers Agreement – Central Coast Water Authority, dated as of August 1, 1991, by and among nine public agencies in Santa Barbara County, two of which have subsequently merged. The members entered into the Agreement to exercise their common power to acquire, construct, operate and maintain works and facilities for the development and use of water resources and water rights including without limitation, works and facilities to divert, store, pump, treat and deliver water for beneficial uses. In particular, the members expressed their desire to create the Authority to finance, develop, operate, and maintain the Authority’s facilities for their mutual benefit and to act on behalf of the members with respect to the Department of Water Resources (DWR) facilities. The Authority currently has a staff of 28 full-time and 3 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 2022/23 Budget

Board of Directors Voting Percentages

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

CCWA Committees

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

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

Santa Barbara County Project Participants

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2022/23 Budget

Santa Barbara County Project Participant Table A Amounts

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

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

San Luis Obispo County Water Purchasers

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2022/23 Budget

San Luis Obispo County Project Participant Table A Amounts

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

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.

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2022/23 Budget

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.

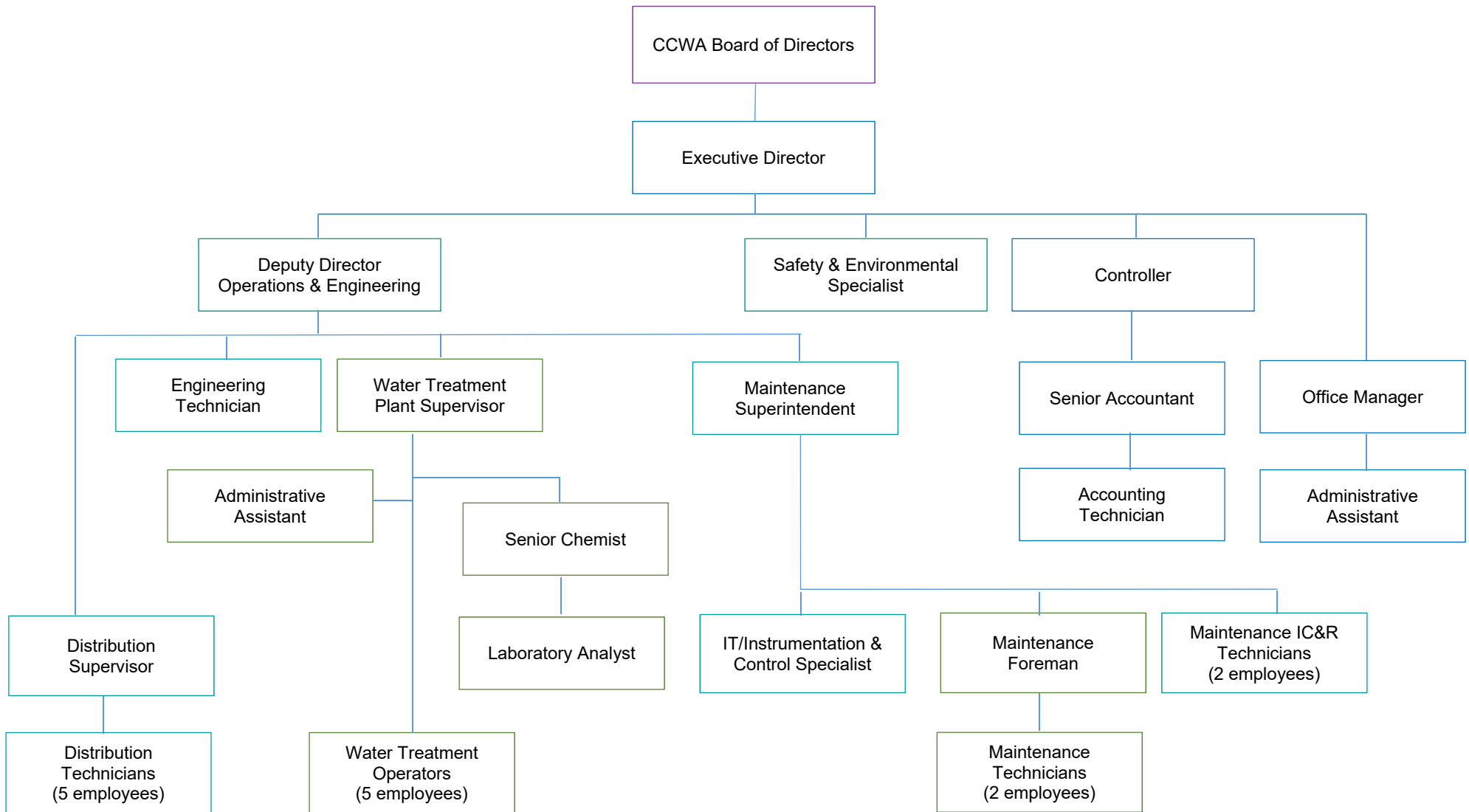
The Coastal Branch Phase II pipeline, which was constructed by DWR between 1995 and 1997 to supply State water to San Luis Obispo and Santa Barbara Counties, runs from the Coastal Branch Phase I terminus over the coastal mountains to and through the County of San Luis Obispo to a terminus in northern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

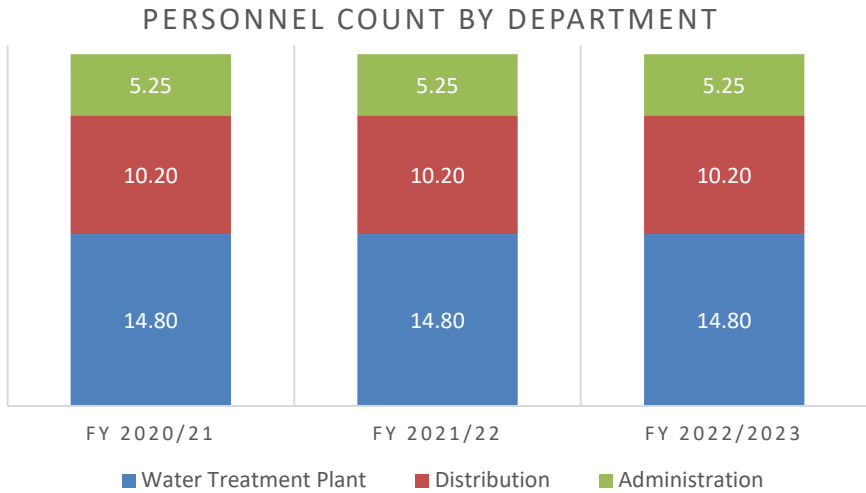


Central Coast Water Authority Organization Chart FY 2022/23



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2022/2023 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2020/21	Authorized FY 2021/22	Requested FY 2022/2023	Over FY 2020/21	Over FY 2021/22
Executive Director	1.00	1.00	1.00	-	-
Deputy Director of Operations	1.00	1.00	1.00	-	-
Safety & Environmental Specialist ⁽²⁾	1.00	1.00	1.00	-	-
Controller	1.00	1.00	1.00	-	-
Deputy Controller	1.00	-	-	-	-
Office Manager	1.00	1.00	1.00	-	-
Administrative Assistant	1.50	1.50	1.50	-	-
Senior Accountant	-	1.00	1.00	-	-
Accounting Technician	0.75	0.75	0.75	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
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:	30.25	30.25	30.25	-	-



Central Coast Water Authority

Budget Process

Fiscal Year 2022/23 Budget

Fiscal Year Budget

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

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

Ten Year Financial Plan

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

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

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

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

Committee Review of the Budget

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

Central Coast Water Authority

Budget Process

Fiscal Year 2022/23 Budget

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

Board Adoption of the Fiscal Year Budget

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

Budget Amendment Process

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

CCWA Financial Schedule FY 2022/23

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 2022/23 Budget

CCWA Budget Planning Schedule
FY 2022/23 Budget

January							February							March							April																																				
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S																														
						1		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9										
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9							
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26	17	18	19	20	21	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9														
23	24	25	26	27	28	29	27	28						27	28	29	30	31			24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9																					
30	31																																																								

May							June							July						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14
15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21
22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28
29	30	31					29	30						29	30	31				

- Receive DWR Statement of Charges (for following calendar year)
 - Prepare Draft Budget
 - Submit Preliminary Budget to Operating Committee
 - Submit Preliminary Budget to Board of Directors
 - Board Approval of Final Budget
 - Beginning of 2022/23 Budget Expenditure Cycle
- July 1, 2021
 - November 1, 2021- February 28, 2022
 - March 10, 2022
 - March 24, 2022
 - April 28, 2022
 - July 1, 2022

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2022/23 Budget

Budget Reporting

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

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

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

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II
Santa Ynez I
Santa Ynez II

DWR Reaches

Reach 33B
Reach 34
Reach 35
Reach 37
Reach 38

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

Financial Statement Reporting

The Authority operates as a proprietary fund-type and uses the modified accrual basis of accounting. 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 statement of net position. 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 position.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2022/23 Budget

The Fiscal Year 2021/22 Budget document has been prepared after analyzing, evaluating, and justifying both the financial and non-financial objectives and goals of the Authority for the current year and beyond. The Authority's budget is a comprehensive document which enables the Board of Directors and Authority staff to evaluate the Authority's past and future.

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

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

BUDGET POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2022/23 Budget

- The Authority will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports comparing actual revenues and expenditures/expenses to budgeted amounts.
- Laws and policies limiting revenue sources and expenditures must be explicitly addressed in the budget process.
- No Unfunded Mandates - The Board of Directors will not establish a goal or policy without also providing the necessary funding to accomplish those goals or policies.
- Budget Change Policy - The adopted budget may only be changed by Board action. Budget change requests may be made by staff to the Board of Directors at a regularly scheduled Board meeting. The Board will then consider the requests based on staff's recommendations and approve or deny the requests by a majority vote.
- Bond Coverage Policy - The project participants have covenanted to collect sufficient revenues to maintain net revenues of 125% of all State water payments made to the Central Coast Water Authority. Net revenues are defined as gross revenues minus operating expenses and excluding depreciation. The Authority's staff will assist project participants in guaranteeing compliance with this covenant.
- Reconciliation of Charges - The Authority will endeavor to reconcile differences between actual expenditures incurred and amounts billed to the member agencies and other project participants in a timely manner. Under-expenditures in the budget will be returned to project participants as credits in subsequent billings.
- Investment Income Allocation - The Authority will endeavor to provide timely allocation of investment income to the member agencies and other project participants for payments covering 2016 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 2022/23 Budget

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

The Authority will calculate the salary pool percentage which shall be either 4% of the actual regular salaries budget or the actual December to December percentage change in the Los Angeles-Long Beach-Anaheim, CA Consumer Price Index for All Urban Consumers, whichever is greater.

The employee pool will be calculated by multiplying the resulting salary pool 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 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 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.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2022/23 Budget

- 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 \$25,000. 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-Long Beach-Anaheim, CA Consumer Price Index for All Urban Consumers.

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2022/23 Budget

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 Investor Standard” per Government Code section 53600.3 which states: “...care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency”.
- 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 2022/23 Budget

- Budget Preparation - The Authority will prepare an annual budget document that provides a basic understanding of the Authority's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for participant 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 submit the Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers' Association (GFOA) annually for consideration of the Certificate of Achievement for Excellence in Financial Reporting from GFOA.
- Budget Awards - The Authority will annually submit its budget to the Government Finance Officers' Association for consideration of the Distinguished Budget Presentation Award.



*Bypass pipeline connection installation at Bradbury Dam
January 2021*

Budget Summary

The Budget Summary section of the FY 2022/23 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 2022/23 Budget.

Highlights

Budget Summary

• FY 2022/23 Gross Budget	\$ 48,890,162
• FY 2021/22 Gross Budget	<u>\$ 69,741,167</u>
Decrease:	\$ [20,851,003]
• FY 2022/23 CCWA Credits	\$ 1,533,532
• FY 2021/22 CCWA Credits	<u>\$ 142,214</u>
Increase:	\$ 1,391,317
• FY 2022/23 Net Budget (After CCWA Credits)	\$ 47,356,630
• FY 2021/22 Net Budget (After CCWA Credits)	<u>\$ 69,598,953</u>
Decrease:	\$ [22,242,323]

Significant Budget Changes

- DWR Fixed cost decrease of \$3.7 million due to a reduction of DWR Transportation Minimum OMP&R and WSRB costs as compared to prior years, offset by an increase in Delta Water costs.
- CCWA Fixed O&M Expense budget decrease of \$1,319,989.
- CCWA Variable O&M Expense budget decrease of \$2,374,565.
- CCWA capital improvement projects and non-capital projects combined budget increase of \$167,894.
- Warren Act and Trust Fund budget decrease of \$114,318.

Central Coast Water Authority
Budget Summary
 Fiscal Year 2022/2023 Budget

	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Change from FY 2021/22 Est. Actual
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
<u>SOURCES OF CASH</u>						
CCWA Operating Expenses ⁽¹⁾	9,854,852	13,584,969	13,584,969	9,890,413	(3,694,556)	(3,694,556)
Debt Service Payments	10,321,114	10,292,502	10,292,502	-	(10,292,502)	(10,292,502)
Capital/Non-Capital Projects	1,342,173	1,322,060	1,322,060	1,489,954	167,894	167,894
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	99,517	-	89,624	-	-	(89,624)
CCWA (Credits)	-	(142,214)	(142,214)	(1,533,532)	(1,391,317)	(1,391,317)
Subtotal Revenues	21,617,656	25,057,317	25,146,941	9,846,836	(15,210,481)	(15,300,105)
<u>Pass-Through Expenses</u>						
DWR Fixed Costs	44,838,108	38,930,845	41,624,172	35,191,546	(3,739,299)	(6,432,626)
DWR & CCWA Variable Costs	3,920,893	5,175,906	2,721,110	1,997,683	(3,178,224)	(723,428)
Warren Act Charges	34,271	434,884	99,006	320,566	(114,318)	221,560
Subtotal Pass-Through Expenses	48,793,272	44,541,636	44,444,288	37,509,795	(7,031,841)	(6,934,493)
TOTAL SOURCES OF CASH	70,410,927	69,598,953	69,591,229	47,356,630	(22,242,322)	(22,234,599)
<u>USES OF CASH</u>						
<u>CCWA Operating Expenses</u>						
Personnel	5,344,296	5,320,385	4,992,028	5,604,067	283,682	612,039
Office Expenses	17,763	21,300	15,357	21,300	-	5,943
Supplies and Equipment	715,686	1,375,311	1,006,867	1,033,127	(342,184)	26,260
Monitoring Expenses	106,373	117,408	96,923	121,234	3,826	24,311
Repairs and Maintenance	230,310	292,810	271,824	303,290	10,480	31,466
Professional Services	886,754	2,234,785	817,047	611,390	(1,623,395)	(205,657)
General and Administrative	158,273	307,162	170,869	292,163	(14,999)	121,294
Utilities	471,610	3,177,673	876,569	1,145,930	(2,031,742)	269,361
Other Expenses	899,877	738,135	511,605	757,912	19,777	246,307
Total Operating Expenses	8,830,941	13,584,969	8,759,089	9,890,413	(3,694,556)	1,131,324
<u>Other Expenditures</u>						
Warren Act Charges	34,271	434,884	133,171	320,566	(114,318)	187,395
Capital/Non-Capital Projects ⁽¹⁾	1,342,173	1,322,060	1,322,060	1,489,954	167,894	167,894
CCWA Credits	-	(142,214)	(142,214)	(1,533,532)	(1,391,317)	(1,391,317)
2016 Revenue Bond Debt Service	10,321,114	10,292,502	10,292,502	-	(10,292,502)	(10,292,502)
Unexpended O&M Assessments	1,123,428	-	4,782,333	-	-	-
Total Other Expenditures	12,820,986	11,907,232	16,387,852	276,989	(11,630,244)	(11,328,531)
Total CCWA Expenditures	21,651,927	25,492,201	25,146,941	10,167,402	(15,324,799)	(10,197,206)
<u>DWR Charges</u>						
Fixed DWR Charges	44,838,108	38,930,845	41,624,172	35,191,546	(3,739,299)	(6,432,626)
Variable DWR Charges	3,920,893	5,175,906	2,820,116	1,997,683	(3,178,224)	(822,434)
Total DWR Charges	48,759,001	44,106,752	44,444,288	37,189,229	(6,917,523)	(7,255,059)
TOTAL USES OF CASH	70,410,927	69,598,953	69,591,229	47,356,630	(22,242,322)	(17,452,266)
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	-	-
Non-Annual Recurring Balance	-	-	-	-	-	-
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000	-	-
General Fund Balance	\$ -	\$ (0)	\$ (0)	\$ -	-	-

(1) Includes carryover revenues from the prior year.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2022/2023 Budget

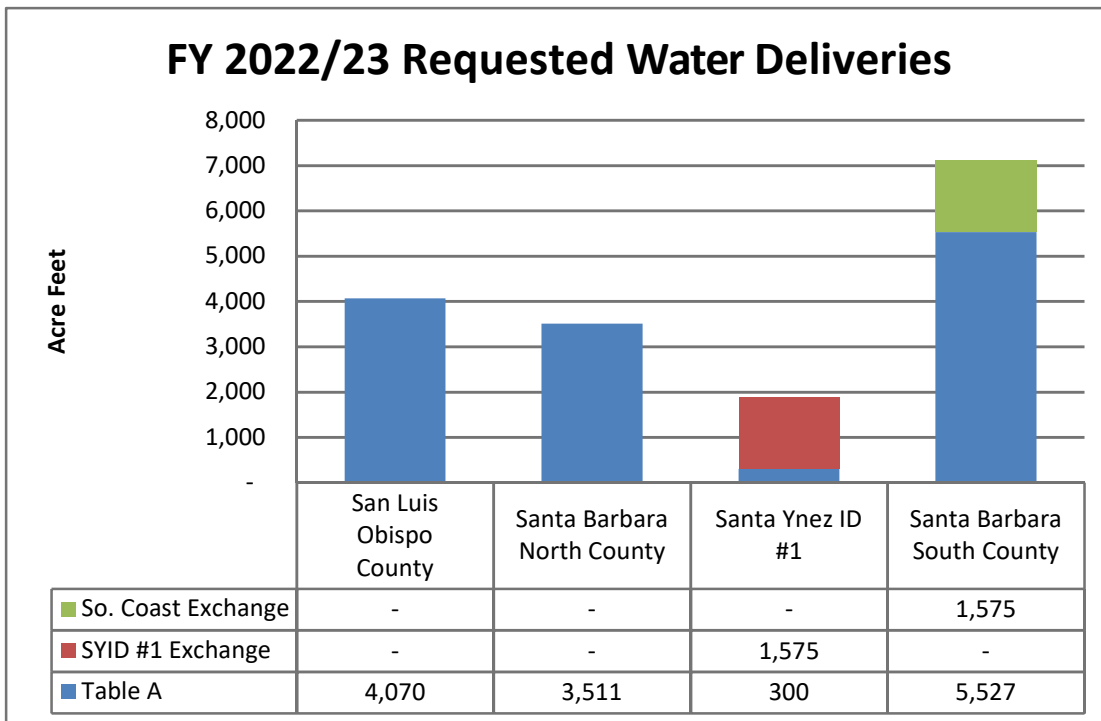
Project Participant	Unadjusted Fixed CCWA Operating Expense ⁽¹⁾	Unadjusted Variable CCWA Operating Expense	Exchange Agreement Cap. & Fixed	Exchange Agreement Adjustment Variable	Regional WTP Allocation	Regional WTP Allocation Credit	Adjusted Charge	Warren Act Charges	2016A Revenue Bond Debt Service	Subtotal FY 2022/2023 CCWA	Non-Annual Recurring Expenses	CCWA (Credits) Amount Due	Total FY 2022/2023 CCWA
Guadalupe	\$ 96,888	\$ 746	\$ -	\$ -	\$ 17,249	\$ -	\$ 114,883	\$ -	\$ -	\$ 114,883	\$ -	\$ (20,705)	\$ 94,178
Santa Maria	2,825,141	87,418	-	-	\$541,211	-	3,453,771	-	-	3,453,771	-	(359,819)	3,093,951
Golden State Water	91,335	2,361	-	-	\$16,533	-	110,229	-	-	110,229	-	(5,497)	104,732
Vandenberg AFB	1,147,049	65,486	-	-	\$201,879	-	1,414,414	-	-	1,414,414	-	(785,212)	629,202
Buellton	140,913	4,660	-	-	\$20,090	-	165,663	-	-	165,663	-	(18,387)	147,277
Santa Ynez (Solvang)	361,783	57,471	-	-	\$75,120	-	494,374	-	-	494,374	-	(52,688)	441,686
Santa Ynez	121,473	18,639	155,071	97,857	\$122,651	-	515,691	-	-	515,691	-	(2,461)	513,230
Goleta	1,388,767	707,226	(55,826)	(35,228)	\$218,728	(\$580,897)	1,642,769	180,786	-	1,823,555	-	(59,723)	1,763,833
Morehart Land	61,723	23,284	-	-	\$9,533	(\$26,402)	68,139	6,264	-	74,403	-	(4,131)	70,272
La Cumbre	308,615	28,027	-	-	\$34,766	(\$106,535)	264,873	7,540	-	272,413	-	(10,613)	261,800
Raytheon	15,431	-	-	-	\$1,534	(\$4,923)	12,042	-	-	12,042	-	(1,097)	10,944
Santa Barbara	925,845	349,028	(37,217)	(23,486)	\$127,945	(\$351,974)	990,141	87,580	-	1,077,721	-	(6,833)	1,070,889
Montecito	925,845	23,486	(37,217)	(23,486)	\$80,430	(\$258,156)	710,901	-	-	710,901	-	(45,504)	665,398
Carpinteria	617,230	158,378	(24,811)	(15,657)	\$74,451	(\$213,235)	596,356	38,396	-	634,752	-	(29,295)	605,457
Shandon	14,452	-	-	-	-	-	14,452	-	-	14,452	-	(3,057)	11,395
Chorro Valley	267,824	135,694	-	-	-	-	403,519	-	-	403,519	-	(60,085)	343,434
Lopez	290,971	117,179	-	-	-	-	408,150	-	-	408,150	-	(68,425)	339,725
TOTAL:	\$ 9,601,283	\$ 1,779,084	\$ (0)	\$ 0	\$ 1,542,122	\$ (1,542,122)	\$ 11,380,367	\$ 320,566	\$ -	\$ 11,700,933	\$ -	\$ (1,533,532)	\$ 10,167,402

(1) Includes Capital and Non-Capital Projects.

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES						TOTAL DWR and CCWA
	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	DWR Interest Income	Total DWR Charges	
Guadalupe	\$ 283,361	\$ -	\$ -	\$ 62,037	\$ -	\$ 59,518	\$ 404,917	\$ 25	\$ 2,172	\$ 2,197	\$ (477)	\$ 406,638	\$ 500,816
Santa Maria	8,346,048	635,068	-	3,274,635	-	1,753,507	14,009,258	3,723	254,667	258,390	(13,231)	14,254,417	17,348,369
Golden State Water	259,224	19,601	-	139,855	5,957	59,652	484,289	105	6,878	6,983	(379)	490,893	595,626
Vandenberg AFB	2,833,531	215,610	353,551	92,218	0	595,183	4,090,093	1,336	190,774	192,110	-	4,282,203	4,911,404
Buellton	297,784	22,659	37,155	79,558	0	62,712	499,868	198	13,575	13,773	(500)	513,141	660,417
Santa Ynez (Solvang)	769,461	58,803	96,423	385,909	14,944	162,688	1,488,228	2,018	167,425	169,443	(862)	1,656,808	2,098,494
Santa Ynez	257,594	19,601	32,141	48,538	-	70,786	428,660	380	54,300	54,680	(1,151)	482,189	995,419
Goleta	2,314,825	176,408	289,269	928,129	-	521,787	4,230,417	7,730	666,804	674,534	(3,343)	4,901,608	6,665,441
Morehart Land	103,023	7,840	12,856	55,423	2,383	23,262	204,788	240	19,548	19,788	(103)	224,473	294,745
La Cumbre	518,448	39,202	64,282	279,710	11,914	119,305	1,032,861	251	23,530	23,781	(811)	1,055,830	1,317,630
Raytheon	25,763	1,960	3,214	8,311	-	5,340	45,109	-	-	-	(48)	45,061	56,005
Santa Barbara	1,555,344	117,605	192,846	839,131	35,743	357,914	3,098,582	3,686	341,728	345,414	(2,831)	3,441,165	4,512,054
Montecito	1,545,344	117,605	192,846	632,495	-	350,991	2,839,281	983	68,418	69,401	(2,810)	2,905,872	3,571,269
Carpinteria	1,030,229	78,403	128,564	423,728	0	234,268	1,895,193	1,755	165,434	167,189	(1,771)	2,060,611	2,666,068
Goleta 2500 AF	43,176	-	-	123,171	31,312	270,662	468,320	-	-	-	-	468,320	468,320
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	11,395
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	343,434
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	339,725
TOTAL:	\$ 20,183,154	\$ 1,510,365	\$ 1,403,147	\$ 7,373,371	\$ 102,253	\$ 4,647,574	\$ 35,219,863	\$ 22,430	\$ 1,975,253	\$ 1,997,683	\$ (28,317)	\$ 37,189,229	\$ 47,356,630

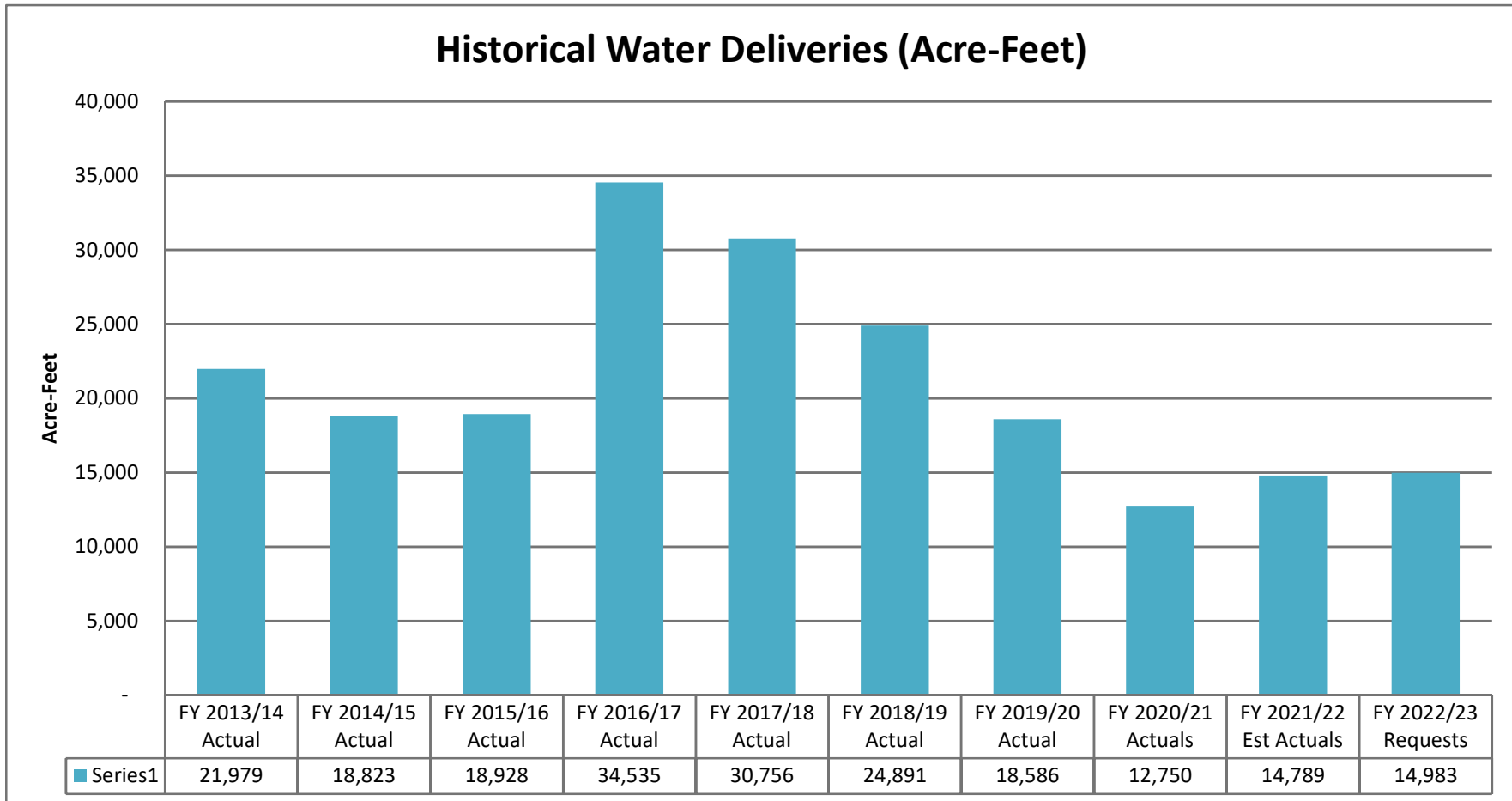
Central Coast Water Authority
FY 2022/23 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	1,886	-	1,886
Chorro Valley	2,184	-	2,184
Guadalupe	12	-	12
Santa Maria	1,407	-	1,407
Golden State Water	38	-	38
VAFB	1,054	-	1,054
Buellton	75	-	75
Solvang	925	-	925
Santa Ynez	300	1,575	1,875
Goleta	3,684	(567)	3,117
Morehart	108	-	108
La Cumbre	130	-	130
Raytheon	-	-	-
Santa Barbara	1,888	(378)	1,510
Montecito	378	(378)	-
Carpinteria	914	(252)	662
TOTAL:	14,983	-	14,983



Santa Ynez ID#1 exchanges its Cachuma Lake 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 2022/23 Budget

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

Cost-Types

The two cost-types are fixed and variable costs.

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

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

Water-Types

When discussing the cost per acre-foot, there are generally three (3) different “cost types” of water delivered by CCWA, fixed, variable and exchange. Following are descriptions for each cost type.

FY 2022/23 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	\$ 518,176	\$ 942.14
Santa Maria	16,200	17,325,736	1,069.49
Golden State Water Co.	500	590,900	1,181.80
VAFB	5,500	5,400,019	981.82
Buellton	578	658,365	1,139.04
Santa Ynez (Solvang)	1,500	1,896,035	1,264.02
Santa Ynez ⁽¹⁾	500	634,082	1,171.54
Goleta	4,500	5,461,202	1,213.60
Morehart	200	258,959	1,294.79
La Cumbre	1,000	1,279,600	1,279.60
Raytheon	50	57,102	1,142.04
Santa Barbara	3,000	3,892,770	1,297.59
Montecito	3,000	3,547,372	1,182.46
Carpinteria	2,000	2,407,374	1,203.69
TOTAL:	39,078	\$ 43,927,692	

(1) Santa Ynez fixed cost amounts exclude the fixed and capital exchange agreement modifications, which are shown under the Exchange Agreement.

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2022/23 Budget

FY 2022/23 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 Cachuma Lake 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).

<i>FY 2022/2023 Requested Deliveries</i>			<i>Variable Cost Per Acre-Foot TABLE A DELIVERIES</i>							<i>Table A Variable Cost/AF</i>
<i>Requested Deliveries</i>	<i>Exchange Deliveries</i>	<i>Net Deliveries</i>	<i>CCWA WTP Variable</i>	<i>CCWA SYPF Variable</i>	<i>Retreatment Variable Charge</i>	<i>Retreatment Variable Credit</i>	<i>DWR Variable</i>	<i>Warren Act Charges</i>	<i>Total Variable</i>	
12	-	12	\$ 746		\$ 378		\$ 2,197		\$ 3,320	\$ 276.65
1,407	-	1,407	87,418		44,274		257,559		389,251	276.65
38	-	38	2,361		1,196		6,956		10,513	276.65
1,054	-	1,054	65,486		33,166		192,940		291,593	276.65
75	-	75	4,660		2,360		13,729		20,749	276.65
925	-	925	57,471		29,107		169,326		255,904	276.65
300	1,575	1,875	7,704		59,001		54,917		121,621	240.20
3,684	(567)	3,117	228,891	478,335	98,082	(193,663)	674,376	180,786	1,466,807	425.98
108	-	108	6,710	16,574	3,398	(6,710)	19,770	6,264	46,006	425.98
130	-	130	8,077	19,950	4,091	(8,077)	23,797	7,540	55,378	425.98
-	-	-	-	-	-	-	-	-	-	-
1,888	(378)	1,510	117,304	231,725	47,515	(93,818)	345,608	87,580	735,914	425.98
378	(378)	-	23,486	-	-	-	69,195	-	92,680	-
914	(252)	662	56,788	101,591	20,831	(41,131)	167,313	38,396	343,787	425.98
10,913	-	10,913	\$ 667,102	\$ 848,173	\$ 343,399	\$ (343,399)	\$ 1,997,683	\$ 320,566	\$ 3,833,524	

(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 2022/23 Budget

FY 2022/23 Exchange Variable Cost Per Acre-Foot

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

Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES						
Project Participant	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	1,575	\$ 97,857	\$ 155,071	\$ -	\$ 252,927	\$ 160.59
Goleta	(567)			103,792	103,792	183.06
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(378)			69,195	69,195	183.06
Montecito	(378)			69,195	69,195	183.06
Carpinteria	(252)			46,130	46,130	183.06
TOTAL:	-	\$ 97,857	\$ 155,071	\$ 288,312	\$ 541,240	

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.



*Sunrise at back wash tank at Polonio Pass Water Treatment Plant
February 2021*

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2022/23 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 2022/23 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. Since all excess "revenues" are returned to the project participants or applied to reserves, and any "deficits" are collected from 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.

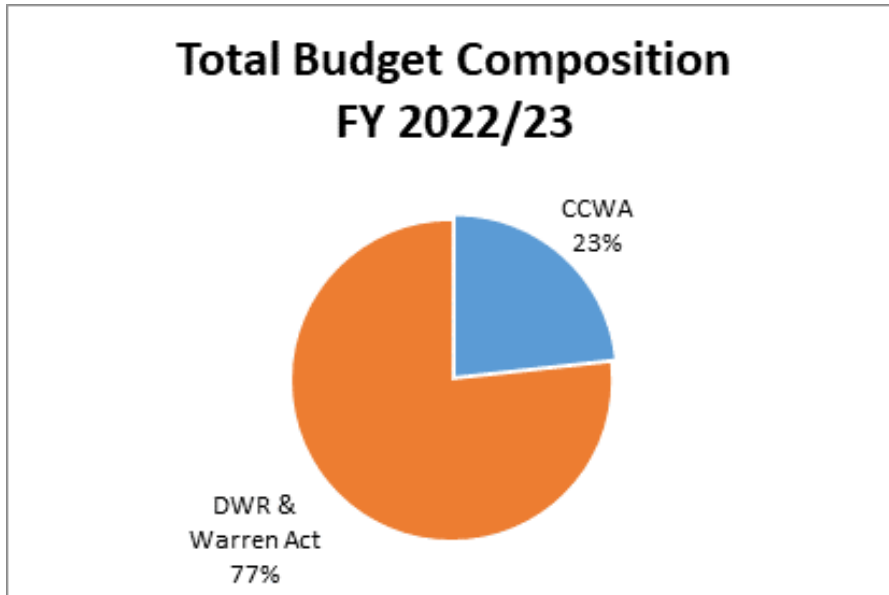
Revenues and Other Sources of Cash

Revenues	FY 2020/21 Actual	FY 2021/22 Estimated Actual	FY 2022/2023 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 9,854,852	\$ 13,584,969	\$ 9,890,413
Debt Service Payments	10,321,114	10,292,502	
Capital Improvement Projects (CIP)	1,342,173	1,322,060	1,489,954
Investment Income	99,517	89,624	-
Subtotal Revenues	21,617,656	25,289,155	11,380,367
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	44,955,637	41,703,182	35,219,863
DWR Variable Costs	3,920,893	2,721,110	1,997,683
DWR Account Interest	(117,529)	(79,010)	(28,317)
Warren Act Charges ⁽¹⁾	34,271	101,616	320,566
Subtotal Pass Through Expenses	48,793,272	44,446,898	37,509,795
Gross Budget Before Credits	70,410,927	69,736,053	48,890,162
(Credits) Due and Prepayments	-	(142,214)	(1,533,532)
TOTAL SOURCES OF CASH	\$ 70,410,927	\$ 69,593,839	\$ 47,356,630

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2022/23 Budget

Revenues and Other Sources of Cash



FY 2022/23 Actual Cash Receipts

The actual cash receipts for FY 2022/23 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 2021/22, (2) interest income for FY 2021/22, 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 of 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 of 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 2022/23 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 2022/23 OPERATING EXPENSES
 AND CAPITAL IMPROVEMENT PROJECTS**

Project Participant	CCWA Fixed Operating Expenses	CCWA Variable Operating Expenses	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Adjustment Cap. and Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 96,888	\$ 746	\$ 17,249	\$ -	\$ -	\$ -	\$ 114,883
Santa Maria	2,825,141	87,418	541,211	-	-	-	3,453,771
Golden State Water Co.	91,335	2,361	16,533	-	-	-	110,229
Vandenberg AFB	1,147,049	65,486	201,879	-	-	-	1,414,414
Buellton	140,913	4,660	20,090	-	-	-	165,663
Santa Ynez (Solvang)	361,783	57,471	75,120	-	-	-	494,374
Santa Ynez	121,473	18,639	122,651	-	155,071	97,857	515,691
Goleta	1,388,767	707,226	218,728	(580,897)	(55,826)	(35,228)	1,642,769
Morehart Land	61,723	23,284	9,533	(26,402)	-	-	68,139
La Cumbre	308,615	28,027	34,766	(106,535)	-	-	264,873
Raytheon	15,431	-	1,534	(4,923)	-	-	12,042
Santa Barbara	925,845	349,028	127,945	(351,974)	(37,217)	(23,486)	990,141
Montecito	925,845	23,486	80,430	(258,156)	(37,217)	(23,486)	710,901
Carpinteria	617,230	158,378	74,451	(213,235)	(24,811)	(15,657)	596,356
Shandon	14,452	-	-	-	-	-	14,452
Chorro Valley	267,824	135,694	-	-	-	-	403,519
Lopez	290,971	117,179	-	-	-	-	408,150
TOTAL:	\$ 9,601,283	\$ 1,779,084	\$ 1,542,122	\$(1,542,122)	\$ -	\$ -	\$ 11,380,367

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2022/23, are \$11,380,367.

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 2022/23 Budget

FY 2022/23 CCWA Credits

The following table shows a summary of the FY 2022/23 amount (due) for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years or to apply credits to their DWR Reserve.

Project Participant	CCWA O&M Credits (Due)	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments Debt Service Interest Credits	Total CCWA Credits (Due)
Guadalupe	\$ 18,583	\$ 185	\$ 1,257	\$ 679	\$ 20,705
Santa Maria	320,361	5,456	34,002	0	359,819
Golden State Water Co.	5,329	168	0	0	5,497
Vandenberg AFB ⁽²⁾	664,349	120,863	0	0	785,212
Buellton	15,131	195	1,809	1,253	18,387
Santa Ynez (Solvang)	45,035	505	4,160	2,989	52,688
Santa Ynez ⁽¹⁾	(79)	75	1,343	1,122	2,461
Goleta ⁽²⁾	49,636	675	0	9,412	59,723
Morehart Land	883	67	0	3,180	4,131
La Cumbre	5,531	337	2,635	2,110	10,613
Raytheon	255	17	0	826	1,097
Santa Barbara	36	1,010	0	5,786	6,833
Montecito ⁽²⁾	33,864	450	4,352	6,837	45,504
Carpinteria ⁽²⁾	22,570	300	2,505	3,920	29,295
Shandon	2,900	0	103	54	3,057
Chorro Valley	60,085	0	0	0	60,085
Lopez	68,425	0	0	0	68,425
TOTAL:	\$ 1,312,895	\$ 130,304	\$ 52,166	\$ 38,167	\$ 1,533,532

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 2022/23 Budget

Bank Account Cash Balances

The Authority has three demand deposit bank accounts, one general account at the California Local Agency Investment Fund (LAIF), and two money market accounts. 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.

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 payments 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 2022/23 Budget

Pass-Through Expenses

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

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

Warren Act Charges

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

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

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2022/23.

Warren Act and Trust Fund Charges

Project Participant	Total FY 2022/2023 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	3,117	\$ 180,786
Morehart Land Co.	108	6,264
LaCumbre	130	7,540
Raytheon	-	-
Santa Barbara	1,510	87,580
Montecito	-	-
Carpinteria	662	38,396
TOTAL:	5,527	\$ 320,566

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2022/23 Budget

The following table represents the Fiscal Year 2022/23 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 2022/2023 DWR Fixed Charges	FY 2022/2023 DWR Variable Charges	FY 2022/2023 Interest Income	FY 2022/2023 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$ 404,917	\$ 2,197	\$ (477)	\$ -	\$ 406,638
Santa Maria	14,009,258	258,390	(13,231)	-	14,254,417
Golden State Water Co.	484,289	6,983	(379)	-	490,893
Vandenberg AFB	4,090,093	192,110	-	-	4,282,203
Buellton	499,868	13,773	(500)	-	513,141
Santa Ynez (Solvang)	1,488,228	169,443	(862)	-	1,656,808
Santa Ynez	428,660	54,680	(1,151)	-	482,189
Goleta	4,698,737	674,534	(3,343)	180,786	5,550,714
Morehart Land	204,788	19,788	(103)	6,264	230,737
LaCumbre	1,032,861	23,781	(811)	7,540	1,063,370
Raytheon	45,109	-	(48)	-	45,061
Santa Barbara	3,098,582	345,414	(2,831)	87,580	3,528,745
Montecito	2,839,281	69,401	(2,810)	-	2,905,872
Carpinteria	1,895,193	167,189	(1,771)	38,396	2,099,007
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$ 35,219,863	\$ 1,997,683	\$ (28,317)	\$ 320,566	\$ 37,509,795
(1) Adjusted for Santa Ynez Exchange Agreement modifications.					

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2022/23 Budget

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

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

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:

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2022/23 Budget

Variable O&M Cost Billings to Project Participants

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

The basis for the fixed billings to the CCWA project participants is the annual fiscal year budget.

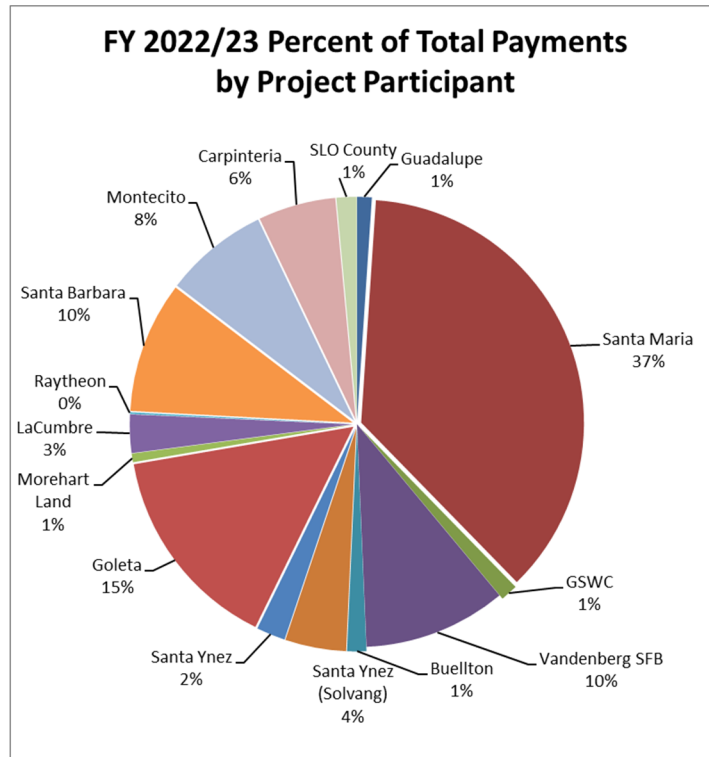
In calendar year 2022, CCWA implemented a revised billing methodology for CCWA and DWR variable costs. Under the revised billing procedures, CCWA established a Variable Cost Deposit for each CCWA participant equal to the greater of either 25% of their respective Table A amounts times the estimated cost per acre-foot for the various variable cost components, or the actual requested water deliveries for the billing period times the estimated cost per acre-foot for the various variable cost components. True-up of the estimated variable costs are performed half-way through the fiscal year and again after the close of the fiscal year.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2022/23 Budget

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2022/23 for each project participant.

Project Participant	FY 2022/2023 Operating Expenses ⁽¹⁾	FY 2022/2023 DWR Costs	FY 2022/2023 Warren Act Charges ⁽²⁾	FY 2022/2023 CCWA (Credits) Due	FY 2022/2023 Total Payments
Guadalupe	\$ 114,883	\$ 406,638	\$ -	\$ (20,705)	\$ 500,816
Santa Maria	3,453,771	14,254,417	-	(359,819)	17,348,369
Golden State Water Co.	110,229	490,893	-	(5,497)	595,626
Vandenberg AFB	1,414,414	4,282,203	-	(785,212)	4,911,404
Buellton	165,663	513,141	-	(18,387)	660,417
Santa Ynez (Solvang)	494,374	1,656,808	-	(52,688)	2,098,494
Santa Ynez	515,691	482,189	-	(2,461)	995,419
Goleta	1,642,769	5,369,928	180,786	(59,723)	7,133,761
Morehart Land	68,139	224,473	6,264	(4,131)	294,745
La Cumbre	264,873	1,055,830	7,540	(10,613)	1,317,630
Raytheon	12,042	45,061	-	(1,097)	56,005
Santa Barbara	990,141	3,441,165	87,580	(6,833)	4,512,054
Montecito	710,901	2,905,872	-	(45,504)	3,571,269
Carpinteria	596,356	2,060,611	38,396	(29,295)	2,666,068
Shandon	14,452	N/A	-	(3,057)	11,395
Chorro Valley	403,519	N/A	-	(60,085)	343,434
Lopez	408,150	N/A	-	(68,425)	339,725
TOTAL:	\$ 11,380,367	\$ 37,189,229	\$ 320,566	\$ (1,533,532)	\$ 47,356,630

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

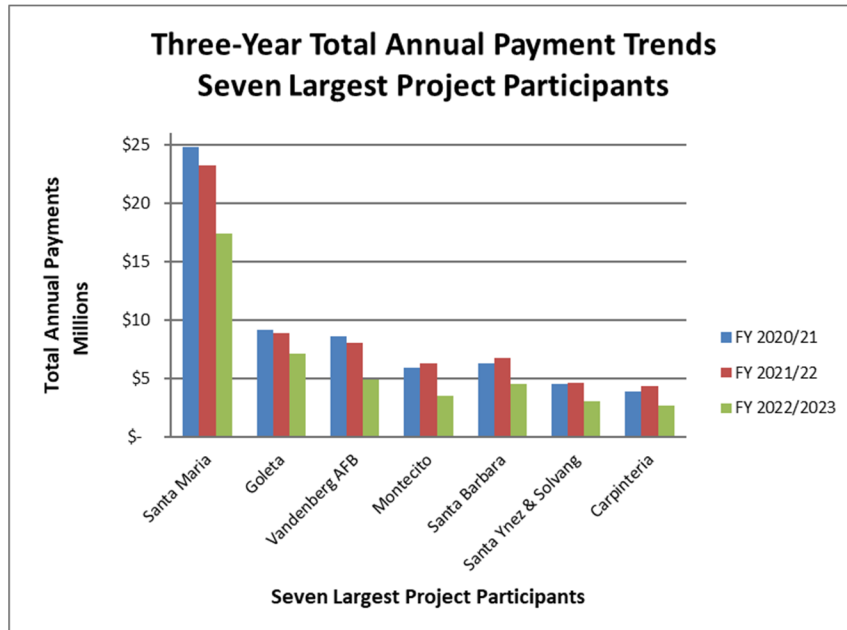


Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2022/23 Budget

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

Project Participant	Total Payments FY 2021/22	Total Payments FY 2022/2023	Change FY 2021/22 to FY 2022/2023
Guadalupe	\$ 964,200	\$ 500,816	\$ (463,385)
Santa Maria	23,185,514	17,348,369	(5,837,146)
Golden State Water Co.	780,559	595,626	(184,934)
Vandenberg AFB	8,028,509	4,911,404	(3,117,105)
Buellton	1,165,801	660,417	(505,384)
Santa Ynez (Solvang)	2,992,917	2,098,494	(894,423)
Santa Ynez	1,643,238	995,419	(647,818)
Goleta	8,885,759	7,133,761	(1,751,998)
Morehart Land	401,327	294,745	(106,582)
La Cumbre	2,196,250	1,317,630	(878,620)
Raytheon	102,603	56,005	(46,598)
Santa Barbara	6,763,114	4,512,054	(2,251,060)
Montecito	6,304,724	3,571,269	(2,733,455)
Carpinteria	4,346,945	2,666,068	(1,680,877)
Shandon	25,679	11,395	(14,284)
Chorro Valley	1,278,174	343,434	(934,741)
Lopez	533,638	339,725	(193,913)
TOTAL:	\$ 69,598,953	\$ 47,356,630	\$ (22,242,322)

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





*Motor refurbishment work for one of the units in William R. Gianelli Pumping-Generating Plant which pumps water from O'Neill Forebay into the San Luis Reservoir.
(Photo courtesy DWR)*

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2022/23 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 2022/23 DWR charges.

Highlights

Total FY 2022/23 DWR Charges **\$ 37,189,229**

- DWR Fixed Charges \$ 35,219,863
- DWR Variable Charges \$ 1,997,683
- Interest credits \$ (28,317)

Fixed Charge Highlights

- Total fixed charge decrease over FY 2021/22 of \$3,822,009.
- DWR Fixed cost decrease of \$3.8 million due to a decrease of \$3.3 million in the Transportation Minimum OMP&R costs for prior years, a decrease of \$0.94 million in Water System Revenue Bond, a increase of \$0.29 million in Coastal Branch Charges, a decrease of \$0.3 million in Transportation Capital costs over prior year, an increase of \$0.44 million in Delta Water Charges.

Variable Charge Highlights

- DWR Variable cost decrease of \$3.18 million over FY 2021/22.
- Estimated Variable OMP&R unit rate for 2022: \$181.00; 2023: \$181.00

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2022/23 Budget

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 2022/23 DWR Charges

The DWR charges for the first half of FY 2022/23 are based on the 2022 Statement of Charges. The DWR charges for the second half of FY 2022/23 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 **xx** shows fixed and variable DWR costs for each project participant.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2022/23 Budget

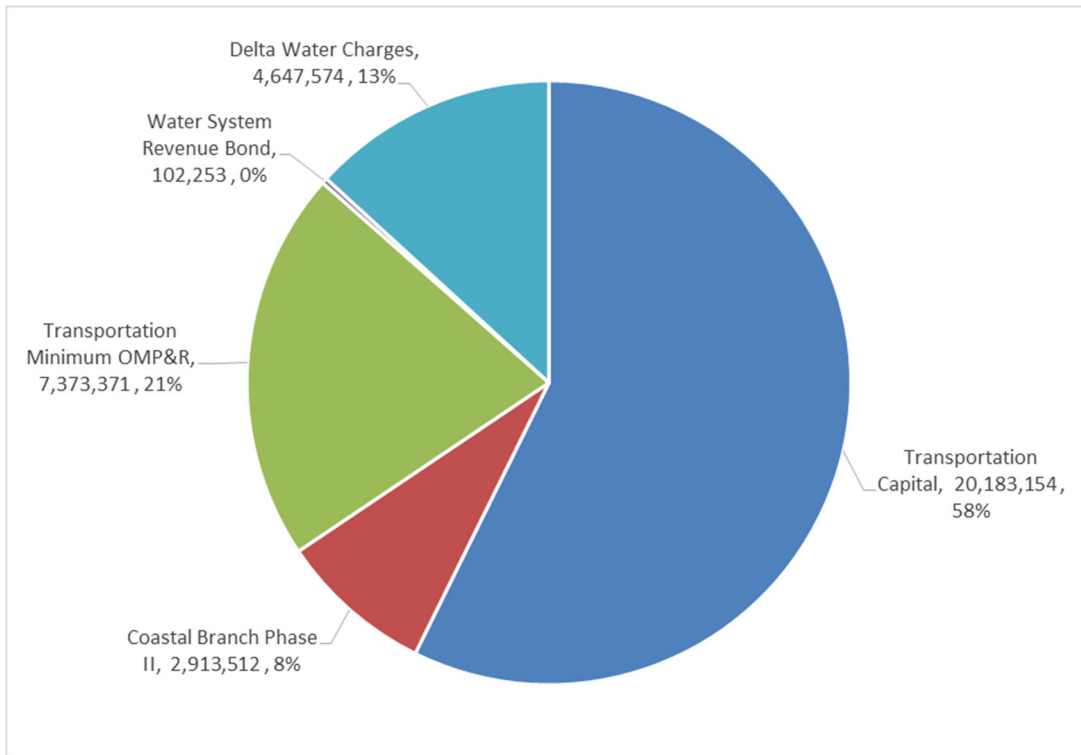
The following table provides a comparison of the FY 2022/23 through the FY 2022/23 DWR charges.

DWR Fixed and Variable Cost Comparison				
Cost Component	FY 2021/22 Budget	FY 2021/22 Est. Actual ⁽¹⁾	FY 2022/2023 Budget	FY 2021/22 Budget to FY 2022/23 Budget Increase (Decrease)
Transportation Capital	\$ 20,490,347	\$ 19,829,095	\$ 20,183,154	\$ (307,193)
Coastal Branch Phase II	2,619,508	3,437,163	2,913,512	294,004
Transportation Minimum OMP&R	10,684,247	9,722,181	7,373,371	(3,310,876)
Water System Revenue Bond	1,040,410	3,196,145	102,253	(938,157)
Delta Water Charges	4,207,361	5,439,588	4,647,574	440,213
Subtotal Fixed DWR Charges	<u>39,041,872</u>	<u>41,624,172</u>	<u>35,219,863</u>	<u>(3,822,009)</u>
Off-Aqueduct Charges	18,454	18,846	22,430	3,976
Variable OMP&R	5,157,453	2,702,264	1,975,253	(3,182,200)
Subtotal Variable DWR Charges	<u>5,175,907</u>	<u>2,721,110</u>	<u>1,997,683</u>	<u>(3,178,225)</u>
DWR Account Investment Income	(111,027)	(48,000)	(28,317)	82,710
Total DWR Charges	<u>\$ 44,106,752</u>	<u>\$ 44,297,282</u>	<u>\$ 37,189,229</u>	<u>\$ (6,917,524)</u>

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

DWR FIXED COSTS

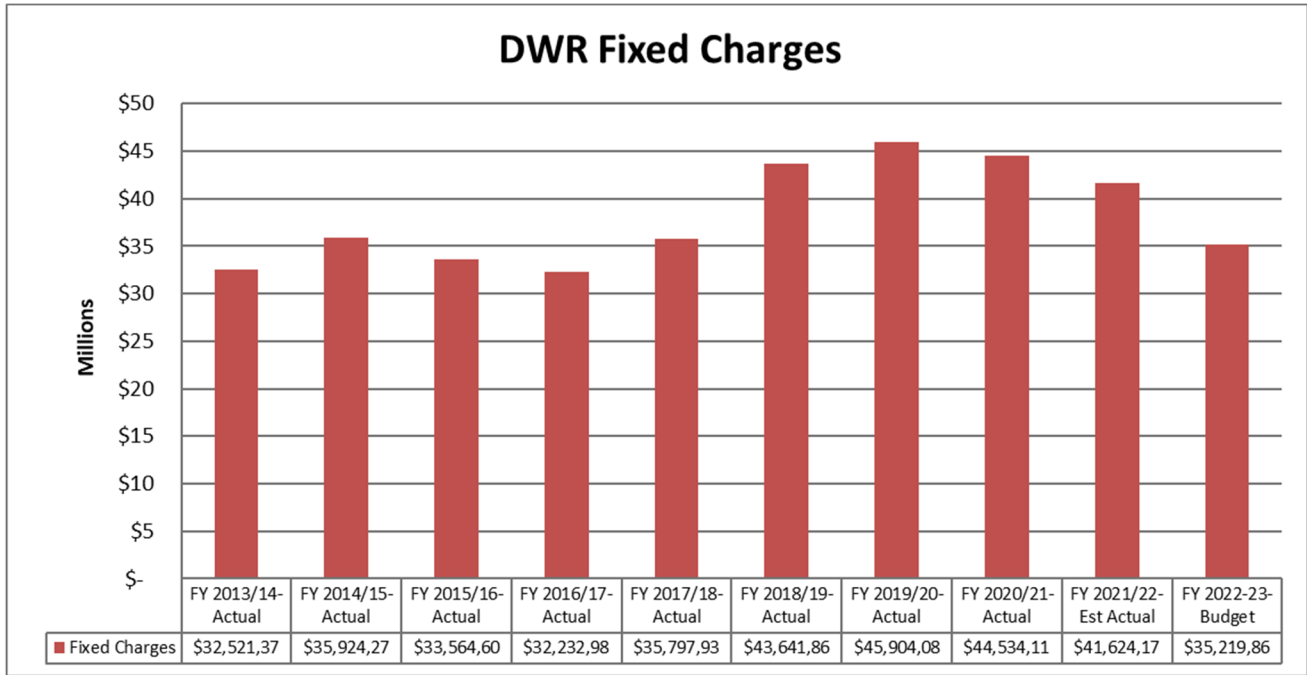
The DWR fixed costs are comprised of the following cost components:



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

The following graph shows the ten-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 2022/23 Transportation Capital charges to each of the CCWA project participants:

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TRANSPORTATION CAPITAL CHARGES

Project Participant	Rate		Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Management Funds Credit	DWR Credits for Overpayments ⁽²⁾	FY 2021/22 Amount Due (Credit)	FY 2022/2023 Transportation Capital Charges
	Table A	Percentage						
Guadalupe	550	1.41%	\$ 331,335	\$ 69	\$ (34,934)	\$ (11,323)	\$ (1,785)	\$ 283,361
Santa Maria	16,200	41.46%	9,759,308	2,028	(1,028,965)	(333,516)	(52,807)	8,346,048
Golden State Water Co.	500	1.28%	301,213	63	(31,758)	(10,294)		259,224
VAFB	5,500	14.07%	3,313,345	688	(349,340)	(113,231)	(17,932)	2,833,531
Buellton	578	1.48%	348,202	72	(36,712)	(11,900)	(1,879)	297,784
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	894,317	188	(94,481)	(30,563)		769,461
Santa Ynez ⁽³⁾	500	1.28%	310,536	63	(32,552)	(10,612)	(9,841)	257,594
Goleta	4,500	11.52%	2,710,919	563	(285,823)	(92,643)	(18,191)	2,314,825
Morehart	200	0.51%	120,485	25	(12,703)	(4,117)	(667)	103,023
La Cumbre	1,000	2.56%	602,426	125	(63,516)	(20,587)		518,448
Raytheon	50	0.13%	30,121	6	(3,176)	(1,029)	(159)	25,763
Santa Barbara	3,000	7.68%	1,807,279	376	(190,549)	(61,762)		1,555,344
Montecito	3,000	7.68%	1,807,279	376	(190,549)	(61,762)	(10,000)	1,545,344
Carpinteria	2,000	5.12%	1,204,853	250	(127,033)	(41,175)	(6,667)	1,030,229
Subtotal:	39,078	100.00%	\$ 23,541,620	\$ 4,892	\$ (2,482,091)	\$ (804,516)	\$ (119,927)	\$ 20,139,978
Goleta Additional Table A	2,500	5.50%	49,024	-	(4,173)	(1,675)	-	43,176
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-
TOTAL:	45,486		\$ 23,590,644	\$ 4,892	\$ (2,486,264)	\$ (806,191)	\$ (119,927)	\$ 20,183,154

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

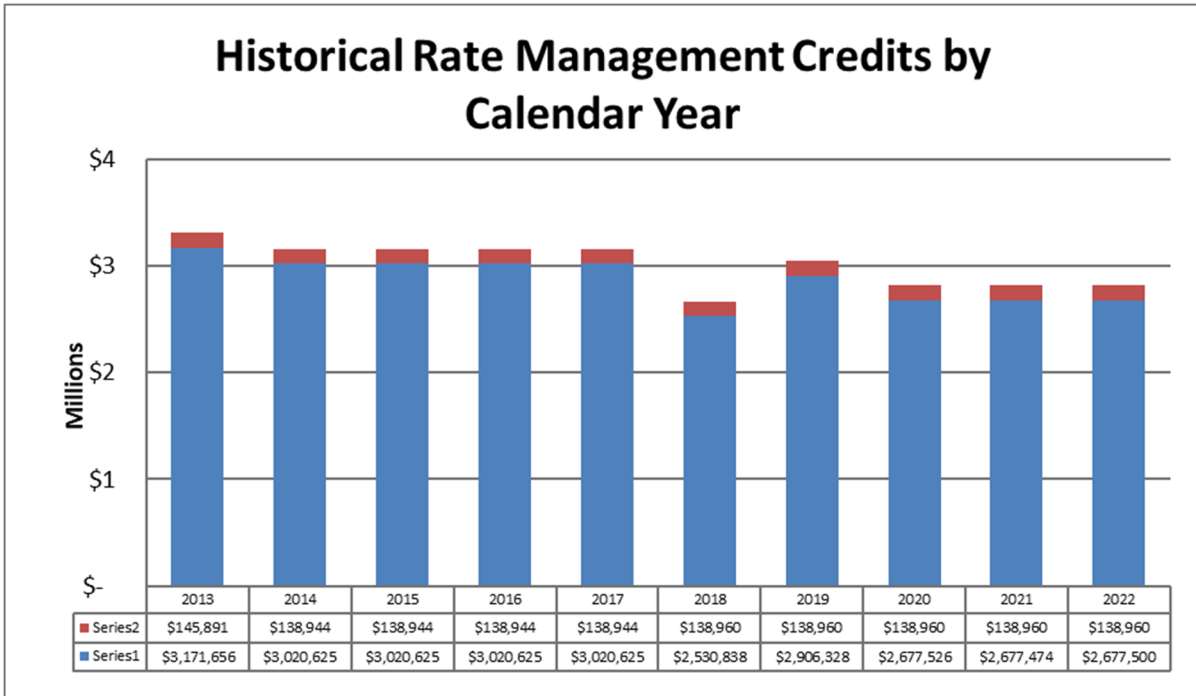
Transportation Capital Budget-to-Budget Changes			
	FY 2021/22	FY 2022/23	Change
Calculated Component	\$ 23,455,581	\$ 23,590,644	\$ 135,063
Rate Management Credits	(2,515,020)	(2,486,264)	28,756
Prior Year amount due	356,134	(119,927)	(476,061)
Prior Year Overcollection Credit	(791,837)	(806,191)	(14,354)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

Rate Management Credits

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

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Each year, DWR prepares a financial analysis to determine the revenues that are available to pay rate management credits. Pursuant to the Contract, the maximum amount of rate management credits in any one year does not exceed \$40.5 million to all Contractors.



Coastal Branch Extension-Transportation Capital Reach 37 and 38

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

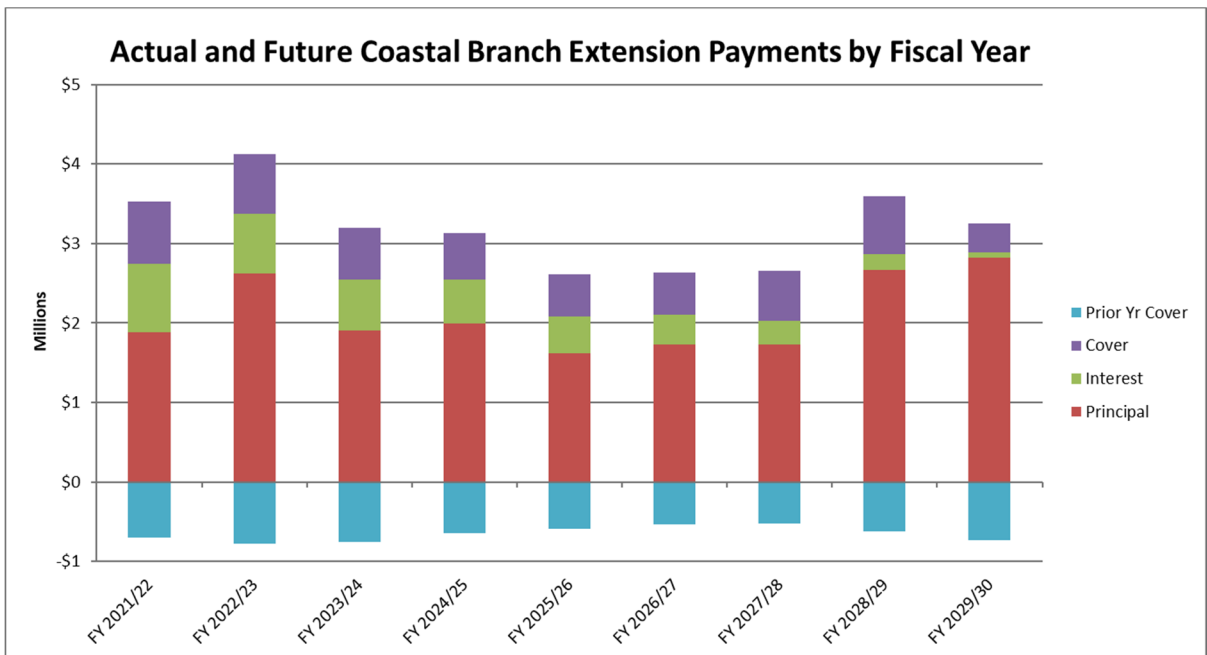
Coastal Branch Extension debt service payments for FY 2022/23 total \$2,463,136, which is \$156,371 lower than the prior year amount due to the following:

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

Principal, Interest and Bond Cover Changes

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



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

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Coastal Branch Extension Bond Allocation

CCWA is challenging DWR's allocation of revenue bond debt service payments to CCWA for the Coastal Branch Extension. Total construction and finance related costs were around \$35 million for the project, but DWR is allocating approximately \$46 million in revenue bond principal payments to CCWA. Recently, DWR agreed that the allocation of additional bonds 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 2022/23.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION					
<i>Reach 37</i>					
Project Participant	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	\$ -	\$ -	\$ -
Santa Maria	16,200	42.05%	883,156	(208,172)	674,985
Golden State Water Co.	500	1.30%	27,258	(6,425)	20,833
VAFB	5,500	14.28%	299,837	(70,676)	229,161
Buellton	578	1.50%	31,510	(7,427)	24,083
Santa Ynez (Solvang)	1,500	3.89%	81,774	(19,275)	62,499
Santa Ynez	500	1.30%	27,258	(6,425)	20,833
Goleta	4,500	11.68%	245,321	(57,825)	187,496
Morehart	200	0.52%	10,903	(2,570)	8,333
La Cumbre	1,000	2.60%	54,516	(12,850)	41,666
Raytheon	50	0.13%	2,726	(643)	2,083
Santa Barbara	3,000	7.79%	163,547	(38,550)	124,997
Montecito	3,000	7.79%	163,547	(38,550)	124,997
Carpinteria	2,000	5.19%	109,032	(25,700)	83,331
Total:	38,528	100.00%	\$ 2,100,385	\$ (495,089)	\$ 1,605,297

(1) Includes credits for the return of bond cover of \$770,418, Rate Management Funds Credits of \$184,614

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TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	Reach 38					FY 2021/22 (Credits) Due	FY 2022/2023 Transportation Capital Charges
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs		
Guadalupe	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	(40,220)	634,764
Golden State Water Co.	-	0.00%	-	-	-	-	20,833
VAFB	5,500	25.20%	491,665	(115,892)	375,773	(83,423)	521,511
Buellton	578	2.65%	51,670	(12,179)	39,490	(3,648)	59,925
Santa Ynez (Solvang)	1,500	6.87%	134,090	(31,607)	102,484	-	164,982
Santa Ynez	500	2.29%	44,697	(10,536)	34,161	(4,970)	50,024
Goleta	4,500	20.62%	402,271	(94,821)	307,451	(22,962)	471,984
Morehart	200	0.92%	17,879	(4,214)	13,664	(2,011)	19,987
La Cumbre	1,000	4.58%	89,394	(21,071)	68,322	-	109,988
Raytheon	50	0.23%	4,470	(1,054)	3,416	(381)	5,118
Santa Barbara	3,000	13.74%	268,181	(63,214)	204,967	-	329,964
Montecito	3,000	13.74%	268,181	(63,214)	204,967	(15,285)	314,679
Carpinteria	2,000	9.16%	178,787	(42,143)	136,645	(10,225)	209,751
Total:	21,828	100.00%	\$ 1,951,284	\$ (459,943)	\$ 1,491,340	\$ (183,125)	\$ 2,913,512

(1) Includes credits for the return of bond cover of \$770,418, Rate Management Funds Credits of \$184,614

Transportation Minimum OMP&R

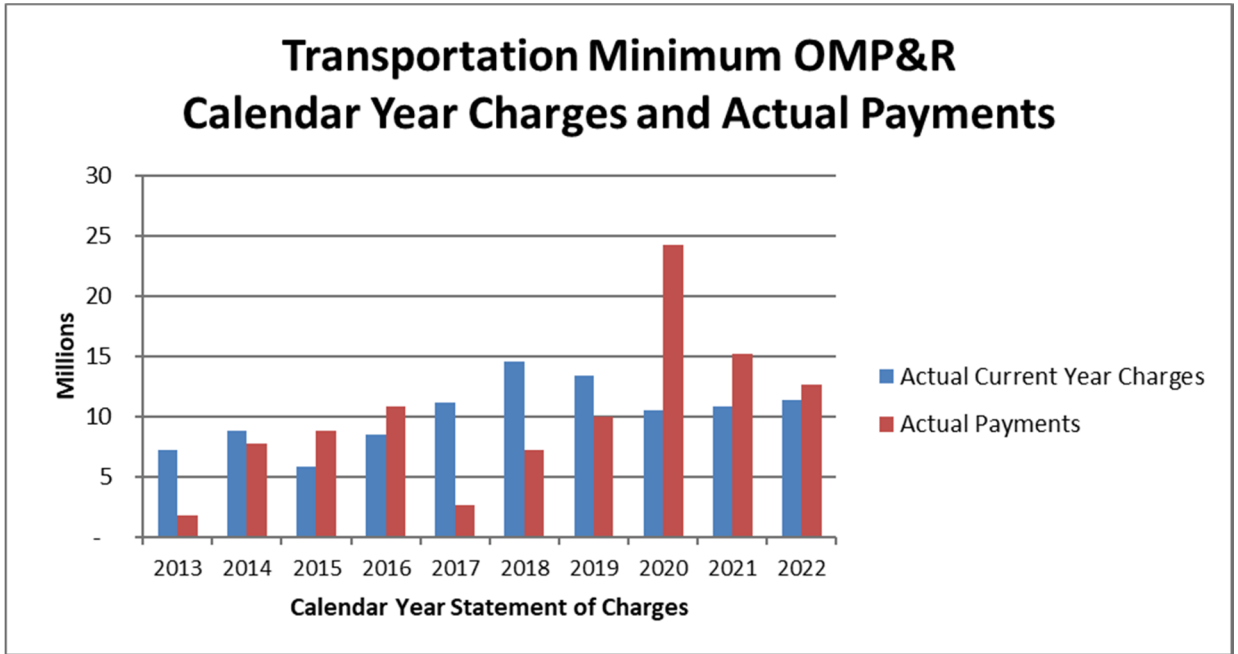
Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally do not depend on or vary with the quantities of water delivered to CCWA.

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

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

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

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The following table shows the allocation of the FY 2022/23 Transportation Minimum OMP&R charges to each of the CCWA project participants.

TRANSPORTATION MINIMUM OMP&R

Project Participant	Table A	Percentage	Calculated Component FY 2022/2023	Prior Year(s) Undercollections	FY 2021/22 Amount Due	FY 2022/2023 Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 166,078	\$ (12,237)	-	\$ 62,037
Santa Maria	16,200	41.46%	4,891,743	(360,435)	-	3,274,635
Golden State Water Co.	500	1.28%	150,980	(11,125)	-	139,855
VAFB	5,500	14.07%	1,660,777	(122,370)	-	92,218
Buellton	578	1.48%	174,533	(12,860)	-	79,558
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	441,795	(32,504)	-	385,909
Santa Ynez ⁽¹⁾	500	1.28%	162,124	(11,994)	-	48,538
Goleta	4,500	11.52%	1,358,817	(100,121)	-	928,129
Morehart	200	0.51%	60,392	(4,450)	-	55,423
La Cumbre	1,000	2.56%	301,959	(22,249)	-	279,710
Raytheon	50	0.13%	15,098	(1,112)	-	8,831
Santa Barbara	3,000	7.68%	905,878	(66,747)	-	839,131
Montecito	3,000	7.68%	905,878	(66,747)	-	632,495
Carpinteria	2,000	5.12%	603,919	(44,498)	-	423,728
Subtotal:	39,078	100.00%	\$ 11,799,971	\$ (869,450)	\$ -	\$ 7,250,199
Goleta Additional Table A	2,500	-	133,593	(10,422)	-	\$ 123,171
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 11,933,564	\$ (879,873)	\$ -	\$ 7,373,371

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

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Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2022/23, the WSRB is \$187,379 lower than the prior year amount.

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

WATER SYSTEM REVENUE BOND SURCHARGE							
Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	Refund of Power Debt Service ⁽³⁾	FY 2021/22 WSRB (Credits) Due	FY 2022/2023 WSRB Charges
Guadalupe	550	1.41%	\$ 45,223	\$ (26,393)	\$ (12,277)	\$ (6,553)	\$ -
Santa Maria	16,200	41.46%	1,332,028	(777,403)	(361,615)	(193,010)	-
Golden State Water Co.	500	1.28%	41,112	(23,994)	(11,161)	-	5,957
VAFB	5,500	14.07%	452,232	(263,933)	(122,770)	(65,528)	0
Buellton	578	1.48%	47,525	(27,737)	(12,902)	(6,886)	0
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	116,309	(67,883)	(33,483)	-	14,944
Santa Ynez ⁽¹⁾	500	1.28%	48,139	(28,093)	(11,161)	(8,885)	-
Goleta	4,500	11.52%	370,008	(215,945)	(100,449)	(53,614)	-
Morehart	200	0.51%	16,445	(9,598)	(4,464)	-	2,383
La Cumbre	1,000	2.56%	82,224	(47,988)	(22,322)	-	11,914
Raytheon	50	0.13%	4,111	(2,399)	(1,116)	(596)	-
Santa Barbara	3,000	7.68%	246,672	(143,964)	(66,966)	-	35,743
Montecito	3,000	7.68%	246,672	(143,964)	(66,966)	(35,743)	-
Carpinteria	2,000	5.12%	164,448	(95,976)	(44,644)	(23,828)	0
Subtotal	39,078	100.00%	\$ 3,213,147	\$ (1,875,269)	\$ (872,295)	\$ (394,643)	\$ 70,941
Goleta Additional Table A	2,500	-	\$ 110,999	(64,751)	(14,937)	-	\$ 31,312
CCWA Drought Buffer	3,908	-	-	-	-	-	-
TOTAL:	45,486		\$ 3,324,147	\$ (1,940,020)	\$ (887,232)	\$ (394,643)	\$ 102,253

(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 2020 and January 2021 payments.
 (3) WSRB Refund of power debt surcharge in April 2023 for Jan 2021 and July 2021 payments.

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 2022/23.

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

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

As shown in the previous table, the FY 2022/23 rate per acre-foot totals \$111.50, which is \$15.95/AF higher than the prior year amount.

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

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.

The following table shows the allocation of the FY 2022/23 Delta Water Charge to each of the CCWA project participants.

DELTA WATER CHARGE							
Project Participant	Table A		Gross		Rate	FY 2021/22	FY 2022/2023
	Including Drought Buffer	Percentage	Delta Water Charges	Management Funds Credit	(Credits) Amount Due	Delta Water Charges	
Guadalupe	605	1.41%	\$ 67,459	\$ (1,842)	\$ (6,099)	\$ 59,518	
Santa Maria	17,820	41.46%	1,986,984	(54,250)	(179,227)	1,753,507	
Golden State Water Co.	550	1.28%	61,327	(1,674)	-	59,652	
VAFB	6,050	14.07%	674,593	(18,418)	(60,992)	595,183	
Buellton	636	1.48%	70,916	(1,936)	(6,268)	62,712	
Santa Ynez (Solvang)	1,500	3.49%	167,255	(4,567)	-	162,688	
Santa Ynez	700	1.63%	78,052	(2,131)	(5,135)	70,786	
Goleta	4,950	11.52%	551,940	(15,069)	(15,084)	521,787	
Morehart	220	0.51%	24,531	(670)	(599)	23,262	
La Cumbre	1,100	2.56%	122,653	(3,349)	-	119,305	
Raytheon	55	0.13%	6,133	(167)	(625)	5,340	
Santa Barbara	3,300	7.68%	367,960	(10,046)	-	357,914	
Montecito	3,300	7.68%	367,960	(10,046)	(6,923)	350,991	
Carpinteria	2,200	5.12%	245,307	(6,698)	(4,341)	234,268	
Subtotal	42,986	100.00%	\$ 4,793,069	\$ (130,864)	\$ (285,293)	\$ 4,376,912	
Goleta Additional Table A	2,500	5.50%	\$ 278,758	(8,096)	-	\$ 270,662	
TOTAL:	45,486	-	\$ 5,071,827	\$ (138,960)	\$ (285,293)	\$ 4,647,574	

Note 1: Golden State Water, La Cumbre and Santa Barbara-100% of credit transferred into DWR reserve fund.

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2022 COST PER AF:	\$ 101.5030
Increase for 2022 SOC per AF /2	\$ 10.0000
Estimated rate for FY 2022/23	\$ 111.5030

DWR VARIABLE COSTS

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

- Off-Aqueduct Charge
- Variable OMP&R

The DWR variable charges for FY 2022/23 total \$1,997,683, which is \$3,178,225 less than the budgeted FY 2021/22 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 2022/23, the off-aqueduct charges total \$22,430, which is \$3,976 more than the prior year budget.

The following table shows the allocation of off-aqueduct charges for FY 2022/23.

Project Participant	OFF-AQUEDUCT CHARGES								FY 2021/22 (Credits) Charges ⁽⁴⁾	TOTAL FY 2022/2023 Off-Aqueduct
	July 2022 to December 2022				January 2023 to June 2023					
	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2022 Off-Aqueduct ^(1 & 2)	Half-Year 2022 Charges	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2023 Off-Aqueduct ⁽³⁾	Half-Year 2023 Charges		
Guadalupe	6	0.12%	\$ 36	\$ 18	6	0.10%	\$ 15	\$ 8	\$ -	\$ 25
Santa Maria	1,131	22.56%	6,746	3,373	276	4.68%	700	350	-	3,723
Golden State Water Co.	33	0.66%	197	98	5	0.08%	13	6	-	105
VAFB	-	0.00%	-	-	1,054	17.87%	2,672	1,336	-	1,336
Buellton	60	1.20%	358	179	15	0.25%	38	19	-	198
Santa Ynez (Solang) ⁽⁵⁾	493	9.83%	2,940	1,470	432	7.32%	1,095	548	-	2,018
Santa Ynez ⁽⁶⁾	-	0.00%	-	-	300	5.09%	760	380	-	380
Goleta	1,785	35.60%	10,647	5,323	1,899	32.19%	4,814	2,407	-	7,730
Morehart	60	1.20%	358	179	48	0.81%	122	61	-	240
La Cumbre	50	1.00%	298	149	80	1.36%	203	101	-	251
Raytheon	-	0.00%	-	-	-	0.00%	-	-	-	-
Santa Barbara	754	15.04%	4,497	2,249	1,134	19.22%	2,875	1,437	-	3,686
Montecito	294	5.86%	1,754	877	84	1.42%	213	106	-	983
Carpinteria	348	6.94%	2,076	1,038	566	9.59%	1,435	717	-	1,755
	5,014	100.00%	\$ 29,906	\$ 14,953	5,899	100.00%	\$ 14,953	\$ 7,477	\$ -	\$ 22,430

(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, 2021 for Calendar Year 2022 Statement of Charges.
 (3) Source: 2023 OAC projected at half of 2022 SOC Attach 3
 (4) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
 (5) 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.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2022/23 Budget

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 2022/23, the variable OMP&R charges total \$1,975,253 which is \$3,182,200 less than the prior year amount. The budget is based on estimated water deliveries of 5,014 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2022/23 is estimated to be \$181/AF and \$181/AF for the second half of the fiscal year.

The following table shows the allocation of the FY 2022/23 variable OMP&R costs.

Project Participant	July 1, 2022 to Dec 31, 2022 ⁽¹⁾			\$181/AF ⁽²⁾	Jan 1, 2023 to June 30, 2023 ⁽³⁾			\$181/AF ⁽⁴⁾	TOTAL
	Requested	SYID#1	Net	2022	Requested	SYID#1	Net	2023	FY 2022/2023
	Delivery	Exchanges	Deliveries	Var OMP&R	Delivery	Exchanges	Deliveries	Var OMP&R	Var. OMP&R
Guadalupe	6	-	6	\$ 1,086	6	-	6	\$ 1,086	\$ 2,172
Santa Maria	1,131	-	1,131	204,711	276	-	276	49,956	254,667
Golden State Water Co.	33	-	33	5,973	5	-	5	905	6,878
VAFB	-	-	-	-	1,054	-	1,054	190,774	190,774
Buellton	60	-	60	10,860	15	-	15	2,715	13,575
Santa Ynez (Solvang)	493	-	493	89,233	432	-	432	78,192	167,425
Santa Ynez ⁽⁶⁾	-	1,225	1,225	-	300	350	650	54,300	54,300
Goleta	1,785	(441)	1,344	323,085	1,899	(126)	1,773	343,719	666,804
Morehart	60	-	60	10,860	48	-	48	8,688	19,548
La Cumbre	50	-	50	9,050	80	-	80	14,480	23,530
Raytheon	-	-	-	-	-	-	-	-	-
Santa Barbara	754	(294)	460	136,474	1,134	(84)	1,050	205,254	341,728
Montecito	294	(294)	-	53,214	84	(84)	-	15,204	68,418
Carpinteria	348	(196)	152	62,988	566	(56)	510	102,446	165,434
Total	5,014	-	5,014	\$ 907,534	5,899	-	5,899	\$ 1,067,719	\$ 1,975,253

- (1) 2022 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation perce
- (2) Source: 2021 IIR-Transportation Variable Plant Rates from DWR dated 2/17/22
- (3) 2023 Requested Deliveries based on a 100% delivery allocation.
- (4) Source: Estimate of invoice rate for 2022.
- (5) 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.

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 2022/2023 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	\$ 283,361	\$ -	\$ -	\$ 62,037	\$ -	\$ 59,518	\$ 404,917	\$ 25	\$ 2,172	\$ 2,197	\$ (477)	\$ 406,638
Santa Maria	8,346,048	635,068	-	3,274,635	-	1,753,507	14,009,258	3,723	254,667	258,390	(13,231)	14,254,417
Golden State Water Co.	259,224	19,601	-	139,855	5,957	59,652	484,289	105	6,878	6,983	(379)	490,893
Vandenberg AFB	2,833,531	215,610	353,551	92,218	0	595,183	4,090,093	1,336	190,774	192,110		4,282,203
Buellton	297,784	22,659	37,155	79,558	0	62,712	499,868	198	13,575	13,773	(500)	513,141
Santa Ynez (Solvang)	769,461	58,803	96,423	385,909	14,944	162,688	1,488,228	2,018	167,425	169,443	(862)	1,656,808
Santa Ynez	257,594	19,601	32,141	48,538	-	70,786	428,660	380	54,300	54,680	(1,151)	482,189
Goleta	2,314,825	176,408	289,269	928,129	-	521,787	4,230,417	7,730	666,804	674,534	(3,343)	4,901,608
Morehart Land	103,023	7,840	12,856	55,423	2,383	23,262	204,788	240	19,548	19,788	(103)	224,473
La Cumbre	518,448	39,202	64,282	279,710	11,914	119,305	1,032,861	251	23,530	23,781	(811)	1,055,830
Raytheon	25,763	1,960	3,214	8,831	-	5,340	45,109	-	-	-	(48)	45,061
Santa Barbara	1,555,344	117,605	192,846	839,131	35,743	357,914	3,098,582	3,686	341,728	345,414	(2,831)	3,441,165
Montecito	1,545,344	117,605	192,846	632,495	-	350,991	2,839,281	983	68,418	69,401	(2,810)	2,905,872
Carpinteria	1,030,229	78,403	128,564	423,728	0	234,268	1,895,193	1,755	165,434	167,189	(1,771)	2,060,611
Goleta 2500 AF	43,176	-	-	123,171	31,312	270,662	468,320	-	-	-	-	468,320
Total	\$ 20,183,154	\$ 1,510,365	\$ 1,403,147	\$ 7,373,371	\$ 102,253	\$ 4,647,574	\$ 35,219,863	\$ 22,430	\$ 1,975,253	\$ 1,997,683	\$ (28,317)	\$ 37,189,229



*New chlorine scrubber at the Polonio Pass Water Treatment Plant
November 2020*

Operating Expenses

The Operating Expenses section of the FY 2022/23 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

Highlights

Summary Information

- **Total FY 2022/23 Operating Expenses \$ 9,890,413**
- Fixed expense decrease \$ (1,319,989)
- Variable expense decrease \$ (2,374,565)
- Decrease over FY 2021/22 Budget \$ (3,694,554)
- Percentage decrease (27.20%)

Significant Operating Expense Changes

- Variable electric costs are estimated to be \$2,038,011 less than the FY 2021/22 budget, a decrease of 68.70%.
- Chemical costs are budgeted at \$51.52 an acre-foot (excluding Santa Ynez Pumping facility chemical costs), which is a 28.87% decrease over FY 2021/22 chemical budget.
- Budgeted employee benefits percentage for FY 2022/23: 43.54%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2022/23 Budget

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

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

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

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

The Operations and Maintenance staff comprise the bulk (25) of the 31 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 2022/23. 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 2022/23 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2022/23 budget are as follows:

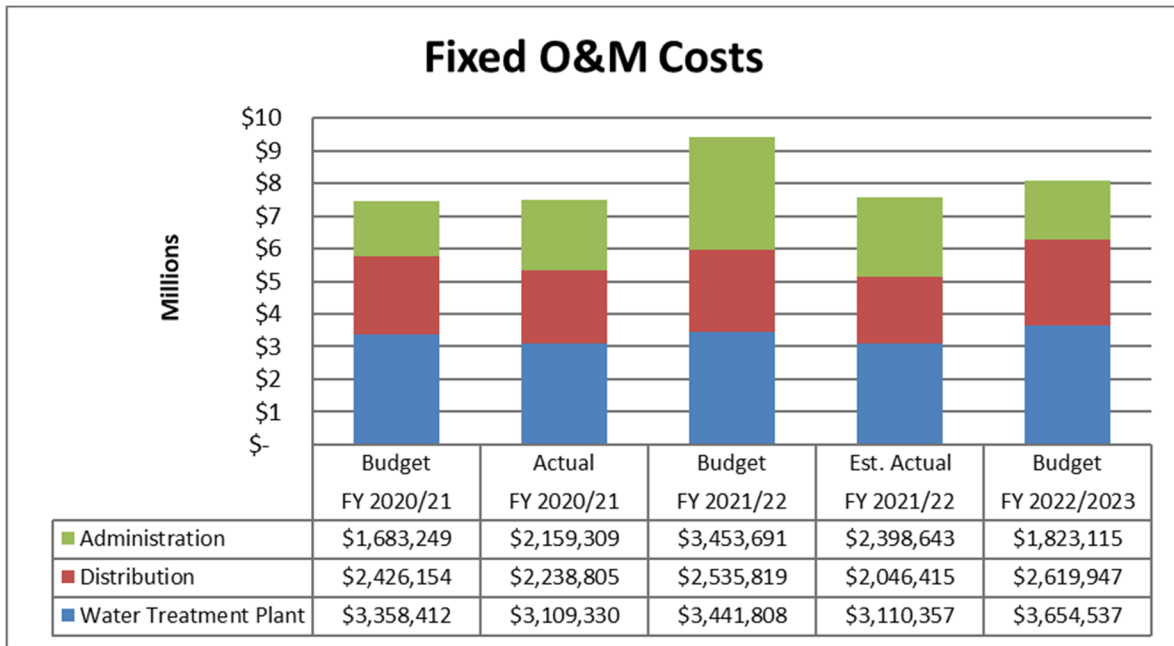
- Decrease in Warren Act and Trust Fund charges of \$114,318 (Warren Act and Trust Fund charges are not included in the Operating Expense budget and are treated as a pass-through expense).

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.

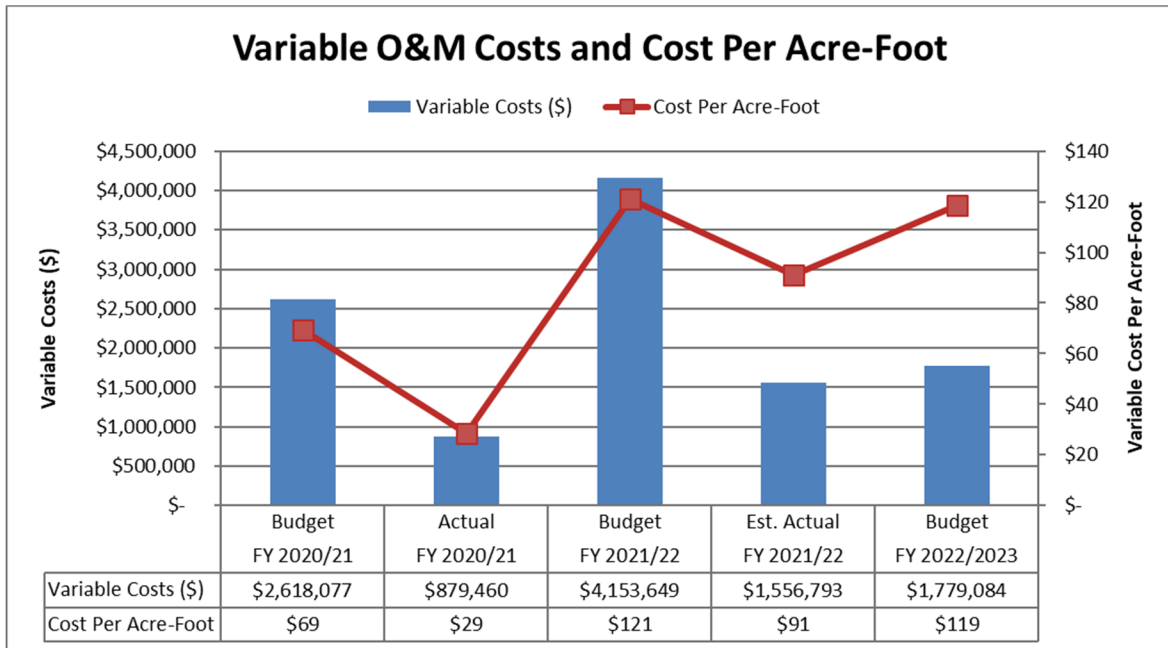
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2022/23 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 actual variable cost per acre-foot for the same period.



The Fiscal Year 2022/23 Consolidated Departmental Operating Expense Budget totals \$9,890,413 which is \$3,694,554 lower than the Fiscal Year 2021/22 Budget, a 27.20% decrease. 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 \$283,682 which includes the following changes from the prior year:

- The FY 2022/23 total salaries and wages budget for all departments is increasing \$152,362 as compared to the prior fiscal year budget, representing an increase of just 4.75%.
- CalPERS retirement expenses are increasing by approximately \$134,174. The combined CCWA paid employer, employee and unfunded actuarial liability contribution rates for the FY 2022/23 total 30.22% as compared

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2022/23 Budget

to the prior year amount of 30.20%, for a combined increase of .02%. In FY 2017/18 CCWA employees began paying 50% of the increase in the “normal” PERS employer contribution. Additionally, CCWA now has 10 PEPRA employees.

- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$24,522 due to; 1) The 2022 CalPERS health insurance plan with the lowest premiums increased by 23.24% over the 2021 premiums, as opposed to the increase of 5% budgeted for the calendar year 2021. The 2022 health allowances have remained at same levels used in 2021; 2) The FY 2022/23 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2023. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers’ Compensation costs are increasing by \$18,624 due to a 6% increase in the Experience modification rate for CCWA.
- The FY 2022/23 Budget includes a \$149,950 deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums for employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of CCWA service.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2022/23 Budget

Supplies and Equipment

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

Monitoring Expenses

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

Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$10,480 due to increase repair and maintenance on aging vehicles.

Professional Services

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

General and Administrative

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

Utilities

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

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2022/23 Budget

Other Expenses

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

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

The chart on page **xx** provides a detailed breakdown of the components of the FY 2022/23 budget.

CCWA Employee Benefits Percentage

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

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

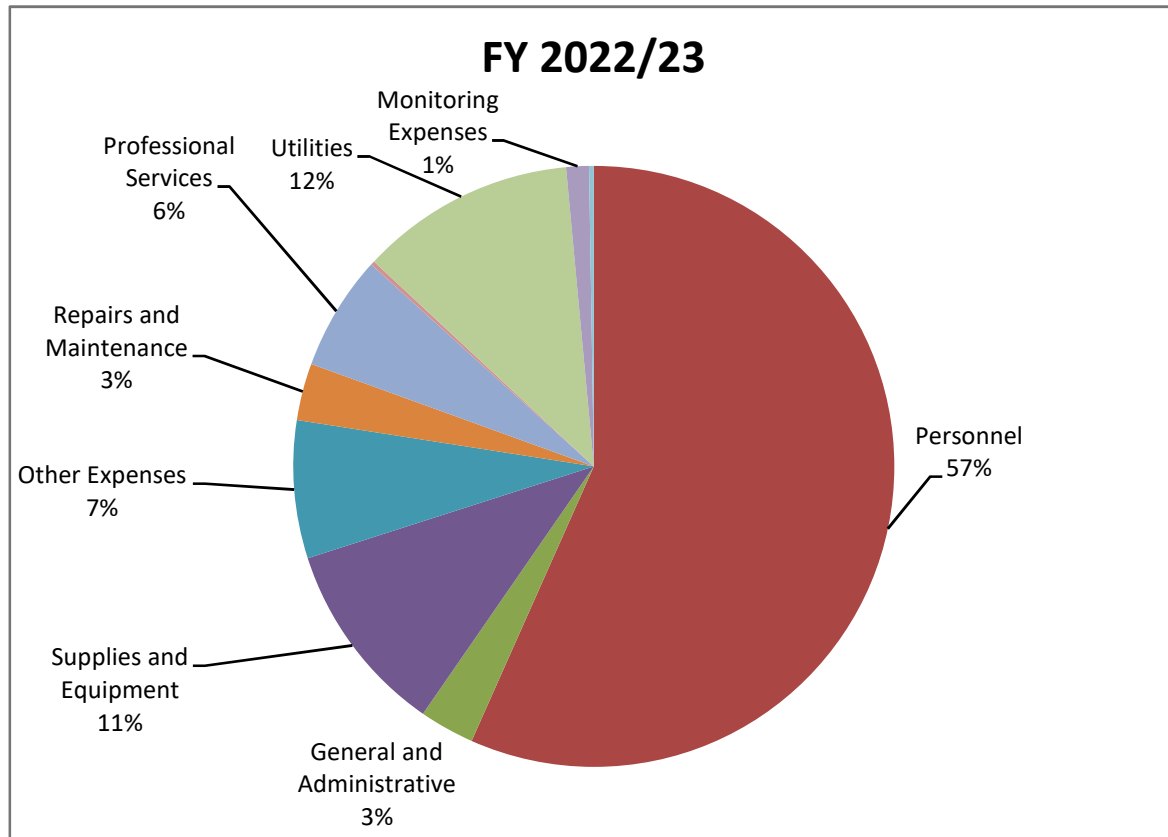
The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2020/21 through 2022/23.

	FY 2020/21	FY 2021/22	FY 2022/2023
	Actual	Est. Actual ⁽¹⁾	Budget ⁽¹⁾
Total Regular Salaries	\$ 3,065,162	\$ 3,013,663	\$ 3,424,644
<u>Benefits</u>			
PERS Retirement ⁽¹⁾	722,313	732,018	868,056
Health Insurance	376,718	387,163	445,328
Cafeteria Plan Benefits	115,189	109,777	59,350
Dental/Vision Plan	56,935	68,150	87,266
Long-Term Disability	16,084	15,222	17,415
Life Insurance	11,990	11,482	13,696
Total Benefits:	\$ 1,299,229	\$ 1,323,811	\$ 1,491,111
Employee Benefits Percentage	42.39%	43.93%	43.54%

(1) The PERS Retirement for FY 2019/20 thru FY 2021/22 in the above benefit percentage calculations does not include the additional \$125,000 payment towards CCWA's unfunded accrued liability, which is included in the operating expense sections of the budget. Also not included in the above calculations are the GASB 68 actuarial adjustments to pension expenses.

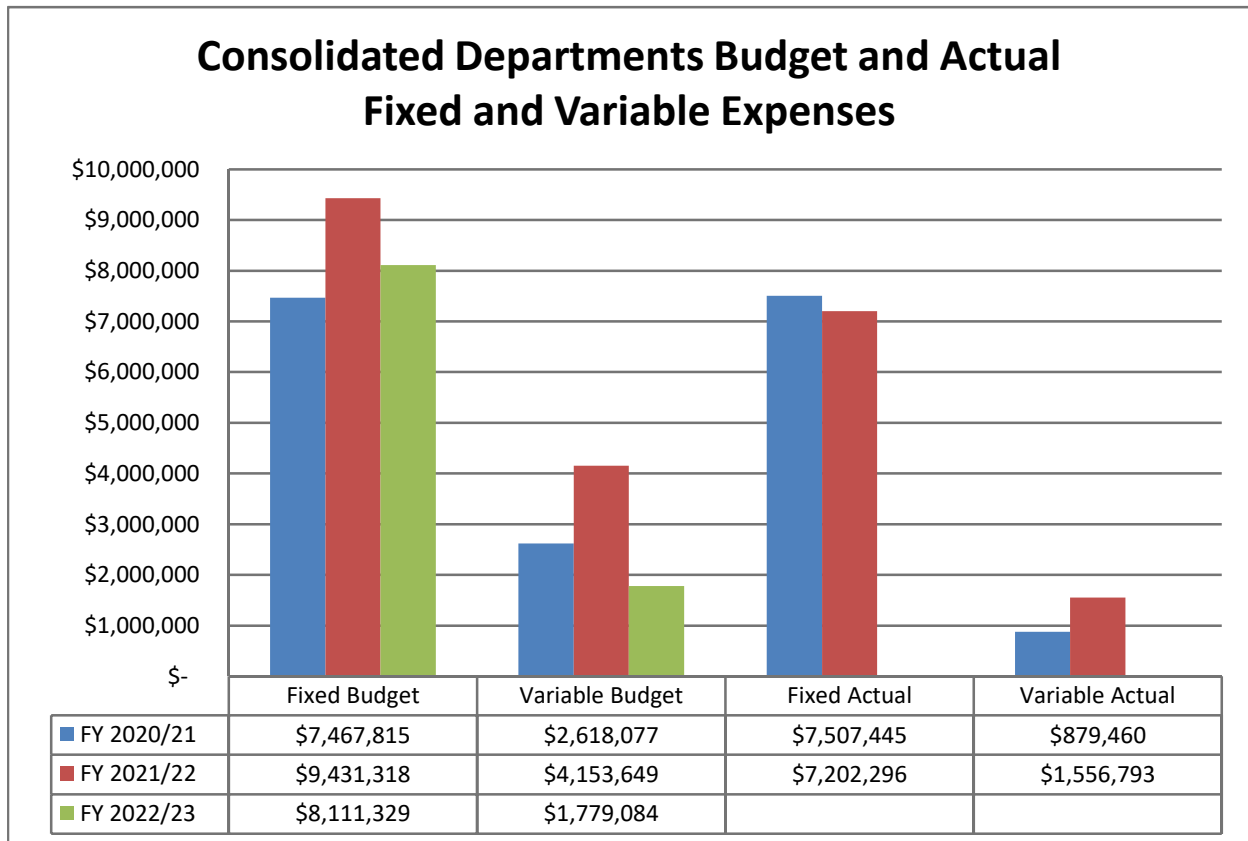
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2022/2023 Budget

Item	FY 2022/2023 Budget
Personnel	\$ 5,604,067
Office Expenses	21,300
Supplies and Equipment	1,033,127
Monitoring Expenses	121,234
Repairs and Maintenance	303,290
Professional Services	611,390
General and Administrative	292,163
Utilities	1,145,930
Other Expenses	732,894
Turnouts	25,018
TOTAL:	\$ 9,890,413



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2022/2023 Budget

Item	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget
Personnel	\$ 5,221,432	\$ 5,157,480	\$ 5,320,385	\$ 4,992,028	\$ 5,604,067
Office Expenses	21,300	17,763	21,300	15,357	21,300
Supplies and Equipment	1,845,711	715,686	1,375,311	1,006,867	1,033,127
Monitoring Expenses	106,215	106,373	117,408	96,923	121,234
Repairs and Maintenance	293,760	230,310	292,810	271,824	303,290
Professional Services	493,223	886,754	2,234,785	817,047	611,390
General and Administrative	322,413	158,273	307,162	170,869	292,163
Utilities	1,143,896	471,610	3,177,672	876,569	1,145,930
Other Expenses	612,798	642,655	712,990	485,230	732,894
Turnouts	25,144	-	25,144	26,375	25,018
Total:	\$ 10,085,892	\$ 8,386,904	\$ 13,584,967	\$ 8,759,089	\$ 9,890,413



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 3,200,695	\$ 3,065,162	\$ 3,283,379	\$ 3,013,663	\$ 3,424,644	\$ 141,265	4.30%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	150,669	205,804	154,456	174,522	160,581	6,126	3.97%
5000.40	Standby Pay	60,084	59,707	61,454	57,665	65,615	4,161	6.77%
5000.50	Shift Differential Pay	19,880	18,995	20,469	17,181	21,279	811	3.96%
5100.10	PERS Retirement	850,785	858,231	858,882	857,018	993,056	134,174	15.62%
5100.15	Medicare Taxes	51,414	50,455	52,496	48,405	54,106	1,610	3.07%
5100.20	Health/Dental/Vision Plans	589,616	548,841	616,466	565,089	591,944	(24,522)	-3.98%
5100.25	Workers' Compensation	93,246	69,222	74,111	85,473	92,735	18,624	25.13%
5100.30	Vehicle Expenses	9,000	9,000	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	156,802	241,055	149,952	136,508	149,950	(2)	0.00%
5100.50	Long-Term Disability	16,268	16,084	16,696	15,222	17,415	719	4.31%
5100.55	Life Insurance	13,263	11,990	13,314	11,482	13,696	382	2.87%
5100.60	Employee Physicals	900	170	900	800	1,155	255	28.33%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	6,560	-	6,560	-	6,640	80	1.22%
5100.65	Employee Education Reimbursement	2,250	-	2,250	-	2,250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	2,762	-	-	-	-	N/A
Total Personnel Expenses:		5,221,432	5,157,480	5,320,385	4,992,028	5,604,067	283,682	5.33%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	10,800	10,427	10,800	6,985	10,800	-	0.00%
5200.30	Misc. Office Expenses	10,500	7,336	10,500	8,372	10,500	-	0.00%
Total Office Expenses:		21,300	17,763	21,300	15,357	21,300	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	16,160	14,980	17,385	14,462	19,705	2,320	13.34%
5500.15	Minor Tools and Equipment	10,000	12,556	10,000	9,750	11,000	1,000	10.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,500	187	1,500	500	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,668,861	598,332	1,187,006	883,250	850,452	(336,554)	-28.35%
5500.35	Maintenance Supplies/Hardware	28,000	11,394	28,000	14,379	28,000	-	0.00%
5500.40	Safety Supplies	14,000	8,987	14,000	12,740	14,000	-	0.00%
5500.45	Fuel and Lubricants	93,690	69,000	103,920	66,536	98,970	(4,950)	-4.76%
5500.50	Seed/Erosion Control Supplies	13,000	127	13,000	5,000	9,000	(4,000)	-30.77%
5500.55	Backflow Prevention Supplies	500	123	500	250	500	-	0.00%
Total Supplies and Equipment:		1,845,711	715,686	1,375,311	1,006,867	1,033,127	(342,184)	-24.88%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	63,500	83,803	77,625	62,134	82,731	5,106	6.58%
5600.20	Lab Tools and Equipment	13,650	1,442	9,600	6,366	10,080	480	5.00%
5600.30	Lab Testing	29,065	21,128	30,183	28,423	28,423	(1,760)	-5.83%
Total Monitoring Expenses:		106,215	106,373	117,408	96,923	121,234	3,826	3.26%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	192,500	168,583	192,500	192,314	195,500	3,000	1.56%
5700.20	Vehicle Repairs and Maintenance	21,500	19,006	21,500	23,182	28,000	6,500	30.23%
5700.30	Building Maintenance	66,000	29,323	65,050	45,793	66,030	980	1.51%
5700.40	Landscape Maintenance	13,760	13,398	13,760	10,535	13,760	-	0.00%
Total Repairs and Maintenance:		293,760	230,310	292,810	271,824	303,290	10,480	3.58%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	146,403	78,311	241,665	56,817	241,385	(280)	-0.12%
5400.20	Legal Services	160,000	657,116	1,810,000	600,059	165,000	(1,645,000)	-90.88%
5400.30	Engineering Services	30,000	27,102	30,000	13,748	30,000	-	0.00%
5400.40	Permits	41,900	29,465	42,400	39,957	61,870	19,470	45.92%
5400.50	Non-Contractual Services	5,620	10,308	4,120	3,016	4,120	-	0.00%
5400.60	Accounting Services	109,300	84,452	106,600	103,450	109,015	2,415	2.27%
Total Professional Services:		493,223	886,754	2,234,785	817,047	611,390	(1,623,395)	-72.64%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	70,100	487	60,000	27,103	60,001	1	0.00%
5300.20	Mileage Reimbursement	1,650	61	1,650	150	1,650	-	0.00%
5300.30	Dues and Memberships	204,819	131,287	196,819	114,514	180,569	(16,250)	-8.26%
5300.40	Publications	3,000	1,911	3,000	2,281	3,250	250	8.33%
5300.50	Training	26,444	10,487	28,294	15,692	28,294	-	0.00%
5300.60	Advertising	5,500	2,834	5,500	200	5,500	-	0.00%
5300.70	Printing and Binding	2,000	1,566	2,000	425	2,000	-	0.00%
5300.80	Postage	8,900	9,640	9,900	10,504	10,900	1,000	10.10%
Total General and Administrative:		322,413	158,273	307,162	170,869	292,163	(14,999)	-4.88%
<u>UTILITIES</u>								
5800.20	Natural Gas	8,770	12,226	9,255	10,248	10,520	1,265	13.67%
5800.30	Electric-Fixed	155,445	144,458	167,954	164,710	171,857	3,903	2.32%
5800.35	Electric-Variable	949,216	281,128	2,966,643	673,543	928,632	(2,038,011)	-68.70%
5800.40	Water	4,900	4,459	4,900	4,580	5,080	180	3.67%
5800.50	Telephone	12,600	18,526	15,590	13,243	15,590	-	0.00%
5800.60	Waste Disposal	12,965	10,812	13,330	10,245	14,251	921	6.91%
Total Utilities:		1,143,896	471,610	3,177,672	876,569	1,145,930	(2,031,742)	-63.94%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	152,375	152,443	172,640	171,087	187,118	14,478	8.39%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	203,187	-	-	-	-	N/A
5900.40	Equipment Rental	46,680	38,385	46,680	23,436	67,260	20,580	44.09%
5900.50	Non-Capitalized Equipment	22,500	4,379	22,500	17,026	22,500	-	0.00%
5900.60	Computer Expenses	245,308	244,262	286,736	273,681	297,952	11,216	3.91%
5900.70	Appropriated Contingency	145,935	-	184,434	-	158,065	(26,369)	-14.30%
Total Other Expenses:		612,798	642,655	712,990	485,230	732,894	19,904	2.79%
Turnout Expenses		25,144	-	25,144	26,375	25,018	(126)	-0.50%
TOTAL OPERATING EXPENSES		\$ 10,085,892	\$ 8,386,904	\$ 13,584,967	\$ 8,759,089	\$ 9,890,413	\$ (3,694,554)	-27.20%

(1) Effective July 1, 2018 Non-Capitalized Projects will be found in the Capital & Extraordinary Projects Sections of the Budget.

Central Coast Water Authority
Operating, Maintenance and Project Expense Allocation by Department
 Fiscal Year 2022/2023 Budget

Project Participant	<u>Administration Department</u>			<u>Water Treatment Plant Department Fixed Costs</u>					Total Fixed WTP Costs	Turnout Costs
	Table A	Percentage	Administration Expenses	Table A	Percentage	WTP Fixed	WTP Fixed and Capital Retirement	Exchange Fixed and Capital Adjustments		
Shandon	-	-	\$ -	100	0.23%	\$ 9,846	-	-	9,846	\$ 3,121
Chorro Valley	-	-	-	2,338	5.32%	230,194	-	-	230,194	2,900
Lopez	-	-	-	2,392	5.45%	235,511	-	-	235,511	2,383
Guadalupe	550	1.41%	27,025	550	1.25%	54,152	16,871	-	71,023	2,269
Santa Maria	16,200	41.46%	796,008	16,200	36.90%	1,595,016	496,937	-	2,091,953	2,540
Golden State Water Co.	500	1.28%	24,568	500	1.14%	49,229	15,338	-	64,566	4,218
VAFB	5,500	14.07%	270,250	5,500	12.53%	541,518	168,713	-	710,231	2,000
Buellton	578	1.48%	28,401	578	1.32%	56,909	17,730	-	74,639	2,224
Santa Ynez (Solvang)	1,500	3.84%	73,704	1,500	3.42%	147,687	46,013	-	193,699	1,863
Santa Ynez	500	1.28%	24,568	500	1.14%	49,229	63,651	155,071	267,951	1,500
Goleta	4,500	11.52%	221,113	4,500	10.25%	443,060	(266,589)	(55,826)	120,645	-
Morehart Land	200	0.51%	9,827	200	0.46%	19,692	(13,557)	-	6,135	-
La Cumbre	1,000	2.56%	49,136	1,000	2.28%	98,458	(67,783)	-	30,675	-
Raytheon (SBRC)	50	0.13%	2,457	50	0.11%	4,923	(3,389)	-	1,534	-
Santa Barbara	3,000	7.68%	147,409	3,000	6.83%	295,373	(177,726)	(37,217)	80,430	-
Montecito	3,000	7.68%	147,409	3,000	6.83%	295,373	(177,726)	(37,217)	80,430	-
Carpinteria	2,000	5.12%	98,273	2,000	4.55%	196,916	(118,484)	(24,811)	53,620	-
TOTAL:	39,078	100.00%	\$ 1,920,148	43,908	100.00%	\$ 4,323,084	\$ -	-	\$ 4,323,084	\$ 25,018

Project Participant	<u>Distribution Department Fixed Costs</u>									Total Fixed Distribution Costs	Total Fixed Operating & Project Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II			
Shandon	1,485	-	-	-	-	-	-	-	-	1,485	14,452
Chorro Valley	34,730	-	-	-	-	-	-	-	-	34,730	267,824
Lopez	35,532	17,544	-	-	-	-	-	-	-	53,076	290,971
Guadalupe	8,170	4,034	1,239	-	-	-	-	-	-	13,443	113,759
Santa Maria	240,644	118,819	36,484	35,630	-	-	-	-	-	431,577	3,322,078
Golden State Water Co.	7,427	3,667	1,126	1,100	-	-	-	-	-	13,320	106,672
VAFB	81,700	40,340	12,387	12,097	28,393	158,365	-	-	-	333,281	1,315,762
Buellton	8,586	4,239	1,302	1,271	2,984	16,643	18,355	-	-	53,380	158,643
Santa Ynez (Solvang)	22,282	11,002	3,378	3,299	7,744	43,190	47,634	-	-	138,529	407,796
Santa Ynez	7,427	3,667	1,126	1,100	2,581	14,397	15,878	-	-	46,176	340,195
Goleta	66,846	33,005	10,134	9,897	23,231	129,571	142,901	309,008	-	724,594	1,066,352
Morehart Land	2,971	1,467	450	440	1,032	5,759	6,351	13,734	-	32,204	48,166
La Cumbre	14,855	7,335	2,252	2,199	5,162	28,794	31,756	68,668	-	161,021	240,832
Raytheon (SBRC)	743	367	113	110	258	1,440	1,588	3,433	-	8,051	12,042
Santa Barbara	44,564	22,004	6,756	6,598	15,487	86,381	95,267	206,005	-	483,062	710,901
Montecito	44,564	22,004	6,756	6,598	15,487	86,381	95,267	206,005	-	483,062	710,901
Carpinteria	29,709	14,669	4,504	4,399	10,325	57,587	63,512	137,337	-	322,042	473,934
TOTAL:	652,235	304,162	88,008	84,737	112,686	628,506	518,508	944,191	-	3,333,034	\$ 9,601,283

Central Coast Water Authority
Operating, Maintenance and Project Expense Allocation by Department
 Fiscal Year 2022/2023 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs				Total Variable Operating Costs	Total Fixed, Variable & Project Costs	Summary of Total Costs	
	Santa Ynez II	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs				
Shandon	\$ -	\$ -			\$ -	\$ -	\$ 14,452	Fixed O&M Costs	
Chorro Valley	-	135,694			135,694	135,694	403,519	Administration	\$ 1,826,166
Lopez	-	117,179			117,179	117,179	408,150	Water Treatment Plant	3,660,830
Guadalupe	-	746	378		1,123	1,123	114,883	Distribution	2,624,333
Santa Maria	-	87,418	44,274		131,692	131,692	3,453,771	Total Fixed O&M Costs	8,111,329
Golden State Water Co.	-	2,361	1,196		3,557	3,557	110,229	Variable O&M Costs	
VAFB	-	65,486	33,166		98,652	98,652	1,414,414	Water Treatment Plant	930,911
Buellton	-	4,660	2,360		7,020	7,020	165,663	Distribution	848,173
Santa Ynez (Solvang)	-	57,471	29,107		86,578	86,578	494,374	Total Variable O&M Costs	1,779,084
Santa Ynez	-	18,639	59,001	97,857	175,496	175,496	515,691	Capital & Non-Capital Projects	1,489,954
Goleta	478,335	228,891	(95,580)	(35,228)	98,082	576,417	1,642,769	Total O&M and Project Costs:	
Morehart Land	16,574	6,710	(3,312)	-	3,398	19,972	68,139	\$ 11,380,367	
La Cumbre	19,950	8,077	(3,986)	-	4,091	24,041	264,873		
S.B. Research	-	-	-	-	-	-	12,042		
Santa Barbara	231,725	117,304	(46,303)	(23,486)	47,515	279,240	990,141		
Montecito	-	23,486	-	(23,486)	-	-	710,901		
Carpinteria	101,591	56,788	(20,300)	(15,657)	20,831	122,422	596,356		
TOTAL:	\$ 848,173	\$ 930,911	\$ (0)	-	930,911	1,779,084	\$ 11,380,367		



*Pond Fire burn area south of Creston
September 1, 2020*

Administration Department

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

Highlights

Department Information

- Number of employees 5.25
- Number of Board members 8
- Number of Authority Committees 3
- Board of Directors meetings Fourth Thursday of each month
- Operating Committee meetings Second Thursday, quarterly
- Finance Committee meetings Fourth Thursday, quarterly
- Other Committee meetings As needed

Budget Information

- Total FY 2022/23 O&M Budget \$ 1,826,166
- O&M Budget decrease over FY 2021/22 \$ (1,627,525)
- Percentage decrease over FY 2021/22 (47.12%)

Significant Accomplishments during 2021/22

- Successfully navigated restrictions on CCWA operations due to COVID-19.
- Implementation of the 2021 Supplemental Water Purchase Program to acquire additional water supplies for CCWA Project Participants.
- Execution of the State Water Project Contract Extension Amendment [pending execution by DWR] and the Water Management Amendment.
- Completed the Water Management Strategies study in conjunction with San Luis Obispo County to find ways to maximize State water deliveries.

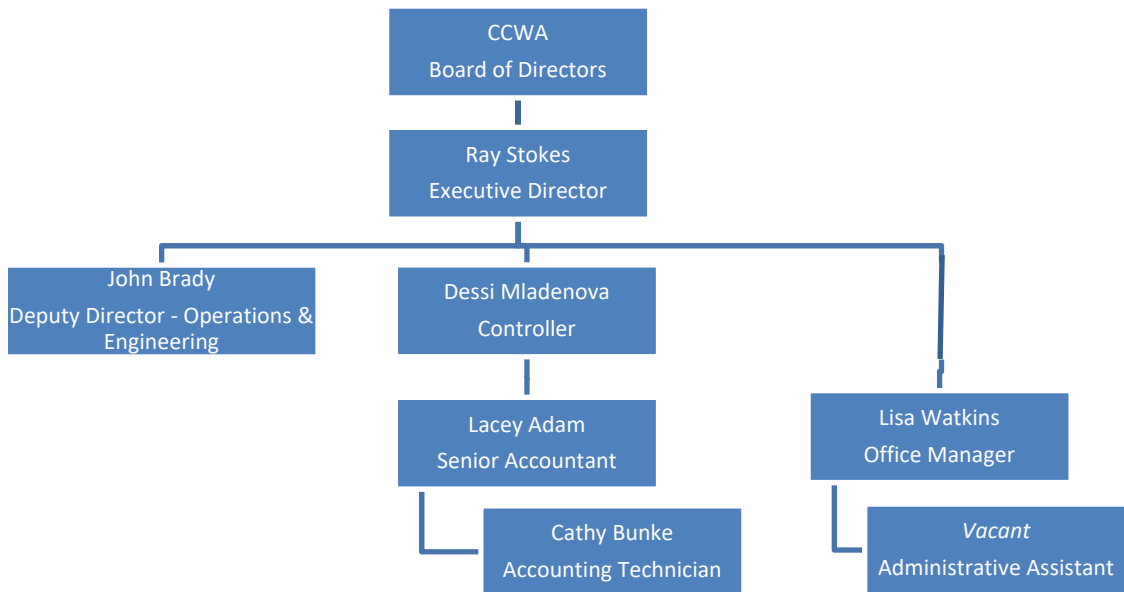
Significant Goals for FY 2022/23

- Continue the Supplemental Water Purchase Program search for additional water supplies to meet the needs of CCWA Project Participants.
- Negotiate a new Water Act Contract with the Bureau of Reclamation.

Central Coast Water Authority
Administration Department
Fiscal Year 2022/23 Budget

The Administration Department is comprised of the Executive Director, Deputy Director of Operations and Engineering, Controller, Deputy 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, human resource functions 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 2022/23 Budget

DEPUTY DIRECTOR – Operations and Engineering

The Deputy Director of Operations and Engineering 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 of Operations and Engineering 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 of Operations and Engineering 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 payroll 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. Additionally, the Controller monitors the general ledger and supervises staff in areas such as accounts payable and payroll.

SENIOR ACCOUNTANT

The Senior Accountant assists the Controller in planning, organizing, directing, coordinating and performing accounting and fiscal activities of CCWA, including preparation of the monthly financial and quarterly investment reports for the Board of Directors, and assisting the Controller with the preparation of the CCWA fiscal year budget and long term budget plans. The Senior Accountant assists the Deputy Director – Operations and Engineering with water accounting and reporting to the Department of Water Resources. Additionally, the Senior Accountant provides back-up to staff in areas such as accounts payable and payroll.

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 2022/23 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

The Administration Department operating expense budget for FY 2022/23 is decreasing by about \$1,627,525 or 47.12% when compared to the FY 2021/22 Budget. The total FY 2022/23 budget is \$1,826,166 compared to the FY 2021/22 budget of \$3,453,691. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$45,354 due to the following:

- The FY 2022/23 total salaries and wages budget for the Administration Department increased by just \$29,222 when compared to the prior fiscal year budget.
- CalPERS retirement expenses are increasing by \$13,420 over the prior fiscal year. The CCWA employer paid portion for “Classic” members in FY 22/23 is 29.121% as compared to the prior year amount of 29.106%, for a .015% increase. CCWA “Classic” member employees began paying 50% of the increase in the “normal” PERS employer contribution in FY 2017/18. As of FY 2022/23 the Administration Department has 1 CalPERS PEPRA member employee. The PEPRA employer contribution rate in FY 2022/23 increased from 8.23% in FY 2021/22 to 8.26% in FY 2022/23 for a increase in employer paid PEPRA contribution rate of 0.03%. Currently, the Administration Department has 1 “Classic” 2nd tier member employee. The 2nd tier member employer contribution rate in FY 2022/23 is 22.121%.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by \$3,240. This is due to; 1) The 2022 CalPERS health insurance plan with the lowest premiums increased by 23.24% over the 2021 premiums, as opposed to the increase of 5% budgeted for the calendar year 2022. The 2022 health allowances have remained at same levels used in 2021; 2) The FY 2022/23 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2023. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers’ Compensation costs are increasing by \$960 due to a 6% increase in the Experience modification rate for CCWA.
- The FY 2022/23 Budget includes a \$37,905 deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the

Central Coast Water Authority
Administration Department
Fiscal Year 2022/23 Budget

additional vested portion of retiree only premiums, based on employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of service with CCWA.

Professional/Legal Services Professional Services are decreasing by \$1,641,795 due primarily to a decrease of \$1,645,000 in litigation costs.

General and Administrative General and administrative expenses are remaining the same as prior year amounts.

Other Expenses Other expenses are decreasing in total by about \$31,513 due to appropriated contingency (a percentage of the total budget) decreasing by \$31,972.

Central Coast Water Authority
Personnel Services Summary
Administration Department
 Fiscal Year 2022/2023 Budget

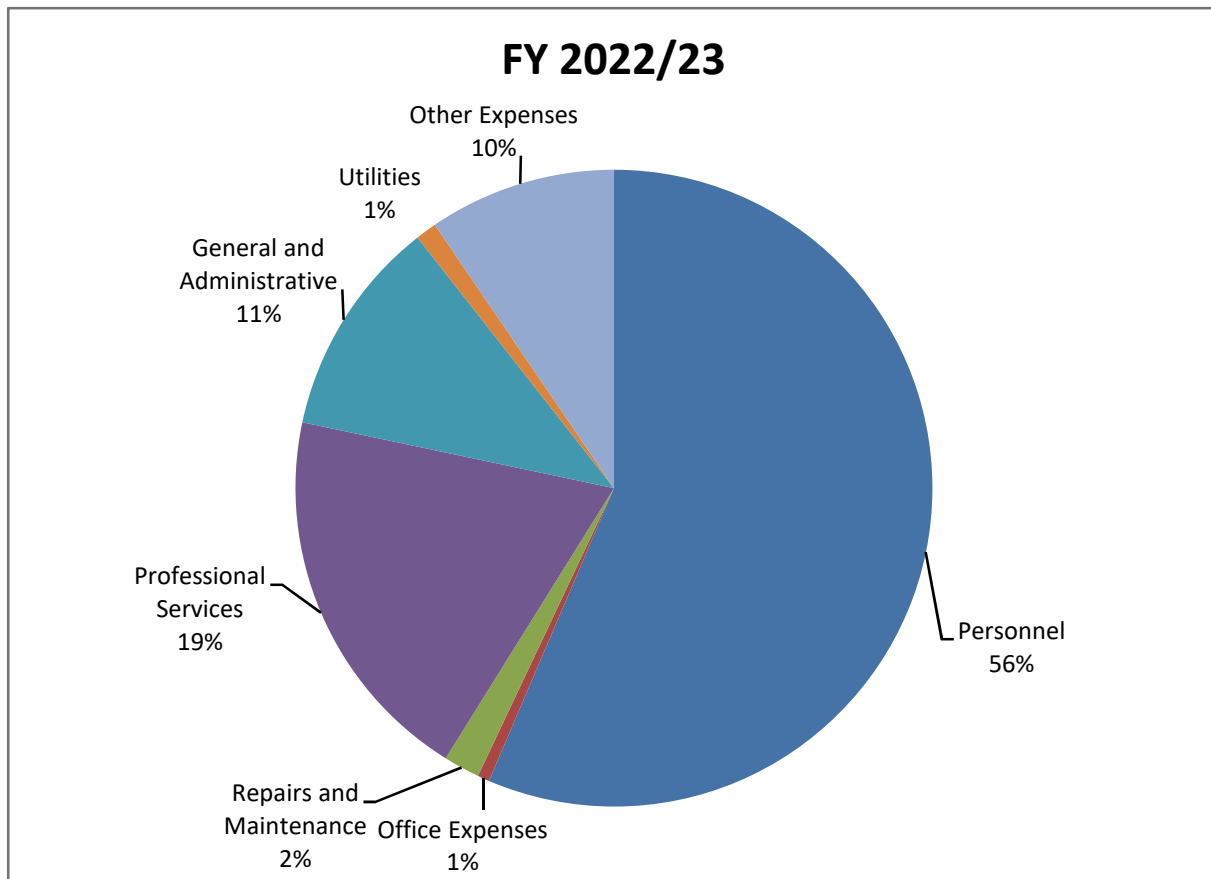
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2020/21	Number Auth. FY 2021/22	Number Requested FY 2022/2023	Change Over FY 2020/21	Change Over FY 2021/22
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director of Operations ⁽¹⁾	0.25	0.25	0.25	-	-
Controller	1.00	1.00	1.00	-	-
Deputy Controller	1.00	-	-	-	-
Senior Accountant	-	1.00	1.00	-	-
Office Manager	1.00	1.00	1.00	-	-
Accounting Technician	0.75	0.75	0.75	-	-
Administrative Assistant	0.75	0.75	0.75	-	-
TOTAL:	5.25	5.25	5.25	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2021/22 Total Annual Salary	Allocation to Admin Department
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 285,932	\$ 142,966
Deputy Director of Operations ⁽¹⁾	1	N/A	N/A	N/A	\$ 200,009	\$ 50,002
Controller	1	43	\$ 11,069	\$ 13,505	\$ 124,987	\$ 124,987
Deputy Controller	0	33	\$ -	\$ -	\$ -	\$ -
Senior Accountant	1	25	\$ 7,521	\$ 9,176	\$ 88,032	\$ 88,032
Office Manager	1	31	\$ 8,555	\$ 10,438	\$ 107,110	\$ 107,110
Accounting Technician	1	12	\$ 5,690	\$ 6,942	\$ 49,973	\$ 49,973
Administrative Assistant	1	11	\$ 5,569	\$ 6,794	\$ 52,198	\$ 52,198
FY 2022/23 Salary Pool						\$ 40,418
TOTAL:						\$ 655,686

(1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
 The Deputy Director of Operations is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

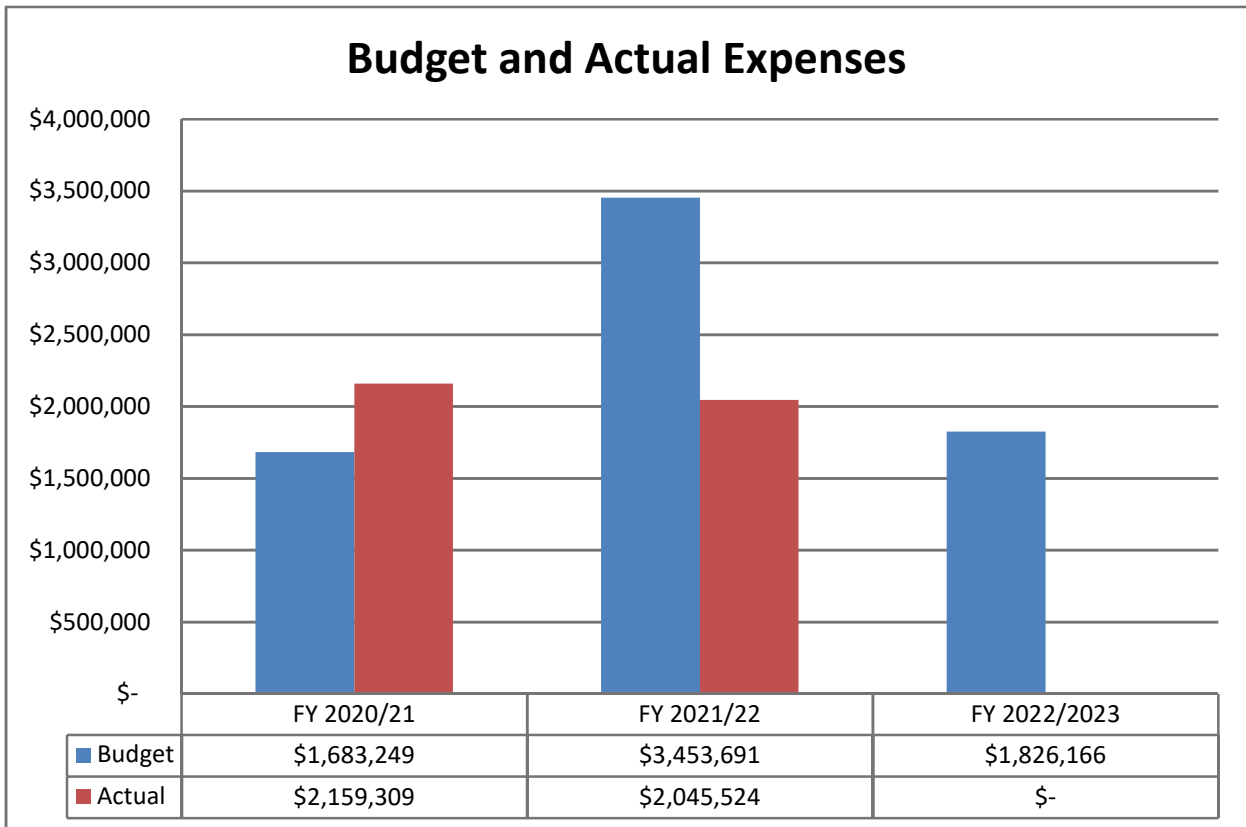
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2022/2023 Budget

Item	FY 2022/2023 Budget
Personnel	\$ 1,030,498
Office Expenses	10,800
Repairs and Maintenance	33,580
Professional Services	355,318
General and Administrative	202,562
Utilities	19,734
Other Expenses	173,674
TOTAL:	\$ 1,826,166



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2022/2023 Budget

Item	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget
Personnel	\$ 954,885	\$ 979,678	\$ 985,144	\$ 988,686	\$ 1,030,498
Office Expenses	10,800	8,938	10,800	8,754	10,800
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	29,960	24,932	33,510	26,138	33,580
Professional Services	306,051	754,639	1,997,113	727,347	355,318
General and Administration	212,163	122,712	202,562	129,099	202,562
Utilities	17,738	14,064	19,434	13,170	19,734
Other Expenses	151,652	254,346	205,127	152,330	173,674
TOTAL:	\$ 1,683,249	\$ 2,159,309	\$ 3,453,691	\$ 2,045,524	\$ 1,826,166



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 609,356	\$ 581,215	\$ 626,463	\$ 624,738	\$ 655,686	\$ 29,222	4.66%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	5,000	5,287	5,000	912	5,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	183,924	179,592	185,987	187,391	199,407	13,420	7.22%
5100.15	Medicare Taxes	9,300	11,330	9,396	11,607	9,784	388	4.13%
5100.20	Health/Dental/Vision Plans	91,473	77,333	104,867	107,145	101,627	(3,240)	-3.09%
5100.25	Workers' Compensation	4,741	4,308	3,753	5,186	4,713	960	25.58%
5100.30	Vehicle Expenses	9,000	9,000	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	35,053	105,657	33,522	38,031	37,905	4,383	13.08%
5100.50	Long-Term Disability	3,169	2,992	3,258	2,717	3,410	152	4.66%
5100.55	Life Insurance	2,339	1,950	2,369	1,959	2,436	67	2.84%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,280	-	1,280	-	1,280	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	1,014	-	-	-	-	N/A
Total Personnel Expenses:		954,885	979,678	985,144	988,686	1,030,498	45,354	4.60%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	6,300	5,901	6,300	4,254	6,300	-	0.00%
5200.30	Miscellaneous Office Expenses	4,500	3,037	4,500	4,500	4,500	-	0.00%
Total Office Expenses:		10,800	8,938	10,800	8,754	10,800	-	0.00%
		updated	updated	updated				
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	-	-	-	-	-	-	N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-	N/A
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	-	-	-	-	-	-	N/A
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	-	-	-	-	-	-	N/A
5500.40	Safety Supplies	-	-	-	-	-	-	N/A
5500.45	Fuel and Lubricants	-	-	-	-	-	-	N/A
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		-	-	-	-	-	-	N/A
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	5,500	4,475	5,500	2,385	5,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	20,200	16,638	23,750	20,478	23,820	70	0.29%
5700.40	Landscape Maintenance	4,260	3,819	4,260	3,275	4,260	-	0.00%
Total Repairs and Maintenance:		29,960	24,932	33,510	26,138	33,580	70	0.21%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	31,131	52,428	76,393	21,324	77,183	790	1.03%
5400.20	Legal Services	160,000	615,694	1,810,000	600,059	165,000	(1,645,000)	-90.88%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	5,620	2,315	4,120	2,514	4,120	-	0.00%
5400.60	Accounting Services	109,300	84,201	106,600	103,450	109,015	2,415	2.27%
Total Professional Services:		306,051	754,639	1,997,113	727,347	355,318	(1,641,795)	-82.21%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	31,100	84	21,500	20,738	21,500	-	0.00%
5300.20	Mileage Reimbursement	1,000	-	1,000	150	1,000	-	0.00%
5300.30	Dues and Memberships	167,469	115,625	167,469	102,924	167,469	-	0.00%
5300.40	Publications	1,250	1,145	1,250	1,059	1,250	-	0.00%
5300.50	Training	3,544	1,694	3,544	527	3,544	-	0.00%
5300.60	Advertising	2,500	99	2,500	200	2,500	-	0.00%
5300.70	Printing and Binding	2,000	1,553	2,000	425	2,000	-	0.00%
5300.80	Postage	3,300	2,511	3,300	3,076	3,300	-	0.00%
Total General and Administrative:		212,163	122,712	202,562	129,099	202,562	-	0.00%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	450	561	450	335	450	-	0.00%
5800.30	Electric-Fixed	7,668	4,662	8,944	3,861	8,944	-	0.00%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	2,400	2,326	2,400	2,409	2,580	180	7.50%
5800.50	Telephone	3,600	2,880	3,780	2,833	3,780	-	0.00%
5800.60	Waste Disposal	3,620	3,636	3,860	3,732	3,980	120	3.11%
Total Utilities:		17,738	14,064	19,434	13,170	19,734	300	1.54%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	19,913	20,067	23,098	25,425	22,328	(770)	-3.33%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	138,761	-	-	-	-	N/A
5900.40	Equipment Rental	5,340	5,410	5,340	4,943	5,360	20	0.37%
5900.50	Non-Capitalized Equipment	2,500	741	2,500	-	2,500	-	0.00%
5900.60	Computer Expenses	90,894	89,366	106,470	121,962	107,679	1,208	1.14%
5900.70	Appropriated Contingency	33,005	-	67,719	-	35,807	(31,912)	-47.12%
Total Other Expenses:		151,652	254,346	205,127	152,330	173,674	(31,453)	-15.33%
TOTAL OPERATING EXPENSES		\$ 1,683,249	\$ 2,159,309	\$ 3,453,691	\$ 2,045,524	\$ 1,826,166	\$ (1,627,525)	-47.12%

(1) Effective July 1, 2018 Non-Capitalized Projects will be found in the Capital Improvement and Non-Capital Projects section of the budget.

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$40,418 for the FY 2022/23 salary pool.

FY 22/23 Requested Budget	655,686
FY 21/22 Estimated Actual	624,738
Increase (Decrease)	30,948

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

Description: Overtime expenses for non-exempt Administration employees.

FY 22/23 Requested Budget	5,000
FY 21/22 Estimated Actual	912
Increase (Decrease)	4,088

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

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 29.121% contribution rate for FY 2022/23, which includes the required Unfunded Accrued Liability (UAL) payment.

FY 22/23 Requested Budget	199,407
FY 21/22 Estimated Actual	187,391
Increase (Decrease)	12,016

Required Contributions	\$	94,876	17.511%
UAL current fiscal year		82,319	11.610%
UAL additional payment		22,212	fixed
TOTAL \$		199,407	

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

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

FY 22/23 Requested Budget	9,784
FY 21/22 Estimated Actual	11,607
Increase (Decrease)	(1,823)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

Description: Funds for employer paid portion of health insurance for Administration employees. Based on employee 2021 Caf  Plan elections and dependent status. Includes an estimated 5% increase in 2022 plan rates.

FY 22/23 Requested Budget	73,382
FY 21/22 Estimated Actual	78,067
Increase (Decrease)	(4,685)

	2022 Allowance		2023 Allowance Est
Family	\$ 21,247	\$	21,778
Emp + 1	15,976		16,375
Employee only	8,053		8,254

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 102% and economy of size rate of 90%. Based on a 3% premium increase over FY 2020/21

FY 22/23 Requested Budget	4,713
FY 21/22 Estimated Actual	5,186
Increase (Decrease)	(473)

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

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

FY 22/23 Requested Budget	9,000
FY 21/22 Estimated Actual	9,000
Increase (Decrease)	0

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

Description: Actuarially determined contributions to fund the estimated future liability for the required minimum contribution component (PEMHCA) of the CalPERS health plan and the retiree health costs for vested employees age 62 and over retiring from CCWA with at least 10 years of CCWA service. Costs are based on the number of active and covered employees and retirees.

FY 22/23 Requested Budget	37,905
FY 21/22 Estimated Actual	38,031
Increase (Decrease)	(126)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

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

FY 22/23 Requested Budget	14,055
FY 21/22 Estimated Actual	17,251
Increase (Decrease)	(3,196)

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

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,984 per year per family for dental and vision expenses. Budgeted amount is \$2,988 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 22/23 Requested Budget	14,191
FY 21/22 Estimated Actual	11,828
Increase (Decrease)	2,364

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

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

FY 22/23 Requested Budget	3,410
FY 21/22 Estimated Actual	2,717
Increase (Decrease)	692

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

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

FY 22/23 Requested Budget	2,436
FY 21/22 Estimated Actual	1,959
Increase (Decrease)	477

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

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

FY 22/23 Requested Budget	250
FY 21/22 Estimated Actual	-
Increase (Decrease)	250

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

Description: Funds to encourage employee safety, efficiency and innovation through the Employee Achievement Awards Program (EAAP).

FY 22/23 Requested Budget	1,280
FY 21/22 Estimated Actual	-
Increase (Decrease)	1,280

EAAP	\$	1,280
TOTAL:	\$	1,280

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

Description: Funds for Office supplies for the Administration Department. Based on \$525 per month in office supply expenses.

FY 22/23 Requested Budget	6,300
FY 21/22 Estimated Actual	4,254
Increase (Decrease)	2,046

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

Description: Funds for miscellaneous expenses such as business cards and kitchen supplies.

FY 22/23 Requested Budget	4,500
FY 21/22 Estimated Actual	4,500
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

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

FY 22/23 Requested Budget	21,500
FY 21/22 Estimated Actual	20,738
Increase (Decrease)	762

\$	2,000	ACWA Conferences
	12,000	SWC Meetings (\$1,000 per month)
	2,500	DWR/Sacramento/MWQI
	5,000	Other miscellaneous meetings
\$	21,500	TOTAL

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

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

FY 22/23 Requested Budget	1,000
FY 21/22 Estimated Actual	150
Increase (Decrease)	850

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

Description: Funds for professional dues.

FY 22/23 Requested Budget	167,469
FY 21/22 Estimated Actual	102,924
Increase (Decrease)	64,545

\$	128,282	SWC Dues
	23,304	ACWA
	5,000	SWPCA MWQI charges
	2,250	Support various water education programs
	3,500	Employee Professional Dues and Misc.
	1,500	California Special District Association
	3,633	NEOGov
\$	167,469	TOTAL

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

Description: Funds for publications received by CCWA

FY 22/23 Requested Budget	1,250
FY 21/22 Estimated Actual	1,059
Increase (Decrease)	191

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

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

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

FY 22/23 Requested Budget	3,544
FY 21/22 Estimated Actual	527
Increase (Decrease)	3,017

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

Description: Funds for public relations expenses for
CCWA including advertising for open positions.

FY 22/23 Requested Budget	2,500
FY 21/22 Estimated Actual	200
Increase (Decrease)	2,300

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

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

FY 22/23 Requested Budget	2,000
FY 21/22 Estimated Actual	425
Increase (Decrease)	1,575

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

Description: Funds for all postal and mail expenses.

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

FY 22/23 Requested Budget	3,300
FY 21/22 Estimated Actual	3,076
Increase (Decrease)	224

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

Description: Funds for miscellaneous consultants and other services.

FY 22/23 Requested Budget	77,183	\$	4,580	BAO office alarm system, DMV monitoring fee
FY 21/22 Estimated Actual	21,324		50,000	SB County staff costs for CCWA related work
Increase (Decrease)	55,859		2,603	Personnel Team Building
			20,000	PR Consultant
		\$	77,183	TOTAL

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

Description: Funds for CCWA legal services.

FY 22/23 Requested Budget	165,000	\$	150,000	Brownstein Hyatt Farber General Counsel
FY 21/22 Estimated Actual	600,059		15,000	Stradling Yocca Carlsen Personnel Counsel
Increase (Decrease)	(435,059)	\$	165,000	TOTAL

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

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

FY 22/23 Requested Budget	4,120	\$	1,620	IRC 125 Plan administration fees (\$135 per mo)
FY 21/22 Estimated Actual	2,514		1,500	Employee Assistance Program
Increase (Decrease)	1,606		1,000	Other miscellaneous
		\$	4,120	TOTAL

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

Description: Funds for the annual audit of the FY 2020/21 Financial Statements and DWR Statement of Charges (SOC)

FY 22/23 Requested Budget	109,015	\$	25,215	Glenn Burdette - Annual Audit
FY 21/22 Estimated Actual	103,450		15,450	Ernst & Young - SWC SOC Audit
Increase (Decrease)	5,565		51,500	Ernst & Young - CCWA SOC Audit
			16,850	Bartel Assoc - Pension/OPEB Actuarial Reports
		\$	109,015	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

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

FY 22/23 Requested Budget	5,500
FY 21/22 Estimated Actual	2,385
Increase (Decrease)	3,115

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

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

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

FY 22/23 Requested Budget	23,820
FY 21/22 Estimated Actual	20,478
Increase (Decrease)	3,342

\$	1,320	Monthly Pest Control
	15,000	Janitorial services and supplies
	6,000	Building repairs, maintenance
	1,500	HVAC quarterly maintenance
\$	23,820	TOTAL

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

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

FY 22/23 Requested Budget	4,260
FY 21/22 Estimated Actual	3,275
Increase (Decrease)	985

\$	2,640	Gardener (\$220 per month)
	1,320	Irrigation Water (\$110 per month)
	300	Miscellaneous
\$	4,260	TOTAL

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

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

FY 22/23 Requested Budget	450
FY 21/22 Estimated Actual	335
Increase (Decrease)	115

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

Description: Funds for electrical service to the Administration building (\$690 per month).

FY 22/23 Requested Budget	8,944
FY 21/22 Estimated Actual	3,861
Increase (Decrease)	5,083

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

Description: Funds for water and sewer service for the Administration building (\$213 per month).

FY 22/23 Requested Budget	2,580
FY 21/22 Estimated Actual	2,409
Increase (Decrease)	171

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

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

FY 22/23 Requested Budget	3,780
FY 21/22 Estimated Actual	2,833
Increase (Decrease)	947

\$	180	Long distance and 800# (\$15 per month)
	600	Cell phones and airtime (\$50 per month)
	900	Conference calls (\$75 per month)
	2,100	Local Long Distance (\$175 per month)
\$	3,780	TOTAL

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

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

FY 22/23 Requested Budget	3,980
FY 21/22 Estimated Actual	3,732
Increase (Decrease)	248

\$	3,660	Waste Disposal service (\$305 per month)
	320	Hazardous Waste Disposal
\$	3,980	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

Description: Funds for insurance related expenses.

FY 22/23 Requested Budget	22,328	\$	2,320	Property and auto insurance based on
FY 21/22 Estimated Actual	25,425			allocation provided by JPIA
Increase (Decrease)	(3,097)	\$	15,808	General Liability and E&O apportioned by
				payroll percentages
		\$	4,200	Employee fidelity bond \$5 million limit
		\$	22,328	TOTAL

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

Description: Funds for rental of equipment.

FY 22/23 Requested Budget	5,360	\$	1,800	Postage meter (\$150 per month)
FY 21/22 Estimated Actual	4,943		3,060	Copier lease (\$255 per month)
Increase (Decrease)	417		500	Other
		\$	5,360	TOTAL

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

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

FY 22/23 Requested Budget	2,500
FY 21/22 Estimated Actual	-
Increase (Decrease)	2,500

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2022/2023 BUDGET**

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

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

FY 22/23 Requested Budget	107,679
FY 21/22 Estimated Actual	121,962
Increase (Decrease)	(14,283)

\$	101,904	<u>CompuVision, Annual Service Agreements and Software Subscriptions</u>
\$	5,775	<u>Software and other computer services</u>
\$	107,679	TOTAL

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

Description: 2.0% of operating expenses

FY 22/23 Requested Budget	35,807
FY 21/22 Estimated Actual	35,807
Increase (Decrease)	0



*Polonio Pass Water Treatment Plant filter bays
January 2021*

Water Treatment Plant Department

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

Highlights

Department Information

- Number of employees 14.80
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2022/23 requested water deliveries 14,983 acre-feet

Budget Information

- Total FY 2022/23 O&M Budget \$ 4,591,740
- O&M Budget decrease over FY 2021/22 \$ (210,937)
 - Fixed cost increase over FY 2021/22 \$ 219,022
 - Variable cost decrease over FY 2021/22 \$ (429,959)
- Percentage decrease (4.39%)
- Fixed O&M Expenses \$ 3,660,830
- Variable O&M Expenses \$ 930,911
- FY 2022/23 budgeted chemical cost \$ 51.52 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 30.68
 - Variable \$ 31.47
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 98.46
 - Variable \$ 62.13

Significant Accomplishments during FY 2021/22

- Operated the Water Treatment well below the design minimum flow rate for a four month period while meeting water quality standards. The WTP was operated in a batch mode and also successfully treated for Geosmin removal over the same timeframe.
- CCWA staff worked with Cannon Engineering to modify the project implementation plan for the Process Logic Controller Upgrade Project. This modification resulted in over a 20% reduction in project costs.

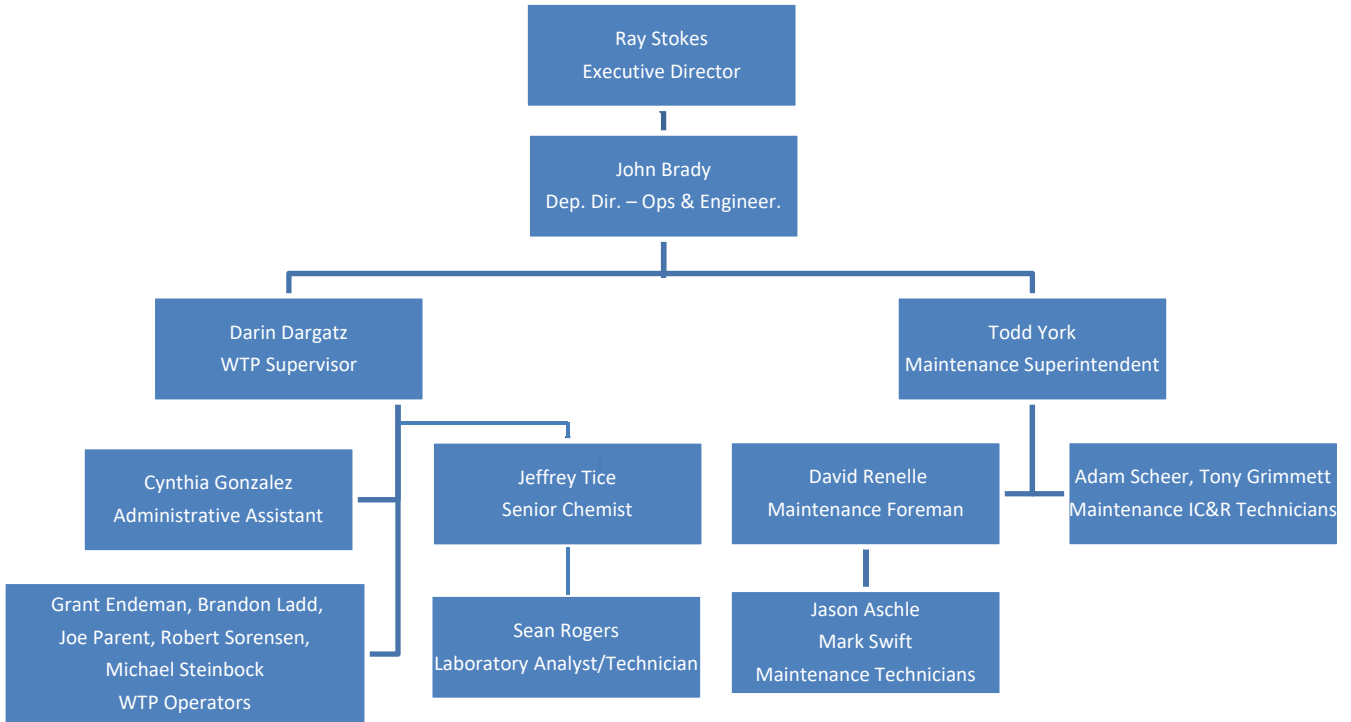
Significant Goals for FY 2022/23

- Utilize the findings of the 2021 nitrification and biofilm studies to modify laboratory operations to provide improved water quality monitoring and reporting to CCWA Participants.
- CCWA and Cannon Engineering staff will configure, program, install and test the new Process Logic Controller System at the Water Treatment Plant during winter shutdown 2022.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2022/23 Budget

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

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



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

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

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

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

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2022/23 Budget

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 Technicians repair instruments and electronics both at the Water Treatment Plant and along the Pipeline.

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.

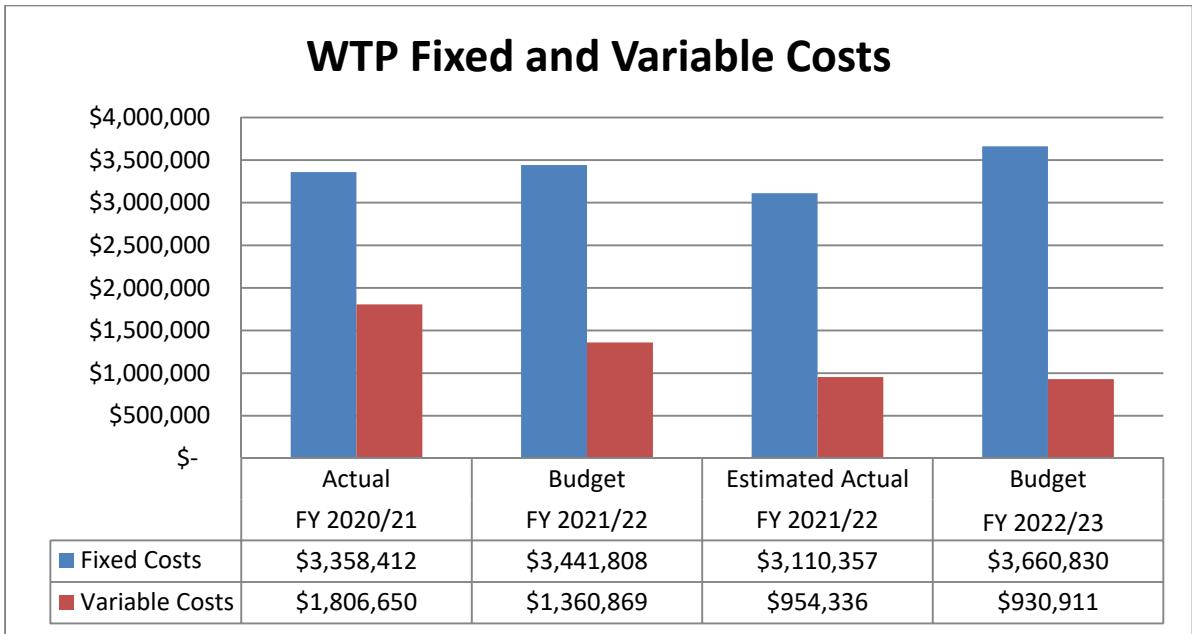
For FY 2022/23, the Water Treatment Plant fixed O&M costs total \$3,660,830 or \$219,022 more than the FY 2021/22 budget.

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

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2022/23 Budget

For FY 2022/23, the Water Treatment Plant variable O&M costs total \$930,911 which is a decrease of \$429,959 from the FY 2021/22 budget. The FY 2022/23 variable O&M budget is comprised of \$850,452 for chemical expenses and \$80,459 for electrical costs based on treatment and delivery of 14,983 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 2022/23 Operating Expense Budget

The FY 2022/23 Water Treatment Plant operating expense budget is \$4,591,740 which is \$210,937 less than the previous year's budget of \$4,802,678, a 4.39% decrease.

The personnel expense section of the Water Treatment Plant budget represents approximately 59% of the budget. Supplies and equipment comprise 20% 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 xx shows the allocation of the various components of the water treatment plant operating expense budget.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2022/23 Budget

Personnel Expenses Total personnel expenses are increasing by about \$171,447 when compared to the FY 2021/22 budget for the following reasons.

- The FY 2022/23 total salaries and wages budget for the Water Treatment Plant Department is held to an increase of \$79,996 when compared to the prior fiscal year budget due to an increase in the Consumer Price Index for December 2021.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by about \$2,935. This is due to; 1) The 2022 CalPERS health insurance plan with the lowest premiums increased by 23.24% over the 2021 premiums, as opposed to the increase of 5% budgeted for the calendar year 2022. The 2022 health allowances have remained at same levels used in 2021; 2) The FY 2022/23 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2023. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers' Compensation costs are increasing by \$10,798 due to a 6% increase in the Experience modification rate for CCWA.
- CalPERS retirement expenses are increasing by \$80,687 over the prior fiscal year. The CCWA employer paid portion for "Classic" members in FY 22/23 is 29.121% as compared to the prior year amount of 29.106%, for a .015% increase. CCWA "Classic" member employees began paying 50% of the increase in the "normal" PERS employer contribution in FY 2017/18. As of FY 2022/23 the Administration Department has 1 CalPERS PEPRA member employee. The PEPRA employer contribution rate in FY 2022/23 increased from 8.23% in FY 2021/22 to 8.26% in FY 2022/23 for a increase in employer paid PEPRA contribution rate of 0.03%. Currently, the Administration Department has 1 "Classic" 2nd tier member employee. The 2nd tier member employer contribution rate in FY 2022/23 is 23.22%.
- The FY 2022/23 Budget includes \$66,748 for deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums, based on employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of service with CCWA.

Supplies and Equipment Supplies and equipment are decreasing by about \$339,248 because of a decreased amount of chemicals. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality, which is expected to be a challenge in FY 2022/23 due to the anticipated changing water conditions as seen in the preceding fiscal years.

Monitoring Expenses Monitoring expenses are increasing \$3,826 due to a need for additional lab supplies and equipment as identified by the Senior Chemist for FY 2022/23.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2022/23 Budget

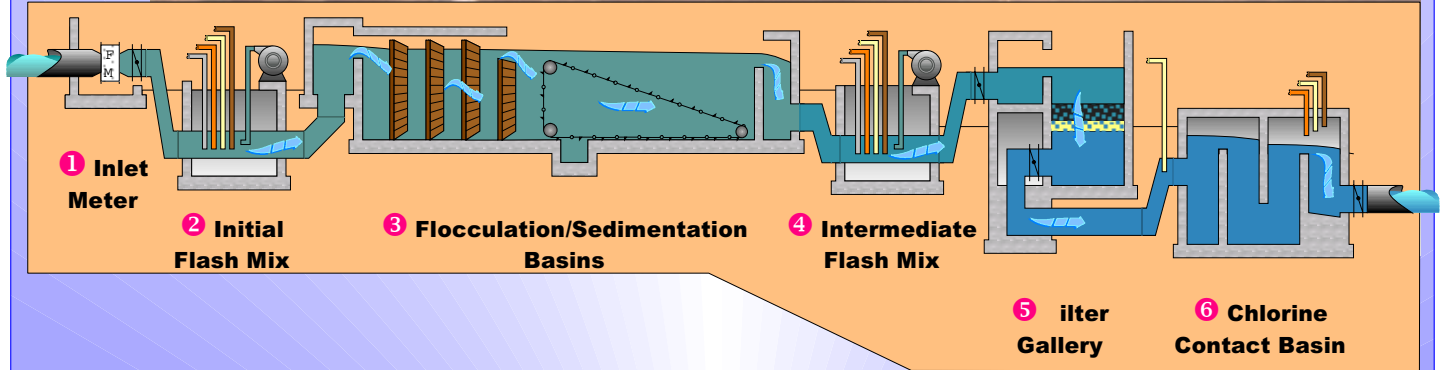
Repairs and Maintenance Repairs and Maintenance expenses are increasing by \$4,500 over the prior year due to an increase in anticipated vehicle repair expenses.

Professional Services Professional service expenses are increasing by \$16,740 over the prior year largely due to increased cost of permits.

General and Administrative General and administrative expenses decreased about \$15,500 due to decreased costs for dues and memberships.

Utilities Utility expenses are decreasing by approximately \$78,225 due to variable electric expenses based on expected deliveries.

Other Expenses Other expenses are increasing by approximately \$25,794 due to an increase in insurance costs, equipment rental and computer expenses.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2022/23 Budget

Regional Water Treatment Plant Allocation

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

Since the South Coast project participants must “re-treat” 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 \$10,095,000 for constructing the Polonio Pass Water Treatment Plant at an interest cost of 1.355% for 5 years. These terms match the terms of the Authority’s outstanding 2016A 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 2022/23 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2022/2023 Budget

Project Participant	Allocated Table A ⁽¹⁾				Unadjusted Fixed & Capital			Adjusted Fixed & Capital ⁽⁴⁾			Fixed & Capital Retirement Charge ⁽⁵⁾		
	Table A Amount	Exchange Deliveries	Allocated Table A	Allocated Table A Percentage	WTP Fixed Operating Costs ⁽²⁾	Imputed WTP Debt Service Costs ⁽³⁾	Total Unadjusted Fixed & Cap.	Capital Retirement Adjustment	Fixed O&M Retirement Adjustment	Total Adjusted Fixed & Capital	Allocated Table A % SB County	Fixed & Capital Retirement Adjustments	Cost Per AF of Allocated Table A Amount
Guadalupe	550		550	1.25%	\$ 54,152		\$ 54,152	\$ -	\$ 71,023	\$ 71,023	1.41%	16,871	\$ 30.68
Santa Maria	16,200		16,200	36.90%	1,595,016		1,595,016	-	2,091,953	2,091,953	41.46%	496,937	30.68
Golden State Water	500		500	1.14%	49,229		49,229	-	64,566	64,566	1.28%	15,338	30.68
VAFB	5,500		5,500	12.53%	541,518		541,518	-	710,231	710,231	14.07%	168,713	30.68
Buellton	578		578	1.32%	56,909		56,909	-	74,639	74,639	1.48%	17,730	30.68
Santa Ynez (Solvang)	1,500		1,500	3.42%	147,687		147,687	-	193,699	193,699	3.84%	46,013	30.68
Santa Ynez	500	1,575	2,075	4.73%	204,300		204,300	-	267,951	267,951	5.31%	63,651	30.68
Goleta	4,500	(567)	3,933	8.96%	387,234		387,234	-	507,880	507,880	10.06%	120,645	30.68
Morehart	200	-	200	0.46%	19,692		19,692	-	25,827	25,827	0.51%	6,135	30.68
La Cumbre	1,000	-	1,000	2.28%	98,458		98,458	-	129,133	129,133	2.56%	30,675	30.68
Raytheon	50	-	50	0.11%	4,923		4,923	-	6,457	6,457	0.13%	1,534	30.68
Santa Barbara	3,000	(378)	2,622	5.97%	258,156		258,156	-	338,586	338,586	6.71%	80,430	30.68
Montecito	3,000	(378)	2,622	5.97%	258,156		258,156	-	338,586	338,586	6.71%	80,430	30.68
Carpinteria	2,000	(252)	1,748	3.98%	172,104		172,104	-	225,724	225,724	4.47%	53,620	30.68
SB County Subtotal:	39,078	-	39,078	89.00%	3,847,533	-	3,847,533	-	5,046,256	5,046,256	100.00%	1,198,723	30.68
SLO County	4,830	-	4,830	11.00%	475,551		475,551	-	-	-	-	-	-
TOTAL:	43,908		43,908	100.00%	\$ 4,323,084		\$ 4,323,084	\$ -	\$ 5,046,256	\$ 5,046,256	100.00%	1,198,723	

Fixed & Capital Retirement Allocation Factor

Total South Coast Table A	12,175	Total Adjusted Fixed & Capital Costs (SB County)	\$ 5,046,256
Total SB County Table A	39,078	Total Unadjusted Fixed & Capital Costs (SB County)	3,847,533
Subtotal:	51,253	Fixed & Capital WTP Allocation Amount	<u>\$ 1,198,723</u>
South Coast Retreated %	1.31		

Project Participant	South Coast Fixed & Capital Retirement Credits ⁽⁶⁾			
	South Coast Allocated Table A	South Coast Allocated Table A %	South Coast Fixed & Cap. Credit	Credit/AF On Allocated Table A
Guadalupe				
Santa Maria				
Golden State Water				
VAFB				
Buellton				
Santa Ynez (Solvang)				
Santa Ynez				
Goleta	3,933	32.30%	(387,234)	(98.46)
Morehart	200	1.64%	(19,692)	(98.46)
La Cumbre	1,000	8.21%	(98,458)	(98.46)
Raytheon	50	0.41%	(4,923)	(98.46)
Santa Barbara	2,622	21.54%	(258,156)	(98.46)
Montecito	2,622	21.54%	(258,156)	(98.46)
Carpinteria	1,748	14.36%	(172,104)	(98.46)
SB County Subtotal:	12,175	100.00%	(1,198,723)	
SLO County	-	0.00%	-	
TOTAL:	12,175	100.00%	(1,198,723)	

- (1) Allocated Table A represents Table A contract amount, minus exchange deliveries for the South Coast project participants 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 \$14,808,507 at 1.355% interest for 5 years, which corresponds to the CCWA 2016A revenue bonds.
(4) Adjusted Fixed and Capital amounts represents the unadjusted WTP fixed and capital costs times the Fixed and Capital Retirement Allocation Factor.
(5) Fixed and Capital Retirement Charge represents the difference between the unadjusted fixed and capital costs and the adjusted fixed and capital costs, allocated in proportion to the Santa Barbara County allocated Table A percentage.
(6) South Coast Fixed and Capital Retirement Credits represents the fixed and capital credits allocated to the South Coast agencies in proportion to the South Coast allocated Table A amounts.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2022/2023 Budget
Page 2

Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs				South Coast Variable Retreatment Credits				TOTAL	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Variable Retreatment Adjustment	Retreatment Variable Allocation	Retreatment Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retreatment	Fixed, Capital & Variable Credits
Guadalupe	12		12	\$ 746	1,123	378	31.47					\$ 17,209	
Santa Maria	1,407		1,407	87,418	131,692	44,274	31.47					540,027	
Golden State Water	38		38	2,361	3,557	1,196	31.47					16,497	
VAFB	1,054		1,054	65,486	98,652	33,166	31.47					201,477	
Buellton	75		75	4,660	7,020	2,360	31.47					20,048	
Santa Ynez (Solvang)	925		925	57,471	86,578	29,107	31.47					75,010	
Santa Ynez	300	1,575	1,875	116,496	175,496	59,001	31.47					122,500	
Goleta	3,684	(567)	3,117	193,663	291,745	98,082	31.47	3,117	56.40%	\$ (193,663)	(62.13)	218,440	\$ (579,974)
Morehart	108	-	108	6,710	10,109	3,398	31.47	108	1.95%	(6,710)	(62.13)	9,519	(26,355)
La Cumbre	130	-	130	8,077	12,168	4,091	31.47	130	2.35%	(8,077)	(62.13)	34,693	(106,300)
Raytheon	-	-	-	-	-	-	-	-	0.00%	-	-	1,530	(4,911)
Santa Barbara	1,888	(378)	1,510	93,818	141,333	47,515	31.47	1,510	27.32%	(93,818)	(62.13)	127,754	(351,359)
Montecito	378	(378)	-	-	-	-	-	-	0.00%	-	-	80,239	(257,541)
Carpinteria	914	(252)	662	41,131	61,962	20,831	31.47	662	11.98%	(41,131)	(62.13)	74,323	(212,825)
SB County Subtotal:	10,913	-	10,913	678,037	1,021,436	343,399	31.47	5,527	100.00%	(343,399)		1,539,265	(1,539,265)
SLO County	4,070		4,070	252,874	-	-	-	-	0.00%	-	-	-	-
TOTAL:	14,983	-	14,983	\$ 930,911	\$ 1,021,436	\$ 343,399		5,527	100.00%	\$ (343,399)		\$ 1,539,265	\$ (1,539,265)

Variable Retreatment Allocation Factor

Total South Coast Deliveries	5,527
Total SB County Deliveries	10,913
Subtotal:	16,440

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2022/23 Budget

Santa Ynez Exchange Agreement

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

SYID#1 has a contract with the U.S. Bureau of Reclamation for water from the Cachuma Project and, until January 1, 1995, owned the 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 2022/23 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2022/2023 Budget

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Debt Service Per AF	WTP Capital Exchange Adjustments	
Guadalupe	550		1.25%	\$ 54,152	\$ 98	\$ -				\$ -
Santa Maria	16,200		36.90%	1,595,016	98	-				-
Golden State Water	500		1.14%	49,229	98	-				-
VAFB	5,500		12.53%	541,518	98	-				-
Buellton	578		1.32%	56,909	98	-				-
Santa Ynez (Solvang)	1,500		3.42%	147,687	98	-				-
Santa Ynez	500	1,575	1.14%	49,229	98	155,071				155,071
Goleta	4,500	(567)	10.25%	443,060	98	(55,826)				(55,826)
Morehart	200	-	0.46%	19,692	98	-				-
La Cumbre	1,000	-	2.28%	98,458	98	-				-
Raytheon	50	-	0.11%	4,923	98	-				-
Santa Barbara	3,000	(378)	6.83%	295,373	98	(37,217)				(37,217)
Montecito	3,000	(378)	6.83%	295,373	98	(37,217)				(37,217)
Carpinteria	2,000	(252)	4.55%	196,916	98	(24,811)				(24,811)
SB County Subtotal:	39,078	-	89.00%	3,847,533		-				-
SLO County	4,830	-	11.00%	475,551						
TOTAL:	43,908		100.00%	\$ 4,323,084		\$ -				\$ -

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	12		12	\$ 746	\$ 62.13	-	-	
Santa Maria	1,407		1,407	87,418	62.13	-	-	
Golden State Water	38		38	2,361	62.13	-	-	
VAFB	1,054		1,054	65,486	62.13	-	-	
Buellton	75		75	4,660	62.13	-	-	
Santa Ynez (Solvang)	925		925	57,471	62.13	-	-	
Santa Ynez	300	1,575	1,875	18,639	62.13	\$ 97,857	252,927	\$ 161
Goleta	3,684	(567)	3,117	228,891	62.13	(35,228)	(91,054)	(161)
Morehart	108	-	108	6,710	62.13	-	-	-
La Cumbre	130	-	130	8,077	62.13	-	-	-
Raytheon	-	-	-	-	-	-	-	-
Santa Barbara	1,888	(378)	1,510	117,304	62.13	(23,486)	(60,703)	(161)
Montecito	378	(378)	-	23,486	62.13	(23,486)	(60,703)	(161)
Carpinteria	914	(252)	662	56,788	62.13	(15,657)	(40,468)	(161)
SB County Subtotal:	10,913	-	10,913	678,037		-		
SLO County	4,070		4,070	252,874		-		
TOTAL:	14,983	-	14,983	\$ 930,911		\$ -		\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
 Fiscal Year 2022/2023 Budget

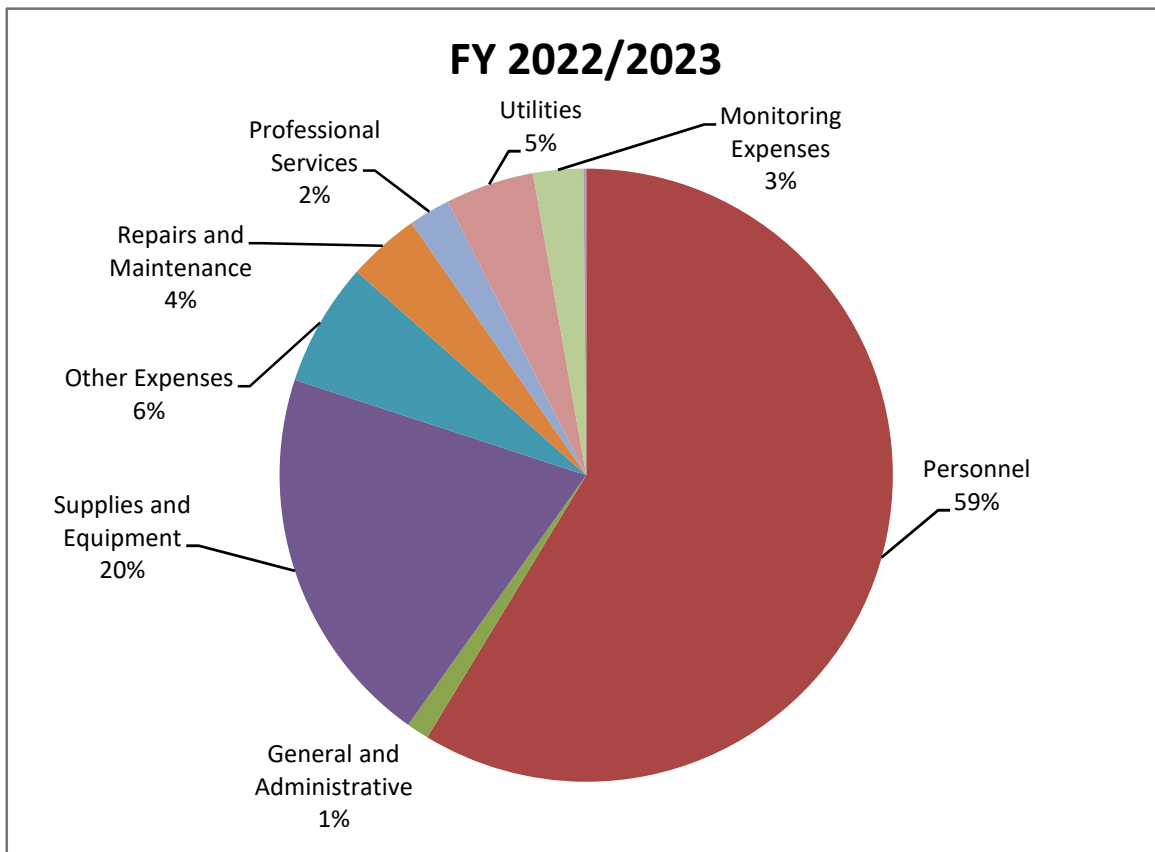
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2020/21	Number Auth. FY 2021/22	Number Requested FY 2022/23	Change Over FY 2020/21	Change Over FY 2021/22
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽³⁾	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Safety & Environmental Specialist ⁽⁴⁾	0.25	0.25	0.25	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance, IC&R Techs ⁽⁵⁾	1.60	1.60	1.60	-	-
WTP Operators	5.00	5.00	5.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
Administrative Assistant	0.75	0.75	0.75	-	-
TOTAL:	14.80	14.80	14.80	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2021/22 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 285,932	\$ 71,483
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 200,009	\$ 70,003
WTP Supervisor	1	37	\$ 9,731	\$ 11,872	\$ 133,687	\$ 133,687
Maintenance Superintendent ⁽³⁾	1	35	\$ 9,323	\$ 11,373	\$ 126,547	\$ 75,928
Maintenance Foreman	1	26	\$ 7,685	\$ 9,375	\$ 105,568	\$ 105,568
Safety & Environmental Specialist ⁽⁴⁾	1	29	\$ 8,196	\$ 9,999	\$ 101,982	\$ 25,496
Senior Chemist	1	29	\$ 8,196	\$ 9,999	\$ 112,590	\$ 112,590
Maintenance Technicians	2	19	\$ 6,612	\$ 8,067	\$ 181,676	\$ 181,676
Maintenance, IC&R Technicians ⁽⁵⁾	2	26	\$ 7,685	\$ 9,375	\$ 189,376	\$ 151,501
WTP Operators	5	21	\$ 6,902	\$ 8,421	\$ 474,116	\$ 474,116
Laboratory Analyst	1	14	\$ 5,939	\$ 7,246	\$ 76,873	\$ 76,873
Administrative Assistant	1	11	\$ 5,569	\$ 6,794	\$ 51,952	\$ 51,952
FY 2022/23 Salary Pool						\$ 100,567
TOTAL:						\$ 1,631,440

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
 (2) The Deputy Director of Operations 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 Safety & Environmental Specialist (previous title Regulatory Spec.) 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%).

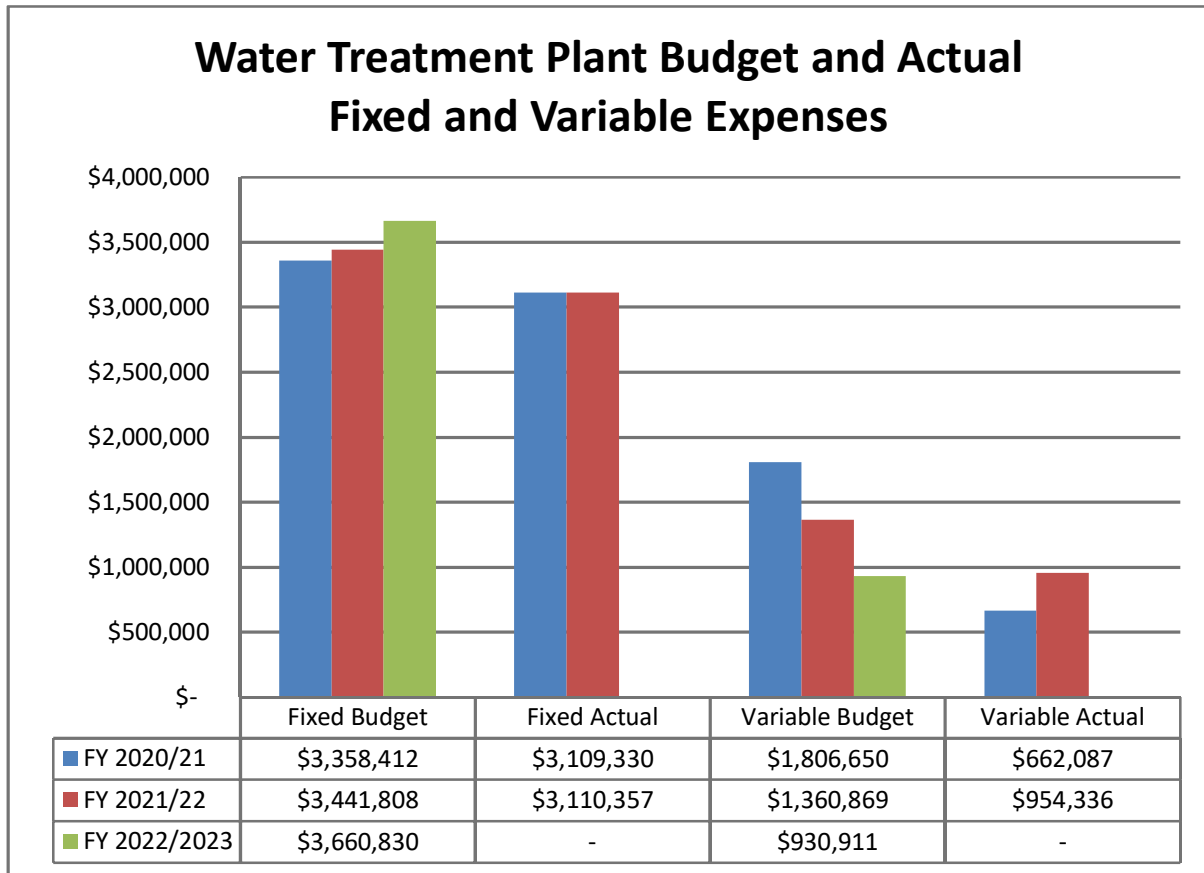
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2022/2023 Budget

Item	FY 2022/2023 Budget
Personnel	\$ 2,693,779
Office Expenses	6,500
Supplies and Equipment	926,052
Monitoring Expenses	121,234
Repairs and Maintenance	175,100
Professional Services	99,909
General and Administrative	54,850
Utilities	214,786
Other Expenses	299,530
TOTAL:	\$ 4,591,740



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2022/2023 Budget

Item	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/23 Budget
Personnel	\$ 2,482,040	\$ 2,368,269	\$ 2,522,333	\$ 2,409,273	\$ 2,693,779
Office Expenses	6,500	4,701	6,500	3,788	6,500
Supplies and Equipment	1,742,800	642,609	1,265,300	935,402	926,052
Monitoring Expenses	106,215	106,373	117,408	96,923	121,234
Repairs and Maintenance	172,100	131,830	170,600	157,894	175,100
Professional Services	83,439	60,221	83,439	56,903	99,909
General and Administrative	76,000	27,295	70,350	26,378	54,850
Utilities	245,318	179,938	293,010	187,885	214,786
Other Expenses	250,650	250,182	273,737	190,247	299,530
Total:	\$ 5,165,062	\$ 3,771,417	\$ 4,802,677	\$ 4,064,693	\$ 4,591,740



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,519,836	\$ 1,442,660	\$ 1,558,525	\$ 1,437,851	\$ 1,631,440	\$ 72,915	4.68%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	75,992	87,318	77,926	106,633	81,572	3,646	4.68%
5000.40	Standby Pay	33,801	30,758	34,504	36,809	37,129	2,625	7.61%
5000.50	Shift Differential Pay	19,880	18,995	20,469	17,181	21,279	811	3.96%
5100.10	PERS Retirement	383,303	391,615	386,952	393,548	467,638	80,687	20.85%
5100.15	Medicare Taxes	24,600	22,804	25,195	22,246	26,117	922	3.66%
5100.20	Health/Dental/Vision Plans	278,704	245,525	286,746	274,836	289,681	2,935	1.02%
5100.25	Workers' Compensation	52,819	38,556	41,952	46,647	52,750	10,798	25.74%
5100.30	Vehicle Expenses	-	-	-	-	-	-	-
5100.35	Retiree Medical Future Liability Dep.	74,686	74,922	71,423	59,371	66,748	(4,675)	-6.55%
5100.50	Long-Term Disability	7,825	8,179	8,030	7,824	8,406	376	4.68%
5100.55	Life Insurance	6,464	6,349	6,481	6,106	6,678	197	3.05%
5100.60	Employee Physicals	450	-	450	220	660	210	46.67%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,680	-	2,680	-	2,680	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	587	-	-	-	-	N/A
Total Personnel Expenses:		2,482,040	2,368,269	2,522,333	2,409,273	2,693,779	171,447	6.80%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	3,000	1,810	3,000	1,577	3,000	-	0.00%
5200.30	Miscellaneous Office Expenses	3,500	2,891	3,500	2,211	3,500	-	0.00%
Total Office Expenses:		6,500	4,701	6,500	3,788	6,500	-	0.00%

<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	8,739	8,946	9,844	9,087	11,100	1,256	12.76%
5500.15	Minor Tools and Equipment	5,000	8,998	5,000	5,000	6,000	1,000	20.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	500	-	500	500	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,668,861	598,332	1,187,006	883,250	850,452	(336,554)	-28.35%
5500.35	Maintenance Supplies/Hardware	18,000	5,777	18,000	10,076	18,000	-	0.00%
5500.40	Safety Supplies	7,000	4,984	7,000	6,370	7,000	-	0.00%
5500.45	Fuel and Lubricants	29,700	15,571	32,950	16,119	28,000	(4,950)	-15.02%
5500.50	Seed/Erosion Control Supplies	5,000	-	5,000	5,000	5,000	-	0.00%
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		1,742,800	642,609	1,265,300	935,402	926,052	(339,248)	-26.81%

<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	63,500	83,803	77,625	62,134	82,731	5,106	6.58%
5600.20	Lab Tools and Equipment	13,650	1,442	9,600	6,366	10,080	480	5.00%
5600.30	Lab Testing	29,065	21,128	30,183	28,423	28,423	(1,760)	-5.83%
Total Monitoring Expenses:		106,215	106,373	117,408	96,923	121,234	3,826	3.26%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	132,000	118,315	132,000	134,929	135,000	3,000	2.27%
5700.20	Vehicle Repairs and Maintenance	6,500	2,624	6,500	5,023	8,000	1,500	23.08%
5700.30	Building Maintenance	28,600	6,711	27,100	13,982	27,100	-	0.00%
5700.40	Landscape Maintenance	5,000	4,179	5,000	3,960	5,000	-	0.00%
Total Repairs and Maintenance:		172,100	131,830	170,600	157,894	175,100	4,500	2.64%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	31,639	15,050	31,639	10,457	29,479	(2,160)	-6.83%
5400.20	Legal Services	-	-	-	-	-	-	N/A
5400.30	Engineering Services	15,000	15,427	15,000	9,200	15,000	-	0.00%
5400.40	Permits	36,800	29,465	36,800	37,246	55,430	18,630	50.63%
5400.50	Non-Contractual Services	-	278	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		83,439	60,221	83,439	56,903	99,909	16,470	19.74%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	19,000	131	18,500	2,593	18,500	-	0.00%
5300.20	Mileage Reimbursement	500	61	500	-	500	-	0.00%
5300.30	Dues and Memberships	34,850	13,448	26,850	9,090	10,100	(16,750)	-62.38%
5300.40	Publications	750	393	750	390	1,000	250	33.33%
5300.50	Training	14,400	6,153	16,250	7,305	16,250	-	0.00%
5300.60	Advertising	1,500	119	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	5,000	6,991	6,000	7,000	7,000	1,000	16.67%
Total General and Administrative:		76,000	27,295	70,350	26,378	54,850	(15,500)	-22.03%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	7,310	10,418	7,735	8,913	9,000	1,265	16.35%
5800.30	Electric-Fixed	90,874	93,780	101,282	101,280	114,912	13,630	13.46%
5800.31	Electric-Variable	137,789	63,755	173,863	71,086	80,459	(93,404)	-53.72%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	3,500	7,749	4,285	3,600	4,285	-	0.00%
5800.60	Waste Disposal	5,845	4,236	5,845	3,006	6,130	285	4.88%
Total Utilities:		245,318	179,938	293,010	187,885	214,786	(78,225)	-26.70%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	81,458	81,431	91,932	90,001	102,170	10,238	11.14%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	64,426	-	-	-	-	N/A
5900.40	Equipment Rental	17,240	14,496	17,240	8,257	22,800	5,560	32.25%
5900.50	Non-Capitalized Equipment	10,000	3,048	10,000	8,488	10,000	-	0.00%
5900.60	Computer Expenses	76,101	86,781	87,079	83,501	92,779	5,700	6.55%
5900.70	Appropriated Contingency	65,851		67,486		71,781	4,295	6.36%
Total Other Expenses:		250,650	250,182	273,737	190,247	299,530	25,794	9.42%
TOTAL OPERATING EXPENSES		\$ 5,165,062	\$ 3,771,417	updated \$ 4,802,677	\$ 4,064,693	\$ 4,591,740	\$ (210,937)	-4.39%

(1) Effective July 1, 2018 Non-Capitalized Projects will be found in the Capital Improvement and Non-Capital Projects section of the budget.

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$100,567 for the FY 2022/23 salary pool.

FY 22/23 Requested Budget	1,631,440
FY 21/22 Estimated Actual	1,437,851
Increase (Decrease)	193,589

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 22/23 Requested Budget	81,572
FY 21/22 Estimated Actual	71,893
Increase (Decrease)	9,679

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

Description: Funds for stand-by pay for one Distribution employee assigned to stand-by duty on a 24-hour basis. Based on \$2.28 per hour (5% of average hourly rate) for 8,760 hours for WTP operators, and 8,760 hours at \$2.40 per hour for Instrumentation and Control employee stand-by pay (2/3 to WTP and 1/3 to Distribution).

FY 22/23 Requested Budget	37,129
FY 21/22 Estimated Actual	36,809
Increase (Decrease)	320

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Funds for shift employee pay for WTP operators is based on \$2.34 per hour (5% of average hourly rate) for 8,760 hours of shift pay.

FY 22/23 Requested Budget	21,279
FY 21/22 Estimated Actual	17,181
Increase (Decrease)	4,098

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 22/23 Requested Budget	467,638
FY 21/22 Estimated Actual	393,548
Increase (Decrease)	74,090

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 29.121% contribution rate for FY 2022/23 which includes the required Unfunded Accrued Liability (UAL) payment.

Required Contributions	\$ 236,572	17.511%
UAL current fiscal year	170,499	11.610%
UAL additional payment	60,567	fixed
TOTAL \$	467,638	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 22/23 Requested Budget	26,117
FY 21/22 Estimated Actual	22,246
Increase (Decrease)	3,871

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

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 22/23 Requested Budget	214,984
FY 21/22 Estimated Actual	183,939
Increase (Decrease)	31,045

Description: Funds for employer paid portion of health insurance for WTP employees. Based on employee 2022 Café Plan elections. Includes an estimated 5% premium increase in 2022 plan rates.

	2021 Allowance	2022 Allowance Est
Family	\$ 21,247	\$ 21,778
Emp + 1	15,976	16,375
Employee only	8,053	8,254

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

FY 22/23 Requested Budget	52,750
FY 21/22 Estimated Actual	46,647
Increase (Decrease)	6,103

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 102 and economy of size rate of 90%. Based on a 6% premium increase over FY 2021/22

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

FY 22/23 Requested Budget	66,748
FY 21/22 Estimated Actual	59,371
Increase (Decrease)	7,377

Description: Actuarially determined contributions to fund the estimated future liability for the required minimum contribution component (PEMHCA) of the CalPERS health plan and the retiree health costs for vested employees age 62 and over retiring from CCWA with at least 10 years of CCWA service. Costs are based on the number of active and covered employees and retirees.

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

FY 22/23 Requested Budget	29,732
FY 21/22 Estimated Actual	57,554
Increase (Decrease)	(27,822)

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.

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

FY 22/23 Requested Budget	44,964
FY 21/22 Estimated Actual	33,343
Increase (Decrease)	11,621

Description: Funds for the self-funded dental/vision plan. The plan provides \$3984 per year per family for dental and vision expenses. Budgeted amount is \$2,987 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

FY 22/23 Requested Budget	8,406
FY 21/22 Estimated Actual	7,824
Increase (Decrease)	582

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

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

FY 22/23 Requested Budget	6,678
FY 21/22 Estimated Actual	6,106
Increase (Decrease)	572

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 22/23 Requested Budget	660
FY 21/22 Estimated Actual	220
Increase (Decrease)	440

\$ 660 4 physicals @ \$165 each

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 22/23 Requested Budget	1,000
FY 21/22 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

Description: Funds to encourage employee safety, efficiency and innovation through the Employee Achievement Awards Program (EAAP).

FY 22/23 Requested Budget	2,680
FY 21/22 Estimated Actual	-
Increase (Decrease)	2,680

EAAP \$ 2,680

TOTAL: \$ 2,680

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the WTP.
Based on \$250 per month in office supply expenses.

FY 22/23 Requested Budget	3,000
FY 21/22 Estimated Actual	1,577
Increase (Decrease)	1,423

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 22/23 Requested Budget	3,500
FY 21/22 Estimated Actual	2,211
Increase (Decrease)	1,289

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, Deputy Director, and Safety/Environmental
Specialist.

FY 22/23 Requested Budget	18,500
FY 21/22 Estimated Actual	2,593
Increase (Decrease)	15,907

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 22/23 Requested Budget	500
FY 21/22 Estimated Actual	-
Increase (Decrease)	500

said

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 22/23 Requested Budget	10,100
FY 21/22 Estimated Actual	9,090
Increase (Decrease)	1,010

\$	400	AWWA dues
	7,500	Water Research Foundation dues
	1,200	Certification
	1,000	CWEA
\$	10,100	TOTAL

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 22/23 Requested Budget	1,000
FY 21/22 Estimated Actual	390
Increase (Decrease)	610

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 22/23 Requested Budget	16,250
FY 21/22 Estimated Actual	7,305
Increase (Decrease)	8,945

\$	16,250	Employee training, including safety
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**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 22/23 Requested Budget	1,500
FY 21/22 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 22/23 Requested Budget	7,000
FY 21/22 Estimated Actual	7,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description: Outside professional services including:

FY 22/23 Requested Budget	29,479
FY 21/22 Estimated Actual	10,457
Increase (Decrease)	19,022

\$	4,400	Fire system/extinguisher inspection
	2,700	Security
	4,500	Crane inspection
	1,540	Oil, coolant and diesel analysis
	4,000	Emergency generator/forklift service
	5,000	Equipment Calibration
	7,339	Personnel Team Building
\$	29,479	TOTAL

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services and small projects.

FY 22/23 Requested Budget	15,000
FY 21/22 Estimated Actual	9,200
Increase (Decrease)	5,800

\$	10,000	General Engineering
	5,000	Cathodic Protection
\$	15,000	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required WTP permits.

FY 22/23 Requested Budget	55,430
FY 21/22 Estimated Actual	37,246
Increase (Decrease)	18,184

\$	2,500	RWQCB NPDES
	38,750	Drinking Water Program
	7,800	ELAP Lab Accreditation
	1,760	Emergency Generator Permit
	4,620	Hazardous Materials Fees
\$	55,430	TOTAL

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

Description: Funds for employer provided uniforms and uniform expense employee reimbursements.

FY 22/23 Requested Budget	11,100
FY 21/22 Estimated Actual	9,087
Increase (Decrease)	2,013

\$	6,600	Uniform Service (\$550 per month)
	1,500	Blue jean pants (\$150/yr emp allowance)
	2,500	Boots (\$250/yr employee allowance)
	500	Misc. uniform requirements (jackets, etc.)
\$	11,100	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 22/23 Requested Budget	6,000
FY 21/22 Estimated Actual	5,000
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

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

FY 22/23 Requested Budget	500
FY 21/22 Estimated Actual	500
Increase (Decrease)	-

\$	500	Herbicide

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

FY 22/23 Requested Budget	850,452
FY 21/22 Estimated Actual	883,250
Increase (Decrease)	(32,798)

- (1) WTP Plant: \$51.52 per acre foot and 14,983 acre feet of requests
- (2) Santa Ynez Pumping Station: \$4.61/af for 5,527 AF pumped water
- (3) Tank 5 and 7 Chlorination at \$5.61/af for 9,456 AF

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

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

FY 22/23 Requested Budget	18,000
FY 21/22 Estimated Actual	10,076
Increase (Decrease)	7,924

\$ 18,000 Maintenance Supplies/Hardware

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

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

FY 22/23 Requested Budget	7,000
FY 21/22 Estimated Actual	6,370
Increase (Decrease)	630

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 22/23 Requested Budget	5,000
FY 21/22 Estimated Actual	5,000
Increase (Decrease)	-

\$ 5,000 Erosion maintenance

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

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

FY 22/23 Requested Budget	28,000
FY 21/22 Estimated Actual	16,119
Increase (Decrease)	11,881

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 22/23 Requested Budget	82,731
FY 21/22 Estimated Actual	62,134
Increase (Decrease)	20,597

ACCOUNT NUMBER: 5600.20

ACCOUNT TITLE: Laboratory Tools and Equipment

Description: Funds for the purchase of non-capitalized tools and equipment for the laboratory.

FY 22/23 Requested Budget	10,080
FY 21/22 Estimated Actual	6,366
Increase (Decrease)	3,714

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 22/23 Requested Budget	28,423
FY 21/22 Estimated Actual	28,423
Increase (Decrease)	-

\$	13,680	MIB and Microcystin Monitoring
	7,340	Annual Compliance Monitoring
	528	Monthly Compliance Monitoring
	3,200	DBP
	3,200	Microcystin
	475	DI Water Testing
\$	28,423	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 22/23 Requested Budget	135,000
FY 21/22 Estimated Actual	134,929
Increase (Decrease)	71

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 22/23 Requested Budget	8,000
FY 21/22 Estimated Actual	5,023
Increase (Decrease)	2,977

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 22/23 Requested Budget	27,100
FY 21/22 Estimated Actual	13,982
Increase (Decrease)	13,118

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	16,000	Janitorial service
	3,000	HVAC
	3,900	Janitorial Supplies
\$	27,100	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

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

FY 22/23 Requested Budget	5,000
FY 21/22 Estimated Actual	3,960
Increase (Decrease)	1,040

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for propane gas service to the WTP.

FY 22/23 Requested Budget	9,000
FY 21/22 Estimated Actual	8,913
Increase (Decrease)	87

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 22/23 Requested Budget	114,912
FY 21/22 Estimated Actual	101,280
Increase (Decrease)	13,632

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

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

FY 22/23 Requested Budget	80,459
FY 21/22 Estimated Actual	71,086
Increase (Decrease)	9,373

\$	5.37	\$/AF
	14,983	AF
\$	80,459	TOTAL

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 22/23 Requested Budget	4,285
FY 21/22 Estimated Actual	3,600
Increase (Decrease)	685

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 22/23 Requested Budget	6,130
FY 21/22 Estimated Actual	3,006
Increase (Decrease)	3,124

\$	2,700	Garbage(\$225 per month)
	630	Bulk Dumpster
	2,200	Waste Oil/Solvent
	600	Light Bulbs
\$	6,130	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 22/23 Requested Budget	102,170
FY 21/22 Estimated Actual	90,001
Increase (Decrease)	12,169

\$	62,631	Property and auto coverage based on the apportionment provided by JPIA.
\$	39,540	General liability and E&O based on salary proportions.
\$	102,170	TOTAL

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 22/23 Requested Budget	22,800
FY 21/22 Estimated Actual	8,257
Increase (Decrease)	14,543

\$	2,700	Copier lease (\$225 per month)
	10,100	Motorized equipment
	10,000	Lagoon cleaning
\$	22,800	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

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

FY 22/23 Requested Budget	10,000
FY 21/22 Estimated Actual	8,488
Increase (Decrease)	1,512

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 22/23 Requested Budget	92,779
FY 21/22 Estimated Actual	83,501
Increase (Decrease)	9,278

\$ 89,629	CompuVision, Annual Service Agreements and Software Subscriptions
\$ 3,150	Software, New Computers and other computer services.
\$ 92,779	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 22/23 Requested Budget	71,781
FY 21/22 Estimated Actual	-
Increase (Decrease)	71,781



*Distribution on Right of Way with de-chlorination trailer
November 2020*

Distribution Department

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

Highlights

Department Information

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

Budget Information

- Total FY 2022/23 O&M Budget \$ 3,472,507
- O&M Budget decrease over FY 2021/22 \$ (1,856,093)
 - Fixed cost increase over FY 2021/22 88,514
 - Variable cost decrease over FY 2021/22 \$ (1,944,607)
- Percentage decrease (34.83%)
- Fixed O&M expenses \$ 2,624,333
- Variable O&M expenses \$ 848,173
- FY 2022/23 budgeted electrical cost \$ 153.46 per acre-foot

Significant Accomplishments during FY 2021/22

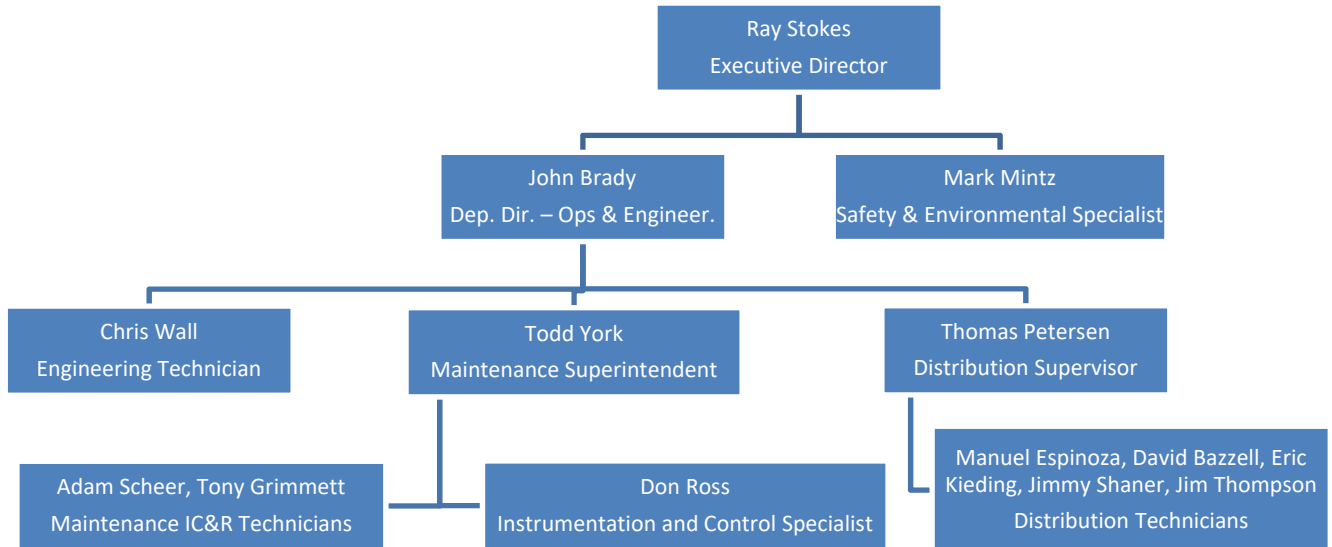
- Operated the pipeline well below the design minimum flow rate for a four month period while maintaining good water quality, with no signs of significant nitrification.
- Proactively developed a two-phase plan to modify lake delivery operations to prevent erosion of the Dam structure as the Lake Cachuma levels declined. The first phase was implemented, which included constructing a brick splash pad assembly below the lake discharge point to protect the concrete spillway entrance.

Significant Goals for FY 2022/23

- Utilize the findings of the 2021 nitrification and biofilm studies to modify operations to provide improved water quality monitoring and continued improvement on maintaining water quality in the pipeline.
- Utilize the Santa Ynez Pumping Plant Power Operational Matrix to guide pumping operations. This matrix identifies the most cost efficient operational scenarios for a given lake delivery target.

Central Coast Water Authority
Distribution Department
Fiscal Year 2022/23 Budget

The Distribution Department is responsible for maintaining the distribution system (i.e., pipeline and ancillary facilities).



The Distribution Department is comprised of the field Distribution Technicians, IT/Instrumentation and Control Specialist and Maintenance IC&R Technicians.

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, rechloraminating and dechloraminating, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 130 miles of pipeline and operate and maintain seven 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. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

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 of Operations, who provide long term planning and establish priorities.

The Safety and Environmental Specialist reports to the Executive Director and divides time between Distribution and Water Treatment Plant Departments. The Safety and Environmental Specialist is responsible for safety, environmental monitoring, and regulatory compliance.

Central Coast Water Authority
Distribution Department
Fiscal Year 2022/23 Budget

The accomplishments, performance indicators (“Service Efforts and Accomplishments”) and goals for the Distribution Department will be presented at a future meeting of the CCWA Board of Directors.

DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW

The distribution system for the State water facilities is divided into segments called “Financial Reaches.” These financial reaches are the portions of the pipeline through which the project participants receive and pay for water in accordance with their Water Supply Agreements.

Participation in each financial reach is based on the location of a particular project participant’s turnout. Each participant pays for its share of the Coastal Branch and Authority financial reaches down to the financial reach from which that participant takes delivery of water. For example, South Coast project participants pay for their share of all financial reaches since they take delivery from the terminus of the Authority pipeline.

The financial reaches for the distribution system include Authority reaches and DWR reaches. The facilities owned by the Authority are considered Authority reaches and those owned by DWR are considered DWR reaches.

The Distribution Department is responsible for maintaining both the Authority and the DWR reaches downstream of the Polonio Pass Water Treatment Plant.

Central Coast Water Authority
Distribution Department
Fiscal Year 2022/23 Budget

The following is a list of the various financial reaches including the facilities and/or landmarks located in each reach.

DWR REACHES

- Reach 33B Tank 1 through the Chorro Valley turnout
- Reach 34 Chorro Valley turnout through the Lopez turnout
- Reach 35 Lopez turnout through the Guadalupe turnout
- Reach 36 Deleted
- Reach 37 Guadalupe turnout to Southern Pacific Railroad crossing near Casmalia
- Reach 38 Southern Pacific Railroad crossing near Casmalia through Tank 5

CCWA (Authority) REACHES

- Mission Hills Tank 5 to La Purisima Road
- Santa Ynez I La Purisima Road to the Santa Ynez Pumping Facility
- Santa Ynez II Santa Ynez Pumping Facility to Lake Cachuma

The table and map on page **xxx** shows the participation by project participant and by financial reach for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

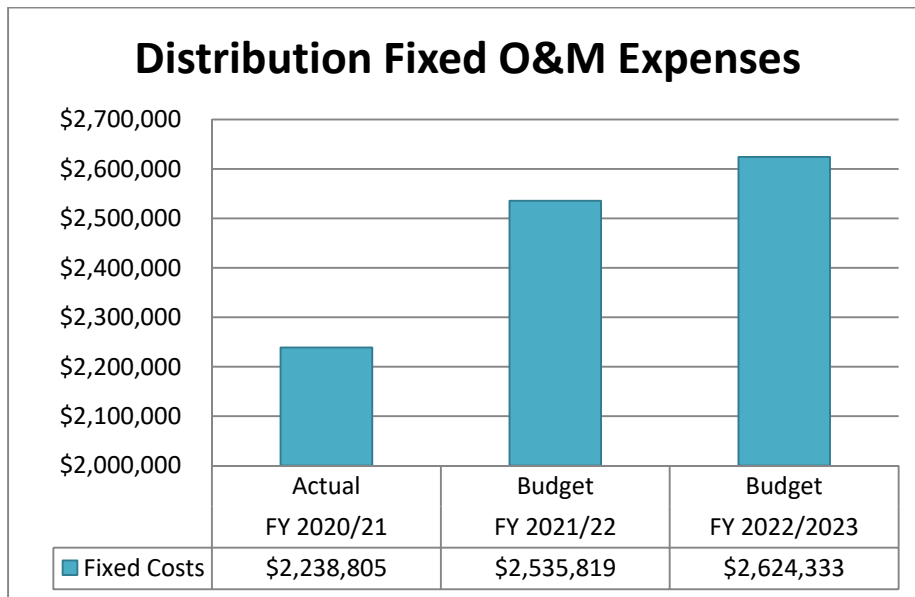
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2020/21 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2022/23 Budget

Distribution Department Financial Reach Allocation			
Financial Reach	FY 2022/2023 Allocation Percentage	FY 2021/22 Allocation Percentage	Increase (Decrease)
Reach 33B	19.36%	18.92%	0.44%
Reach 34	9.30%	9.48%	-0.17%
Reach 35	2.54%	5.55%	-3.01%
Reach 37	2.57%	2.44%	0.14%
Reach 38	3.24%	4.07%	-0.83%
Mission Hills II	13.82%	12.63%	1.19%
Santa Ynez I	17.13%	18.24%	-1.11%
Santa Ynez II	32.04%	28.68%	3.36%
TOTAL:	100.00%	100.00%	0.00%

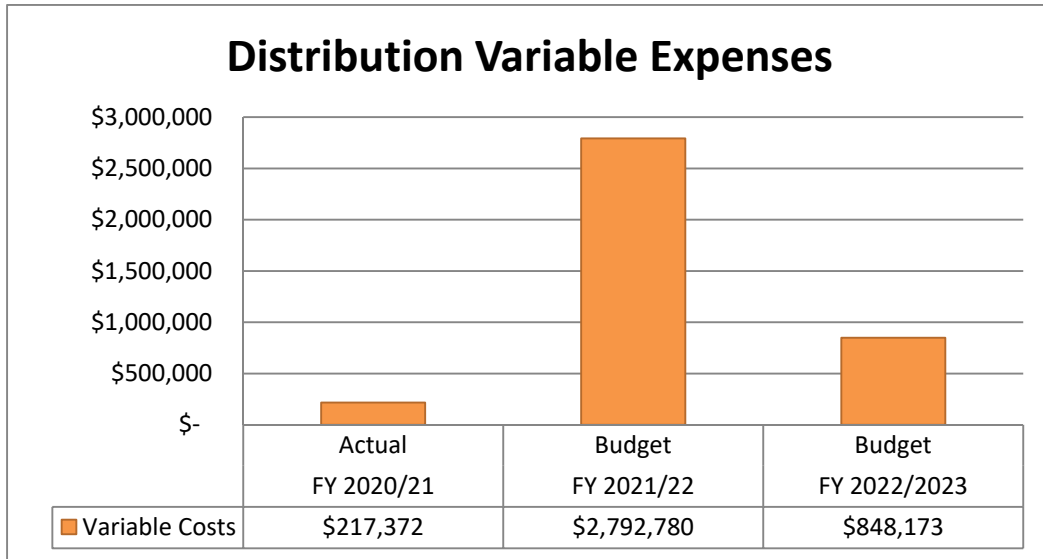
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

Fixed O&M Costs are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and repair and maintenance costs. The following graph shows the three-year trend for the Distribution Department Fixed O&M expenses. As the graph shows, the FY 2022/23 fixed O&M costs are \$88,514 higher than the prior year budget amount.



Central Coast Water Authority
Distribution Department
 Fiscal Year 2022/23 Budget

Variable O&M Costs are all costs that vary with the amount of water processed. The Distribution Department variable expenses are solely electrical costs to pump the South Coast project participant water into Lake Cachuma. The following graph shows the three-year trend for the Distribution Department variable O&M costs. As the graph shows, the FY 2022/23 variable O&M costs are \$1,944,607 lower 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 2022/23 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$153.46/AF
Goleta	3,117	\$ 478,335
Morehart	108	16,574
La Cumbre	130	19,950
Raytheon	-	-
Santa Barbara	1,510	231,725
Montecito	-	-
Carpinteria	662	101,591
Total South Coast:	5,527	\$ 848,173
<small>(1) Excludes water deliveries exchanged with Santa Ynez ID#1.</small>		

Central Coast Water Authority
Distribution Department
Fiscal Year 2022/23 Budget

Fiscal Year 2022/23 Operating Expense Budget

The Fiscal Year 2022/23 Distribution Department operating expense budget is \$3,472,507, which is \$1,856,093 lower than the previous year's budget of \$5,328,599, a decrease of 34.83%. The personnel expense section of the Distribution Department budget represents approximately 54% of the budget. Utilities comprise 26%, with other expenses making up the balance of the budget. The chart on page xxx 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 \$66,882 attributed to the following:

- The FY 2022/23 total Distribution Department salaries and wages budget is held to an increase of only \$43,143 when compared to the prior fiscal year budget due to an increase in the Consumer Price Index for December 2021.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by \$24,218. This is due to; 1) The 2022 CalPERS health insurance plan with the lowest premiums increased by 23.24% over the 2021 premiums, as opposed to the increase of 5% budgeted for the calendar year 2022. The 2022 health allowances have remained at same levels used in 2021; 2) The FY 2022/23 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2023. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers' Compensation costs are increasing by \$6,866 due to a 6% increase in the Experience modification rate for CCWA. CalPERS retirement expenses are increasing by \$40,067 over the prior fiscal year. The CCWA employer paid portion for "Classic" members in FY 22/23 is 29.121% as compared to the prior year amount of 29.106%, for a .015% increase. CCWA "Classic" member employees began paying 50% of the increase in the "normal" PERS employer contribution in FY 2017/18. As of FY 2022/23 the Administration Department has 1 CalPERS PEPRA member employee. The PEPRA employer contribution rate in FY 2022/23 increased from 8.23% in FY 2021/22 to 8.26% in FY 2022/23 for a increase in employer paid PEPRA contribution rate of 0.03%. Currently, the Administration Department has 1 "Classic" 2nd tier member employee. The 2nd tier member employer contribution rate in FY 2022/23 is 22.121%.
- The FY 2022/23 Budget includes a \$45,297 deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested

Central Coast Water Authority
Distribution Department
Fiscal Year 2022/23 Budget

portion of retiree only premiums, based on employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of service with CCWA.

Repairs and Maintenance Repairs and maintenance costs are increasing by about \$5,910 because of an increase in anticipated vehicle repairs and maintenance expenses.

Professional Services Professional Services costs are increasing by approximately \$1,930 due to environmental services required by regulatory agencies.

General and Administrative General and Administrative costs are remaining flat with no increase for FY 2022/23.

Utility Expenses Utility expenses are decreasing by \$1,953,817 largely due to a new Santa Ynez Pumping Plant electric cost matrix and operating protocol.

Other Expenses Other expenses are increasing by approximately \$25,564 due to anticipated increase in equipment rental, and increased computer expenses.

Turnout Expenses Turnout expenses include funds for utility expenses at each turnout, equipment repairs and maintenance, and non-capitalized projects. (See Projects Section for a description of Capital and non-capitalized projects.)

Central Coast Water Authority
Distribution Department
 Fiscal Year 2022/23 Budget

The following table shows the FY 2022/23 O&M budget for the various CCWA Turnouts.

TURNOUT EXPENSES							
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Computer Expenses	Other Expenses	Subtotal Operating Expenses	Capital Projects ⁽¹⁾	TOTAL
Guadalupe	\$ 769	\$ 1,000	\$ -	\$ 500	\$ 2,269	\$ -	\$ 2,269
Santa Maria	540	1,500	-	500	2,540	-	2,540
Golden State Water Co.	718	3,000	-	500	4,218	-	4,218
Vandenberg Air Force Base		1,500	-	500	2,000	-	2,000
Buellton	224	1,500	-	500	2,224	-	2,224
Santa Ynez (Solvang)	363	1,000	-	500	1,863	-	1,863
Santa Ynez		1,000	-	500	1,500	-	1,500
Shandon	1,621	1,000	-	500	3,121	-	3,121
Chorro Valley		1,500	900	500	2,900	-	2,900
Lopez	383	1,500	-	500	2,383	-	2,383
TOTAL:	\$ 4,618	\$ 14,500	\$ 900	\$ 5,000	\$ 25,018	\$ -	\$ 25,018

(1) Please see the CIP section of the budget for information regarding the Turnout capital projects.

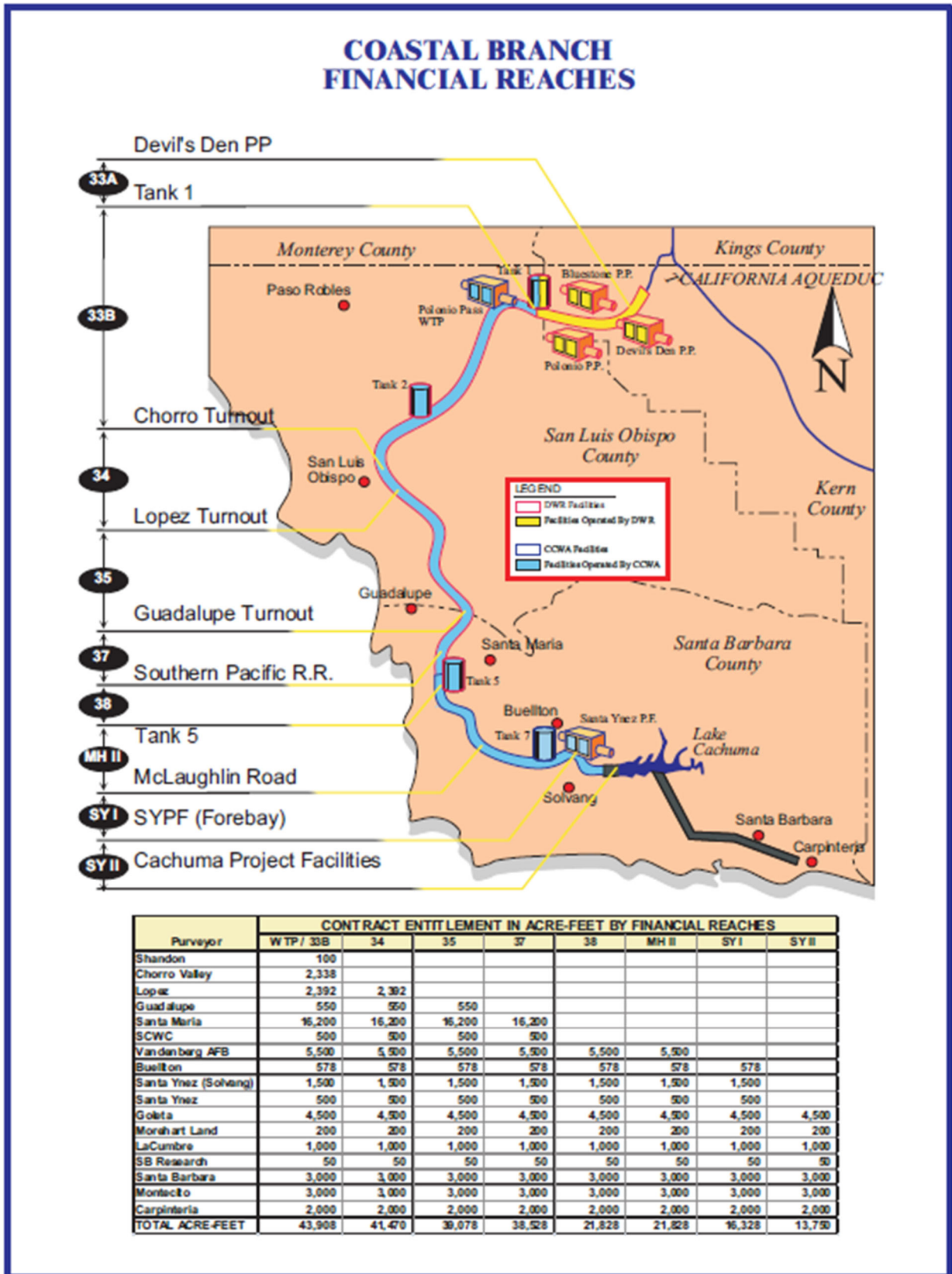
Central Coast Water Authority
Distribution Department
 Fiscal Year 2022/23 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth.	Auth.	Requested	Over	Over
	FY 2020/21	FY 2021/22	FY 2022/2023	FY 2020/21	FY 2021/22
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.40	0.40	0.40	-	-
Safety & Environmental Specialist ⁽³⁾	0.75	0.75	0.75	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽⁴⁾	0.40	0.40	0.40	-	-
Maintenance/IC&R Technicians ⁽⁵⁾	0.40	0.40	0.40	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.20	10.20	10.20	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No.	Position	Minimum	Maximum	FY 2021/22	Allocation
	of		Monthly	Monthly	Total Annual	to Dist.
	Emp.	Classification	Salary	Salary	Salary	Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 285,932	\$ 71,483
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 200,009	\$ 80,004
Safety & Environmental Specialist ⁽³⁾	1	29	\$ 8,196	\$ 9,999	\$ 101,982	\$ 76,487
Distribution Supervisor	1	30	\$ 8,374	\$ 10,216	\$ 115,034	\$ 115,034
Engineering Technician	1	21	\$ 6,902	\$ 8,421	\$ 93,363	\$ 93,363
Instrumentation & Control Specialist	1	27	\$ 7,851	\$ 9,579	\$ 107,859	\$ 107,859
Maintenance Superintendent ⁽⁴⁾	1	35	\$ 9,323	\$ 11,373	\$ 126,547	\$ 50,619
Maintenance/IC&R Technicians ⁽⁵⁾	2	26	\$ 7,685	\$ 9,375	\$ 189,376	\$ 37,875
Distribution Technicians	5	19	\$ 6,612	\$ 8,067	\$ 434,675	\$ 434,675
FY 2022/23 Salary Pool						\$ 70,120
TOTAL:						\$ 1,137,518

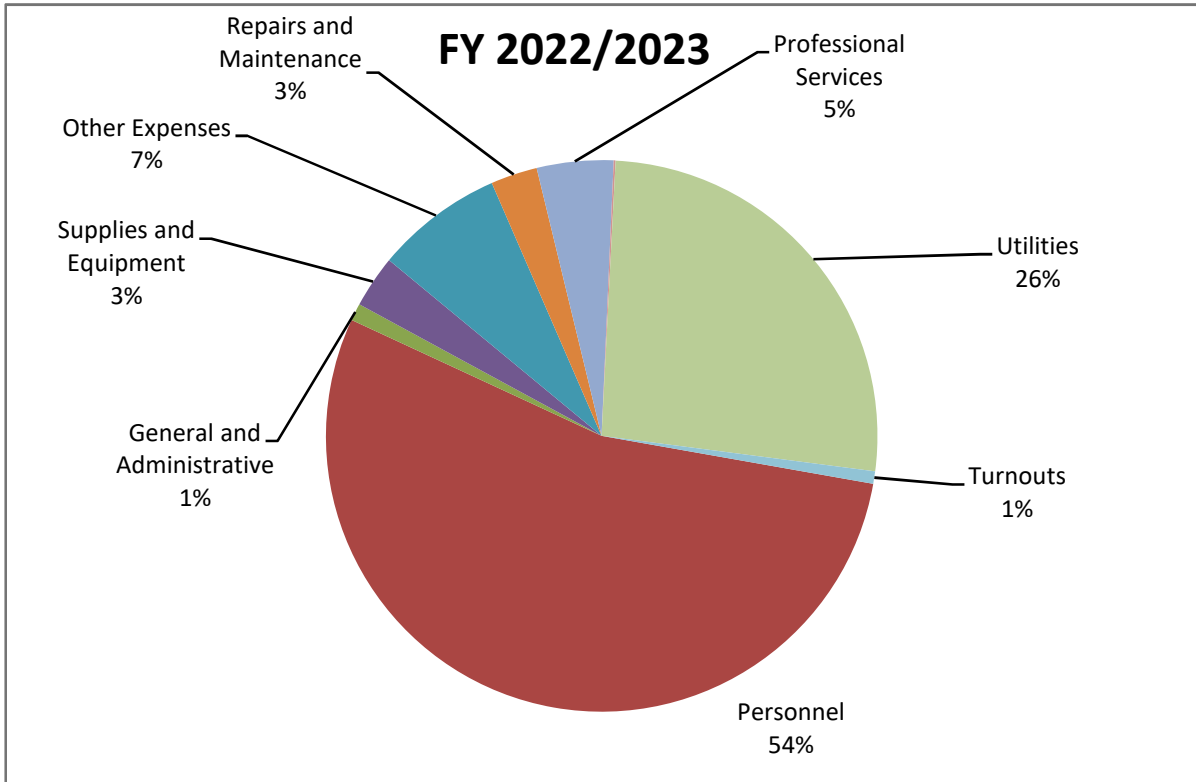
- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
 (2) The Deputy Director of Operations is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
 (3) The Safety/Environmental Specialist (previously Regulatory Spec.) 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%).

Central Coast Water Authority
Distribution Department
 Fiscal Year 2022/23 Budget



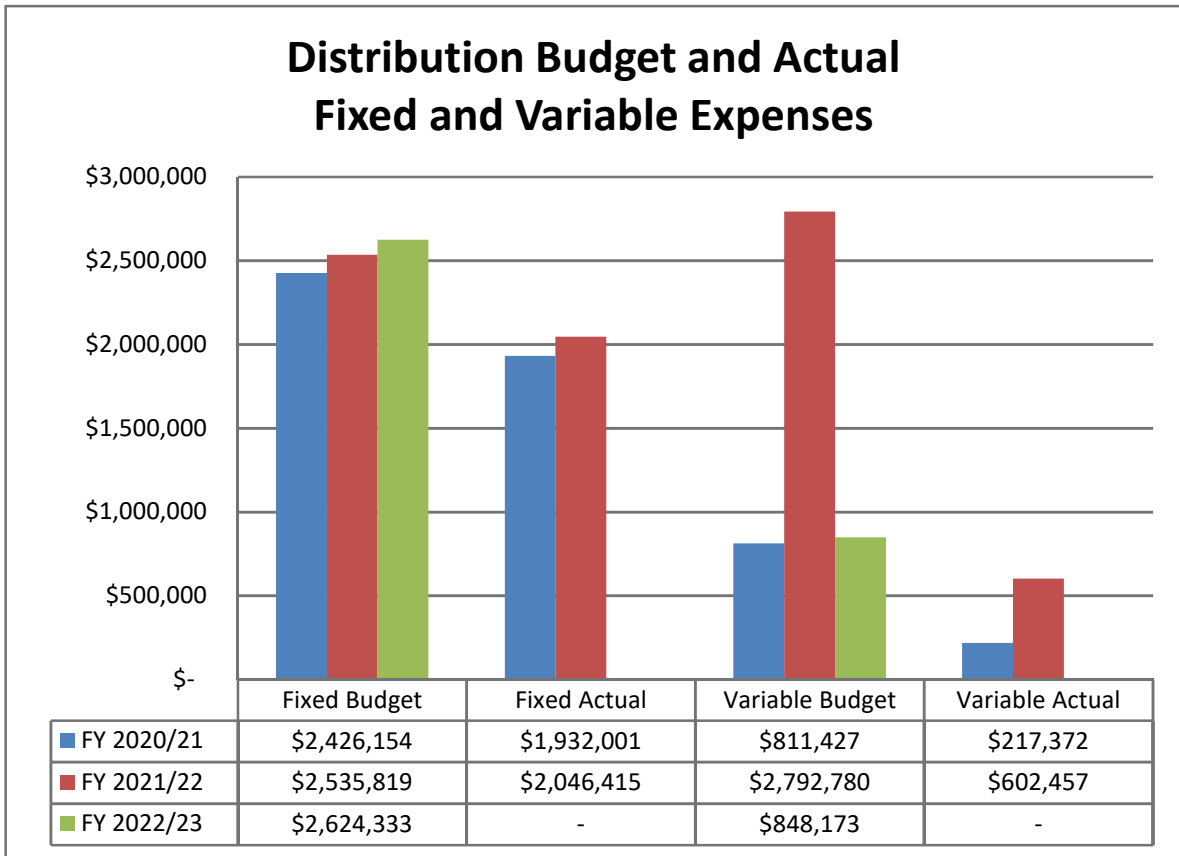
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2022/2023 Budget

Item	FY 2022/2023 Budget
Personnel	\$ 1,879,790
Office Expenses	4,000
Supplies and Equipment	107,075
Monitoring Expenses	-
Repairs and Maintenance	94,610
Professional Services	156,163
General and Administrative	34,751
Utilities	911,410
Other Expenses	259,690
Turnouts	25,018
TOTAL:	\$ 3,472,507



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2022/2023 Budget

Item	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget
Personnel	\$ 1,784,507	\$ 1,809,534	\$ 1,812,908	\$ 1,594,069	\$ 1,879,790
Office Expenses	4,000	4,124	4,000	2,815	4,000
Supplies and Equipment	102,911	73,077	110,011	71,465	107,075
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	91,700	73,547	88,700	87,792	94,610
Professional Services	103,733	71,895	154,233	32,797	156,163
General and Administrative	34,250	8,266	34,250	15,392	34,751
Utilities	880,839	277,608	2,865,228	675,514	911,410
Other Expenses	210,496	138,127	234,126	142,653	259,690
Turnouts	25,144	-	25,144	26,375	25,018
TOTAL:	\$ 3,237,580	\$ 2,456,178	\$ 5,328,599	\$ 2,648,872	\$ 3,472,507



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>PERSONNEL EXPENSES</u>		UPDATED						
5000.10	Full-Time Regular Wages	\$ 1,071,503	\$ 1,041,287	\$ 1,098,391	\$ 951,074	\$ 1,137,518	\$ 39,127	3.56%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	69,677	113,199	71,529	66,977	74,009	2,480	3.47%
5000.40	Standby Pay	26,283	28,949	26,950	20,856	28,485	1,535	5.70%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	283,558	287,024	285,943	276,079	326,010	40,067	14.01%
5100.15	Medicare Taxes	17,514	16,322	17,905	14,553	18,206	301	1.68%
5100.20	Health/Dental/Vision Plans	219,439	225,983	224,853	183,108	200,635	(24,218)	-10.77%
5100.25	Workers' Compensation	35,686	26,358	28,406	33,640	35,272	6,866	24.17%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	47,063	60,476	45,007	39,106	45,297	290	0.64%
5100.50	Long-Term Disability	5,274	4,913	5,408	4,681	5,600	191	3.54%
5100.55	Life Insurance	4,460	3,691	4,465	3,417	4,582	118	2.63%
5100.60	Employee Physicals	450	170	450	580	495	45	10.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	-	2,600	-	2,680	80	3.08%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	1,160	-	-	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
Total Personnel Expenses:		1,784,507	1,809,534	1,812,908	1,594,069	1,879,790	66,882	3.69%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	1,500	2,716	1,500	1,154	1,500	-	0.00%
5200.30	Miscellaneous Office Expenses	2,500	1,408	2,500	1,661	2,500	-	0.00%
Total Office Expenses:		4,000	4,124	4,000	2,815	4,000	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	7,421	6,033	7,541	5,375	8,605	1,064	14.11%
5500.15	Minor Tools and Equipment	5,000	3,558	5,000	4,750	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	187	1,000	-	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	5,617	10,000	4,303	10,000	-	0.00%
5500.40	Safety Supplies	7,000	4,003	7,000	6,370	7,000	-	0.00%
5500.45	Fuel and Lubricants	63,990	53,429	70,970	50,417	70,970	-	0.00%
5500.50	Seed/Erosion Control Supplies	8,000	127	8,000	-	4,000	(4,000)	-50.00%
5500.55	Backflow Prevention Supplies	500	123	500	250	500	-	0.00%
Total Supplies and Equipment:		102,911	73,077	110,011	71,465	107,075	(2,936)	-2.67%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	N/A

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	55,000	45,792	55,000	55,000	55,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	15,000	16,382	15,000	18,159	20,000	5,000	33.33%
5700.30	Building Maintenance	17,200	5,973	14,200	11,333	15,110	910	6.41%
5700.40	Landscape Maintenance	4,500	5,400	4,500	3,300	4,500	-	0.00%
Total Repairs and Maintenance:		91,700	73,547	88,700	87,792	94,610	5,910	6.66%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	83,633	10,833	133,633	25,036	134,723	1,090	0.82%
5400.20	Legal Services	-	41,422	-	-	-	-	N/A
5400.30	Engineering Services	15,000	11,674	15,000	4,548	15,000	-	0.00%
5400.40	Permits	5,100	-	5,600	2,711	6,440	840	15.00%
5400.50	Non-Contractual Services	-	7,715	-	502	-	-	N/A
5400.60	Accounting Services	-	251	-	-	-	-	N/A
Total Professional Services:		103,733	71,895	154,233	32,797	156,163	1,930	1.25%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	20,000	272	20,000	3,772	20,001	1	0.01%
5300.20	Mileage Reimbursement	150	-	150	-	150	-	0.00%
5300.30	Dues and Memberships	2,500	2,214	2,500	2,500	3,000	500	20.00%
5300.40	Publications	1,000	373	1,000	832	1,000	-	0.00%
5300.50	Training	8,500	2,641	8,500	7,860	8,500	-	0.00%
5300.60	Advertising	1,500	2,616	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	13	-	-	-	-	N/A
5300.80	Postage	600	137	600	428	600	-	0.00%
Total General and Administrative:		34,250	8,266	34,250	15,392	34,751	501	1.46%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2022/2023 Administration/O&M Budget

Account Number	Account Name	FY 2020/21 Budget	FY 2020/21 Actual	FY 2021/22 Budget	FY 2021/22 Estimated Actual	FY 2022/2023 Budget	Change from FY 2021/22 Budget	Percent Change FY 2021/22 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	1,010	1,248	1,070	1,000	1,070	-	0.00%
5800.30	Electric Fixed	56,903	46,017	57,728	59,569	48,001	(9,727)	-16.85%
5800.31	Electric-Variable	811,427	217,372	2,792,780	602,457	848,173	(1,944,607)	-69.63%
5800.40	Water	2,500	2,134	2,500	2,171	2,500	-	0.00%
5800.50	Telephone	5,500	7,897	7,525	6,810	7,525	-	0.00%
5800.60	Waste Disposal	3,500	2,940	3,625	3,507	4,141	516	14.23%
Total Utilities:		880,839	277,608	2,865,228	675,514	911,410	(1,953,817)	-68.19%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	51,004	50,945	57,610	55,661	62,619	5,009	8.70%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	24,100	18,479	24,100	10,236	39,100	15,000	62.24%
5900.50	Non-Capitalized Equipment	10,000	590	10,000	8,538	10,000	-	0.00%
5900.60	Computer Expenses	78,313	68,114	93,187	68,218	97,494	4,307	4.62%
5900.70	Appropriated Contingency	47,079	-	49,229	-	50,476	1,247	2.53%
Total Other Expenses:		210,496	138,127	234,126	142,653	259,690	25,564	10.92%
Turnouts		25,144	-	25,144	26,375	25,018	(126)	-0.50%
TOTAL OPERATING EXPENSES		\$ 3,237,580	\$ 2,456,178	\$ 5,328,599	\$ 2,648,872	\$ 3,472,507	(1,856,093)	-34.83%

(1) Effective July 1, 2018 Non-Capitalized Projects will be found in the Capital Improvement and Non-Capital Projects section of the budget.

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$70,120 for FY 2022/23 salary pool.

FY 22/23 Requested Budget	1,137,518
FY 21/22 Estimated Actual	951,074
Increase (Decrease)	186,444

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

Description: Funds for overtime expenses for non-exempt Distribution employees.

FY 22/23 Requested Budget	74,009
FY 21/22 Estimated Actual	66,977
Increase (Decrease)	7,032

Overtime is set at 5.0% of salaries plus one hour per day to monitor SCADA system.

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

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

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services:

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 22/23 Requested Budget	28,485
FY 21/22 Estimated Actual	20,856
Increase (Decrease)	7,630

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 5% of their average hourly rate. Standby pay is \$2.28 per hour for a Distribution employee. Instrumentation and Control employee hourly rate is \$2.40 (1/3 allocated to Distribution Department and 2/3 allocated to the Water Treatment Plant Department).

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 22/23 Requested Budget	326,010
FY 21/22 Estimated Actual	276,079
Increase (Decrease)	49,931

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 29.618% contribution rate for FY 2021/22, which includes the required Unfunded Accrued Liability (UAL) payment.

Required Contributions	\$ 164,933	17.511%
UAL current fiscal year	118,856	11.610%
UAL additional payment	42,221	fixed amount
	\$ 326,010	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 22/23 Requested Budget	18,206
FY 21/22 Estimated Actual	14,553
Increase (Decrease)	3,653

Description: Funds for the employer portion of Medicare taxes for the Distribution Department. Amount is equal to 1.45% of all wages.

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 22/23 Requested Budget	154,598
FY 21/22 Estimated Actual	125,157
Increase (Decrease)	29,441

Description: Funds for the employer paid portion of health insurance for Distribution employees. Based on employee 2021 Café Plan elections. Includes an estimated 5% premium increase in 2021 rates.

	<i>2021 Allowance</i>		<i>2022 Allowance Est</i>	
Family	\$	21,247	\$	21,778
Emp + 1		15,976		16,375
Employee only		8,053		8,254

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 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 102 and an economy of size rate of 90%. Based on a 6% premium increase over FY 2020/21

FY 22/23 Requested Budget	35,272
FY 21/22 Estimated Actual	33,640
Increase (Decrease)	1,632

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

Description: Actuarially determined contributions to fund the estimated future liability for the required minimum contribution component (PEMHCA) of the CalPERS health plan and the retiree health costs for vested employees age 62 and over retiring from CCWA with at least 10 years of CCWA service. Costs are based on the number of active and covered employees and retirees.

FY 22/23 Requested Budget	45,297
FY 21/22 Estimated Actual	39,106
Increase (Decrease)	6,191

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 22/23 Requested Budget	15,563
FY 21/22 Estimated Actual	34,971
Increase (Decrease)	(19,409)

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,984 per year per family for dental and vision expenses. Budgeted amount is \$2,988 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 22/23 Requested Budget	30,474
FY 21/22 Estimated Actual	22,980
Increase (Decrease)	7,495

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

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

FY 22/23 Requested Budget	5,600
FY 21/22 Estimated Actual	4,681
Increase (Decrease)	919

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

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

FY 22/23 Requested Budget	4,582
FY 21/22 Estimated Actual	3,417
Increase (Decrease)	1,165

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 22/23 Requested Budget	495
FY 21/22 Estimated Actual	580
Increase (Decrease)	(85)

\$495 - 3 physicals at \$165 each

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 22/23 Requested Budget	1,000
FY 21/22 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

Description: Funds to encourage employee safety, efficiency and innovation through the Employee Achievement Awards Program (EAAP).

FY 22/23 Requested Budget	2,680
FY 21/22 Estimated Actual	-
Increase (Decrease)	2,680

\$	2,680	EAAP
\$	2,680	TOTAL

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 22/23 Requested Budget	1,500
FY 21/22 Estimated Actual	1,154
Increase (Decrease)	346

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 22/23 Requested Budget	2,500
FY 21/22 Estimated Actual	1,661
Increase (Decrease)	839

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for Distribution Department employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and Deputy Director as well as travel expenses for winter maintenance.

FY 22/23 Requested Budget	20,001
FY 21/22 Estimated Actual	3,772
Increase (Decrease)	16,229

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 22/23 Requested Budget	150
FY 21/22 Estimated Actual	-
Increase (Decrease)	150

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues and memberships in required areas.

FY 22/23 Requested Budget	3,000
FY 21/22 Estimated Actual	2,500
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 22/23 Requested Budget	1,000
FY 21/22 Estimated Actual	832
Increase (Decrease)	168

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

Description: Funds for training Distribution Department staff.
Does not include educational reimbursement.

FY 22/23 Requested Budget	8,500
FY 21/22 Estimated Actual	7,860
Increase (Decrease)	640

\$ 8,500 Employee Training, including safety

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

Description: Funds for public relations materials
for the Distribution Department including open position advertising.

FY 22/23 Requested Budget	1,500
FY 21/22 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses
for the Distribution Department.

FY 22/23 Requested Budget	600
FY 21/22 Estimated Actual	428
Increase (Decrease)	172

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$ 100,000	Environmental Services, Required by Reg Agency
16,500	Cathodic protection, Crane inspections
3,400	Emergency generator and forklift service
1,600	Hydraulic package oil analysis
3,715	Fire extinguisher and SCBA inspections
5,058	Personnel Team Building
4,450	Security
\$ 134,723	TOTAL

FY 22/23 Requested Budget	134,723
FY 21/22 Estimated Actual	25,036
Increase (Decrease)	109,687

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 22/23 Requested Budget	15,000
FY 21/22 Estimated Actual	4,548
Increase (Decrease)	10,452

\$ 15,000 General Services (SCADA, GIS, etc)

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required permits for the Distribution Department.

FY 22/23 Requested Budget	6,440
FY 21/22 Estimated Actual	2,711
Increase (Decrease)	3,729

\$ 2,875 Low Threat Discharge Permit

1,495 Diesel Permit

2,070 SYPP, Tank 7 and 5 Business Plan

\$ 6,440 TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services. Not funded this year.

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	502
Increase (Decrease)	(502)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 22/23 Requested Budget	8,605
FY 21/22 Estimated Actual	5,375
Increase (Decrease)	3,230

\$	4,020	Uniform Service (\$335 month)
	1,350	Blue jean pants (\$150/year employee allowance)
	2,250	Boots (\$250/year employee allowance)
	985	Misc. uniform requirements (jackets, etc.)
\$	8,605	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 22/23 Requested Budget	5,000
FY 21/22 Estimated Actual	4,750
Increase (Decrease)	250

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station.

FY 22/23 Requested Budget	1,000
FY 21/22 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

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

FY 22/23 Requested Budget	10,000
FY 21/22 Estimated Actual	4,303
Increase (Decrease)	5,697

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

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

FY 22/23 Requested Budget	7,000
FY 21/22 Estimated Actual	6,370
Increase (Decrease)	630

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for Distribution Department vehicles. Does not include mileage reimbursement expenses.

FY 22/23 Requested Budget	70,970
FY 21/22 Estimated Actual	50,417
Increase (Decrease)	20,553

\$	61,865	Vehicles
	2,370	Emergency Generator Sets
	4,365	Lubricants
	2,370	Miscellaneous
\$	70,970	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 22/23 Requested Budget	4,000
FY 21/22 Estimated Actual	-
Increase (Decrease)	4,000

\$	1,000	Seed
	1,000	Plants and materials
	2,000	Erosion control
\$	4,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 22/23 Requested Budget	500
FY 21/22 Estimated Actual	250
Increase (Decrease)	250

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of Distribution Department equipment.

FY 22/23 Requested Budget	55,000
FY 21/22 Estimated Actual	55,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of Distribution Department vehicles.

FY 22/23 Requested Budget	20,000
FY 21/22 Estimated Actual	18,159
Increase (Decrease)	1,841

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

Description: Funds for the repair and maintenance of the Santa Ynez Pumping Facility.

FY 22/23 Requested Budget	15,110
FY 21/22 Estimated Actual	11,333
Increase (Decrease)	3,777

\$	3,675	Janitorial Service
	1,785	Pest Control
	4,650	HVAC, includes quarterly inspection
	5,000	Minor building repairs
\$	15,110	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 22/23 Requested Budget	4,500
FY 21/22 Estimated Actual	3,300
Increase (Decrease)	1,200

\$	4,500	SYPF (\$375 month avg)
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ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service for the Distribution Department.

FY 22/23 Requested Budget	1,070
FY 21/22 Estimated Actual	1,000
Increase (Decrease)	70

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 22/23 Requested Budget	48,001
FY 21/22 Estimated Actual	59,569
Increase (Decrease)	(11,568)

\$	17,215	Suite B & C	\$ 1,435/month
	1,626	ISO vaults (2)	\$ 136/month
	9,866	Tanks (3)	\$ 822/month
	3,385	Rectifiers (11)	\$ 282/month
	4,909	EDV	\$ 409/month
	11,000	SYPF	\$ 917/month
\$	48,001	TOTAL	

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the Distribution Department.

FY 22/23 Requested Budget	848,173
FY 21/22 Estimated Actual	602,457
Increase (Decrease)	245,716

Acre feet pumped	5,527
Cost per acre foot	\$153.46
TOTAL	\$848,173

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to the Distribution Department.

FY 22/23 Requested Budget	2,500
FY 21/22 Estimated Actual	2,171
Increase (Decrease)	329

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

Description: Funds for Distribution Department phones including long distance and cellular phone bills.

FY 22/23 Requested Budget	7,525
FY 21/22 Estimated Actual	6,810
Increase (Decrease)	715

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

Description: Funds for trash service and removal of hazardous waste (waste oil) for the Distribution Department.

FY 22/23 Requested Budget	4,141
FY 21/22 Estimated Actual	3,507
Increase (Decrease)	634

\$	3,216	Trash service
	925	Hazardous waste removal
\$	4,141	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 22/23 Requested Budget	62,619
FY 21/22 Estimated Actual	55,661
Increase (Decrease)	6,958

\$	35,050	Property and Auto Insurance as apportioned by JPIA.
\$	27,569	General liability and E&O insurance pro rated by salary percentages.
\$	62,619	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 the Capital and Non-Capital Projects in the "Projects" section of the budget for details on these projects which are now classified as non-operating expenses beginning in FY 2018/19.

FY 22/23 Requested Budget	-
FY 21/22 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the Distribution Department.

FY 22/23 Requested Budget	39,100
FY 21/22 Estimated Actual	10,236
Increase (Decrease)	28,864

\$	4,000	Portable toilets (4) \$1,000/year each
	7,500	General equipment rental
	2,600	Mowing
	25,000	Cachuma Lake bypass pipeline
\$	39,100	TOTAL

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

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

FY 22/23 Requested Budget	10,000
FY 21/22 Estimated Actual	8,538
Increase (Decrease)	1,462

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2022/2023 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 22/23 Requested Budget	97,494
FY 21/22 Estimated Actual	68,218
Increase (Decrease)	29,276

\$ 90,375	CompuVision, Annual Service Agreements, and Software Subscriptions
\$ 7,119	Software, New Computers, DSL Allowance and other computer services.
\$ 97,494	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 22/23 Requested Budget	50,476
FY 21/22 Estimated Actual	-
Increase (Decrease)	50,476



*Pipe Riser Repair Project
December 2020*

Capital, Non-Capital & Extraordinary Projects

The Capital Improvements Projects (CIP) and Non-Capital Projects (NCP) is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset/equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority. The NCP budget includes expenditures for facility, equipment, maintenance and repairs. The Extraordinary Project Program (EPP) at the end of the project section of the budget provides a list of both CIP and NCP with a \$75,000 cost threshold over the next ten years.

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The Capital Improvements Projects (CIP) and Non-Capital Projects (NCP) section is a component of the non-operating expense section of the budget. The budget for CIP includes expenditures for fixed asset/equipment purchases, the accumulation of expenditures associated with construction projects undertaken by the Authority. The NCP budget includes expenditures for facility, equipment, maintenance and repairs. The Extraordinary Project Program (EPP) at the end of this section provides a list of both Capital and Non-Capital Projects with a \$75,000 cost threshold and are anticipated occurring over the next ten years.

Total CIP and NCP budget for FY 2022/23 is \$1,489,954 and consists of 14 Capital Improvement Projects representing \$1,022,683 of the budget, and a budget of \$467,271 for 10 Non-Capital Projects.

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.

Principles used to determine what constitutes Capitalization:

- Fixing a defect or design flaw
- Creating an addition, physical enlargement or expansion
- Creating an increase in capacity, productivity or efficiency
- Rebuilding property after the end of its economic useful life
- Replacing a major component or structural part of the property
- Adapting property to a new or different use

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, it is not yet known if funds will need to be carried over from FY 2021/22 into FY 2022/23.

Funding of Capital Improvements (CIP) and Non-Capital Projects (NCP)

The FY 2022/23 CIP and NCP expenditures are entirely funded from Project Participant Assessments.

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The following table shows the allocation of the FY 2022/23 Capital Improvements Projects and Non-Capital Projects by department and financial reach. Details for each of the proposed projects can also be found in this section.

FY 2022/2023 Capital Improvement Projects (CIP)						
Capital Projects	Specific		Water Treatment			Total
	Financial Reach	Administration	Plant	Distribution	Turnouts	
PLC Upgrade WTP - Phase 4 of 4	WTP	\$ -	\$ 131,250	\$ -	\$ -	\$ 131,250
West Slope Erosion Repair Environmental Permitting	WTP	-	52,500	-	-	52,500
Cross Collector of Sludge Removal System	WTP	-	34,020	-	-	34,020
Equalization Basin Pump Replacement	WTP	-	153,090	-	-	153,090
Engineering Support for Carport Installation	WTP/SYII	-	26,250	26,250	-	52,500
Toner Package	DIST	-	-	34,020	-	34,020
Tank 5 Inlet Chemical Dosing Facility	MHII	-	-	262,500	-	262,500
Santa Ynez Pumping Plant Roll Up Garage Door Replacement	SYII	-	-	21,000	-	21,000
Tank 7 Access Road Overlay Design	SYI	-	-	47,250	-	47,250
OSHA Staircase Support for Tank 2, Tank 5 and the Backwash Tank at the WTP	WTP/33B/DIST	-	29,044	58,089	-	87,133
Confined Space Air Monitoring System	WTP/DIST	-	14,175	14,175	-	28,350
Self Contained Breathing Apportus Equipment Replacement	WTP/DIST	-	17,010	17,010	-	34,020
Sedan for Deputy Director	DIST	-	-	34,020	-	34,020
Truck for Engineering Technican	DIST	-	-	51,030	-	51,030
Total Capital Projects:		\$ -	\$ 457,339	\$ 565,344	\$ -	\$ 1,022,683
FY 2022/2023 Non-Capital Projects (NCP)						
Maintenance, Repairs & Equipment Projects	Financial Reach	ADM	WTP	DIST	Turnouts	Total
Electrical Service of Switchgear	WTP	\$ -	\$ 42,000	\$ -	\$ -	\$ 42,000
Davitt Arm Base Installation for WTP	WTP	-	11,340	-	-	11,340
Concrete Assessment for the Water Treatment Plant	WTP	-	98,700	-	-	98,700
Valve Actuator Hydraulic Package Technical Memorandur	DIST	-	-	78,750	-	78,750
Repave Roadway Crossing of Easement for Casmalia Landfill	DIST	-	-	36,750	-	36,750
Microsoft Office 2021	ADM/DIST/WTP	5,950	5,950	5,950	-	17,850
Cisco Switching Upgrade	ADM/DIST/WTP	5,670	5,670	5,670	-	17,010
Fortinet Firewall	ADM/DIST/WTP	4,347	4,347	4,347	-	13,041
Technical Memorandum for Power Planning	ADM	78,015	-	-	-	78,015
Technical Memorandum for security, fencing, & facility access	WTP/DIST	-	36,908	36,908	-	73,815
Total Maintenance, Repair & Equipment Projects:		\$ 93,982	\$ 204,915	\$ 168,375	\$ -	\$ 467,271
TOTAL CAPITAL and NON-CAPITAL PROJECTS:		\$ 93,982	\$ 662,254	\$ 733,718	\$ -	\$ 1,489,954

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The following tables provide details for each of the Capital Improvement Projects.

Description:	PLC Upgrade WTP – Phase 4 of 4
Department:	WTP
Expanded Description	This is a continuation of a four phase project to update the legacy Process Logic Controllers (PLC) equipment throughout the Water Treatment Plant. The existing PLC system is no longer supported by the manufacturer and this project will upgrade the existing PLC systems to current technology. This phase will fund the remaining tasks of testing and installation of the new PLC system and the project planned for completion in winter shutdown 2022 (FY 22/23).
Estimated Charge - Contractor	\$125,000
Contingency (5%)	<u>6,250</u>
Subtotal without CCWA Labor	\$131,250
CCWA Labor	<u>98,253</u>
Total Cost	\$229,503
Operating Budget Impact:	The PLC provides the heart and soul of the control functions for the WTP. Consequently, these units are important to keep in good functioning condition at all times. When the manufacturer advances the PLC equipment to a more advanced level, the technical support and repair parts from the manufacturer will eventually become unavailable. To avoid loss of continuous automated control of the WTP, migration to the advanced product is necessary. If postponed, the chances of extended outages of the PLC unit will increase due to fewer available repair parts and no technical support, which will translate to higher operational costs.

Description:	West Slope Erosion Repair Environmental Permitting
Department:	WTP
Expanded Description	A conceptual design for the West Slope Erosion Repair was completed in FY 21/22. It addresses the issues arising from storm water flow from the paved area surrounding the clear wells that is conveyed through a drop inlet and a corrugated metal (CMP) pipe and discharged directly on the western slope. The change in elevation is over 50 feet and the existing riprap lined ditch failed, resulting in a deep erosional ditch up to 10 feet deep and up to 15 feet wide. The conceptual design addresses the repair of the deep erosional ditch and includes improvements to the storm water conveyance system.
Estimated Charge - Contractor	\$50,000
Contingency (5%)	<u>2,500</u>
Subtotal without CCWA Labor	\$52,500
CCWA Labor	<u>11,401</u>
Total Cost	\$63,901
Operating Budget Impact:	The erosion on the west slope expands with every significant storm event and extends both up and down slope of the main erosional ditch. The erosion has also exposed a portion of the fiber optic cable, which a critical communication link between the Water Treatment Plant and all points along the pipeline.

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Description:	Cross Collector of Sludge Removal System
Department:	WTP
Expanded Description	A critical component of the sedimentation basin is the sludge removal system. The existing system consists of 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. Sludge is removed from the collection trench by another chain and flight system, known as the cross collector system. The cross collector system is at the end of its service life and requires replacement to ensure uninterrupted operations. This project will be the first of a three phase project, with the procurement of one cross collector system.
Estimated Charge - Material	\$30,000
Tax (8%)	2,400
Contingency (5%)	<u>1,620</u>
Subtotal without CCWA Labor	\$34,020
CCWA Labor	<u>3,023</u>
Total Cost	\$37,043
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.

Description:	Equalization Basin Pump Replacement
Department:	WTP
Expanded Description	The WTP includes two equalization basins that are in place to support the filter backwashing operation. One basin receives the initial backwash water and the second receives effluent from the final "filter-to-waste" process. Each basin has an associated pump station, each equipped with three pumps. The three pumps that conveys initial filter backwash water from the Equalization Basin #1 to the WTP Clarifier Unit requires replacement. The pumps have reached the end of their useful services life due to age and corrosion. Replacement cost is \$45,000 per pump.
Estimated Charge - Material	\$135,000
Tax (8%)	10,800
Contingency (5%)	<u>7,290</u>
Subtotal without CCWA Labor	\$153,090
CCWA Labor	<u>8,641</u>
Total Cost	\$161,731
Operating Budget Impact:	The filtering operation is central to the functionality of the WTP. If the pumping station at Equalization Basin #1 fails, filter backwashing operations will be significantly impacted, which will have a direct impact on overall WTP productivity. Through timely replacement of the pumps that are at the end of their useful service life, costly emergency repair costs will be avoided.

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Description:	Engineering Support for Carport Installation
Department:	WTP/SYII
Expanded Description	This project will include engineering support to (1) select the most cost effective four-bay carport package and (2) provide sufficient engineering design to guide a contractor to safe installation of the carport, including footing foundation design.
Estimated Charge - Contractor	\$50,000
Contingency (5%)	<u>2,500</u>
Subtotal without CCWA Labor	\$52,500
CCWA Labor	<u>0</u>
Total Cost	\$52,500
Operating Budget Impact:	CCWA has a number of portable equipment that are stored at either the WTP or at the Santa Ynez Pumping Plant (SYPP). This equipment includes the asphalt crack sealing unit, the vacuum trailer unit, the fiber optic cable repair trailer, the two de-chlorination dosing system trailers and the chlorination dosing trailer. To prevent UV degradation and weathering of this important, carport shelters are needed at both the WTP and SYPP. Through sheltering the equipment from the effects of UV radiation and weathering, the service life of the equipment will be extended.

Description:	Toner Package
Department:	DIST
Expanded Description	The CCWA pipeline is equipped with a toning package that transmits a signal through the fiber optic cable and pipeline. This signal allows CCWA staff to locate the fiber optic cable and pipeline in the field through the use of a locator device capable of detecting the signal transmitted by the toning package. This project is a two phase project to replace existing equipment that have reach the end of their service life. There are five toner packages located throughout the pipeline. Three toner packages have already been replaced and this project will replace the final two toner packages.
Estimated Charge - Material	\$30,000
Tax (8%)	2,400
Contingency (5%)	<u>1,620</u>
Subtotal without CCWA Labor	\$34,020
CCWA Labor	<u>10,318</u>
Total Cost	\$44,338
Operating Budget Impact:	The toning package will provide the ability to locate the fiber optic cable in the field with a sensing device. A typical pot-hole investigation can cost in the range of \$3,500 or more, which includes using equipment for excavation and labor for hand excavation when the pot-hole is within 2 feet of the fiber optic cable. Through using a sensing element in conjunction with a toning package, the labor associated with pot-hole investigation can be minimized. In addition, the fiber optic cable is a critical element of our network communication system. Damage to this cable would significantly impact the pipeline operation, as it would reduce the ability of the receiving the signals from pipeline instrumentation. This would require an increase in labor to visit the critical pipeline facilities for manual reading and adjustment.

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Description:	Tank 5 Inlet Chemical Dosing Facility
Department:	MHII
Expanded Description	A design is currently underway in FY 21/22 for a chloramine boosting stations at the Tank 5 inlet. The facility will include storage of sodium hypochlorite and liquid ammonium sulfate, chemical dosing systems, associated instrumentation and a shelter structure.
Estimated Charge - Contractor	\$250,000
Contingency (5%)	<u>12,500</u>
Subtotal without CCWA Labor	\$262,500
CCWA Labor	<u>71,635</u>
Total Cost	\$334,135
Operating Budget Impact:	One method for nitrification control is to increase the chloramine residual. This method was successfully implemented on a manual basis during a three month period in which the pipeline was operated at 50% of the minimum design flow rate (November 2020 to February 2021 and November 2021 to January 2022). Through controlling nitrification, the need to pumping water to Lake Cachuma as a control method will be reduced. In addition, through having permanent chemical dosing facilities, the amount of labor required to effect the treatment will be reduced to one staff, as opposed to a full crew.

Description:	Santa Ynez Pumping Plant Roll Up Garage Door Replacement
Department:	SYII
Expanded Description	Based on routine condition assessment of the garage rollup door at the Santa Ynez Pumping Plant, a replacement is merited at this time. This project will replace the existing rollup garage door.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	<u>1,000</u>
Subtotal without CCWA Labor	\$21,000
CCWA Labor	<u>4,210</u>
Total Cost	\$25,210
Operating Budget Impact:	The rollup garage door at SYPP is at the end of its service life. Based on a failure of one rollup garage door at the Water Treatment Plant, there is the potential of the SYPP rollup door to fail and close unexpectedly, which creates a safety hazard. Replacing the rollup door in a proactive manner will eliminate a safety risk and the cost associated with emergency repair.

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Description:	Tank 7 Access Road Overlay Design
Department:	SYI
Expanded Description	CCWA owns an access easement and roadway leading from Highway 246 to Tank 7. Based on staff's annual pavement assessments, this access road is in need of an asphalt overlay and associated curbing. This road is used by the property owner to access their property and farming operation. The road is also used to gain access to a communication tower by the tower operator. This project will develop a design for the asphalt overlay and associated curbing. CCWA staff will utilize the engineering cost estimate of the design to seek a cost sharing with the property owner and other users of the roadway. Cost estimate includes engineering and legal assistance.
Estimated Charge - Contractor	\$45,000
Contingency (5%)	<u>2,250</u>
Subtotal without CCWA Labor	\$47,250
CCWA Labor	<u>8,005</u>
Total Cost	\$55,255
Operating Budget Impact:	An asphalt paved road is needed to provide access to Tank 7 because bulk chemicals need to be delivered to the facility as well as to provide staff with 24/7 access in all weather conditions. CCWA staff conducts annual assessments of pavement within the CCWA system and also maintains the pavement through completing crack sealing in-house. The current age and condition of the Tank 7 access road has reached a point where an asphalt overlay is required. The design will be utilized to develop an engineering cost estimate, which will be used by staff to seek cost sharing with the property owner and other access road users.

Description:	OSHA Staircase Support for Tank 2, Tank 5 and the Backwash Tank at the WTP
Department:	WTP/33B/MHII
Expanded Description	There is a need for OSHA compliance stairs at Tank 2, Tank 5 and the Backwash Tank at the WTP. This is part of CCWA's effort to reduce fall hazards at CCWA facilities. This project will include engineering support to (1) select the most cost effective OSHA Staircase package and (2) provide sufficient engineering design to guide a contractor to safe installation of the staircase, including footing foundation design.
Estimated Charge - Contractor	\$40,000
Estimated Charge - Material	39,800
Tax (8%)	3,184
Contingency (5%)	<u>4,149</u>
Subtotal without CCWA Labor	\$87,133
CCWA Labor	<u>9,715</u>
Total Cost	\$96,848
Operating Budget Impact:	Tank 2 and 5 are 19.5 feet tall and the top of these tanks are accessed by a fixed ladder attached to the side of each tank. This elevation is just below the threshold for OSHA fall restraint measures. Also, the Backwash Tank at the WTP is approximately 15 feet high and also has a fixed ladder attached. Although there are no OSHA requirements for these heights, they still

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	represent a fall hazard to CCWA staff. There are three options to provide engineered safety controls and they include (1) ladder cages, (2) fall restraint cable systems and (3) replace the ladder with stairs. Studies have shown that ladder cages do not provide an added safety benefit and consequently OSHA intends to eliminate them as an acceptable fall protection system in the near future. The fall restraint cable systems require staff to decouple the system from their harness at the edge of the tank top, which presents a fall hazard. The most desirable option is to provide OSHA complaint stairs adjacent to each Tank. This will significantly reduce fall hazard for CCWA staff as well as regulatory personnel and contractors that may need to access the top of each Tank. Through reducing fall hazards, the costs associated with the injury of employees and other personnel are avoided.
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Description:	Confined Space Air Monitoring System
Department:	WTP/DIST
Expanded Description	There are numerous facilities along the CCWA pipeline and within the WTP 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 along the pipeline and within the WTP.
Estimated Charge - Material	\$25,000
Tax (8%)	2,000
Contingency (5%)	<u>1,350</u>
Subtotal without CCWA Labor	\$28,350
CCWA Labor	<u>1,944</u>
Total Cost	\$30,294
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. Through timely replacement of this safety equipment, the costs associated with injuries or death of CCWA staff and other personnel arising from equipment failure are avoided.

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Description:	Self-Contained Breathing Apparatus Equipment Replacement
Department:	WTP/DIST
Expanded Description	Self-contained breathing apparatus (SCBA) equipment are critical safety equipment used utilized as part of CCWA safety program. The existing equipment is past the end of its service life after 20 years of service. This project is the second phase of a two phase project to replace the existing equipment. Three 30-minute SCBA and seven 15-minute escape packs will be procured.
Estimated Charge - Material	\$30,000
Tax (8%)	2,400
Contingency (5%)	<u>1,620</u>
Subtotal without CCWA Labor	\$34,020
CCWA Labor	<u>1,944</u>
Total Cost	\$35,964
Operating Budget Impact:	An important function of the WTP is to disinfect water. The primary disinfectant in use at the WTP is chlorine gas. To handle this chemical safely, a number of engineered safety systems are in place to protect CCWA staff. Although there are engineered safety systems in place within the WTP, during certain procedures, such as changing out chlorine cylinders, it is necessary for staff to don self-contained breathing apparatuses due to the real risk of exposure. Likewise, for the pipeline facilities, there are instances, such as disinfecting the interior of the pipeline with liquid sodium hypochlorite, it is necessary for staff to don self-contained breathing apparatuses. Since the existing equipment is over 20 years old, they are at the end of their service life and need to be replaced for employee safety. Through timely replacement of this safety equipment, the costs associated with injuries or death of CCWA staff and other personnel arising from equipment failure are avoided.

Description:	Sedan for Deputy Director
Department:	DIST
Expanded Description	The CCWA replacement policy is to replace sedans once they either have reach 150,000 miles or are over 10 years in age. The Deputy Director's Sedan (D080) will have over 170,000 miles in FY 2022/2023 and this project is to procure a new sedan and to sell the existing sedan for salvage value.
Estimated Charge - Material	\$30,000
Tax (8%)	2,400
Contingency (5%)	<u>1,620</u>
Subtotal without CCWA Labor	\$34,020
CCWA Labor	<u>627</u>
Total Cost	\$34,647
Operating Budget Impact:	The CCWA operation spans over 140 miles, with employees stationed at the Buellton Administrative Office on one end of the system and at the WTP at the opposite end of the system. The primary duties of the Deputy Director is to manage the overall day to day operation of the entire system. The vehicle allows the Deputy Director to work from any location within the system to

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	provide supervision of staff, meeting with property owners, regulatory agencies and other organizations. By providing a vehicle for the Deputy Director, these tasks can be implemented in an efficient proactive manner.
Description:	Truck for Engineering Technician
Department:	DIST
Expanded Description	The CCWA replacement policy is to replace trucks once they either have reach 125,000 miles or are over 10 years in age. The Engineering Technician's Truck (D075) will have over 145,000 miles in FY 2022/2023 and this project is to procure a new truck and to sell the existing truck for salvage value.
Estimated Charge - Material	\$45,000
Tax (8%)	3,600
Contingency (5%)	<u>2,430</u>
Subtotal without CCWA Labor	\$51,030
CCWA Labor	<u>627</u>
Total Cost	\$51,657
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and has a variety of appearances and facilities that cross public and private property. The primary duties of the Engineering Technician is to coordinate the encroachment permit program and to assist with the management of projects along the pipeline as well as at the WTP. The truck allows the Engineering Technician to mark facilities in the field, meet with property owners and other agencies to review encroachments as well as to manage project related field activities. By providing a vehicle for the Engineering Technician, these tasks can be implemented in an efficient proactive manner.

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

The following tables provide details for each of the Non-Capital Projects.

Description:	Electrical Service of Switchgear
Department:	WTP
Expanded Description	The servicing and testing of the switchgear at the WTP is due. CCWA has a defined scope of work for the switchgear service that will be implemented and a spare switch bucket will be repaired as well.
Estimated Charge - Contractor	\$40,000
Contingency (5%)	<u>2,000</u>
Subtotal without CCWA Labor	\$42,000
CCWA Labor	<u>9,358</u>
Total Cost	\$51,358
Operating Budget Impact:	The Polonio Pass Water Treatment Plant (WTP) is provided electrical service from Pacific Gas & Electric at voltages of 16KVW to the WTP transformer. To protect the various electrical systems within the WTP from excessively high current caused by a short circuiting failure, a switchgear system is in place between the transformer and the WTP electrical systems. Switchgear receives power and will subsequently transmit the power to electrical equipment within the WTP. They are designed to cut off all power to the facility receiving electrical service in the event of a short circuiting event of a defined magnitude and duration.

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Description:	Davitt Arm Base Installation for WTP
Department:	WTP
Expanded Description	There are numerous vault and basin locations within the WTP that require staff access for maintenance. The depths of these facilities can be as high as 20 feet. The existing fall restraint system used by CCWA staff requires a Davitt Arm Base to function as designed. This project will include the purchase and installation of Davitt Arm Bases at selected locations
Estimated Charge - Material	\$10,000
Tax (8%)	800
Contingency (5%)	<u>540</u>
Subtotal without CCWA Labor	\$11,340
CCWA Labor	<u>3,693</u>
Total Cost	\$15,033
Operating Budget Impact:	The procurement of additional Davitt Arm Bases will improve the existing CCWA fall Prevention Program at the WTP. Through reducing fall hazards, the costs associated with the injury of employees and other personnel are avoided.

Description:	Concrete Assessment for the Water Treatment Plant
Department:	WTP
Expanded Description	Through routine condition assessments, CCWA staff have identified several issues associated with the concrete structures within the Water Treatment Plant. The primary issues include (1) a softening of the concrete surface within the chlorine contact basin, (2) exposed aggregate within the filters and (3) worsening efflorescence within the filter gallery. The assessment will include specific testing to locate and map rebar within selected test sections, determine depth of concrete coverage over the rebar, depth of chemical penetration into the concrete and measuring the corrosion potential of the rebar.
Estimated Charge - Contractor	\$94,000
Contingency (5%)	<u>4,700</u>
Subtotal without CCWA Labor	\$98,700
CCWA Labor	<u>11,066</u>
Total Cost	\$109,766
Operating Budget Impact:	The Extraordinary Project Program includes a list of potential projects over a ten year horizon that will involve polyurethane lining of the wetted concrete portions of the WTP. The purpose of the lining is to protect the concrete structures from degradation. Considering the high expense, a detailed evaluation of the concrete structures within the WTP, with emphasis on known issues, is merited. This project will provide a set of recommendations that will present the most optimal course of action

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Description:	Valve Actuator Hydraulic Package Technical Memorandum
Department:	DIST
Expanded Description	There are ten sleeve valves that are controlled with the use of a hydraulic package, which provides the motive force for the valves to open and close. These hydraulic packages and associated control have been in place since original construction. This Technical Memorandum will document an assessment of the current condition of each hydraulic package and provide a recommendation for refurbishment and or replacement over time.
Estimated Charge - Contractor	\$75,000
Contingency (5%)	<u>3,750</u>
Subtotal without CCWA Labor	\$78,750
CCWA Labor	<u>8,195</u>
Total Cost	\$86,945
Operating Budget Impact:	The hydraulic packages in place are nearing the end of their service life. Consequently, assessing the condition of all hydraulic packages will allow for prioritization for refurbishment. In addition, this project will also develop the technical specifications for the refurbishment or replacement of the systems. Through completing assessment, prioritization, and development of technical specification, a cost effective replacement program can be implemented.

Description:	Repave Roadway Crossing of Easement for Casmalia Landfill
Department:	REACH 38
Expanded Description	Due to settlement related to the original construction of the pipeline, the pavement of an access road crossing of the easement has failed. This project will remove failing pavement and re-install the road crossing through the easement.
Estimated Charge - Contractor	\$35,000
Contingency (5%)	<u>1,750</u>
Subtotal without CCWA Labor	\$36,750
CCWA Labor	<u>8,612</u>
Total Cost	\$45,362
Operating Budget Impact:	The property owner's access road was in place before the pipeline construction. CCWA is obligated to repair the damaged road due to the insufficient backfill compaction associated with the pipeline construction. In addition, through repairing the road, CCWA is also protecting the pipeline and fiber optic cable from damage. Through fulfilling our obligation in a proactive manner, costly legal conflict is avoided.

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Description:	Microsoft Office 2021
Department:	ADM/DIST/WTP
Expanded Description	CCWA is currently using a version of Office that will soon be end of life, and no longer supported with security updates. Office 2021 is the latest version available. These are perpetual licenses, which are good for the entire lifecycle of Office.
Estimated Charge - Material	\$17,000
Contingency (5%)	<u>850</u>
Subtotal without CCWA Labor	\$17,850
CCWA Labor	<u>2,556</u>
Total Cost	\$20,406
Operating Budget Impact:	CCWA is currently using Office 2013 and this software will lose security update support. Consequently, it is important to migrate CCWA software to the most current version.

Description:	Cisco Switching Upgrade
Department:	ADM/DIST/WTP
Expanded Description	CCWA has chosen to pro-actively replace two network switches per year until all legacy hardware has been replaced. These two switches are enterprise-grade Cisco switches which are highly regarded (top-right) by the Gartner Magic Quadrant. These two switches will replace the two aging access switches in the server room.
Estimated Charge - Material	\$30,000
Tax (8%)	1,200
Contingency (5%)	<u>810</u>
Subtotal without CCWA Labor	\$17,010
CCWA Labor	<u>2,556</u>
Total Cost	\$19,566
Operating Budget Impact:	Cyber-attacks on water utilities have been significantly increasing over time, in fact, CCWA was targeted by the Halfnium Zero Day Attack. In response, the CCWA network security has been fortified in a number of way, including the replacement of an end-of-service-life network switches in a multi-year replacement plan. Through protecting the CCWA network, outages to administrative, operational and security functions are avoided.

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Description:	Fortinet Firewall
Department:	ADM/DIST/WTP
Expanded Description	CCWA is currently employing a SonicWall firewall as its core firewall/router. This quote will replace the single firewall with two firewalls operating as a high-availability pair. Fortinet is highly regarded (top-right) by the Gartner Magic Quadrant.
Estimated Charge - Contractor	\$11,500
Tax (8%)	920
Contingency (5%)	<u>621</u>
Subtotal without CCWA Labor	\$13,041
CCWA Labor	<u>2,556</u>
Total Cost	\$15,597
Operating Budget Impact:	Cyber-attacks on water utilities have been significantly increasing over time, in fact, CCWA was targeted by the Halfnium Zero Day Attack. In response, the CCWA network security has been fortified in a number of way, including the replacement of an end-of-service-life SonicWall firewall with the Fortinet Firewall system. Through protecting the CCWA network, outages to administrative, operational and security functions are avoided.

Description:	Technical Memorandum for Power Planning
Department:	ADM
Expanded Description	Due to existing and anticipated future environmental regulations, there is a potential need to plan for, design and construction new facilities. Examples of potential future projects include electrification of CCWA's fleet and related need for charging stations. Another example would include potential carbon footprint reduction measures, such as installation of solar power systems at CCWA facilities or hydropower systems on the pipeline. This TM will review existing and probable future regulations and develop a roadmap for CCWA to follow to remain in compliance.
Estimated Charge - Contractor	\$74,300
Contingency (5%)	<u>3,715</u>
Subtotal without CCWA Labor	\$78,015
CCWA Labor	<u>11,080</u>
Total Cost	\$89,095
Operating Budget Impact:	There are a number of potential projects that may be of benefit to CCWA Participants related to onsite electrical power production, storage and use. Through studying the regulatory landscape, electrical power related projects can be better evaluated, planned and implemented.

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Description:	Technical Memorandum for Security
Department:	WTP/DIST
Expanded Description	Based on the findings of the Risk and Resiliency Assessment and due to aging infrastructure, there is a need to review and assess the existing CCWA fencing, security camera system and facility access systems. This Technical Memorandum will conduct an assessment of the existing infrastructure and will provide a roadmap for upgrading and improving the existing systems.
Estimated Charge - Contractor	\$70,300
Contingency (5%)	3,515
Subtotal without CCWA Labor	\$73,815
CCWA Labor	11,080
Total Cost	\$84,895
Operating Budget Impact:	The Risk and Resiliency Assessment, which was required by the American Water Infrastructure Act, identified areas that can be improved to increase the resilience of the CCWA operation. This review will research the best options for the improvements and provide a roadmap for implementation. Through ensuring a resilient operation, high cost emergency repairs as well as potential shutdown events are avoided.

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.

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FORMAL EXTRAORDINARY PROJECT PROGRAM

CCWA staff and an experienced engineering consultant worked together to develop a formal Extraordinary Project Program (EPP). As the various facilities and systems that are operated and maintained by CCWA age, there will be a need for projects to replace, refurbish and improve those facilities and systems. Not only will the number of these kinds of projects increase but their magnitude in both costs and potential impact on operations will increase as well. In addition, the Board may find that the CCWA System can be improved or modified to provide additional benefits to CCWA Participants. Consequently, there is a need to carefully consider what specific projects are needed or desired by the Board and to plan and schedule their implementation. The project identification, planning, prioritization and scheduling steps were foundational in the preparation of the formal EPP.

Another important purpose of a formal EPP is that it provides a format in which to communicate to the Board a more comprehensive long range plan for the CCWA system operation and development. In the past, Staff presented projects to the Board through the annual budgeting process. All projects were funded on a current year basis and included in the Authority's draft budget, which was submitted to the Board of Directors for approval. Because this process did not provide a full view of multi-year projects nor provide a definitive long term plan, in Fiscal Year 2017/18 Staff developed the formal EPP to adequately communicate to the Board the current work of careful planning and prioritizing of projects.

As with all EPPs, the basic elements include the following:

- Identification of Projects. Since the purpose of a formal EPP is to communicate the long term development plans for the CCWA System, it is important to identify the size of the projects to bring to the Board's attention. For the purposes of initial evaluation, CCWA staff has used \$75,000 as the threshold level in which to include a project in the EPP. The Board may decide to increase or decrease this threshold level.

In terms of identifying projects, there are two kinds of projects: (1) projects identified through routine facility assessments and (2) projects that improve the CCWA system and provide additional benefits to CCWA Participants, such as expanding the water treatment plant.

- Identify Funding for Projects. For the CCWA operation, all funding of projects occurs through the annual budgeting process for the CCWA operation. However, for large projects, the Board may decide to direct staff to pursue grant funding opportunities. Since applying for grants is a project in itself and may require an extended timeframe to secure a grant, this may be the first step in developing a project.

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- **Budgeting Project.** A formal EPP allows the Board to fully consider the costs and schedule of a multi-year project. In addition, annual updates of the EPP will allow updates to project costs estimates and other important updates for the Board to consider. This is an improvement on the prior method of submitting projects on a current year budget basis only.
- **Implementing Projects.** A standard project management approach is utilized in organizing and implementing projects. Every project is described, in terms of cost and schedule, as a multi-phased project to include the phases shown below:
 - **Project initiation.** Once a project is identified, staff will need to prepare a description of the project as well as provide justification for the project. This is the very early stages of the project and is the basis for initial approval. If the project is approved, the next step will be implemented.
 - **Planning/Predesign.** For large projects, preliminary engineering is required to estimate the order of magnitude scope and cost of the project. Either staff or a consulting engineer can be utilized in developing these estimates. Following this step, the Board may want to provide additional review as to whether to approve the project for further development.
 - **Design.** Once a project has been approved by the Board, the project will be designed by a consulting engineering firm. If the design contract exceeds \$30,000, staff will request approval from the Board before awarding the contract, consistent with the CCWA Purchasing Policies. Generally, the design will be incorporated into a Request-For-Bids (RFB) document, using CCWA's standard contracts and front end specifications for public works projects.
 - **Construction Bid and Award.** Once the RFB is finalized, it will be advertised as required by public procurement regulations. The competitive bidding process will follow established public works project protocol. Once bids have been publically opened, the Bids will be reviewed to determine if the contractor is responsible and if the Bid was responsive to Bid Documents. Once this process is completed, the lowest responsible and responsive Bid will be presented to the Board for consideration for contract award.
 - **Construction.** The construction phase will include the efforts of CCWA staff and engineering inspectors to closely monitor the progress of the construction to ensure adherence to the requirements of the Contract Documents as well as identify potential changes to the work that may be to CCWA's benefit. Staff will provide periodic

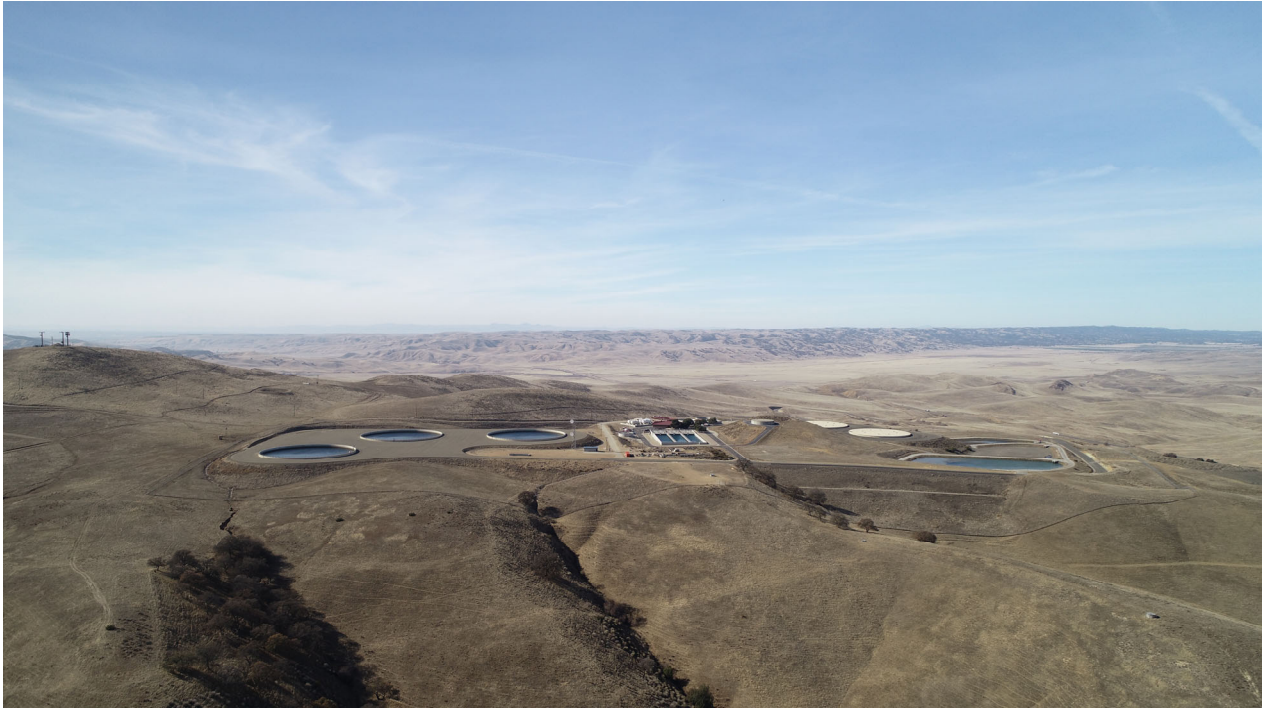
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updates to the Board and may also potentially request modifications of the work underway.

- Post Construction. This step is critical in terms of releasing the contractor from the project through verifying work was completed as required by the Contract Documents, all releases from future contractor and subcontractor claims have been secured and that as built records are completed.

CCWA staff prepared the following table to show the current thinking of the long term projects over a ten year planning horizon. As indicated earlier, CCWA staff proposes to utilize the services of an experienced engineering consultant to assist with the development of a formal EPP. This process will likely include collaboration with participants to gain consensus with a long term plan for the CCWA System.

Conceptual Capital Improvement Program (Threshold = \$75,000)												
Major Facilities	Total Budget	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33
Network												
PLC Upgrade WTP - 4 Phases, 1 remain	\$631,000	\$125,000										
SCADA Upgrade - 2Yr	\$400,000							\$200,000	\$200,000			
Distribution General												
Tank 5 Inlet Dosing Facility	\$250,000	\$250,000										
Air Vac Replacement - 3 Phase	\$450,000		\$225,000									
Pavement Overlays (Mesa Verde Road)	\$200,000					\$200,000						
Tank 7 Access Road Overlay	\$145,000	\$45,000	\$100,000									
SYPP Surge Tank Pedestal	\$280,000		\$280,000									
Water Treatment Plant												
Granular Activated Carbon	\$1,200,000									\$400,000	\$400,000	\$400,000
Permanent Install of PAC System - 1 Yr	\$650,000			\$650,000								
West Slope Drainage Improvements - 2 Yr	\$425,000				\$75,000	\$350,000						
Sludge Collector System - 3 year	\$675,000		\$225,000	\$225,000	\$225,000							
Lining of Chlorine Contact Basin - 3 Yr	\$1,125,000	\$90,000			\$375,000	\$375,000	\$375,000					
Lining of Filters - 4 Yr	\$920,000							\$230,000				
Polymer Mixer Tank - 2 Phases	\$200,000			\$75,000	\$125,000							
Slurry Seal Access Road - 1 Yr	\$125,000					\$125,000						
Staff Office and Operator Sleeping Quarters	\$500,000		\$500,000									
Lagoon C French Drain	\$475,000			\$475,000								
EDV												
Hydraulic Package Refurbishment - 1 Yr	\$125,000	\$125,000										
Bradbury Dam												
Permanent Bypass Piping System - 2 Yr	\$150,000				\$150,000							
Estimated Yearly Totals		\$635,000	\$1,330,000	\$1,425,000	\$950,000	\$1,050,000	\$375,000	\$430,000	\$200,000	\$400,000	\$400,000	\$400,000



*Polonio Pass Water Treatment Plant
January 2021*

Reserves and Cash Management

The Reserves and Cash Management section of the 2022/23 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

<u>FY 22/23 Total Reserve Balances</u>	\$16,229,875
• O&M Reserve Fund	\$ 2,000,000
• Rate Coverage Reserve Fund	\$ 9,542,287
• DWR Reserve Fund	\$ 4,687,588

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This section of the Budget discusses the three cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund, and the DWR 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.

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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
TOTAL	39,078	100.00%	\$ 2,000,000

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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.

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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. 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, 2021. Participation in the fund for FY 2022/23 is not yet known. Prior to June 30, 2022, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2022/23.

FY 2021/22 Rate Coverage Reserve Fund

Project Participant	FY 2021/22 Deposit
City of Buellton	\$ 276,518
Carpinteria Valley Water District	861,821
City of Guadalupe	192,165
La Cumbre Mutual Water Company	402,767
Montecito Water District	1,497,493
City of Santa Maria	5,197,778
Santa Ynez, RWCD, I.D. #1 (Solvang)	635,911
Santa Ynez, RWCD, I.D. #1	462,031
County of San Luis Obispo (Shandon)	15,804
TOTAL:	\$ 9,542,287

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DWR Reserve Fund Policy

During its March 28, 2019 regular meeting, the Board of Directors approved a “DWR Reserve Fund Policy” as follows:

Purpose: The DWR Reserve Fund is intended to provide a funding source for payments to the State of California Department of Water Resources (DWR) when there is a difference between estimates used to prepare the DWR portion of the annual CCWA budget and the actual amounts billed to the Authority by DWR.

Contributions: Contributions to the DWR Reserve Fund are voluntary. Project Participants wanting to participate in the DWR Reserve Fund shall notify the Authority of such intent. The Authority will in turn, notify the participating Project Participant of its “Target DWR Reserve Fund Amount” (Target Amount). The Target Amount will be equal to the participating Project Participant’s proportional share of a \$10 million allocation of DWR Transportation Minimum OMP&R charges as calculated in the most recent DWR Statement of Charges at the time the DWR Reserve Fund Policy is approved by the CCWA Board of Directors, and updated periodically.

Funding of each participating Project Participant’s share of the DWR Reserve Fund will come from a combination of (1) CCWA Operating Expense budget surpluses, if any (2) Interest earnings on funds held in all other accounts on behalf of the participating Project Participant and (3) excess amounts, if any, from any of the DWR Statement of Charges cost components.

After the participating Project Participant’s share of the DWR Reserve Fund has been fully funded up to the participating Project Participant’s Target Amount, the credits, interest earnings and excess DWR amounts will be returned to the participating Project Participant as a credit against future bills from the Authority.

If the balance of the participating Project Participant’s DWR Reserve Fund falls below the Target Amount, the Authority will retain the credits listed above until the balance once again equals the Target Amount.

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Withdrawal: A participating Project Participant may withdraw from the DWR Reserve Fund by notifying the Authority in writing of its request to withdraw its funds on deposit in the DWR Reserve Fund. Within 60 days, the Authority will either credit the funds on deposit against the participating Project Participant’s next invoice from the Authority, or at the request of the participating Project Participant, issue a check for the refund of the deposit amount.

Administration: The Treasurer shall invest funds held in the DWR Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. DWR Reserve Fund investment earnings shall be redeposited into the DWR Reserve Fund for each participating Project Participant up to the Target Amount. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the DWR Reserve Fund.

Use of Fund: Monies held in the DWR Reserve Fund may be used by the Authority to fund the difference between the estimates used for billing purposes to the participating Project Participants for the annual DWR Statement of Charges (all fixed cost components) and the actual Statement of Charges received from DWR.

The following table shows the DWR Reserve funding target, fund balance as of June 30, 2021, the estimated transfer for FY 2021/22 and the balance remaining to fully fund the DWR Reserve Fund by project participant:

DWR Reserve Fund Target and Fund Balance

Project Participant	Table A Amount	% of Table A	DWR Reserve Fund Target ⁽¹⁾	DWR Reserve Fund Balance ⁽²⁾	Estimated Transfer for FY 2021/22	Remaining Funds to Meet Target
Guadalupe	550	1.41%	\$ 140,744	\$ 140,829		\$ (85)
Santa Maria	16,200	41.46%	4,145,555	2,742,872	1,402,683	0
Golden State Water Co.	500	1.28%	127,949	59,761	39,215	28,973
Vandenberg AFB ⁽³⁾	5,500	14.07%	-			-
Buellton	578	1.48%	147,909	135,470	12,440	(0)
Santa Ynez (Solvang)	1,500	3.84%	383,848	286,043	97,804	0
Santa Ynez	500	1.28%	127,949	878,322		(750,372)
Goleta ⁽³⁾	4,500	11.52%	-			-
Morehart Land	200	0.51%	51,180	37,968	13,212	0
La Cumbre	1,000	2.56%	255,898	114,935	85,881	55,083
Raytheon	50	0.13%	12,795	9,986	2,809	0
Santa Barbara	3,000	7.68%	767,695	281,403	257,322	228,970
Montecito ⁽³⁾	3,000	7.68%	-	-		-
Carpinteria ⁽³⁾	2,000	5.12%	-	-		-
TOTAL	39,078	100.00%	\$ 6,161,523	4,687,588	\$ 1,911,366	\$ (437,431)

(1) Participation in the DWR Reserve Fund is voluntary. The initial reserve fund target set \$10 million was reduced based on project participants opting out of the DWR Reserve.
 (2) The table above shows credits as of Jan 31, 2022 transferred to the DWR Reserve Fund and the estimated amount to be transferred on June 30, 2022 from the following sources: CCWA O&M credits and interest earnings on all reserve and deposit accounts.
 (3) Project participants opting out of participating in the DWR Reserve Fund.

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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 and 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.

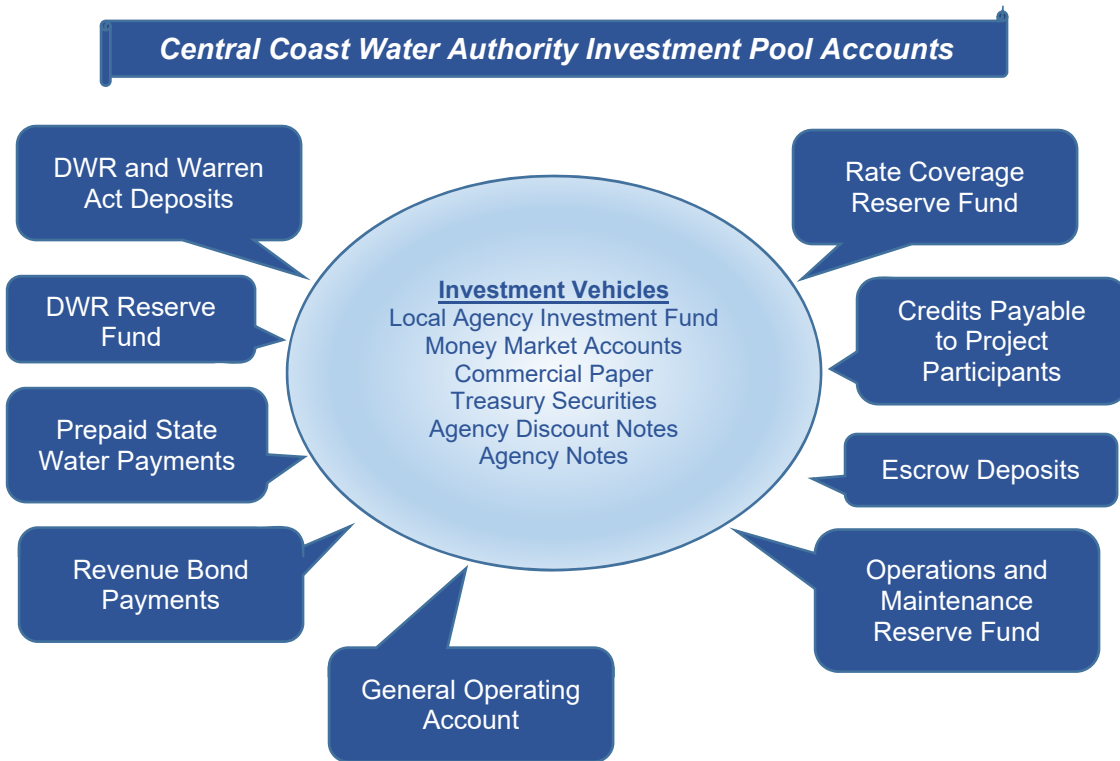
CCWA Investment Pool

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.

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The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.



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].
- Department of Water Resources Reserve Fund – a voluntary fund in which certain Project Participants have various credits and earnings held to cover DWR Statement of Charges volatility [described in this section of the budget].

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- 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 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.

