

Central Coast Water Authority

**A California
Joint Powers Authority**



**Fiscal Year
2007/08
Budget**

Central Coast Water Authority

Mission:

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

Objectives:

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





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Coast Water Authority
California**

For the Fiscal Year Beginning

July 1, 2006

President

Executive Director

Central Coast Water Authority

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Newly Constructed Tank 7 Utility Building

Budget Foreword

The Budget Foreword section of the FY 2007/08 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

Highlights

General Information

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

Operational Information

• Polonio Pass Water Treatment Plant design capacity	43 million gallons per day
• Authority Pipeline (in miles)	42
• Coastal Branch Phase II Pipeline (in miles)	101
• Total Pipeline operated by the Authority (in miles)	130
• Number of water storage tanks	5
• Number of turnouts	10
• Number of full-time equivalent Positions	28.25

Central Coast Water Authority
Reader's Guide
Fiscal Year 2007/08 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 seven (7) major sections with sub-sections included in each major section:

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

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



April 26, 2007

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Leo Trujillo
Chairman

Fred Lemere
Vice Chairman

William Brennan
Executive Director

Submitted herewith is the Fiscal Year (FY) 2007/08 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2007/08.

Hatch & Parent
General Counsel

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

Member Agencies

City of Buellton

Carpinteria Valley
Water District

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

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

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

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

For ten consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2007/08 Budget for consideration of the GFOA budget award.

Associate Member

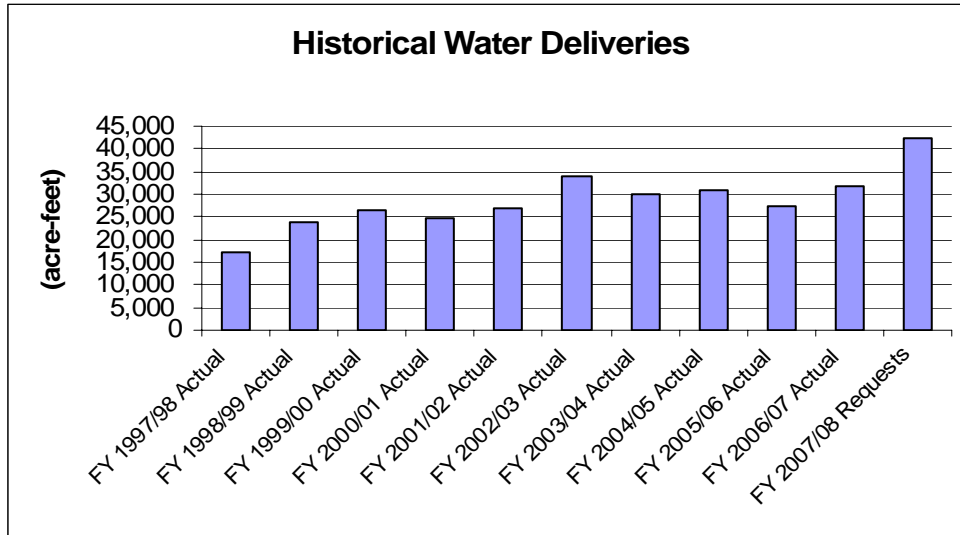
La Cumbre Mutual
Water Company

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2006/07:

Water Deliveries

Estimated total deliveries during FY 2006/07 by CCWA to the Santa Barbara and San Luis Obispo County project participants were 31,697 acre-feet. The FY 2005/06 deliveries were 27,198 acre-feet. The graph on the following page shows water deliveries since CCWA commenced operations in August 1997.

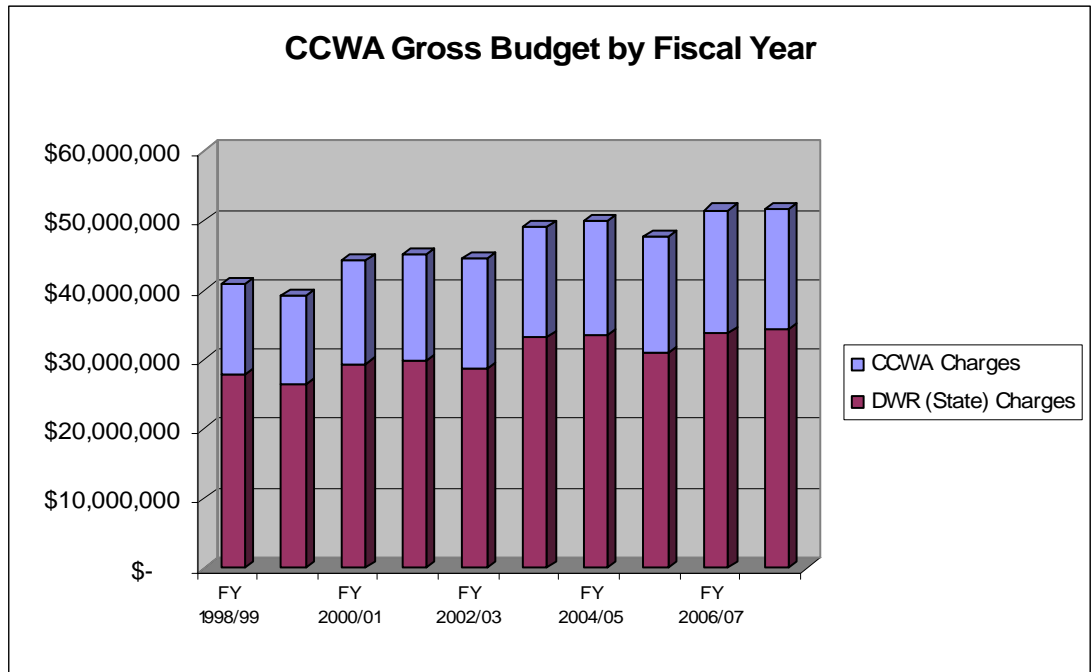


CCWA Credits

Actual CCWA expenses for FY 2006/07 were approximately \$892,000 less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2007/08. Additionally, CCWA earned approximately \$2.2 million in interest income which serves to offset the payments from the project participants. Total credits for FY 2006/07 were approximately \$3.1 million.

CCWA Budget History

The following graph shows the CCWA gross budget (total budget excluding CCWA credits and prepayments) broken down between CCWA costs and DWR costs from FY 1998/99 to FY 2007/08.



CCWA Revenue Bond Refinancing

On September 28, 2006, CCWA issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% and were issued to reduce CCWA’s total debt service payments over the next 15 years by \$4.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

Final Cost Allocation of CCWA Project Costs

In conjunction with the issuance of the 2006A refunding revenue bonds, CCWA finalized the allocation of all costs associated with construction the CCWA project facilities including the Polonio Pass Water Treatment Plant and the Mission Hills II and Santa Ynez I and II portions of the CCWA pipeline. A final true-up of all prior payments which were based on the initial project cost allocation compared to the final allocation was included on the June 1, 2007 fixed operating assessment to the project participants.

DWR Revenue Bond Financing

In 2006, DWR informed the State water project contractors that it would be correcting a billing error regarding debt service payments for State of California recreation facilities which were billed to the Contractors in error. In order to correct this billing error, DWR used revenues which are normally allocated to the payment of rate management credits for 2007, which decreased the calendar year 2007 rate management credits. As such, the CCWA billings for DWR payments are higher because of the decreased credits allocated by DWR.

2007 Compensation and Benefits Survey

In early 2007, CCWA conducted its bi-annual compensation and benefits survey. In this survey, CCWA compares its employee salaries and benefits to those of other similar agencies to remain competitive in the employee marketplace. A number of changes to the CCWA compensation and benefits package were recommended and approved by the CCWA board of directors based on the results of this survey. These changes included a 12% increase in the salary ranges for each CCWA position, movement of certain positions to higher pay grades and agreement to change the PERS retirement benefit formula to the one-year final compensation formula.

Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2006/07 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2005/06 Comprehensive Annual Financial Report. CCWA also received three “President’s Special Recognition Awards” from the ACWA Joint Powers Insurance Authority.

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

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2007 and 2008, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 42,284 and 42,362 acre-feet, respectively.

Department of Water Resources Activities and Related Costs

During FY 2007/08, CCWA staff will continue to work through the State Water Contractor (SWC) board and committees that interact with the Department of Water Resources (DWR) which impact CCWA and the California water agencies as a whole. There are many significant issues on which DWR and the SWC are working which have water supply, operational, and fiscal impacts on CCWA. Some of these activities could potentially have a significant fiscal impact to CCWA in the current and future years. Therefore, staff will place a high priority on working through the various available venues to minimize the fiscal impacts to CCWA and ensure that we continue to meet our goal of providing reliable, high quality supplemental water.

One of the main issues confronting the State Water Contractors will be navigating the various obstacles resulting from a series of lawsuits initiated against DWR during 2007. These lawsuits basically challenged DWR’s compliance with both federal and state endangered species acts (ESA) for the delta smelt and other species in the Sacramento-San Joaquin delta. DWR may be forced to reduce water deliveries beginning in 2008 and beyond to comply with ESA and court mandated requirements which could have major implications on all State Water Project contractors, both from a water delivery standpoint and a financial standpoint.

Water Transfers and Purchases

CCWA will continue working to pursue ways to maximize the reliability of State water to its project participants. To accomplish this goal, we will continue to explore available options including the reacquisition of the 12,214 acre-feet of Santa Barbara County suspended Table A water, ground water banking, options regarding the unallocated San Luis Obispo County Table A amount and individual project participant water sales and purchases.

Project Participant Water Sales

Certain project participants have begun negotiations to sell a portion of their Table A amounts. CCWA will work with these project participants to ensure these water sales are fair and equitable to all CCWA project participants and to assist both the selling and buying entities in the various approvals necessary to accomplish the transaction.

FY 2007/08 BUDGET SUMMARY

The FY 2007/08 budget calls for total project participant payments of \$49.2 million compared to the FY 2006/07 budget of \$50.1 million, a \$0.9 million decrease. These amounts include \$2.6 million in CCWA credits for FY 2007/08 and \$1.5 million for FY 2006/07.

The following table compares the FY 2007/08 Budget and the FY 2006/07 Budget:

Budget Item	Final FY 2006/07 Budget	Final FY 2007/08 Budget	Increase (Decrease)
<u>CCWA Expenses</u>			
CCWA Operating Expenses	\$ 6,045,359	\$ 6,475,351	\$ 429,992
Revenue Bond Debt Service Payments	11,163,819	10,815,291	(348,528)
Capital Improvement Projects ⁽¹⁾	215,795	211,480	(4,315)
Non-Annual Recurring Expenses	240,665	(133,741)	(374,406)
Total CCWA Expenses:	<u>17,665,638</u>	<u>17,368,381</u>	<u>(297,257)</u>
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	29,426,825	29,114,548	(312,277)
DWR Variable Costs	4,206,474	4,866,904	660,430
Warren Act and Trust Fund Payments	253,808	401,701	147,893
Total Pass-Through Expenses:	<u>33,887,107</u>	<u>34,383,152</u>	<u>496,045</u>
Subtotal Gross Budget:	<u>51,552,745</u>	<u>51,751,533</u>	<u>198,788</u>
CCWA Credits	<u>(1,487,814)</u>	<u>(2,559,311)</u>	<u>(1,071,497)</u>
TOTAL:	<u>\$ 50,064,931</u>	<u>\$ 49,192,223</u>	<u>\$ (872,709)</u>
(1) Excludes capital expenditures funded from non-annual recurring expenses and revenue bond funds and capital deposits.			

CCWA Operating Expense Budget

The FY 2007/08 CCWA operating expense budget totals \$6,475,351, which is \$429,991 higher than the FY 2006/07 operating expense budget, an 7.11% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2007/08 and FY 2006/07.

	FY 2006/07 Budget	FY 2007/08 Budget	Increase
Fixed O&M	\$ 4,880,108	\$ 5,054,445	\$ 174,337
Variable O&M	1,165,251	1,420,906	255,655
Total:	<u>\$ 6,045,359</u>	<u>\$ 6,475,351</u>	<u>\$ 429,991</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 budget.

Water Deliveries

Total requested water deliveries for FY 2007/08 are 42,322 acre-feet compared to the FY 2006/07 requested deliveries of 32,910 acre-feet, an increase of 9,412 acre feet.

Personnel Expenses

Personnel expenses are increasing about \$93,000 (excluding capitalized salaries and benefits), which includes the following changes from the prior year:

- The FY 2007/08 Budget includes a \$121,583 salary pool for employee salary treatment approved by the CCWA Board of Directors on March 26, 2007.
- Health insurance expenses are increasing by about \$35,000 due to an estimated 10% increase in premium amounts for 2008.
- Workers' compensation insurance premiums are decreasing by about \$21,000 due to a slight decrease in the insurance premiums coupled with a decrease in the experience modification factor.

Supplies and Equipment

Supplies and equipment expenses are increasing by about \$116,000 due primarily to an increase in chemical costs for an increase in requested water deliveries. For FY 2007/08, chemical costs are based on \$27 per acre-foot.

Utilities

Utility expenses are increasing by about \$174,000 mainly due to an increase in requested water deliveries for the South Coast project participants for FY 2007/08. Electrical expenses for the Santa Ynez Pumping Facility are budgeted at \$55 per acre-foot.

Other Expenses

Other expenses are increasing by about \$77,000 due to an increase in non-capitalized project expenses.

CCWA Capital Improvement Projects

The FY 2007/08 Budget includes \$331,380 for capital improvements. This includes \$99,600 from non-annual recurring expense deposits and \$231,780 from project participant assessments.

Please refer to the "Capital Improvements" section of the FY 2007/08 Budget for additional information.

Non-Annual Recurring Expense Deposits

Non-annual recurring expense (NARES) deposits for FY 2007/08 are \$(133,741) compared to the FY 2006/07 amount of \$240,665, a decrease of \$374,406. The decrease is attributed to the closeout of the NARES account after the FY 2007/08 NARES-funded budgeted expenditures have been completed. The account is being closed because the projects and expenditures, for which the NARES account was originally established, are now being funded on an annual basis and can therefore be included in the normal operating budget of the Authority.

Regional Water Treatment Plant Allocation and Exchange Agreement Modifications

The FY 2007/08 fixed, capital and variable regional water treatment plant allocation (and associated credit) is \$1,643,992. The FY 2007/08 fixed, capital and variable exchange agreement modifications total \$378,413.

CCWA 2006A Revenue Bond Debt Service

CCWA 2006A revenue bond debt service for FY 2007/08 totals \$10.8 million, which is \$0.35 million less than the prior year amount. This decrease is due to the September 2006 issuance of the CCWA refunding revenue bonds to refund the outstanding 1996 revenue bonds at a lower interest rate.

Warren Act and Trust Fund Payments

The FY 2007/08 Budget includes \$401,701 for Warren Act and Trust Fund MOU payments based on \$58 per acre-foot.

CCWA Credits

The FY 2007/08 budget includes the following credits:

CCWA O&M Credits	\$	863,042
O&M Reserve Fund Interest Income		152,639
Rate Coverage Reserve Fund Interest		280,580
Final Project Closeout Credits		119,222
Prepayments and Other Credits		1,143,828
	\$	<u>2,559,311</u>

DWR Fixed Charges

The DWR fixed charges for FY 2007/08 total \$29.8 million which is approximately \$0.1 million higher than the FY 2006/07 budget. The following is a list of the major changes in the various components of the DWR Fixed Budget for FY 2007/08:

- Transportation capital charges are increasing by \$554,686 due to the following:

Rate Management Credits Preliminary estimates indicate the revenues available for rate management credits in calendar year 2007 and possibly 2008 will be substantially reduced. These reductions are primarily attributed to adjustments made by DWR to correct the financing of certain capital expenditures which should have been paid by the State of California General Fund under the Davis-Dolwig Act. In order to correct this billing error, DWR will refund the debt service payments made by the State Water Project Contractors under the Water System Revenue Bond Surcharge (WSRB) and use rate management credit revenues as the payment source for this credit. For this budget, no rate management credits are estimated for the first half of FY 2007/08 and are estimated at 25% of the normal funding amount for calendar year 2008.

DWR Excess Revenue Bond Reserve Fund Cash Balances After completing a reconciliation of total cash required to meet its revenue bond reserve fund requirements and the actual revenue bond reserve fund cash balances, DWR determined it had approximately \$43 million in excess cash. These amounts primarily represented cash balances from previous bond issues which were repaid in full, for which the final debt service payment should have been paid from the revenue bond reserve fund, but was instead paid from payments made by the Contractors. As such, the excess cash balances are available as a credit to the Contractors. CCWA's share of this credit was approximately \$987,000.

- Coastal Branch Phase II charges are increasing by \$250,507 due to fluctuating debt payment amounts for the various series of bond issues which financed the Coast Branch Phase II project costs.
- Transportation Minimum OMP&R charges are decreasing by \$372,920 from the prior year budget due to an over-collection by DWR in the prior year based on actual costs incurred.

- Water System Revenue Bond Surcharge is decreasing by \$282,464 for credits associated with the DWR revenue bond financing issue (discussed above under “Rate Management Credits”).

DWR Variable Charges

The DWR variable charges for FY 2007/08 total \$4,866,904, which is \$660,430 higher than the budgeted FY 2006/07 variable payments.

- Off-aqueduct charges total \$1,237,611, which is about \$66,011 higher than the prior year amount.
- Variable OMP&R charges total \$3,629,293 which is about \$594,000 more than the prior year amount due to a projected increase in electrical costs per acre-foot from \$110/AF to \$115/AF, coupled with an increase in the requested water deliveries for FY 2007/08. Water deliveries for the first half of FY 2007/08 are estimated at 75% of requested deliveries as the final DWR allocation percentage for calendar year 2007 is not yet known.

CONCLUSION

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

Sincerely,

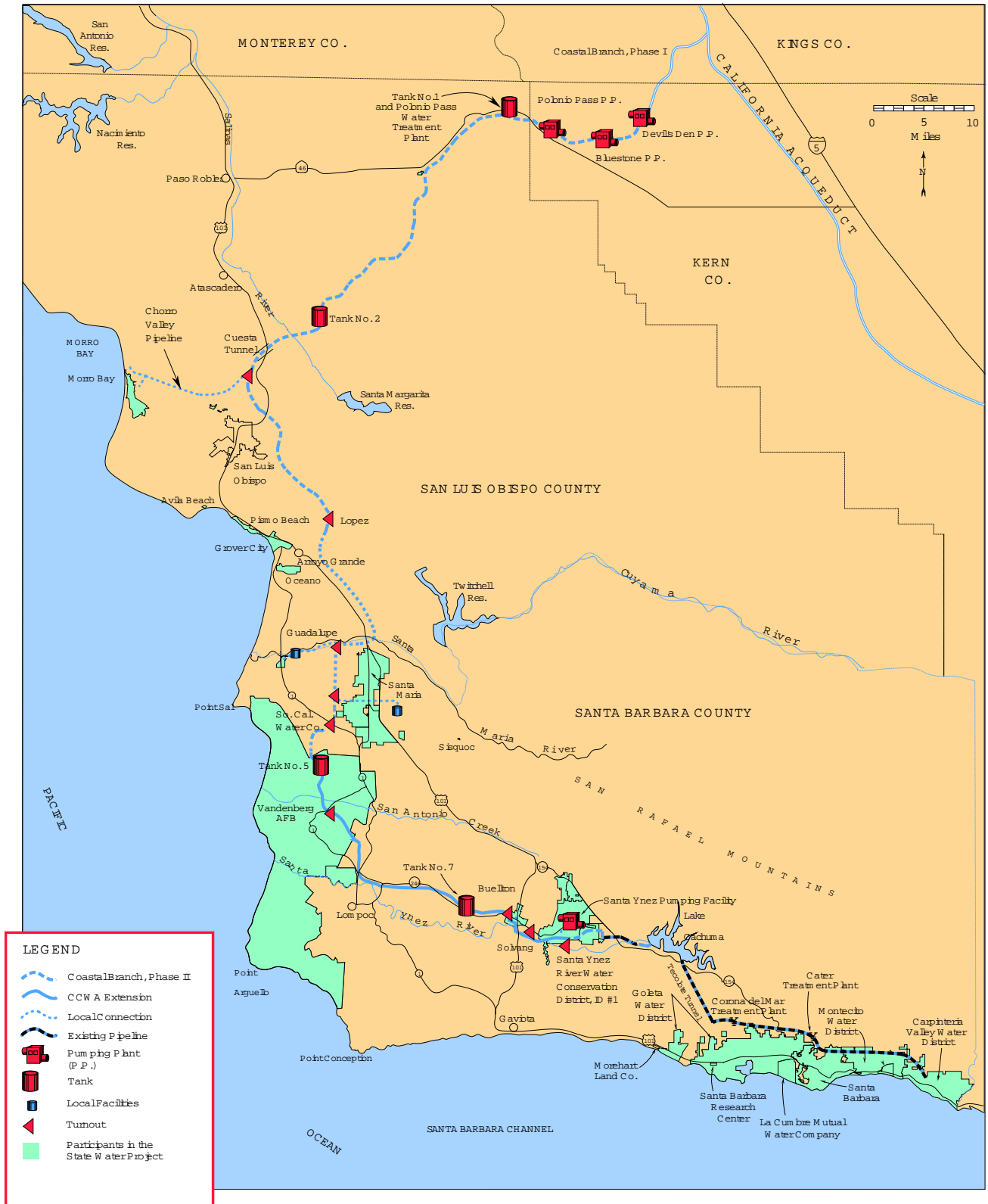


William Brennan
Executive Director



Ray A. Stokes
Deputy Director

Project Map



PROJECT MAP OF COASTAL BRANCH PHASE II

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2007/08 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 25 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 (SLOCFCWCD 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.

<u>Board of Directors Voting Percentages</u>	
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%

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2007/08 Budget

CCWA Committees

There are five Authority committees. They consist of the Finance Committee, Personnel Committee, Policy Committee, Operating Committee, and Water Treatment Plant Advisory 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.

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.

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2007/08 Budget

San Luis Obispo County Water Purchasers

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

San Luis Obispo County Project Participant Table A Amounts

<u>Agency</u>	<u>Table A</u>
Avila Beach Community Services District	100
Avila Valley Mutual Water Co., Inc.	20
California Mens Colony (State)	400
County of SLO C.S.A. No. 16, I.D. #1	100
County of SLO (Op. Center & Reg. Park)	425
City of Morro Bay	1,313
Oceano 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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2007/08 Budget

purchaser's water to be delivered from the State Water Project and to provide for the financing of certain local improvements.

State Water Project

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

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

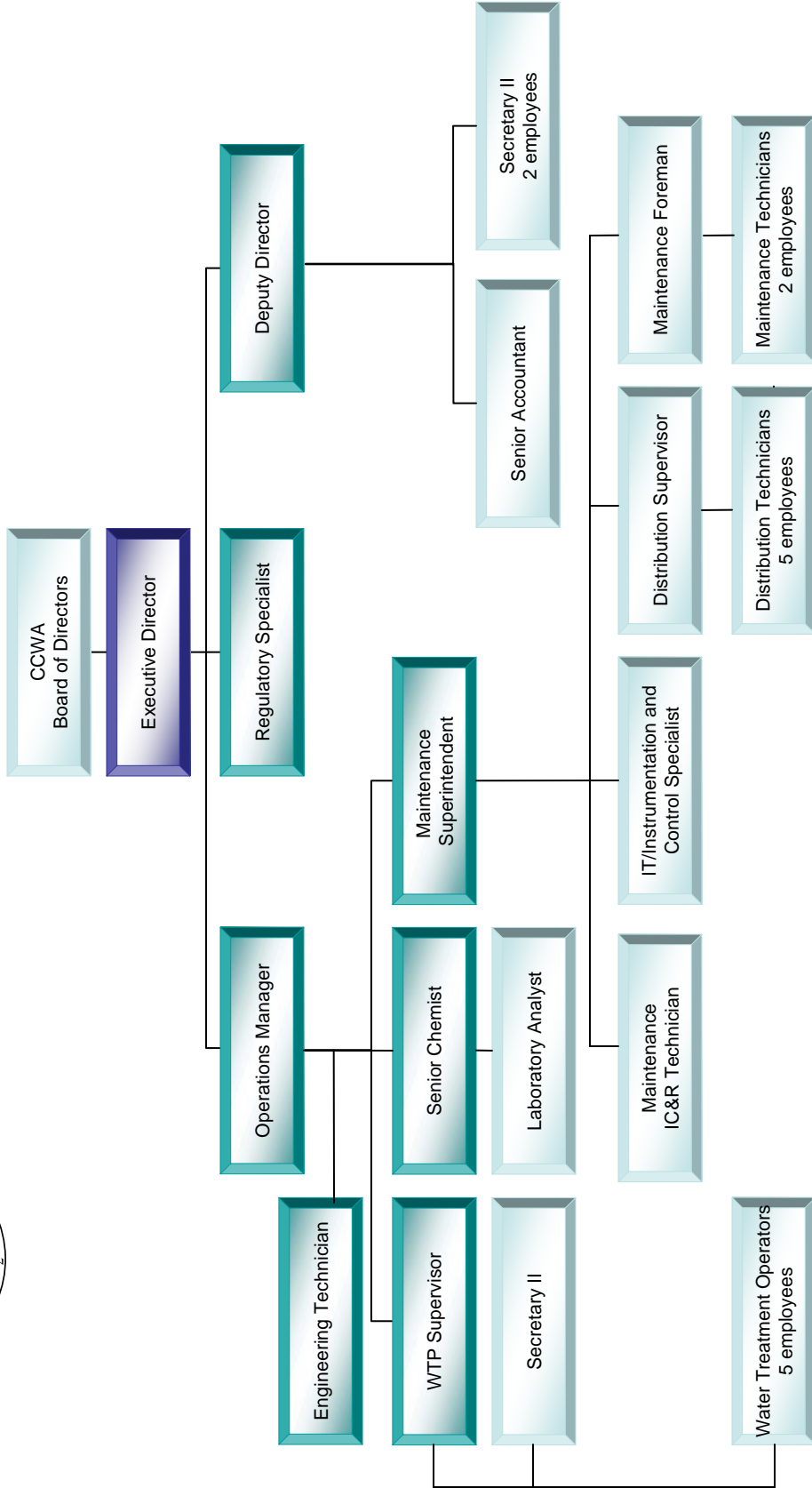
The Coastal Branch Phase II pipeline, which was constructed by DWR between 1995 and 1997 to supply State water to San Luis Obispo and Santa Barbara Counties, runs from the Coastal Branch Phase I terminus over the coastal mountains to and through the County of San Luis Obispo to a terminus in northern 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 43 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 Health Services.



Central Coast Water Authority Organization Chart FY 2007/08



Central Coast Water Authority
Budget Process
Fiscal Year 2007/08 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 at the regular January Board meeting.

Four Year Financial Plan

The Four 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 Four 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 Four Year Financial Plan is found in the Appendix to this document.*

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 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.

Central Coast Water Authority
Budget Process
Fiscal Year 2007/08 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 2007/08

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.

CCWA FINANCIAL SCHEDULE

FISCAL YEAR 2007/2008

		FY 2006/07												FY 2007/08												
		Budget Planning Cycle												Budget Expenditure Cycle												
		S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
1.0	BUDGET																									
1.1	Receive DWR Statement of Charges (for following calendar year)																									
1.2	Project Participants Provide Delivery Requests for Budget Purposes																									
1.4	Submit Delivery Forecast and Warren Act Payment to USBR																									
1.5	Prepare Draft Budget*																									
1.6	Submit Preliminary Budget to Operating Committee																									
1.7	Submit Preliminary Budget to Finance Committee																									
1.8	Submit Preliminary Budget to Board of Directors																									
1.9	Board Approval of Final Budget																									
2.0	REVENUE																									
2.1	Project Participant Assessment Billings (CCWA Fixed Expenses)																									
2.2	SLO WTP and Coastal Branch Phase II Billing (CCWA Fixed Expenses)																									
2.3	Project Participant DWR Billings (Fixed Expenses)																									
2.4	Project Participant Bond Payment Billings																									
2.5	CCWA and DWR Variable Cost Billings																									
3.0	EXPENSES																									
3.1	CCWA Expenses																									
3.1.1	Administration / O&M Payments																									
3.1.2	Warren Act Payment																									
3.1.3	MOU Trust Fund Payments																									
3.2	CCWA Project Funds																									
3.2.1	Semi-Annual Bond Payment																									
3.3	DWR Payments																									
3.3.1	Semi Annual DWR Capital Cost Payment																									
3.3.2	Semi Annual DWR Coastal Branch Extension Payment																									
3.3.3	Monthly DWR Minimum and Variable OMP&R Cost Payment																									
4.0	WATER TRANSFERS AND SALES																									
4.1	CCWA Turnback Pool Sales																									
4.2	DWR Turnback Pool Sales																									

*Contains the FY 2007/2008 Budget and the Four-Year Financial Plan for FY 2007/08 through FY 2010/11

DWR Statement Received

CCWA Board / Committee Milestone

CCWA Bond Payment/Period

SLO WTP Billing Due Date/Period

Participants' Bond Payment Due Date/Period

CCWA Staff Milestone

Participant's DWR Billing Due Date/Period

Participant Assessment Due Date/Period

DWR Payment/Period

CCWA Expense Period/Payment

Participant's Task/Milestone

RASJF-Y2007/08Budget.mxd
 December 27, 2006

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2007/08 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 subsections as follows:

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II
Santa Ynez I
Santa Ynez II

DWR Reaches

Reach 33B
Reach 34
Reach 35
Reach 37
Reach 38

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

Financial Statement Reporting

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2007/08 Budget

The Fiscal Year 2007/08 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.
- 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.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2007/08 Budget

- 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 1996 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.
- Four Year Financial Plan In conjunction with preparation of the fiscal year budget, the Authority will also prepare and make available a four year financial plan which provides estimates of the total State water costs for the four-year period.
- Annual Allocation of Recurring Expenditures (Non-Annual Recurring Expenses – i.e., "NARES") The Authority will endeavor to identify non-annual recurring operating expenses and capital expenditures and allocate a portion of such expenditures over a number of years prior to the anticipated expenditure to eliminate large variances in the annual operating assessments to the project participants.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2007/08 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 and include in the proposed budget a salary pool with a cost of living component and a merit increase component. The merit increase percentage will be three percent (3%). The cost of living percentage will be the annual percentage change computed each year in December based on the Los Angeles-Riverside-Orange, CA Consumer Price Index for All Urban Consumers.

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

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

- Employee Benefits Funding Benchmark The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget 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. If the EBP exceeds 38%, staff will provide alternatives for Board consideration so that the revised EBP remains at or below 38%.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2007/08 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 \$10,000. Staff will prepare a summary of the Budget Fund Transfers which will include the source and destination of the funds, financial reaches impacted and justification for the transfer. A summary of the approved transfers will be included on the CCWA Board Consent Calendar as part of the next regularly scheduled Board meeting.
- Self-Funded Dental/Vision Plan Annual Limits and Premium Amounts The CCWA self-funded Dental/Vision plan annual limit on total expenditures for each covered employee and the corresponding premium amount will increase at the beginning of each plan year by the December to December percentage change of the Los Angeles/Riverside All Urban Consumers, Consumers Price Index.

CAPITAL IMPROVEMENTS POLICY

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

DEBT POLICY

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

RESERVE POLICY

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2007/08 Budget

INVESTMENT POLICY

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

For further information on the Authority's investment policy, please refer to the Appendix section of this document.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

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



Camera Tower under Construction at Energy
Dissipation Vault

Budget Summary

The Budget Summary section of the FY 2007/08 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document. Additionally, graphs and tables showing the projected expenditures through FY 2010/11 are included in this section as well as cost per acre-foot amounts based on the FY 2007/08 Budget.

Highlights

Budget Summary

• FY 2007/08 Gross Budget	\$ 51,751,534
• FY 2006/07 Gross Budget	<u>\$ 51,552,745</u>
Increase:	\$ 198,789
• FY 2007/08 CCWA Credits	\$ 2,559,310
• FY 2006/07 CCWA Credits	<u>\$ 1,487,814</u>
Increase:	\$ 1,071,496
• FY 2007/08 Net Budget (After CCWA Credits)	\$ 49,192,224
• FY 2006/07 Net Budget (After CCWA Credits)	<u>\$ 50,064,931</u>
Decrease:	\$ (872,707)

Significant Budget Changes

- DWR Rate Management Funds credits estimated at \$0 for 2007 and 25% of normal funding amount for calendar year 2008
- CCWA O&M Expense budget increase of \$429,992
- Revenue bond debt service payment reduction of \$344,000
- DWR Fixed and Variable cost increase of \$0.3 million

Central Coast Water Authority
Budget Summary
Fiscal Year 2007/08 Budget

	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Change from FY 2006/07 Est. Actual
Beginning Cash Balance	\$ 2,565,815	\$ 2,212,825	\$ 2,381,251	\$ 2,253,341		
SOURCES OF CASH						
CCWA Operating Expenses	5,576,357	6,045,359	6,045,359	6,475,351	429,992	429,992
Debt Service Payments	11,133,231	11,163,819	11,163,819	10,815,291	(348,528)	(348,528)
Capital Improvement Projects	68,057	215,795	215,795	211,480	(4,315)	(4,315)
Non-Annual Recurring Expenses	106,002	240,665	240,665	(133,741)	(374,406)	(374,406)
Investment Income and Other	237,121	-	200,000	-	-	(200,000)
CCWA Credits	(1,671,754)	(1,487,814)	(1,843,626)	(2,559,310)	(1,071,496)	(715,684)
Subtotal Revenues	15,449,013	16,177,824	16,022,012	14,809,071	(1,368,753)	(1,212,941)
Pass-Through Expenses						
DWR Fixed Costs	27,938,599	29,426,825	29,729,894	29,114,548	(312,277)	(615,346)
DWR Variable Costs	2,142,424	4,206,474	3,144,008	4,866,904	660,430	1,722,895
Warren Act Charges	153,727	253,808	85,648	401,701	147,893	316,053
Subtotal Pass-Through Expenses	30,234,751	33,887,107	32,959,550	34,383,152	496,045	1,423,602
TOTAL SOURCES OF CASH	45,683,764	50,064,931	48,981,562	49,192,224	(872,708)	210,661
USES OF CASH						
CCWA Operating Expenses						
Personnel	2,726,028	3,069,623	2,575,655	3,130,062	60,439	554,407
Office Expenses	19,429	27,260	22,441	25,760	(1,500)	3,319
Supplies and Equipment	638,142	1,015,421	786,465	1,131,428	116,008	344,963
Monitoring Expenses	56,378	89,400	51,963	70,000	(19,400)	18,037
Repairs and Maintenance	180,549	189,098	217,235	202,628	13,530	(14,607)
Professional Services	231,551	287,500	293,307	292,050	4,550	(1,257)
General and Administrative	137,251	198,433	177,033	204,625	6,192	27,592
Utilities	225,696	451,640	349,299	625,668	174,028	276,369
Other Expenses	566,991	716,985	606,886	793,130	76,146	186,244
Total Operating Expenses	4,782,015	6,045,359	5,080,284	6,475,351	429,992	1,395,066
Other Expenditures						
Warren Act Charges	279,542	253,808	85,648	401,701	147,893	316,053
Capital Improvement Projects ⁽¹⁾	210,727	502,695	522,696	331,081	(171,614)	(191,615)
CCWA Credits	(1,671,754)	(1,487,814)	(1,843,626)	(2,559,310)	(1,071,496)	(715,684)
2006 Revenue Bond Debt Service	11,133,231	11,163,819	11,163,819	10,815,291	(348,528)	(348,528)
Unexpended O&M Assessments	938,021	-	1,226,748	-	-	-
Total Other Expenditures	10,889,767	10,432,508	11,155,285	8,988,763	(1,443,745)	(939,774)
Total CCWA Expenditures	15,671,782	16,477,867	16,235,569	15,464,114	(1,013,753)	455,293
DWR Charges						
Fixed DWR Charges	27,938,599	29,426,825	29,729,894	29,114,548	(312,277)	(615,346)
Variable DWR Charges	2,142,424	4,206,474	3,144,008	4,866,904	660,430	1,722,895
Total DWR Charges	30,081,024	33,633,299	32,873,902	33,981,452	348,153	1,107,549
TOTAL USES OF CASH	45,752,805	50,111,166	49,109,472	49,445,565	(665,601)	1,562,842
Ending Cash Balance	\$ 2,496,774	\$ 2,166,590	\$ 2,253,341	\$ 2,000,000	\$ (166,590)	(253,341)
Non-Annual Recurring Balance	496,773	166,590	253,341	(0)		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ (0)	\$ 0	\$ (0)	\$ -		

(1) Includes NARES expenditures.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2007/08 Budget

Project Participant	Unadjusted	Unadjusted	Exchange	Exchange	Regional	Regional	Adjusted	Warren Act	2006A		Non-Annual	CCWA	Total
	Fixed CCWA	Variable CCWA	Agreement	Agreement	WTP	WTP			Revenue	Bond Debt			
	Operating	Operating	Adjustment	Adjustment	Allocation	Allocation	Charge	Charges ⁽²⁾	Service	FY 2007/08	Expenses	Credits	FY 2007/08
	Expense ⁽¹⁾	Expense	Cap. & Fixed	Variable		Credit				CCWA			CCWA
Guadalupe	78,814	15,481	-	-	\$23,604	\$0	\$117,899	-	156,593	\$274,491	(73)	(\$19,498)	\$ 254,920
Santa Maria	1,683,395	437,890	-	-	\$691,520	-	2,812,805	-	-	2,812,805	10,873	(671,080)	2,152,599
Golden State Water	54,293	13,515	-	-	\$21,343	-	89,151	-	-	89,151	(110)	(20,327)	68,713
Vandenberg AFB	627,167	148,666	-	-	\$234,775	-	1,010,609	-	-	1,010,609	(4,944)	(191,907)	813,758
Buellton	78,853	15,825	-	-	\$24,714	-	119,392	-	278,806	398,198	(589)	(26,019)	371,590
Santa Ynez (Solvang)	198,123	36,859	-	-	\$63,273	-	298,255	-	843,690	1,141,945	(6,543)	(40,330)	1,095,072
Santa Ynez	85,020	17,201	317,727	60,686	\$126,274	-	606,909	-	320,745	927,654	(11,506)	(50,936)	865,212
Goleta	688,602	318,860	(114,382)	(21,847)	\$154,586	(\$564,348)	461,472	209,051	2,733,112	3,403,634	(33,659)	(160,354)	3,209,622
Morehart Land	30,591	16,091	-	0	\$8,537	(\$31,137)	24,082	11,180	124,114	159,376	(1,762)	(24,562)	133,052
La Cumbre	153,133	58,511	-	0	\$41,173	(\$148,312)	104,506	40,528	594,034	739,068	(6,107)	(1,050,671)	(317,710)
Raytheon	7,640	4,023	-	0	\$2,134	(\$7,784)	6,013	2,639	26,121	34,772	(331)	(4,106)	30,335
Santa Barbara	458,608	14,586	(76,255)	(14,565)	\$89,402	(\$309,713)	162,063	0	1,673,417	1,835,480	(24,851)	(41,263)	1,769,366
Montecito	458,887	212,573	(76,255)	(14,565)	\$103,057	(\$376,232)	307,467	138,304	1,957,926	2,403,696	(24,107)	(7,107)	2,372,481
Carpinteria	305,689	9,699	(50,836)	(9,710)	\$59,600	(\$206,467)	107,975	(0)	1,124,749	1,232,724	(16,909)	(120,762)	1,095,053
Shandon	6,477	-	-	-	-	-	6,477	-	15,451	15,451	(1,734)	(644)	13,073
Chorro Valley	169,847	54,580	-	-	-	-	224,427	-	912,733	1,137,160	(5,754)	(4,833)	1,126,573
Lopez	180,785	46,545	-	-	-	-	227,330	-	60,278	287,608	(5,636)	(124,910)	157,062
TOTAL:	5,265,925	\$1,420,906	\$0	(\$0)	\$1,643,992	(\$1,643,992)	\$6,686,831	\$401,701	\$10,815,291	\$17,903,823	(\$133,741)	(2,559,310)	\$15,210,772

(1) Includes capital improvement projects.

Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES					DWR Interest Income	Total DWR 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					
Guadalupe	\$ 293,834	\$ -	\$ -	\$ 54,825	\$ 15,527	\$ 15,177	\$ 379,363	\$ 14,722	\$ 53,367	\$ 68,089	\$ (11,030)	\$ 436,422	\$ 691,342		
Santa Maria	8,654,744	593,511	-	1,613,563	456,240	447,026	11,765,084	406,820	1,644,661	2,051,481	(318,782)	13,497,783	15,650,382		
Golden State Water	267,122	18,318	-	49,841	14,062	13,797	363,141	16,674	57,558	74,232	(9,383)	427,990	496,703		
Vandenberg AFB	2,938,339	201,501	330,415	547,162	154,680	151,768	4,323,865	158,345	651,553	809,898	-	5,133,763	5,947,521		
Buellton	308,793	21,176	34,724	57,617	16,293	15,954	454,556	12,002	55,044	67,046	(12,659)	508,943	880,533		
Santa Ynez (Solvang)	794,081	54,955	90,113	145,296	41,570	37,628	1,163,644	32,046	146,935	178,981	(31,605)	1,311,019	2,406,091		
Santa Ynez	274,405	18,318	30,038	53,506	14,876	17,560	408,703	13,860	51,387	65,246	(11,726)	462,224	1,327,436		
Goleta	2,404,095	164,864	270,340	438,324	124,480	124,174	3,526,277	254,414	492,865	747,279	(90,888)	4,182,668	7,392,290		
Morehart Land	106,849	7,327	12,015	19,770	5,664	5,519	157,144	6,561	14,705	21,266	(4,887)	173,522	306,574		
La Cumbre	534,243	36,636	60,076	99,683	28,123	27,594	786,356	34,215	57,026	91,241	(23,127)	854,470	536,760		
Raytheon	26,712	1,832	3,004	4,984	1,267	1,380	39,179	1,072	3,061	4,133	(1,243)	42,068	72,403		
Santa Barbara	1,602,730	109,909	180,227	298,763	84,570	82,783	2,358,982	107,519	73,192	180,710	(60,058)	2,479,634	4,249,000		
Montecito	1,602,730	109,909	180,227	298,763	84,570	82,783	2,358,982	107,535	297,289	404,823	(69,214)	2,694,591	5,067,072		
Carpinteria	1,068,487	73,273	120,151	198,406	56,248	55,188	1,571,753	71,828	30,650	102,478	(45,078)	1,629,153	2,724,206		
Goleta 2500 AF	21,062	-	-	53,802	9,626	62,711	147,201	-	-	-	-	147,201	147,201		
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	13,073		
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,126,573		
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	157,062		
TOTAL:	\$ 20,898,228	\$ 1,411,529	\$ 1,311,328	\$ 3,934,306	\$ 1,107,796	\$ 1,141,042	\$ 29,804,228	\$ 1,237,611	\$ 3,629,293	\$ 4,866,904	\$ (689,680)	\$ 33,981,452	\$ 49,192,224		

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2007/08 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 “types” of water delivered by CCWA.

FY 2007/08 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	\$ 624,093	\$ 1,134.71
Santa Maria	16,200	13,742,198	848.28
Golden State Water Co.	500	426,508	853.02
VAFB	5,500	5,150,344	936.43
Buellton	578	820,433	1,419.43
Santa Ynez (Solvang)	1,500	2,223,014	1,482.01
Santa Ynez ⁽¹⁾	500	901,523	1,803.05
Goleta	4,500	6,587,656	1,463.92
Morehart	200	298,076	1,490.38
La Cumbre	1,000	1,453,301	1,453.30
Raytheon	50	69,428	1,388.56
Santa Barbara	3,000	4,109,551	1,369.85
Montecito	3,000	4,524,217	1,508.07
Carpinteria	2,000	2,742,491	1,371.25
TOTAL:	39,078	\$ 43,672,832	

Central Coast Water Authority
Cost Per Acre-Foot Analysis
Fiscal Year 2007/08 Budget

Fixed Cost Per Acre-Foot Difference Between Project Participants

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

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

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

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

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

Financing of Local Facilities When the CCWA revenue bonds were issued to finance construction of the CCWA project facilities, certain financing participants requested that CCWA also finance certain local facilities to be constructed by individual project participants. Those financing participants that elected to finance their local facilities with the CCWA revenue bonds have higher revenue bond debt service payments which is reflected in their higher fixed cost per acre-foot.

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2007/08 Budget

FY 2007/08 Table A Variable Cost Per Acre-Foot

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

Project Participant	FY 2007/08 Requested Deliveries			Variable Cost Per Acre-Foot TABLE A DELIVERIES						Table A Variable Cost/AF
	Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA Variable (2)	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	630	-	630	\$ 17,010	\$ 3,178		\$ 95,899		\$ 116,087	\$ 184.26
Santa Maria	17,820	-	17,820	481,140	89,893		2,712,560		3,283,593	184.26
Golden State Water Co.	550	-	550	14,850	2,774		83,721		101,345	184.26
VAFB	6,050	-	6,050	163,350	30,519		920,931		1,114,800	184.26
Buellton	644	-	644	17,388	3,249		98,030		118,666	184.26
Santa Ynez (Solvang)	1,500	-	1,500	40,500	7,567		228,330		276,397	184.26
Santa Ynez (1)	700	2,470	3,170	18,900	15,989		106,554		141,443	202.06
Goleta	4,950	(889)	4,061	332,996	20,485	(99,789)	618,155	235,534	1,107,381	272.69
Morehart	220	-	220	18,040	1,110	(5,406)	33,488	12,760	59,992	272.69
La Cumbre	800	-	800	65,600	4,036	(19,658)	121,776	46,400	218,153	272.69
Raytheon	55	-	55	4,510	277	(1,352)	8,372	3,190	14,998	272.69
Santa Barbara	593	(593)	0	24	1	(7)	44	17	78	-
Montecito	3,300	(593)	2,707	221,998	13,657	(66,526)	412,103	157,023	738,254	272.69
Carpinteria	395	(395)	(0)	(12)	(1)	3	(22)	(8)	(39)	-
TOTAL:	38,207	-	38,207	\$1,396,294	\$ 192,735	\$ (192,735)	\$ 5,439,941	\$ 454,915	\$ 7,291,150	

(2) CCWA variable charges shown on this schedule are different from the total CCWA variable expense budget. This schedule shows the requested deliveries times the budgeted cost per acre-foot of \$27/AF at the water treatment plant (chemicals) and \$55/AF for the South Coast participants (electrical). For budgeting purposes, the budget is based on 75% of requested water deliveries for the first half of the fiscal year and 100% of requested water deliveries for the second half of the fiscal year.

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2007/08 Budget

FY 2007/08 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.

Project Participant	FY 2007/08 Requested Deliveries			Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES					Exchange Variable Cost/AF
	Requested Deliveries	Exchange Deliveries	Net Deliveries	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	
Guadalupe	630	-	630						
Santa Maria	17,820	-	17,820						
Golden State Water Co.	550	-	550						
VAFB	6,050	-	6,050						
Buellton	644	-	644						
Santa Ynez (Solvang)	1,500	-	1,500						
Santa Ynez ⁽¹⁾	700	2,470	3,170	2,470	\$ 60,686	\$ 317,727	-	\$ 378,413	\$ 153.23
Goleta	4,950	(889)	4,061	(889)			\$ 135,334	135,334	152.22
Morehart	220	-	220	-			-	-	
La Cumbre	800	-	800	-			-	-	
Raytheon	55	-	55	-			-	-	
Santa Barbara	593	(593)	0	(593)			90,223	90,223	152.22
Montecito	3,300	(593)	2,707	(593)			90,223	90,223	152.22
Carpinteria	395	(395)	(0)	(395)			60,148	60,148	152.22
TOTAL:	38,207	-	38,207	-	\$ 60,686	\$ 317,727	\$ 375,928	\$ 754,342	

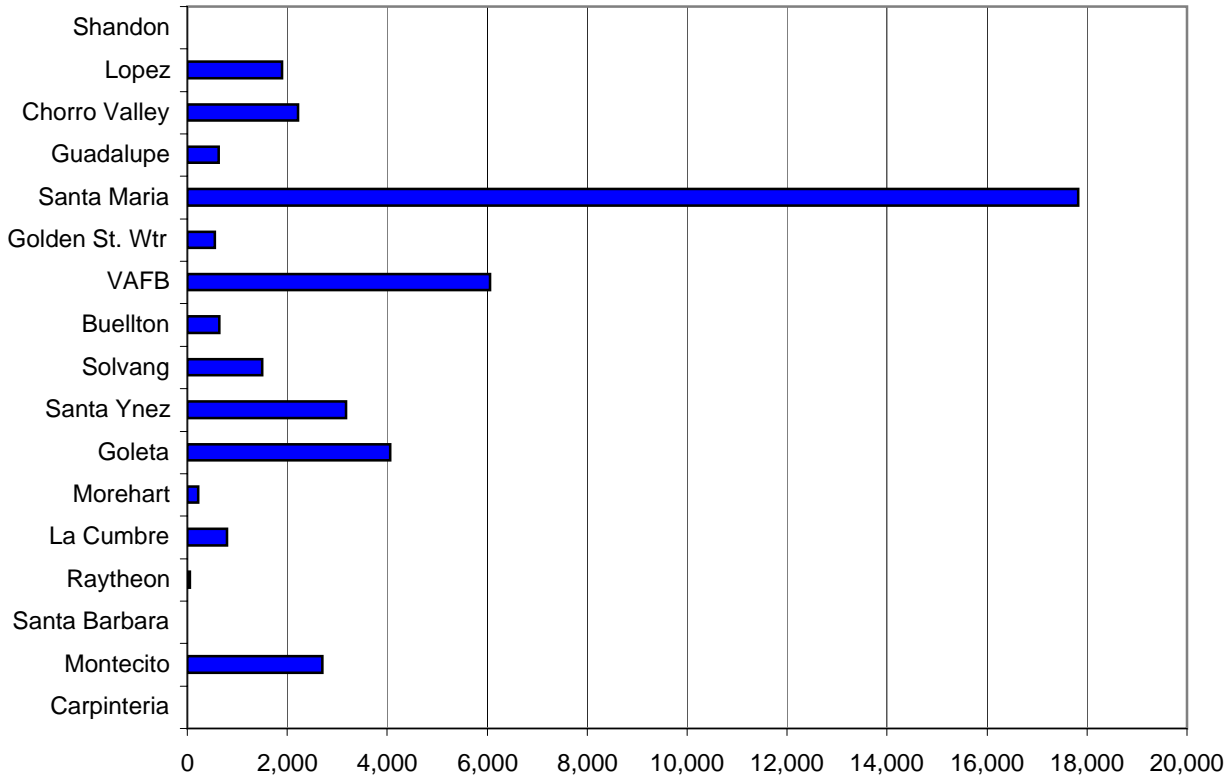
Year-End Reconciliation and Adjustments to Cost Per Acre-Foot Amounts

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.

Central Coast Water Authority
FY 2007/08 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	1,894	-	1,894
Chorro Valley	2,221	-	2,221
Guadalupe	630	-	630
Santa Maria	17,820	-	17,820
Golden State Water	550	-	550
VAFB	6,050	-	6,050
Buellton	644	-	644
Solvang	1,500	-	1,500
Santa Ynez	700	2,470	3,170
Goleta	4,950	(889)	4,061
Morehart	220	-	220
La Cumbre	800	-	800
Raytheon	55	-	55
Santa Barbara	593	(593)	0
Montecito	3,300	(593)	2,707
Carpinteria	395	(395)	(0)
TOTAL:	42,322	-	42,322

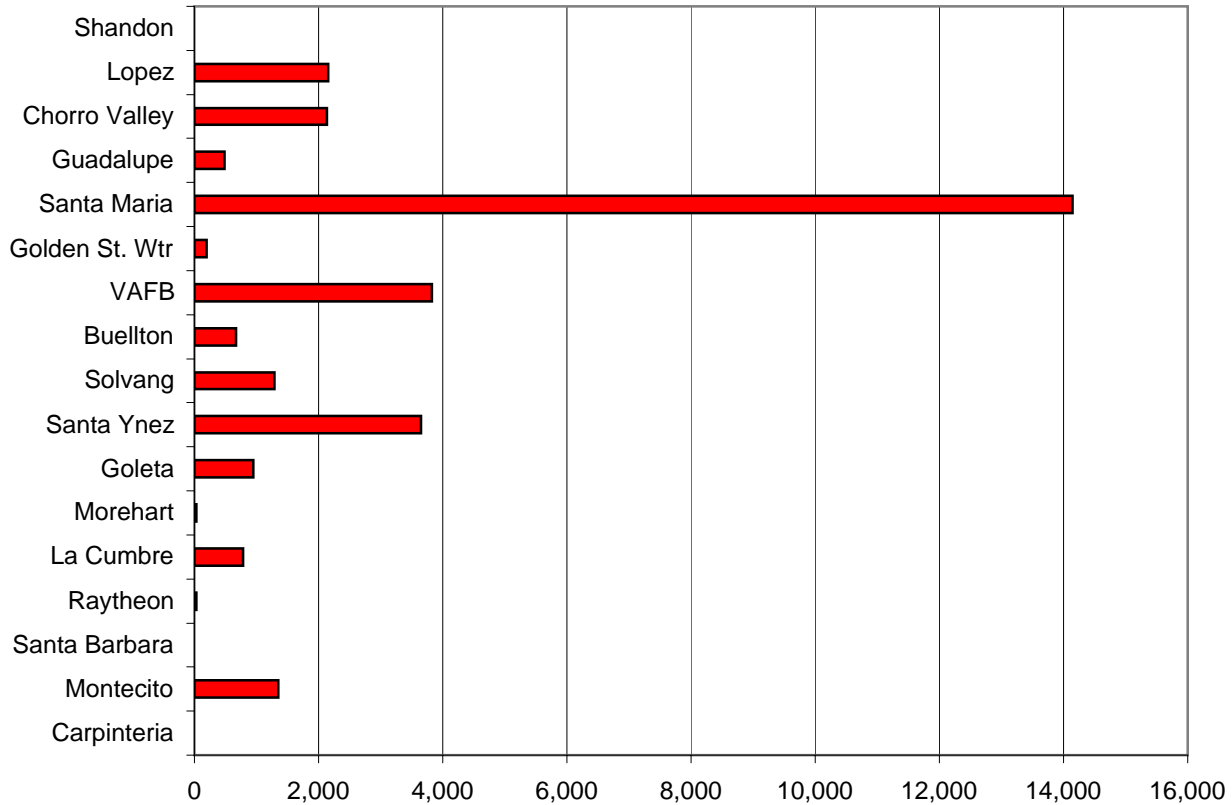
FY 2007/08 Deliveries (Acre Feet)



Central Coast Water Authority
FY 2006/07 Actual Deliveries (Acre Feet)

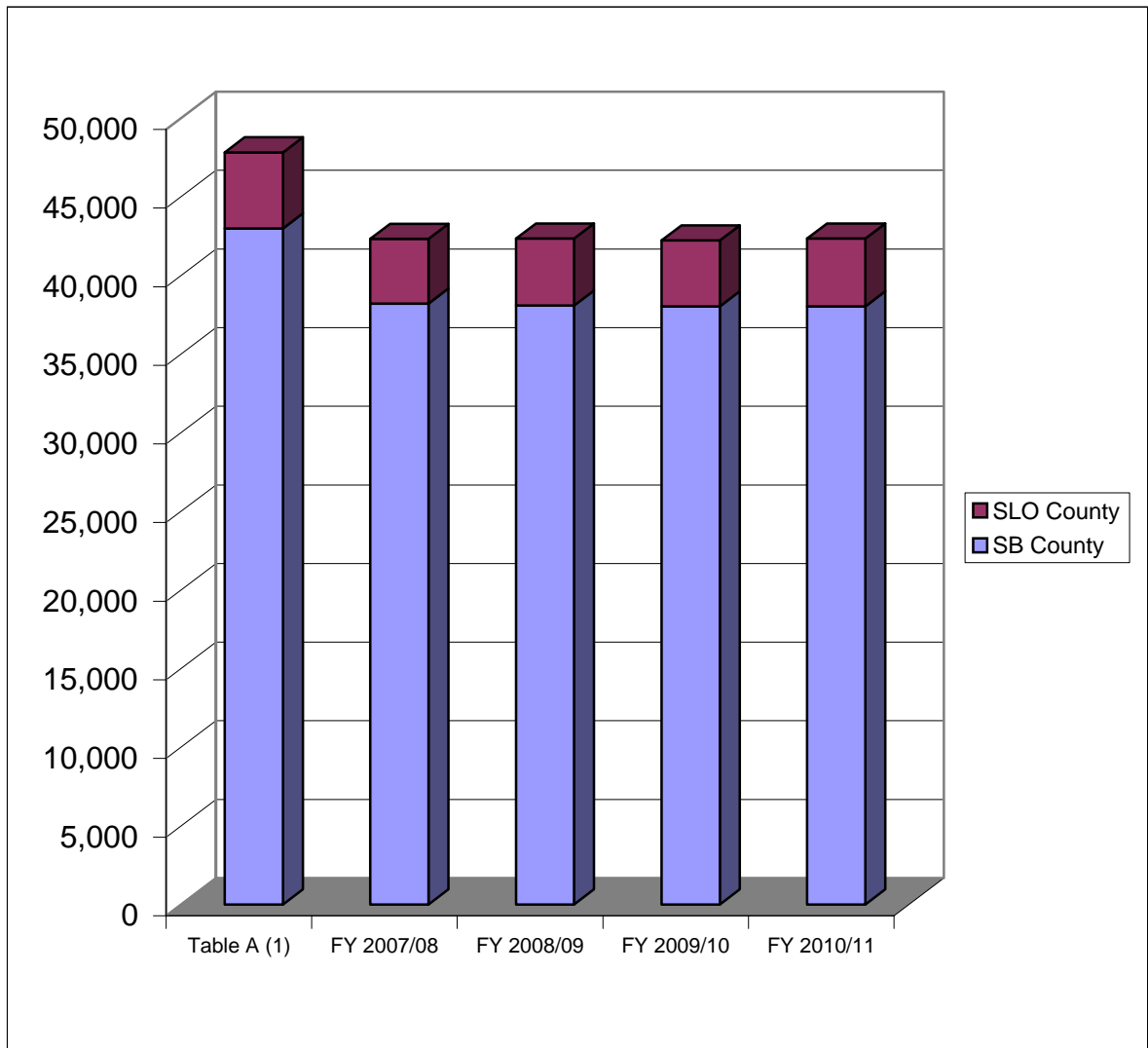
Project Participant	Actual Deliveries	Exchange Deliveries	Actual Deliveries
Shandon		-	-
Lopez	2,156	-	2,156
Chorro Valley	2,133	-	2,133
Guadalupe	483	-	483
Santa Maria	14,141	-	14,141
Golden State Water	200	-	200
VAFB	3,824	-	3,824
Buellton	667	-	667
Solvang	1,290	-	1,290
Santa Ynez	762	2,891	3,653
Goleta	1,990	(1,040)	950
Morehart	30	-	30
La Cumbre	783	-	783
Raytheon	33	-	33
Santa Barbara	693	(693)	-
Montecito	2,047	(693)	1,354
Carpinteria	465	(465)	-
TOTAL:	31,697	-	31,697

FY 2006/07 Actual Deliveries (Acre Feet)



Central Coast Water Authority
Requested State Water Deliveries
 FY 2007/08 to FY 2010/11

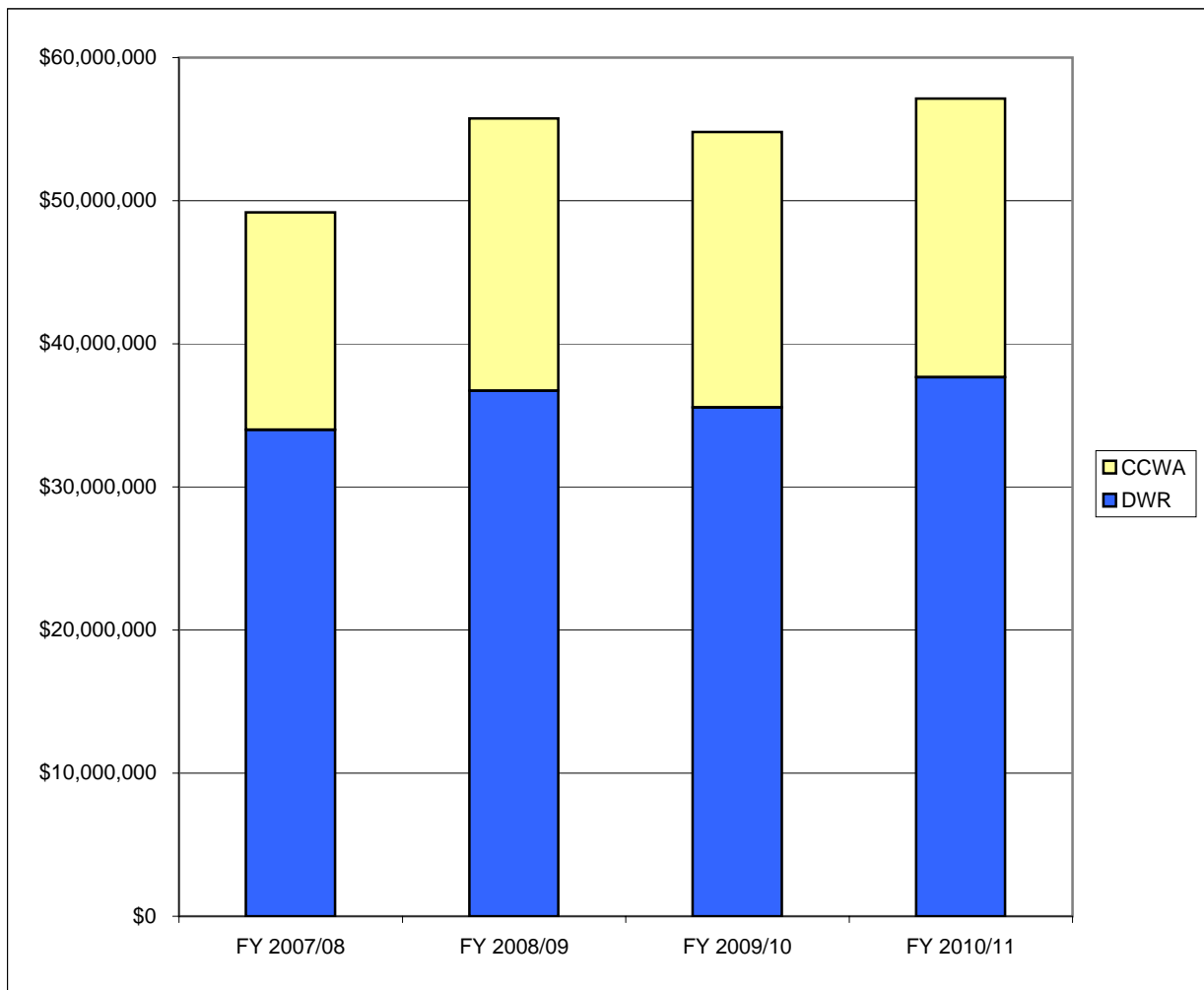
Table A ⁽¹⁾	47,816	AF
FY 2007/08	42,323	AF
FY 2008/09	42,338	AF
FY 2009/10	42,217	AF
FY 2010/11	42,339	AF



(1) Consists of 39,078 AF of Santa Barbara participant Table A allocations, 3,908 AF drought buffer and 4,830 AF San Luis Obispo County Table A amount. Does not include 2,500 AF additional Goleta Water District Table A amount.

Central Coast Water Authority
Total DWR and CCWA SWP Charges
 FY 2007/08 to 2010/11

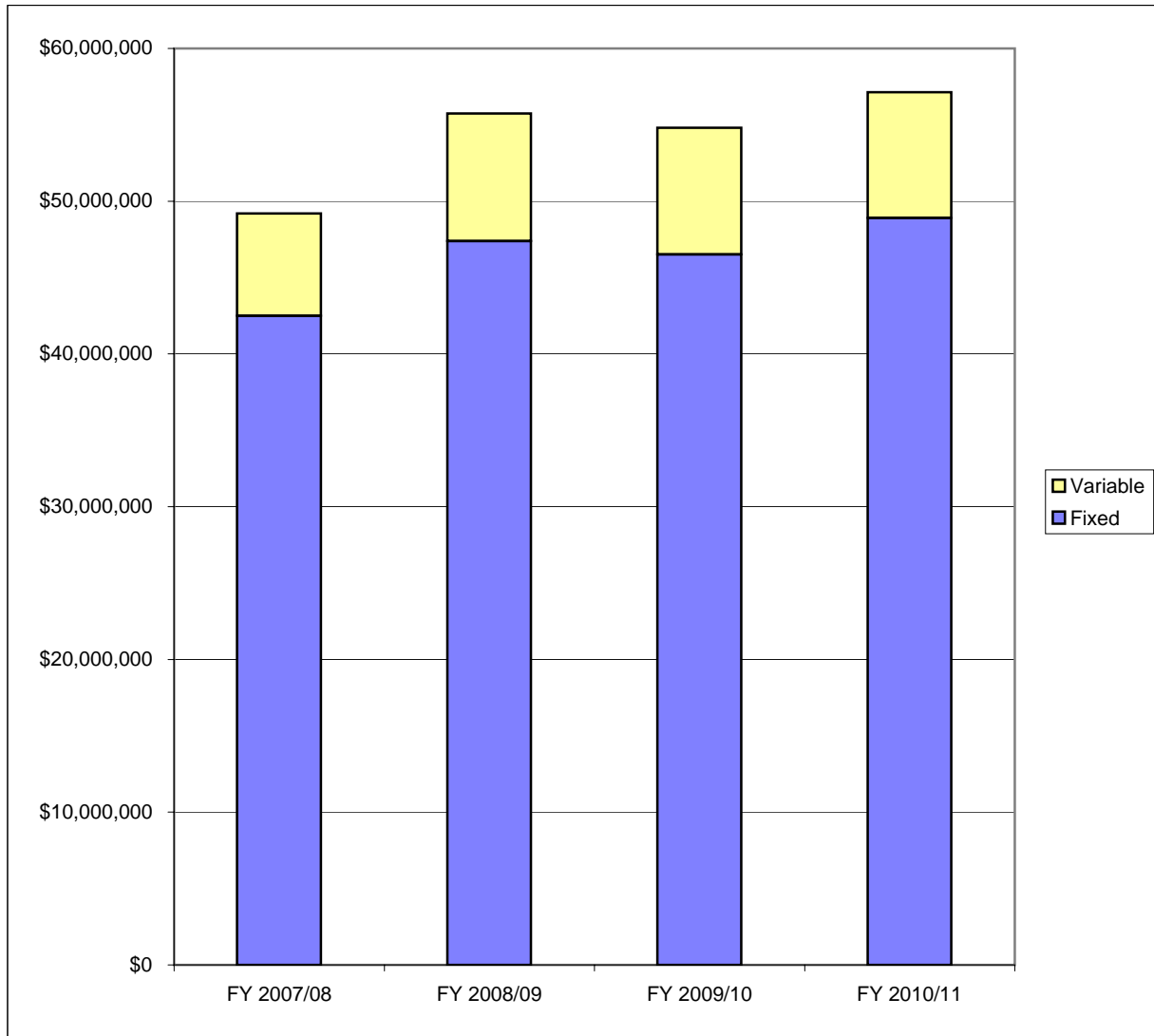
<u>Fiscal Year</u>	<u>DWR</u>	<u>CCWA</u>	<u>Total</u>
FY 2007/08	\$33,981,452	\$15,210,772	\$49,192,224
FY 2008/09	\$36,710,470	\$19,040,239	\$55,750,709
FY 2009/10	\$35,559,787	\$19,249,377	\$54,809,164
FY 2010/11	\$37,670,429	\$19,464,761	\$57,135,190



FY 2007/08 charges net of CCWA credits.

Central Coast Water Authority
Total Fixed and Variable SWP Charges
 FY 2007/08 through 2010/11

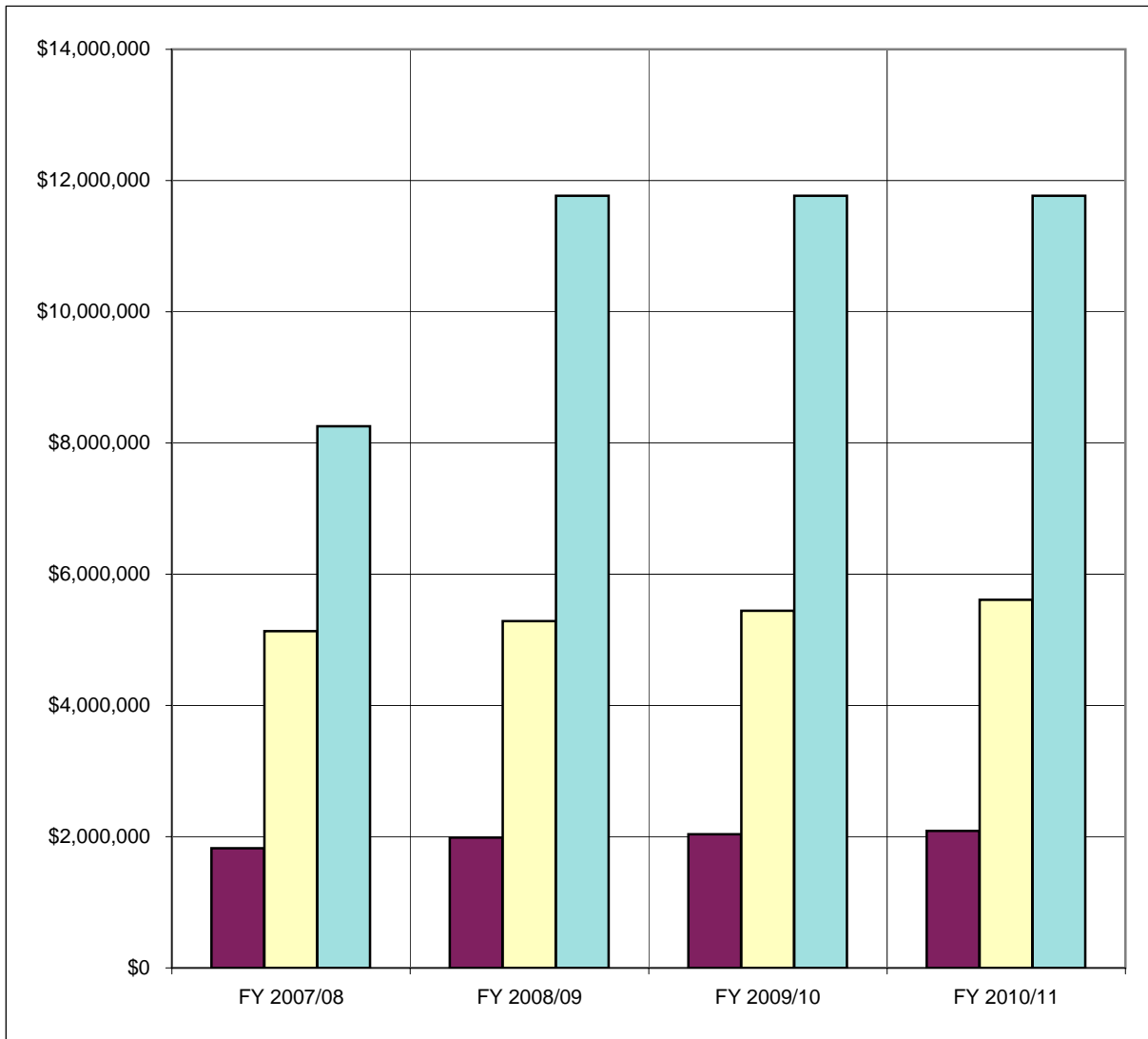
<u>Fiscal Year</u>	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>
FY 2007/08	\$42,502,713	\$6,689,510	\$49,192,224
FY 2008/09	\$47,395,051	\$8,355,658	\$55,750,709
FY 2009/10	\$46,504,775	\$8,304,389	\$54,809,164
FY 2010/11	\$48,892,036	\$8,243,154	\$57,135,190



FY 2007/08 charges net of CCWA credits.

Central Coast Water Authority
CCWA Estimated Charges
 FY 2007/08 to 2010/11

<u>Fiscal Year</u>	<u>Variable O&M</u>	<u>Fixed O&M</u>	<u>Debt Service</u>	<u>Total</u>
FY 2007/08	\$1,822,606	\$5,132,184	\$8,255,981	\$15,210,772
FY 2008/09	\$1,986,233	\$5,286,150	\$11,767,857	\$19,040,239
FY 2009/10	\$2,037,351	\$5,444,734	\$11,767,291	\$19,249,377
FY 2010/11	\$2,087,738	\$5,608,076	\$11,768,947	\$19,464,761



FY 2007/08 charges net of CCWA credits.



Energy Dissipation Valve Hydraulic Control Building

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2007/08 Budget includes information on the Authority's revenues, pass-through receipts and narrative explanations on the Authority's billing procedures and cash management.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2007/08 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.

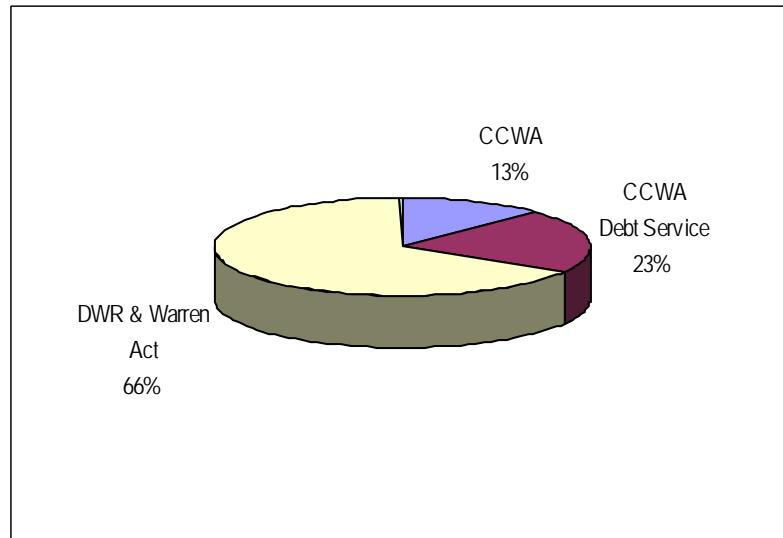
Revenues and Other Sources of Cash

Revenues	FY 2005/06 Actual	FY 2006/07 Estimated Actual	FY 2007/08 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 5,576,357	\$ 6,045,359	\$ 6,475,351
Debt Service Payments	11,133,231	11,163,819	10,815,291
Capital Improvement Projects (CIP)	68,057	215,795	211,480
Non-Annual Recurring Expenses	106,002	240,665	(133,741)
Investment Income	237,121	200,000	-
Subtotal Revenues	17,120,767	17,865,638	17,368,381
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	27,938,599	29,729,894	29,804,228
DWR Variable Costs	2,142,424	3,144,008	4,866,904
DWR Account Interest	(156,033)	(131,240)	(689,680)
Warren Act Charges ⁽¹⁾	153,727	85,648	401,701
Subtotal Pass Through Expenses	30,078,718	32,828,310	34,383,152
Gross Budget Before Credits	47,199,485	50,693,948	51,751,533
Credits and Prepayments	(1,671,754)	(1,843,626)	(2,559,310)
TOTAL SOURCES OF CASH	\$ 45,527,731	\$ 48,850,322	\$ 49,192,224

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2007/08 Budget

Revenues and Other Sources of Cash



FY 2006/07 Actual Cash Receipts

The actual cash receipts for FY 2006/07 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 2005/06, (2) interest income for FY 2005/06, and (3) differences between the DWR actual fixed payments and the budgeted fixed payments.

CCWA Operating Expense Revenues

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

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2007/08 Budget

The following table shows the Authority's operating expense budget modified as a result of the Santa Ynez Exchange Agreement, resulting in the net revenues to the Authority.

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	\$ 78,814	\$ 15,481	\$ 23,604	\$ -	\$ -	\$ -	\$ 117,899
Santa Maria	1,683,395	437,890	691,520	-	-	-	2,812,805
Golden State Water Co.	54,293	13,515	21,343	-	-	-	89,151
Vandenberg AFB	627,167	148,666	234,775	-	-	-	1,010,609
Buellton	78,853	15,825	24,714	-	-	-	119,392
Santa Ynez (Solvang)	198,123	36,859	63,273	-	-	-	298,255
Santa Ynez	85,020	17,201	126,274	-	317,727	60,686	606,909
Goleta	688,602	318,860	154,586	(564,348)	(114,382)	(21,847)	461,472
Morehart Land	30,591	16,091	8,537	(31,137)	-	-	24,082
La Cumbre	153,133	58,511	41,173	(148,312)	-	-	104,506
Raytheon	7,640	4,023	2,134	(7,784)	-	-	6,013
Santa Barbara	458,608	14,586	89,402	(309,713)	(76,255)	(14,565)	162,063
Montecito	458,887	212,573	103,057	(376,232)	(76,255)	(14,565)	307,467
Carpinteria	305,689	9,699	59,600	(206,467)	(50,836)	(9,710)	107,975
Shandon	6,477	-	-	-	-	-	6,477
Chorro Valley	169,847	54,580	-	-	-	-	224,427
Lopez	180,785	46,545	-	-	-	-	227,330
TOTAL:	\$ 5,265,925	\$1,420,906	\$1,643,992	(\$1,643,992)	\$ -	\$ -	\$ 6,686,831

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2007/08, are **\$6,686,831**.

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 2007/08 Budget

Debt Service Payments

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

For FY 2007/08, total revenue for debt service payments will be \$10,819,824, or about \$344,000 less than the FY 2006/07 payment. The following table shows each financing participant's share of the debt service. Please refer to the "Debt Management" section of this budget for additional information regarding the debt payments from the CCWA financing participants.

Financing Participant	FY 2006/07 Actual Debt Service Payments	FY 2007/08 Debt Service Revenue	Increase (Decrease)
Avila Beach	\$ 14,219	\$ 3,198	\$ (11,021)
California Men's Colony	120,370	68,936	(51,434)
County of SLO	128,213	73,566	(54,647)
Cuesta College	60,189	34,462	(25,727)
Morro Bay	748,201	735,768	(12,433)
Oceano	104,150	21,512	(82,638)
Pismo Beach	172,138	35,568	(136,570)
Shandon	13,511	8,974	(4,537)
Guadalupe	165,349	156,593	(8,756)
Buellton	293,314	278,806	(14,508)
Santa Ynez (Solvang)	621,051	843,690	222,639
Santa Ynez	232,536	320,745	88,209
Goleta	2,834,320	2,733,112	(101,208)
Morehart Land	126,072	124,114	(1,958)
La Cumbre	604,240	594,034	(10,206)
Raytheon	27,253	26,121	(1,132)
Santa Barbara	1,743,093	1,673,417	(69,676)
Montecito	1,984,357	1,957,926	(26,431)
Carpinteria	1,171,242	1,124,749	(46,493)
TOTAL:	\$ 11,163,818	\$ 10,815,291	\$ (348,527)

Central Coast Water Authority
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FY 2007/08 CCWA Credits

The following table shows a summary of the FY 2007/08 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Project Closeout Contribution Fund Credits (Amount Due)	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits
Guadalupe	\$11,047	\$1,301	\$ 7,151		\$ -	\$19,498
Santa Maria	278,189	60,763	199,619	129,846	2,663	671,080
Golden State Water Co.	15,831	1,185	-	3,311	-	20,327
Vandenberg AFB	141,198	50,708	-		-	191,907
Buellton	13,618	1,369	11,032		-	26,019
Santa Ynez (Solvang)	36,776	3,554	-		-	40,330
Santa Ynez	31,904	1,185	17,848		-	50,936
Goleta	149,692	10,662	-		-	160,354
Morehart Land	8,808	474	-		15,280	24,562
La Cumbre	30,226	2,369	-		1,018,076	1,050,671
Raytheon	514	118	-		3,474	4,106
Santa Barbara	34,155	7,108	-		-	41,263
Montecito	-	7,107	-		-	7,107
Carpinteria	81,205	4,736	34,822		-	120,762
Shandon	(27)	-	671		-	644
Oceano CSD	-	-	8,160		104,319	112,480
Avila Beach CSD	-	-	1,277		-	1,277
Pismo Beach	-	-	-		15	15
Avila Valley Water Co.				(923)		(923)
San Miguelito Water Co.				(12,689)		(12,689)
San Luis School				(323)		(323)
Chorro Valley	18,768	-	-		-	18,768
Lopez	11,139	-	-		-	11,139
TOTAL:	\$863,042	\$152,639	\$280,580	\$119,222	\$1,143,827	\$2,559,310

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 (*see the Appendix for a copy of the CCWA investment policy*).

Central Coast Water Authority
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Bank Account Cash Balances

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

Debt Service Payments

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

Investment Income

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

DWR Payment Investments

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

CCWA Operating Expense Revenue

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2007/08 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 2007/08.

Warren Act and Trust Fund Charges

Project Participant	7/1/07 to 12/31/2007 Deliveries to Lake Cachuma (AF)	75% Delivery Allocation	1/1/2008 to 6/30/2008 Deliveries to Lake Cachuma (AF)	Total FY 2007/08 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments
Goleta	1,826	1,370	2,234	3,604	\$ 209,051
Morehart Land Co.	109	82	111	193	11,180
LaCumbre	405	304	395	699	40,528
Raytheon	38	29	17	46	2,639
Santa Barbara	(0)	(0)	0	0	0
Montecito	1,291	968	1,416	2,385	138,304
Carpinteria	(0)	(0)	0	(0)	(0)
TOTAL:	3,669	2,752	4,174	6,926	\$401,701

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
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The following table represents the Fiscal Year 2007/08 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 2007/08 DWR Fixed Charges	FY 2007/08 DWR Variable Charges	FY 2007/08 Interest Income	FY 2007/08 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$379,363	\$68,089	(\$11,030)	\$ -	\$436,422
Santa Maria	11,765,084	2,051,481	(318,782)	-	13,497,783
Golden State Water Co.	363,141	74,232	(9,383)	-	427,990
Vandenberg AFB	4,323,865	809,898	-	-	5,133,763
Buellton	454,556	67,046	(12,659)	-	508,943
Santa Ynez (Solvang)	1,163,644	178,981	(31,605)	-	1,311,019
Santa Ynez	408,703	65,246	(11,726)	-	462,224
Goleta	3,673,478	747,279	(90,888)	209,051	4,538,920
Morehart Land	157,144	21,266	(4,887)	11,180	184,702
LaCumbre	786,356	91,241	(23,127)	40,528	894,998
Raytheon	39,179	4,133	(1,243)	2,639	44,707
Santa Barbara	2,358,982	180,710	(60,058)	0	2,479,634
Montecito	2,358,982	404,823	(69,214)	138,304	2,832,895
Carpinteria	1,571,753	102,478	(45,078)	(0)	1,629,153
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$29,804,228	\$4,866,904	(\$689,680)	\$401,701	\$34,383,152

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2007/08 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 Agreement for Construction, Operation and Maintenance of the Chorro Valley and Lopez Turnouts, and the Agreement for Coastal Branch Operations and Maintenance provide the guidelines to be followed when billing the San Luis Obispo County project participants for the Authority charges.

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

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

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

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

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2007/08 for each project participant.

Central Coast Water Authority
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Project Participant	FY 2007/08 Operating Expenses ⁽¹⁾	FY 2007/08 Non-Annual Recurring	FY 2007/08 Debt Service Payments	FY 2007/08 DWR Costs	FY 2007/08 Warren Act Charges ⁽²⁾	FY 2007/08 CCWA Credits	FY 2007/08 Total Payments
Guadalupe	\$117,899	(\$73)	\$ 156,593	\$436,422	\$0	\$ (19,498)	\$691,342
Santa Maria	2,812,805	10,873	-	13,497,783	-	(671,080)	15,650,382
Golden State Water Co.	89,151	(110)	-	427,990	-	(20,327)	496,703
Vandenberg AFB	1,010,609	(4,944)	-	5,133,763	-	(191,907)	5,947,521
Buellton	119,392	(589)	278,806	508,943	-	(26,019)	880,533
Santa Ynez (Solvang)	298,255	(6,543)	843,690	1,311,019	-	(40,330)	2,406,091
Santa Ynez	606,909	(11,506)	320,745	462,224	-	(50,936)	1,327,436
Goleta	461,472	(33,659)	2,733,112	4,329,869	209,051	(160,354)	7,539,491
Morehart Land	24,082	(1,762)	124,114	173,522	11,180	(24,562)	306,574
La Cumbre	104,506	(6,107)	594,034	854,470	40,528	(1,050,671)	536,760
Raytheon	6,013	(331)	26,121	42,068	2,639	(4,106)	72,403
Santa Barbara	162,063	(24,851)	1,673,417	2,479,634	0	(41,263)	4,249,000
Montecito	307,467	(24,107)	1,957,926	2,694,591	138,304	(7,107)	5,067,072
Carpinteria	107,975	(16,909)	1,124,749	1,629,153	(0)	(120,762)	2,724,206
Shandon	6,477	(1,734)	8,974	N/A	-	(644)	13,073
Chorro Valley	224,427	(5,754)	912,733	N/A	-	(4,833)	1,126,573
Lopez	227,330	(5,636)	60,278	N/A	-	(124,910)	157,062
TOTAL:	\$6,686,831	(\$133,741)	\$10,815,291	\$33,981,452	\$401,701	(\$2,559,310)	\$49,192,224
(1) Adjusted for Santa Ynez Exchange Agreement Modifications and Regional WTP Treatment Allocation.							
(2) Adjusted for Santa Ynez Exchange Agreement Modifications.							



Exposed Pipeline Removal at the Santa Ynez River near
Santa Rosa Road

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2007/08 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 2007/08 DWR charges.

Highlights

Total FY 2007/08 DWR Charges **\$ 33,981,452**

- DWR Fixed Charges \$ 29,804,228
- DWR Variable Charges \$ 4,866,904
- Interest Income Credits \$ (689,680)

Fixed Charge Highlights

- Total fixed charge increase over FY 2006/07 of \$74,334
- Increase in Transportation Capital charges \$554,686
- Increase in Coastal Branch Phase II charges of \$250,507
- Decrease in Transportation Minimum OMP&R charges of \$372,918
- Rate Management Funds Credits totaling \$455,567, or approximately 12.5% of the normal annual funding amount.
- Extraordinary Transportation Capital credits for DWR excess revenue bond reserve fund cash balances of \$987,000

Variable Charge Highlights

- Total variable charge increase over FY 2006/07 of \$660,430
- Estimated Variable OMP&R unit rate for 2007 and 2008: \$115.00

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

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

DWR Billing Procedures

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

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

Summary of FY 2007/08 DWR Charges

The DWR charges for the first half of FY 2007/08 are based on the 2007 Statement of Charges. The DWR charges for the second half of FY 2007/08 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 68 shows fixed and variable DWR costs for each project participant.

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2007/08 Budget

The FY 2007/08 DWR fixed charges total \$29,804,228, which is \$74,334 more than the FY 2006/07 Budget.

- Transportation capital charges are increasing by \$554,686 due to the following:

Rate Management Credits Preliminary estimates indicate the revenues available for rate management credits in calendar year 2007 and possibly 2008 will be substantially reduced. These reductions are primarily attributed to adjustments made by DWR to correct the financing of certain capital expenditures which should have been paid by the State of California General Fund under the Davis-Dolwig Act. In order to correct this billing error, DWR will refund the debt service payments made by the State Water Project Contractors under the Water System Revenue Bond Surcharge (WSRB) and use rate management credit revenues as the payment source for this credit. For this budget, no rate management credits are estimated for the first half of FY 2007/08 and are estimated at 25% of the normal funding amount for calendar year 2008.

DWR Excess Revenue Bond Reserve Fund Cash Balances After completing a reconciliation of total cash required to meet its revenue bond reserve fund requirements and the actual revenue bond reserve fund cash balances, DWR determined it had approximately \$43 million in excess cash. These amounts primarily represented cash balances from previous bond issues which were repaid in full, for which the final debt service payment should have been paid from the revenue bond reserve fund, but was instead paid from payments made by the Contractors. As such, the excess cash balances are available as a credit to the Contractors. CCWA's share of this credit was approximately \$987,000.

- Coastal Branch Phase II charges are increasing by \$250,507 due to fluctuating debt payment amounts for the various series of bond issues which financed the Coast Branch Phase II project costs.
- Transportation Minimum OMP&R charges are decreasing by \$372,920 from the prior year budget due to an over-collection by DWR in the prior year based on actual costs incurred.
- Water System Revenue Bond Surcharge is decreasing by \$282,464 for credits associated with the DWR revenue bond financing issue (discussed above under "*Rate Management Credits*").

The DWR variable charges for FY 2007/08 total \$4,866,904, which is \$660,430 higher than the budgeted FY 2006/07 variable payments.

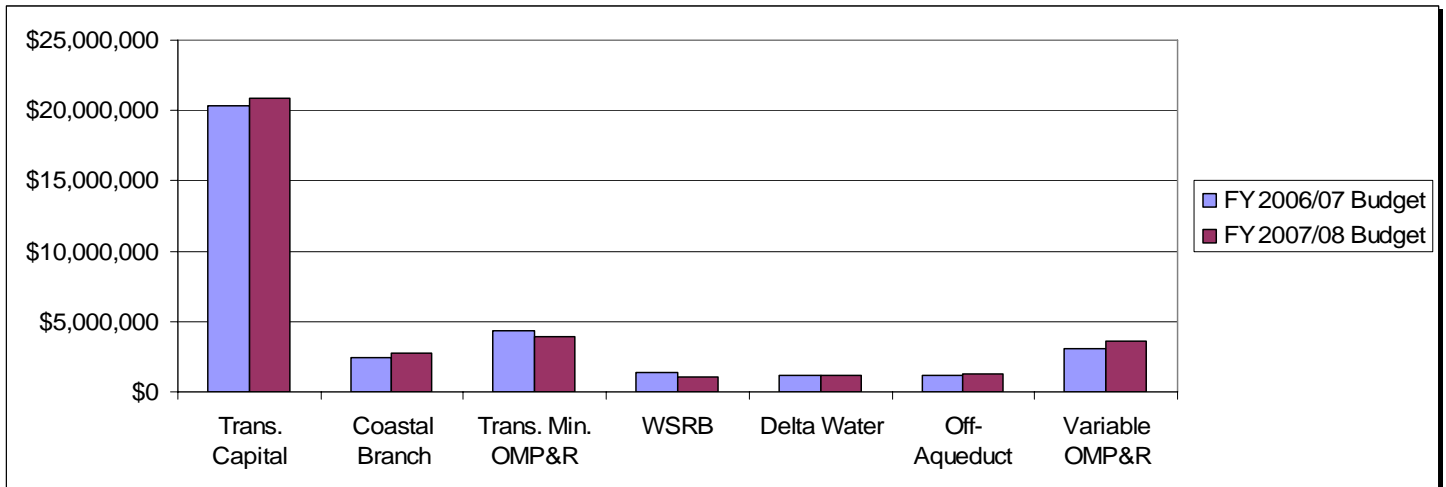
- Off-aqueduct charges total \$1,237,611, which is about \$66,011 higher than the prior year amount.
- Variable OMP&R charges total \$3,629,293 which is about \$594,000 more than the prior year amount due to a projected increase in electrical costs per acre-foot from

Central Coast Water Authority
Department of Water Resources Charges
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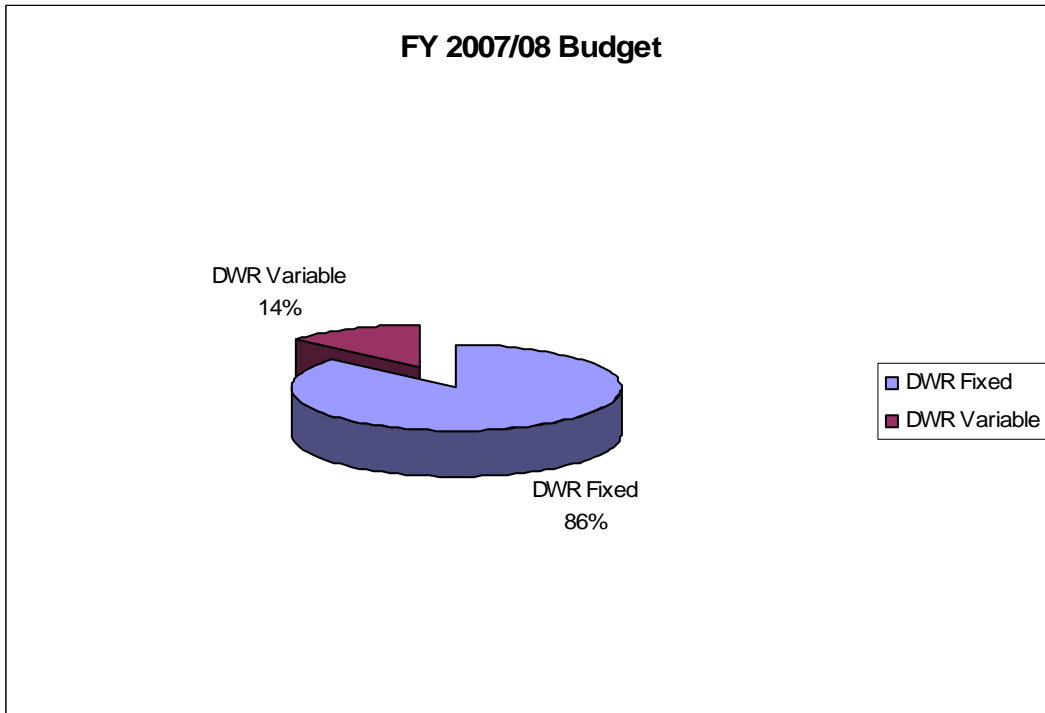
\$110/AF to \$115/AF, coupled with an increase in the requested water deliveries for FY 2007/08. Water deliveries for the first half of FY 2007/08 are estimated at 75% of requested deliveries as the final DWR allocation percentage for calendar year 2007 is not yet known.

The following table provides a comparison of the FY 2006/07 and FY 2007/08 DWR charges. The FY 2007/08 charges are partially offset by DWR account investment income payable to the project participants.

DWR Fixed and Variable Cost Comparison			
Cost Component	FY 2006/07 Budget	FY 2007/08 Budget	Increase (Decrease)
Transportation Capital	\$ 20,343,542	\$ 20,898,228	\$ 554,686
Coastal Branch Phase II	2,472,350	2,722,858	250,508
Transportation Minimum OMP&R	4,307,225	3,934,306	(372,920)
Water System Revenue Bond	1,390,261	1,107,796	(282,466)
Delta Water Charges	1,216,516	1,141,042	(75,474)
Subtotal Fixed DWR Charges	29,729,894	29,804,228	74,334
Off-Aqueduct Charges	1,171,600	1,237,611	66,011
Variable OMP&R	3,034,874	3,629,293	594,419
Subtotal Variable DWR Charges	4,206,474	4,866,904	660,430
DWR Account Investment Income	(303,069)	(689,680)	(386,611)
Total DWR Charges	\$ 33,633,299	\$ 33,981,452	\$ 348,153



Central Coast Water Authority
Department of Water Resources Charges
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Detail of DWR Fixed Costs

The DWR fixed costs are comprised of the following cost components. (All amounts presented for the Santa Ynez River Water Conservation District, Improvement District #1 (Santa Ynez) and the City of Solvang have been adjusted for the portion of costs associated with the Solvang drought buffer Table A which has been transferred to and is being paid for by Santa Ynez.)

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

The following table shows the Transportation Capital Costs for Reaches 1 through 35 for FY 2007/08 by project participant.

TRANSPORTATION CAPITAL CHARGES

Project Participant	Table A	Percentage	Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Rate Management Funds Credit	DWR Debt Service Reserve Fund Credits	FY 2007/08 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 313,924	\$ (423)	\$ (5,786)	\$ (13,881)	\$ 293,834
Santa Maria	16,200	41.46%	9,246,488	(12,452)	(170,427)	(408,866)	8,654,744
Golden State Water Co.	500	1.28%	285,385	(384)	(5,260)	(12,619)	267,122
VAFB	5,500	14.07%	3,139,240	(4,227)	(57,861)	(138,812)	2,938,339
Buellton	578	1.48%	329,906	(444)	(6,081)	(14,588)	308,793
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	848,727	(1,153)	(15,635)	(37,858)	794,081
Santa Ynez ⁽³⁾	500	1.28%	292,815	(384)	(5,406)	(12,619)	274,405
Goleta	4,500	11.52%	2,568,469	(3,459)	(47,341)	(113,574)	2,404,095
Morehart	200	0.51%	114,154	(154)	(2,104)	(5,048)	106,849
La Cumbre	1,000	2.56%	570,771	(769)	(10,520)	(25,239)	534,243
Raytheon	50	0.13%	28,539	(38)	(526)	(1,262)	26,712
Santa Barbara	3,000	7.68%	1,712,313	(2,306)	(31,561)	(75,716)	1,602,730
Montecito	3,000	7.68%	1,712,313	(2,306)	(31,561)	(75,716)	1,602,730
Carpinteria	2,000	5.12%	1,141,542	(1,537)	(21,040)	(50,477)	1,068,487
Subtotal:	39,078	100.00%	\$ 22,304,584	\$ (30,037)	\$ (411,107)	\$ (986,275)	\$ 20,877,165
Goleta Additional Table A	2,500	5.50%	22,565	-	(505)	(998)	21,062
CCWA Drought Buffer	3,908	-	-	-	-	-	-
TOTAL:	45,486		\$ 22,327,149	\$ (30,037)	\$ (411,612)	\$ (987,273)	\$ 20,898,228

(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 or additional amount due from FY 2006/07 transportation capital reconciliation.
 (3) Adjusted for transfer of the Solvang 150 acre foot drought buffer Table A to Santa Ynez.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2007/08 Budget

Transportation Charges - Reaches 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.

The following table shows the Coastal Branch Extension Transportation Capital charges for Reaches 37 and 38. 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.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	Reach 37				Net Reach 37 Transp. Costs
	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	852,509	(161,536)	690,973
Golden State Water Co.	500	1.30%	26,312	(4,986)	21,326
VAFB	5,500	14.28%	289,432	(54,843)	234,590
Buellton	578	1.50%	30,417	(5,763)	24,653
Santa Ynez (Solvang)	1,500	3.89%	78,936	(14,957)	63,979
Santa Ynez	500	1.30%	26,312	(4,986)	21,326
Goleta	4,500	11.68%	236,808	(44,871)	191,937
Morehart	200	0.52%	10,525	(1,994)	8,531
La Cumbre	1,000	2.60%	52,624	(9,971)	42,653
Raytheon	50	0.13%	2,631	(499)	2,133
Santa Barbara	3,000	7.79%	157,872	(29,914)	127,958
Montecito	3,000	7.79%	157,872	(29,914)	127,958
Carpinteria	2,000	5.19%	105,248	(19,943)	85,305
Total:	38,528	100.00%	2,027,499	(384,178)	\$ 1,643,321

Project Participant	Reach 38				Net Reach 38 Transp. Costs	FY 2006/07 Credits (Amount Due)	FY 2007/08 Transportation Capital Charges
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾			
Guadalupe	-	0.00%	-	-	\$ -	-	\$ -
Santa Maria	-	0.00%	-	-	-	(97,688)	593,285
Golden State Water Co.	-	0.00%	-	-	-	(3,088)	18,238
VAFB	5,500	25.20%	474,603	(89,930)	384,674	(87,205)	532,058
Buellton	578	2.65%	49,877	(9,451)	40,426	(9,266)	55,813
Santa Ynez (Solvang)	1,500	6.87%	129,437	(24,526)	104,911	(23,757)	145,133
Santa Ynez	500	2.29%	43,146	(8,175)	34,970	(7,822)	48,475
Goleta	4,500	20.62%	388,312	(73,579)	314,733	(71,561)	435,109
Morehart	200	0.92%	17,258	(3,270)	13,988	(3,187)	19,332
La Cumbre	1,000	4.58%	86,292	(16,351)	69,941	(15,935)	96,658
Raytheon	50	0.23%	4,315	(818)	3,497	(724)	4,906
Santa Barbara	3,000	13.74%	258,875	(49,052)	209,822	(47,513)	290,267
Montecito	3,000	13.74%	258,875	(49,052)	209,822	(47,513)	290,267
Carpinteria	2,000	9.16%	172,583	(32,702)	139,881	(31,870)	193,317
Total:	21,828	100.00%	1,883,571	(356,906)	\$ 1,526,666	\$ (447,129)	\$ 2,722,858

(1) Includes credits for the return of bond cover of \$714,498 and Rate Management Funds Credits of \$26,587.

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Transportation Charge-Minimum Operation, Maintenance, Power, and Replacement (OMP&R) Costs These are operating costs incurred by DWR that do not depend on or vary with quantities of water delivered to the Authority.

The following table shows the Transportation Charge-Minimum OMP&R charges for FY 2007/08.

TRANSPORTATION MINIMUM OMP&R

Project Participant			Reaches 1		FY 2006/07		FY 2007/08	
	Table A	Percentage	to 35	One-Shot Adjustment	Credit Amount	Transportation Minimum OMP&R		
Guadalupe	550	1.41%	\$ 54,750	\$ 76	\$ -	\$ 54,825		
Santa Maria	16,200	41.46%	1,612,630	2,229	(1,295)	1,613,563		
Golden State Water Co.	500	1.28%	49,773	69	-	49,841		
VAFB	5,500	14.07%	547,498	757	(1,092)	547,162		
Buellton	578	1.48%	57,537	80	-	57,617		
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	145,133	206	(43)	145,296		
Santa Ynez ⁽¹⁾	500	1.28%	53,957	69	(520)	53,506		
Goleta	4,500	11.52%	447,953	619	(10,248)	438,324		
Morehart	200	0.51%	19,909	28	(167)	19,770		
La Cumbre	1,000	2.56%	99,545	138	-	99,683		
Raytheon	50	0.13%	4,977	7	-	4,984		
Santa Barbara	3,000	7.68%	298,635	413	(285)	298,763		
Montecito	3,000	7.68%	298,635	413	(285)	298,763		
Carpinteria	2,000	5.12%	199,090	275	(959)	198,406		
Subtotal:	39,078	100.00%	\$ 3,890,021	\$ 5,376	\$ (14,894)	\$ 3,880,503		
Goleta Additional Table A	2,500	-	53,728	74	-	53,802		
CCWA Drought Buffer	3,908	-	-	-	-	-		
TOTAL:	45,486		\$ 3,943,749	\$ 5,451	\$ (14,894)	\$ 3,934,306		

(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 surcharge is the difference between the total project charges collected at the project interest rate for a project and the annual financing costs of the water system revenue bonds issued for that project. The project interest rate is the melded financing cost for projects not financed with water system revenue bonds.

The following table shows the Water System Revenue Bond Surcharge for FY 2007/08.

WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	FY 2006/07	FY 2007/08
					WSRB Credits	WSRB Charges
Guadalupe	550	1.41%	\$ 33,994	\$ (14,435)	\$ (4,031)	\$ 15,527
Santa Maria	16,200	41.46%	1,001,264	(425,187)	(119,837)	456,240
Golden State Water Co.	500	1.28%	30,903	(13,123)	(3,718)	14,062
VAFB	5,500	14.07%	339,935	(144,353)	(40,902)	154,680
Buellton	578	1.48%	35,724	(15,170)	(4,261)	16,293
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	91,115	(38,692)	(10,854)	41,570
Santa Ynez ⁽¹⁾	500	1.28%	32,497	(13,800)	(3,821)	14,876
Goleta	4,500	11.52%	278,129	(118,107)	(35,541)	124,480
Morehart	200	0.51%	12,361	(5,249)	(1,448)	5,664
La Cumbre	1,000	2.56%	61,806	(26,246)	(7,437)	28,123
Raytheon	50	0.13%	3,090	(1,312)	(511)	1,267
Santa Barbara	3,000	7.68%	185,419	(78,738)	(22,111)	84,570
Montecito	3,000	7.68%	185,419	(78,738)	(22,111)	84,570
Carpinteria	2,000	5.12%	123,613	(52,492)	(14,873)	56,248
Subtotal	39,078	100.00%	\$ 2,415,270	\$ (1,025,644)	\$ (291,456)	\$ 1,098,170
Goleta Additional Table A	2,500	-	\$ 16,740	(7,115)	\$	9,626
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 2,432,011	\$ (1,032,759)	\$ (291,456)	\$ 1,107,796

(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 2006 and January 2007 payments.

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Delta Water Charges This 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 2007/08.

The following table shows the Delta Water Charges for FY 2007/08.

DELTA WATER CHARGE							
Project Participant	Table A Including Drought Buffer	Percentage	Gross Delta Water Charges	Rate Management Funds Credit	FY 2006/07 (Credits) Amount Due	FY 2007/08 Delta Water Charges	
Guadalupe	605	1.41%	\$ 15,407	(230)	\$ -	\$ 15,177	
Santa Maria	17,820	41.46%	453,806	(6,780)	-	447,026	
Golden State Water Co.	550	1.28%	14,006	(209)	-	13,797	
VAFB	6,050	14.07%	154,070	(2,302)	-	151,768	
Buellton	636	1.48%	16,196	(242)	-	15,954	
Santa Ynez (Solvang)	1,500	3.49%	38,199	(571)	-	37,628	
Santa Ynez	700	1.63%	17,826	(266)	-	17,560	
Goleta	4,950	11.52%	126,057	(1,883)	-	124,174	
Morehart	220	0.51%	5,603	(84)	-	5,519	
La Cumbre	1,100	2.56%	28,013	(419)	-	27,594	
Raytheon	55	0.13%	1,401	(21)	-	1,380	
Santa Barbara	3,300	7.68%	84,038	(1,256)	-	82,783	
Montecito	3,300	7.68%	84,038	(1,256)	-	82,783	
Carpinteria	2,200	5.12%	56,025	(837)	-	55,188	
Subtotal	42,986	100.00%	\$ 1,094,687	\$ (16,356)	\$ -	\$ 1,078,331	
Goleta Additional Table A	2,500	5.50%	\$ 63,665	(955)	-	\$ 62,711	
		-	-	-	-	-	
TOTAL:	45,486		\$ 1,158,352	\$ (17,311)	\$ -	\$ 1,141,042	

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DWR Variable Costs The DWR variable costs are comprised of the following types of charges:

Off Aqueduct Charges This is bond debt service, cover and reserves for transmission costs allocated to off-aqueduct power facilities (power cost which includes both fixed and variable cost elements).

The following table shows the Off-Aqueduct charges for FY 2007/08.

Project Participant	Table A Allocation		OFF-AQUEDUCT CHARGES				FY 2006/07	TOTAL
	Table A	Allocation Percentage	2007	One-Half	2008	One-Half	(Credits)	FY 2007/08
			Off-Aqueduct ^(1 & 2)	Year	Off-Aqueduct ⁽³⁾	Year	Charges ⁽⁴⁾	Off-Aqueduct
Guadalupe	605	1.33%	\$ 20,903	\$ 10,451	\$ 24,135	\$ 12,067	\$ (7,797)	\$ 14,722
Santa Maria	17,820	39.18%	615,681	307,840	710,879	355,440	(256,460)	406,820
Golden State Water Co.	550	1.21%	19,002	9,501	21,941	10,970	(3,798)	16,674
VAFB	6,050	13.30%	209,027	104,514	241,348	120,674	(66,843)	158,345
Buellton	636	1.40%	21,974	10,987	25,371	12,686	(11,670)	12,002
Santa Ynez (Solvang) ⁽⁵⁾	1,500	3.30%	51,825	25,912	59,838	29,919	(23,786)	32,046
Santa Ynez ⁽⁶⁾	700	1.54%	24,185	12,092	27,925	13,962	(12,195)	13,860
Goleta	7,450	16.38%	257,397	128,699	297,197	148,598	(22,883)	254,414
Morehart	220	0.48%	7,601	3,800	8,776	4,388	(1,628)	6,561
La Cumbre	1,100	2.42%	38,005	19,002	43,881	21,941	(6,728)	34,215
Raytheon	55	0.12%	1,900	950	2,194	1,097	(975)	1,072
Santa Barbara	3,300	7.25%	114,015	57,007	131,644	65,822	(15,311)	107,519
Montecito	3,300	7.25%	114,015	57,007	131,644	65,822	(15,295)	107,535
Carpinteria	2,200	4.84%	76,010	38,005	87,763	43,881	(10,058)	71,828
	45,486	100.00%	\$ 1,571,541	\$ 785,771	\$ 1,814,537	\$ 907,269	\$ (455,428)	\$ 1,237,611

- (1) Off-aqueduct charges are billed to the project participants in four equal installments based on the calendar year DWR charges.
- (2) Source: DWR invoice dated July 1, 2006.
- (3) Source: Attachment #3, July 1, 2006 DWR Invoice.
- (4) Credits for reconciliation of 2006 off-aqueduct charges, return of bond cover and SMIF interest.
- (5) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
- (6) Pursuant to the Exchange Agreement, Santa Ynez only pays Off-Aqueduct charges on its Table A deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Off-Aqueduct charges for exchange water they accept.

DWR calculates the Off-Aqueduct charges based on the requested deliveries submitted by the Authority on a calendar year basis. The resulting total is paid by the Authority in twelve equal payments throughout the calendar year. Additionally, in May of each year, DWR provides an amended Off-Aqueduct bill based on the actual water deliveries and power costs for the first six months of the year.

The total calendar year Off-Aqueduct bill to the CCWA project participants is divided into four equal payments to match the cash flow requirements of the payments to DWR. Off-aqueduct charges are allocated to the CCWA project participants on a Table A proportional basis, including the drought buffer, because DWR bills - and CCWA pays - the off-aqueduct payments on the full 45,486 acre-feet Table A amount rather than on the requested deliveries for the year. Reconciliation of actual off-aqueduct expenses after the close of each calendar year are based on the actual deliveries for the calendar year.

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Variable OMP&R These are charges by DWR for the costs that are based on and vary with the amount of State water deliveries (i.e., power costs).

The following table shows the Variable OMP&R charges for FY 2007/08.

VARIABLE OMP&R CHARGES										
Project Participant	July 1, 2007 to Dec 31, 2007 ⁽¹⁾			\$115.00/AF ⁽²⁾	Jan 1, 2008 to June 30, 2008 ⁽³⁾			\$115.00/AF ⁽⁴⁾	FY 2006/07 Credits ⁽⁵⁾	FY 2007/08 Var. OMP&R
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2007 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2008 Var OMP&R		
Guadalupe	245	-	245	\$ 28,118	304	-	304	\$ 34,960	\$ (9,711)	\$ 53,367
Santa Maria	7,140	-	7,140	821,100	8,300	-	8,300	954,500	(130,939)	1,644,661
Golden State Water Co.	223	-	223	25,616	253	-	253	29,095	2,847	57,558
VAFB	2,366	-	2,366	272,119	2,895	-	2,895	332,925	46,510	651,553
Buellton	251	-	251	28,808	310	-	310	35,650	(9,414)	55,044
Santa Ynez (Solvang)	596	-	596	68,569	705	-	705	81,075	(2,709)	146,935
Santa Ynez ⁽⁶⁾	293	1,496	1,789	33,638	310	974	1,284	35,650	(17,901)	51,387
Goleta	1,908	(539)	1,370	219,465	2,585	(351)	2,234	297,275	(23,875)	492,865
Morehart	82	-	82	9,401	111	-	111	12,765	(7,461)	14,705
La Cumbre	304	-	304	34,931	395	-	395	45,425	(23,330)	57,026
Raytheon	29	-	29	3,278	17	-	17	1,955	(2,172)	3,061
Santa Barbara	359	(359)	(0)	41,257	234	(234)	0	26,910	5,024	73,192
Montecito	1,327	(359)	968	152,635	1,650	(234)	1,416	189,750	(45,096)	297,289
Carpinteria	239	(239)	(0)	27,495	156	(156)	0	17,940	(14,785)	30,650
Total	15,360	-	15,360	\$ 1,766,429	18,225	-	18,225	\$ 2,095,875	\$ (233,011)	\$ 3,629,293

- (1) 2007 Requested Deliveries based on a 75% delivery allocation for Table A deliveries and 100% for exchange deliveries.
- (2) Source: Estimate of initial invoice rate for 2007.
- (3) 2008 Requested Deliveries based on a 100% delivery allocation.
- (4) Source: DWR Attachment #3, December 20, 2006 DWR Invoice.
- (5) Credits for FY 2006/07 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.
- (6) Pursuant to the Exchange Agreement, Santa Ynez only pays Variable OMP&R charges on its entitlement deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Variable OMP&R charges for exchange water they accept.

Other DWR Charges and Credits

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their Table A allocation. This election eliminates the Delta Water Charge associated with the amount of State water Table A that has been reduced. No Table A reductions are assumed for calendar year 2007 or 2008.

Turnback Pool Sales This represents elections by project participants to “turnback” a portion of their State water in a given year. The initial amount of the turnback water, designated as Pool A, must be submitted for sale by February 15 of each year. The water is then sold by DWR to other State water contractors by March 1. The sellers receive half the Delta Water Rate (about \$13.00 per AF) for each acre-foot of water sold in Pool A. Any water that is not sold in Pool A is placed in Pool B for possible sale, unless the sellers indicate otherwise.

The second “pool” of water to be sold, designated as Pool B, must be submitted for sale by March 15 of each year and is sold by DWR by April 1. The sellers receive one-fourth of the Delta Water Rate (about \$6.50 per AF) for each acre-foot sold in Pool B. Any water that is not sold in Pool B to other State water contractors or purchased by DWR is sold by DWR to the highest bidder.

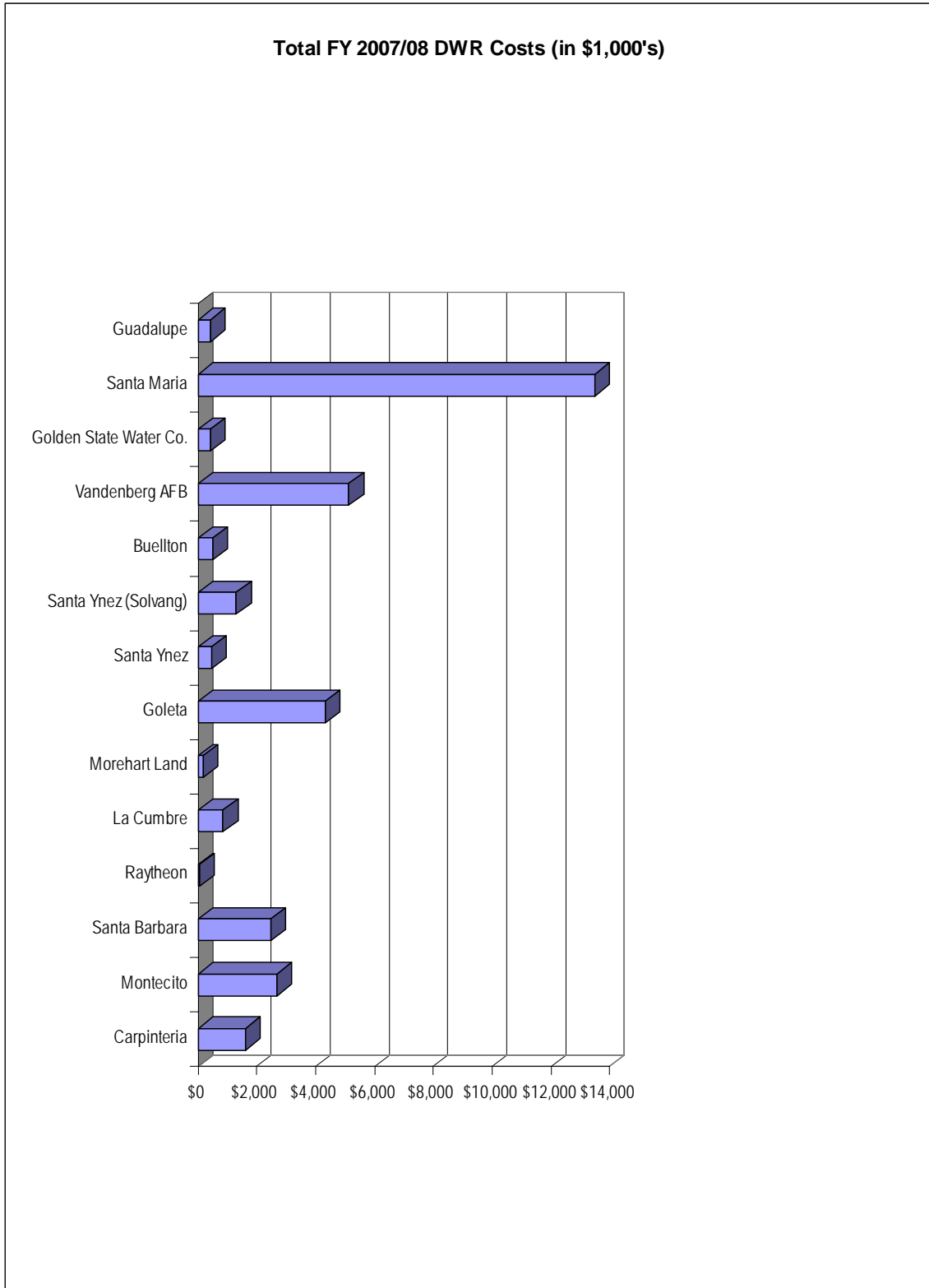
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Rate Management Funds Credit This is a credit given to project participants by DWR and represents a return of excess transportation capital charges and other credits from DWR as provided in the Monterey Amendments to the State Water Contracts (Amendment No. 16 to the Santa Barbara County Flood Control and Water Conservation District State Water Contract).

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.

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Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES			DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35 ⁽¹⁾	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	\$ 293,834	\$ -	\$ -	\$ 54,825	\$ 15,527	\$ 15,177	\$ 379,363	\$ 14,722	\$ 53,367	\$ 68,089	\$ (11,030)	\$ 436,422
Santa Maria	8,654,744	593,511	-	1,613,563	456,240	447,026	11,765,084	406,820	1,644,661	2,051,481	(318,782)	13,497,783
Golden State Water Co.	267,122	18,318	-	49,841	14,062	13,797	363,141	16,674	57,558	74,232	(9,383)	427,990
Vandenberg AFB	2,938,339	201,501	330,415	547,162	154,680	151,768	4,323,865	158,345	651,553	809,898	-	5,133,763
Buellton	308,793	21,176	34,724	57,617	16,293	15,954	454,556	12,002	55,044	67,046	(12,659)	508,943
Santa Ynez (Solvang)	794,081	54,955	90,113	145,296	41,570	37,628	1,163,644	32,046	146,935	178,981	(31,605)	1,311,019
Santa Ynez	274,405	18,318	30,038	53,506	14,876	17,560	408,703	13,860	51,387	65,246	(11,726)	462,224
Goleta	2,404,095	164,864	270,340	438,324	124,480	124,174	3,526,277	254,414	492,865	747,279	(90,888)	4,182,668
Morehart Land	106,849	7,327	12,015	19,770	5,664	5,519	157,144	6,561	14,705	21,266	(4,887)	173,522
La Cumbre	534,243	36,636	60,076	99,683	28,123	27,594	786,356	34,215	57,026	91,241	(23,127)	854,470
Raytheon	26,712	1,832	3,004	4,984	1,267	1,380	39,179	1,072	3,061	4,133	(1,243)	42,068
Santa Barbara	1,602,730	109,909	180,227	298,763	84,570	82,783	2,358,982	107,519	73,192	180,710	(60,058)	2,479,634
Montecito	1,602,730	109,909	180,227	298,763	84,570	82,783	2,358,982	107,535	297,289	404,823	(69,214)	2,694,591
Carpinteria	1,068,487	73,273	120,151	198,406	56,248	55,188	1,571,753	71,828	30,650	102,478	(45,078)	1,629,153
Goleta 2500 AF	21,062	-	-	53,802	9,626	62,711	147,201	-	-	-	-	147,201
Total	\$ 20,898,228	\$ 1,411,529	\$ 1,311,328	\$ 3,934,306	\$ 1,107,796	\$ 1,141,042	\$ 29,804,228	\$ 1,237,611	\$ 3,629,293	\$ 4,866,904	\$ (689,680)	\$ 33,981,452

(1) Reach 36 was deleted during project design.



Contractor removing abandoned pipeline from the Santa Ynez River near Santa Rosa Road. This section was exposed during a flood event in the spring of 2001

Operating Expenses

The Operating Expenses section of the FY 2007/08 Budget contains a summary of the consolidated department operating expenses, non-annual recurring expenses and allocation of the Authority's operating expenses to its project participants.

Highlights

Summary Information

- **Total FY 2007/08 Operating Expenses \$ 6,475,351**
- Fixed expense increase \$ 174,337
- Variable expense decrease \$ 255,655
- Increase over FY 2006/07 Budget \$ 429,992

- Percentage increase 7.11%
- FY 2007/08 non-annual recurring expense deposits (all departments) \$ (133,741)

Significant Operating Expense Changes

- Includes salary pool for FY 2007/08 of \$126,583.
- Chemical costs budgeted at \$27 an acre-foot.
- Employee benefits percentage for FY 2007/08: 38.93% (waived by CCWA Board of Directors for FY 2007/08)

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

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

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

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

The Operations and Maintenance staff comprise the bulk (24.25) of the 28.25 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 2007/08. 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.

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2007/08 budget are as follows:

- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$119,941.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2007/08 Budget

- Decrease in Warren Act charges of \$143,260 (Warren Act charges are not included in the Operating Expense budget and are treated as a pass-through expense).

Fixed and Variable Operating Expenses

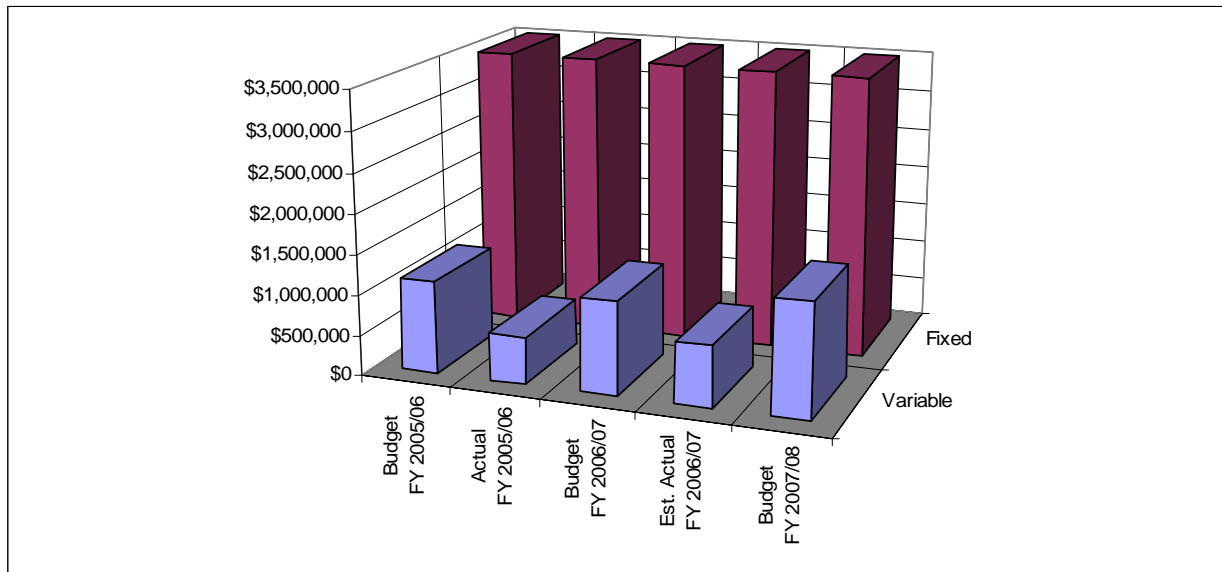
The Authority's Operating Expense budget is separated by department and further subdivided into Fixed and Variable O&M costs.

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.

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 table and chart shows the allocation of fixed and variable costs for all departments for the fiscal years indicated.

	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Est. Actual	FY 2007/08 Budget
Fixed O&M	\$ 4,429,304	\$ 4,195,937	\$ 4,880,108	\$ 4,222,919	\$ 5,054,445
Variable O&M	1,147,053	586,078	1,165,251	857,365	1,420,906
Total:	\$ 5,576,357	\$ 4,782,015	\$ 6,045,359	\$ 5,080,284	\$ 6,475,351



Central Coast Water Authority
Operating Expense Overview
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The Fiscal Year 2007/08 Consolidated Departmental Operating Expense Budget totals \$6,475,351 (excludes non-annual recurring expenses), which is \$429,992 higher than the Fiscal Year 2006/07 Budget, a 7.11% increase. Explanations for the various changes within the budget are found in the departmental operating expense budgets that follow.

Approximately 49% of the operating expense budget represents personnel expenses. This is followed by 17% for supplies and equipment and the balance comprised of other expenses.

The chart on page 76 provides a detailed breakdown of the components of the FY 2007/08 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. If the EBP exceeds 38%, staff will provide alternatives for Board consideration so that the revised EBP remain at or below 38%.

The following table shows the Employee Benefits Percentage calculation for the adopted and proposed budgets for fiscal years 2005/06 through 2007/08.

Employee Benefits Percentage Calculation			
	FY 2005/06 Budget	FY 2006/07 Budget	FY 2007/08 Budget
Total Regular Salaries	\$ 1,800,715	\$ 2,008,016	\$ 2,060,772
Benefits			
PERS Retirement	301,608	368,630	374,087
Health Insurance	275,776	295,194	330,464
Cafeteria Plan Benefits	34,565	32,450	31,824
Dental/Vision Plan	36,535	39,532	48,174
Long-Term Disability	9,234	10,319	9,021
Life Insurance	7,937	8,308	8,652
Total Benefits:	\$ 665,655	\$ 754,433	\$ 802,222
Employee Benefits Percentage	36.97%	37.57%	38.93%

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2007/08 Budget

As the table above shows, the EBP for FY 2007/08 exceeds the 38% limit.

At its April 26, 2007 meeting, the CCWA Board of Directors agreed to waive the 38% limit for FY 2007/08. Therefore, no contribution is required from the employees to achieve the 38% threshold.

Non-Annual Recurring Expenses

As part of the budget process, certain expenses which occur periodically are identified and charged to the project participants over a number of years to minimize fluctuations in the annual assessments.

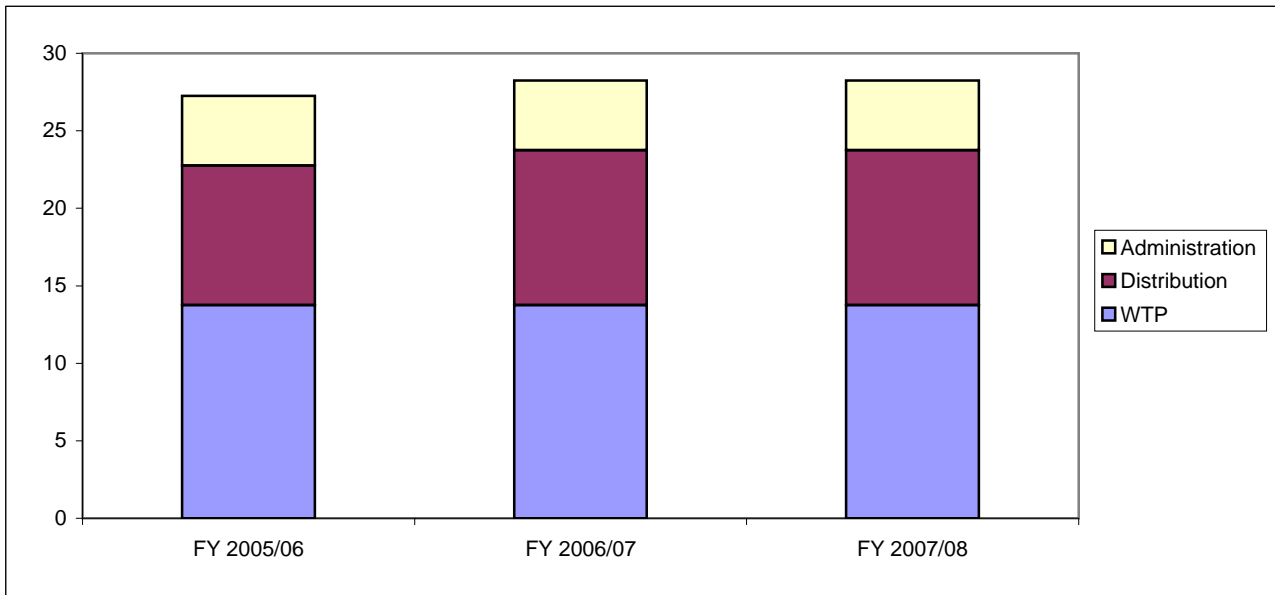
No additional deposits are being collected under the NARES accounts for FY 2007/08 because the projects and expenditures which were previously funded on a non-annual basis are now being funded annually, and so the account is no longer needed. The table below shows the anticipated credits provided to most of the project participants in order to fully close the NARES account by the end of FY 2007/08.

Consolidated Departments
FY 2007/08 Non-Annual Recurring Expenses

Financing Participant	Administration Department	Water Treatment		Credit to Close Out Account	FY 2007/08 Non-Annual Recurring Expenses
		Plant Department	Distribution Department		
Shandon	\$ -	\$ -	\$ -	\$ (1,734)	\$ (1,734)
Chorro Valley	-	-	-	(5,754)	(5,754)
Lopez	-	-	-	(5,636)	(5,636)
Guadalupe	-	-	-	(73)	(73)
Santa Maria	-	-	-	10,873	10,873
Golden State Water Co.	-	-	-	(110)	(110)
VAFB	-	-	-	(4,944)	(4,944)
Buellton	-	-	-	(589)	(589)
Santa Ynez (Solvang)	-	-	-	(6,543)	(6,543)
Santa Ynez	-	-	-	(11,506)	(11,506)
Goleta	-	-	-	(33,659)	(33,659)
Morehart Land	-	-	-	(1,762)	(1,762)
La Cumbre	-	-	-	(6,107)	(6,107)
Raytheon (SBRC)	-	-	-	(331)	(331)
Santa Barbara	-	-	-	(24,851)	(24,851)
Montecito	-	-	-	(24,107)	(24,107)
Carpinteria	-	-	-	(16,909)	(16,909)
TOTAL:	\$ -	\$ -	\$ -	\$ (133,741)	\$ (133,741)

Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2007/08 Budget

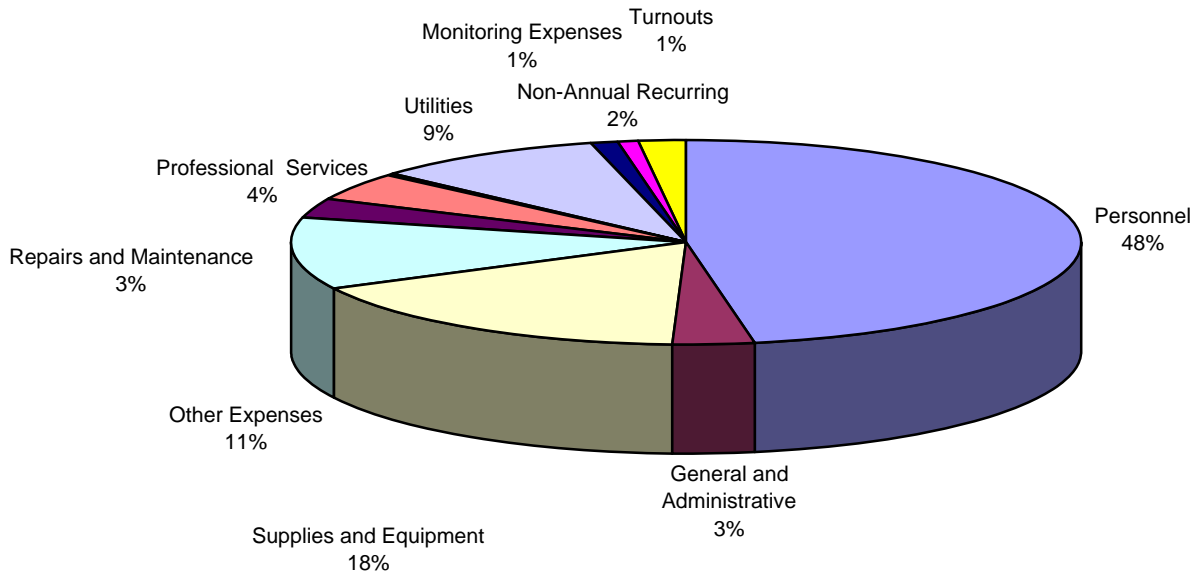
PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2005/06	Authorized FY 2006/07	Requested FY 2007/08	Over FY 2005/06	Over FY 2006/07
Executive Director	1.00	1.00	1.00	-	-
Deputy Director	1.00	1.00	1.00	-	-
Chief Engineer	1.00	1.00	1.00	-	-
Regulatory Specialist	1.00	1.00	1.00	-	-
Senior Accountant	1.00	1.00	1.00	-	-
Secretary II	2.50	2.50	2.50	-	-
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	0.75	0.75	0.75	-	-
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	1.00	1.00	1.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	27.25	28.25	28.25	1.00	-



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2007/08 Budget

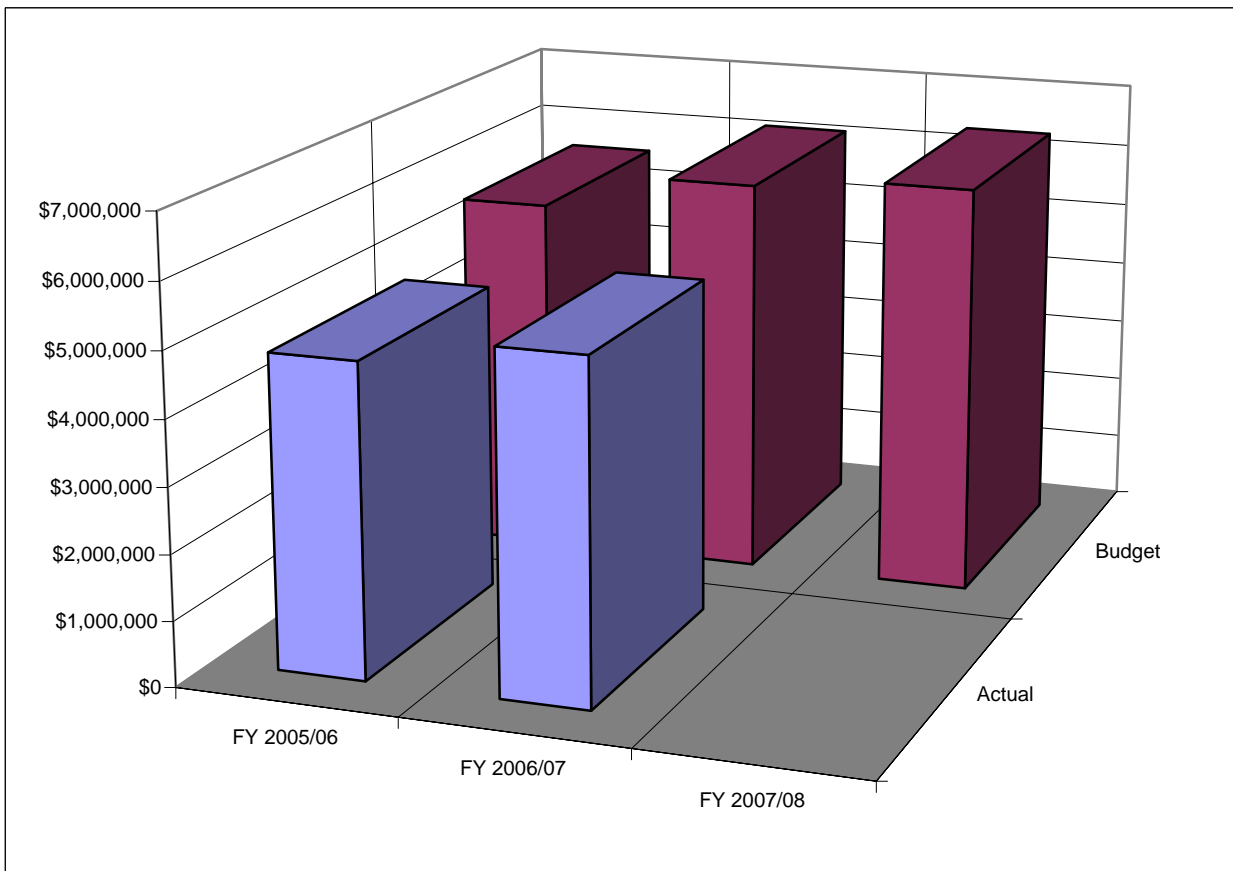
Item	FY 2007/08 Budget
Personnel	\$ 3,130,062
Office Expenses	25,760
Supplies and Equipment	1,131,428
Monitoring Expenses	70,000
Repairs and Maintenance	202,628
Professional Services	292,050
General and Administrative	204,625
Utilities	625,668
Other Expenses	747,480
Non-Annual Recurring	(133,741)
Turnouts	45,650
TOTAL:	\$ 6,341,610

FY 2007/08 Budget



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2007/08 Budget

Item	FY 2005/06	FY 2005/06	FY 2006/07	FY 2006/07	FY 2007/08
	Budget	Actual	Budget	Estimated Actual	Budget
Personnel	\$ 2,749,769	\$ 2,726,028	\$ 3,069,623	\$ 2,575,655	\$ 3,130,062
Office Expenses	25,400	19,429	27,260	22,441	25,760
Supplies and Equipment	960,900	638,142	1,015,421	786,465	1,131,428
Monitoring Expenses	68,700	56,378	89,400	51,963	70,000
Repairs and Maintenance	176,998	180,549	189,098	217,235	202,628
Professional Services	257,400	231,551	287,500	293,307	292,050
General and Administrative	191,031	137,251	198,433	177,033	204,625
Utilities	477,363	225,696	451,640	349,299	625,668
Other Expenses	622,724	526,048	670,880	560,781	747,480
Turnouts	46,072	40,943	46,105	46,105	45,650
Subtotal	\$ 5,576,357	\$ 4,782,015	\$ 6,045,359	\$ 5,080,284	\$ 6,475,351
Non-Annual Recurring	\$ 41,461	\$ 41,461	\$ 106,002	\$ 106,002	\$ (133,741)
TOTAL:	\$ 5,617,818	\$ 4,823,476	\$ 6,151,361	\$ 5,186,286	\$ 6,341,610



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,800,715	\$ 1,757,060	\$ 2,008,016	\$ 1,757,657	\$ 2,060,772	\$ 52,756	2.63%
1300.60	Capitalized Wages and Overtime	(33,759)	-	(25,420)	(64,792)	(50,600)	(25,180)	99.06%
5000.20	Overtime	86,495	92,938	95,608	74,081	97,506	1,897	1.98%
5000.40	Standby Pay	50,020	37,540	40,734	38,408	41,347	613	1.51%
5000.50	Shift Differential Pay	11,500	12,652	11,500	11,627	11,500	-	0.00%
5100.10	PERS Retirement	301,608	335,291	368,630	315,527	374,087	5,457	1.48%
5100.15	Medicare Taxes	28,663	27,450	31,695	27,165	32,511	816	2.57%
5100.20	Health Insurance	275,776	236,866	295,194	244,036	330,464	35,270	11.95%
5100.25	Workers' Compensation	100,171	76,585	103,077	62,142	82,224	(20,852)	-20.23%
5100.30	Vehicle Expenses	11,400	11,651	11,400	11,180	11,400	-	0.00%
5100.35	IRC 457-Employer Paid	28,000	29,116	30,000	29,923	31,000	1,000	3.33%
5100.40	Cafeteria Plan Benefits	34,565	34,307	32,450	28,992	31,824	(627)	-1.93%
5100.45	Dental/Vision Plan	36,535	44,226	39,532	39,187	48,174	8,643	21.86%
5100.50	Long-Term Disability	9,234	8,796	10,319	7,316	9,021	(1,298)	-12.58%
5100.55	Life Insurance	7,937	8,660	8,308	8,551	8,652	344	4.14%
5100.60	Employee Physicals	1,650	420	1,650	834	1,650	-	0.00%
5000.30	Temporary Services	6,000	1,303	6,000	1,141	15,000	9,000	150.00%
5100.70	Employee Incentive Programs	6,400	5,403	6,400	2,609	6,400	-	0.00%
5100.65	Employee Education Reimbursement	2,250	-	2,250	487	2,250	-	0.00%
1300.60	Capitalized Employee Benefits	(15,391)	5,765	(7,720)	(20,416)	(15,120)	(7,400)	95.85%
Total Personnel Expenses:		2,749,769	2,726,028	3,069,623	2,575,655	3,130,062	60,439	1.97%

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Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	17,000	12,622	18,740	14,046	17,240	(1,500)	-8.00%
5200.30	Misc. Office Expenses	8,400	6,807	8,520	8,396	8,520	-	0.00%
Total Office Expenses:		25,400	19,429	27,260	22,441	25,760	(1,500)	-5.50%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	14,330	12,920	14,450	10,073	16,830	2,380	16.47%
5500.15	Minor Tools and Equipment	15,000	15,983	15,000	12,590	18,500	3,500	23.33%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	2,000	2,221	2,500	766	6,500	4,000	160.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	855,070	529,283	898,571	691,920	1,003,198	104,628	11.64%
5500.35	Maintenance Supplies/Hardware	20,000	13,164	20,000	13,386	20,000	-	0.00%
5500.40	Safety Supplies	7,500	7,238	10,000	6,053	10,000	-	0.00%
5500.45	Fuel and Lubricants	39,500	52,667	47,400	50,434	48,900	1,500	3.16%
5500.50	Seed/Erosion Control Supplies	7,000	4,493	7,000	900	7,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	175	500	342	500	-	0.00%
Total Supplies and Equipment:		960,900	638,142	1,015,421	786,465	1,131,428	116,008	11.42%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	37,500	38,468	39,000	40,702	38,000	(1,000)	-2.56%
5600.20	Lab Tools and Equipment	5,000	4,857	5,000	626	5,000	-	0.00%
5600.30	Lab Testing	26,200	13,053	45,400	10,635	27,000	(18,400)	-40.53%
Total Monitoring Expenses:		68,700	56,378	89,400	51,963	70,000	(19,400)	-21.70%

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Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	104,700	117,474	114,400	152,316	125,280	10,880	9.51%
5700.20	Vehicle Repairs and Maintenance	19,420	11,587	19,420	12,443	19,420	-	0.00%
5700.30	Building Maintenance	42,730	42,789	44,430	40,939	46,680	2,250	5.06%
5700.40	Landscape Maintenance	10,148	8,700	10,848	11,537	11,248	400	3.69%
Total Repairs and Maintenance:		176,998	180,549	189,098	217,235	202,628	13,530	7.16%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	137,350	103,907	126,850	80,393	113,550	(13,300)	-10.48%
5400.20	Legal Services	50,000	76,140	45,000	150,094	60,000	15,000	33.33%
5400.30	Engineering Services	21,000	9,399	21,000	1,586	21,000	-	0.00%
5400.40	Permits	18,650	16,202	17,650	13,991	18,500	850	4.82%
5400.50	Non-Contractual Services	3,400	1,250	48,000	20,869	48,000	-	0.00%
5400.60	Accounting Services	27,000	24,654	29,000	26,375	31,000	2,000	6.90%
Total Professional Services:		257,400	231,551	287,500	293,307	292,050	4,550	1.58%

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Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	47,500	43,905	47,250	39,612	47,250	-	0.00%
5300.20	Mileage Reimbursement	1,600	2,105	1,600	1,743	1,650	50	3.13%
5300.30	Dues and Memberships	86,971	58,760	94,923	105,510	101,465	6,542	6.89%
5300.40	Publications	6,810	3,706	5,810	3,916	5,810	-	0.00%
5300.50	Training	24,750	17,756	27,750	14,104	27,750	-	0.00%
5300.60	Advertising	6,000	3,280	6,000	3,271	6,000	-	0.00%
5300.70	Printing and Binding	8,500	4,453	5,000	2,535	4,000	(1,000)	-20.00%
5300.80	Postage	8,900	3,284	10,100	6,340	10,700	600	5.94%
Total General and Administrative:		191,031	137,251	198,433	177,033	204,625	6,192	3.12%
<u>UTILITIES</u>								
5800.20	Natural Gas	4,940	5,749	5,440	5,267	5,740	300	5.51%
5800.30	Electric-Fixed	133,140	122,044	133,140	143,658	157,260	24,120	18.12%
5800.35	Electric-Variable	291,983	56,795	266,680	165,445	417,708	151,028	56.63%
5800.40	Water	2,400	2,205	2,400	2,083	2,400	-	0.00%
5800.50	Telephone	38,300	32,204	37,200	25,191	35,080	(2,120)	-5.70%
5800.60	Waste Disposal	6,600	6,700	6,780	7,655	7,480	700	10.32%
Total Utilities:		477,363	225,696	451,640	349,299	625,668	174,028	38.53%

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Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	115,774	117,633	126,287	122,498	130,259	3,972	3.15%
5900.30	Non-Capitalized Projects	218,596	246,277	234,310	281,265	310,221	75,911	32.40%
5900.40	Equipment Rental	35,660	34,946	37,400	26,198	34,200	(3,200)	-8.56%
5900.50	Non-Capitalized Equipment	30,000	16,134	30,000	11,284	25,000	(5,000)	-16.67%
5900.60	Computer Expenses	114,275	111,057	125,250	119,537	121,530	(3,720)	-2.97%
5900.70	Appropriated Contingency	108,419	-	117,632	-	126,270	8,638	7.34%
Total Other Expenses:		622,724	526,048	670,880	560,781	747,480	76,601	11.42%
	Turnout Expenses	46,072	40,943	46,105	46,105	45,650	(455)	-0.99%
TOTAL OPERATING EXPENSES		\$ 5,576,357	\$ 4,782,015	\$ 6,045,359	\$ 5,080,284	\$ 6,475,351	\$ 429,992	7.11%

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2007/08 Budget

Project Participant	<u>Administration Department</u>			<u>Water Treatment Plant Department Fixed Costs</u>						Turnout Costs
	Entitlement	Percentage	Administration Expenses	Entitlement	Percentage	WTP Fixed	WTP Fixed and Capital Retirement	Exchange Fixed and Capital Adjustments	Total Fixed WTP Costs	
Shandon	-	-	\$ -	100	0.23%	\$ 5,308	-	-	5,308	\$ -
Chorro Valley	-	-	-	2,338	5.32%	135,528	-	-	135,528	7,000
Lopez	-	-	-	2,392	5.45%	138,392	-	-	138,392	2,600
Guadalupe	550	1.41%	13,882	550	1.25%	32,027	20,426	-	52,452	22,450
Santa Maria	16,200	41.46%	408,876	16,200	36.90%	942,360	601,627	-	1,543,987	2,500
Golden State Water Co.	500	1.28%	12,620	500	1.14%	27,998	18,569	-	46,567	3,500
VAFB	5,500	14.07%	138,816	5,500	12.53%	315,406	204,256	-	519,662	2,000
Buellton	578	1.48%	14,588	578	1.32%	34,336	21,465	-	55,801	2,350
Santa Ynez (Solvang)	1,500	3.84%	37,859	1,500	3.42%	86,940	55,706	-	142,647	1,750
Santa Ynez	500	1.28%	12,620	500	1.14%	47,043	110,285	317,727	475,055	1,500
Goleta	4,500	11.52%	113,577	4,500	10.25%	240,475	(330,458)	(114,382)	(204,365)	-
Morehart Land	200	0.51%	5,048	200	0.46%	10,674	(18,303)	-	(7,629)	-
La Cumbre	1,000	2.56%	25,239	1,000	2.28%	53,550	(91,516)	-	(37,966)	-
Raytheon (SBRC)	50	0.13%	1,262	50	0.11%	2,661	(4,576)	-	(1,915)	-
Santa Barbara	3,000	7.68%	75,718	3,000	6.83%	159,856	(220,305)	(76,255)	(136,704)	-
Montecito	3,000	7.68%	75,718	3,000	6.83%	160,135	(220,305)	(76,255)	(136,425)	-
Carpinteria	2,000	5.12%	50,479	2,000	4.55%	106,521	(146,870)	(50,836)	(91,185)	-
TOTAL:	39,078	100.00%	\$ 986,301	43,908	100.00%	\$ 2,499,210	\$ 0	-	\$ 2,499,210	\$ 45,650

Project Participant	<u>Distribution Department Fixed Costs</u>									Total Fixed Distribution Costs	Total Fixed Operating Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II			
Shandon	1,168	-	-	-	-	-	-	-	-	1,168	6,477
Chorro Valley	27,319	-	-	-	-	-	-	-	-	27,319	169,847
Lopez	27,950	11,844	-	-	-	-	-	-	-	39,793	180,785
Guadalupe	6,427	2,723	1,306	-	-	-	-	-	-	10,456	99,240
Santa Maria	189,292	80,213	38,470	21,685	-	-	-	-	-	329,659	2,285,022
Golden State Water Co.	5,842	2,476	1,187	669	-	-	-	-	-	10,175	72,861
VAFB	64,266	27,233	13,061	7,362	15,565	43,460	-	-	-	170,946	831,423
Buellton	6,754	2,862	1,373	774	1,636	4,567	9,615	-	-	27,580	100,319
Santa Ynez (Solvang)	17,527	7,427	3,562	2,008	4,245	11,853	24,952	-	-	71,573	253,829
Santa Ynez	5,842	2,476	1,187	669	1,415	3,951	8,317	-	-	23,858	513,032
Goleta	52,581	22,281	10,686	6,024	12,735	35,558	74,855	119,831	-	334,551	243,762
Morehart Land	2,337	990	475	268	566	1,580	3,327	5,326	-	14,869	12,288
La Cumbre	11,685	4,951	2,375	1,339	2,830	7,902	16,634	26,629	-	74,345	61,618
Raytheon (SBRC)	584	248	119	67	141	395	832	1,331	-	3,717	3,064
Santa Barbara	35,054	14,854	7,124	4,016	8,490	23,705	49,903	79,887	-	223,034	162,048
Montecito	35,054	14,854	7,124	4,016	8,490	23,705	49,903	79,887	-	223,034	162,327
Carpinteria	23,369	9,903	4,749	2,677	5,660	15,804	33,269	53,258	-	148,689	107,983
TOTAL:	513,051	205,335	92,797	51,572	61,772	172,480	271,608	366,150	-	1,734,764	\$ 5,265,925

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2007/08 Budget

<u>Distribution Department Variable Costs</u>									
Project Participant	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II	Total Distribution Variable Costs
Shandon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chorro Valley	0	-	-	-	-	-	-	-	0
Lopez	0	0	-	-	-	-	-	-	0
Guadalupe	0	0	0	-	-	-	-	-	0
Santa Maria	0	0	0	0	-	-	-	-	0
Golden State Water Co.	0	0	0	0	-	-	-	-	0
VAFB	0	0	0	0	0	0	-	-	0
Buellton	0	0	0	0	0	0	0	-	0
Santa Ynez (Solvang)	0	0	0	0	0	0	0	-	0
Santa Ynez	0	0	0	0	0	0	0	-	0
Goleta	0	0	0	0	0	0	0	197,224	197,224
Morehart Land	0	0	0	0	0	0	0	10,685	10,685
La Cumbre	0	0	0	0	0	0	0	38,853	38,853
S.B. Research	0	0	0	0	0	0	0	2,671	2,671
Santa Barbara	0	0	0	0	0	0	0	14	14
Montecito	0	0	0	0	0	0	0	131,483	131,483
Carpinteria	0	0	0	0	0	0	0	(7)	(7)
TOTAL:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 380,923	\$ 380,923

Project Participant	<u>Water Treatment Plant Variable Costs</u>			Total WTP Variable Costs	Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING COSTS
	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments			
Shandon	\$ -			\$ -	\$ -	\$ 6,477
Chorro Valley	54,580			54,580	54,580	224,427
Lopez	46,545			46,545	46,545	227,330
Guadalupe	15,481	3,178		18,659	18,659	117,899
Santa Maria	437,890	89,893		527,783	527,783	2,812,805
Golden State Water Co.	13,515	2,774		16,290	16,290	89,151
VAFB	148,666	30,519		179,185	179,185	1,010,609
Buellton	15,825	3,249		19,074	19,074	119,392
Santa Ynez (Solvang)	36,859	7,567		44,426	44,426	298,255
Santa Ynez	17,201	15,989	60,686	93,876	93,876	606,909
Goleta	121,636	(79,304)	(21,847)	20,485	217,709	461,472
Morehart Land	5,406	(4,296)	0	1,110	11,794	24,082
La Cumbre	19,658	(15,623)	0	4,036	42,889	104,506
S.B. Research	1,352	(1,074)	0	277	2,949	6,013
Santa Barbara	14,572	(6)	(14,565)	1	15	162,063
Montecito	81,091	(52,869)	(14,565)	13,657	145,140	307,467
Carpinteria	9,706	3	(9,710)	(1)	(8)	107,975
TOTAL:	\$ 1,039,983	\$ 0	\$ -	1,039,983	1,420,906	\$ 6,686,831



Ron Cline, Regulatory Specialist, providing Environmental Training

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 4.50
- Number of Board members 8
- Number of Authority Committees 4
- 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 2007/08 O&M Budget \$ 966,301
- Non-Annual Recurring Expense deposits \$ -0-
- **Total Administration Department**
- **FY 2007/08 Budgeted Expenses \$ 966,301**

- O&M Budget decrease over FY 2006/07 \$ 130

Significant Accomplishments During FY 2006/07

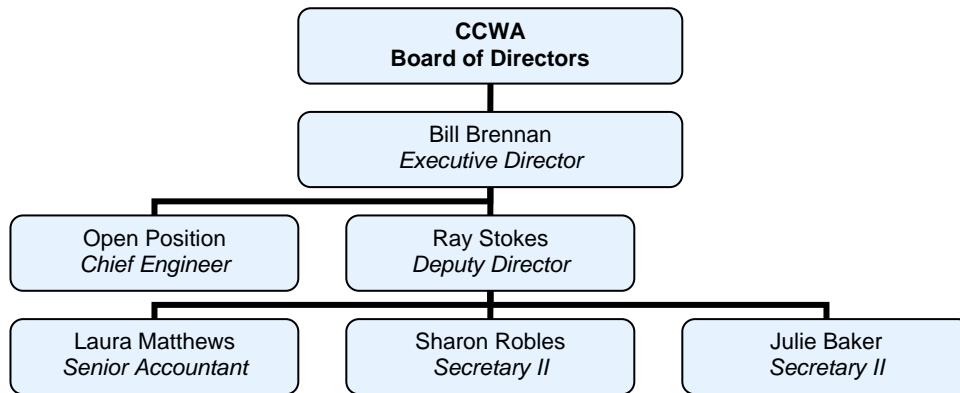
- Refinancing of CCWA Series 1996A revenue bonds resulting in a reduction in total debt service payments of \$4.4 million and an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

Significant Goals for FY 2007/08

- Continue to investigate ground water banking, acquisition of suspended SBCFC&WCD water and unallocated SLOCFC&WCD water, and other opportunities to increase State water reliability.

Central Coast Water Authority
Administration Department
Fiscal Year 2007/08 Budget

The Administration Department is comprised of the Executive Director, Deputy Director, Engineering 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.



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 and also serves as Secretary to the Board.

Central Coast Water Authority
Administration Department
Fiscal Year 2007/08 Budget

DEPUTY DIRECTOR

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

The Deputy Director serves as the chief financial officer, treasurer and coordinator of the employee benefits program for the Authority. The department maintains daily finance/accounting activities including payrolls and audits, preparation of the operating and capital budgets, preparation of the comprehensive annual financial reports, investments, debt management, risk management, cash management and bank relations.

In addition, the department is responsible for the workers' compensation program and 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) for the Authority. The Accounting and Finance department includes a staff of one full-time Deputy Director and one full-time Accounting Specialist. Additional secondary duties include in-house administration and maintenance of the computer network system and representing CCWA on the State Water Contractors (SWC) Board of Directors and as chairman of the SWC audit-finance committee.

ENGINEERING

The Engineering Department consists of a Chief Engineer and an Engineering Technician. This department is responsible for evaluating, designing, and implementing operational and capital improvements for the Authority. Engineering projects involve oversight of professional consultants and detailed analysis and design for work performed in-house. Additionally, the Chief Engineer is charged with the responsibility for construction contract administration and management, and provides technical support to the operations and maintenance departments.



Central Coast Water Authority
Administration Department
Fiscal Year 2007/08 Budget

2006 ACCOMPLISHMENTS AND 2007 GOALS

The following pages list all of the Authority's 2006 goals and their status (i.e., "Accomplishments") and the Authority's 2007 goals. The 2006 accomplishments and 2007 goals that are the responsibility of the Water Treatment Plant and Distribution Departments are repeated in the Water Treatment Plant and Distribution Department sections of this budget. Also included is a table of performance indicators ("Service Efforts and Accomplishments") for the Administration Department.

Each of the following individual departmental goals is tied to the Authority's Mission Statement and Objectives, which are shown in bold, italics typeface.

<u>Goal</u>	<u>Status</u>
Investigate CCWA bond refinance options.	Completed. Bonds closed in September.
Work with the Department of Water Resources and State Water Contractors to ensure fair and equitable allocation of the costs associated with the Department's relicensing of the power generation facilities at Oroville Lake (FERC relicensing) and costs associated with CALFED. [Ongoing]	SWC FERC cost allocation proposals completed. Transmitted to DWR.
Participate and represent CCWA's interests in State Water Contractors Association and the State Water Project Contractors Authority. [Ongoing]	General Manager, Bill Mancinelli, passed away in January. New contract General Manager hired 7/07. Sanitary Survey completed. East Branch Enlargement, MWQI and Energy grant project ongoing.
Continue to work with Department of Water Resources fiscal staff through the State Water Contractors Audit-Finance Committee to maximize rate management credits for 2007 and 2008. [4/07]	2007 RMC reduced due to the financed recreation costs issue. 2008 RMC to be determined in July 2007.
Continue to work with Department of Water Resources O&M staff through the State Water Contractors O&M and Engineering Committees to control O&M expenses and when possible to capitalize high cost projects. [Ongoing]	Bill Brennan joined Energy Committee as vice chair.
Complete CCWA review and adoption of water transfer/exchange policies through the Ad Hoc Water Transfer Committee and use as the basis to implement water transfers and sales as requested by project participants. [12/06]	Completed Option Agreement with CVWD and PXP.

Central Coast Water Authority
Administration Department
 Fiscal Year 2007/08 Budget

Continue cross-training accounting and administrative staff to provide dual coverage on accounting and administrative functions currently performed by the Deputy Director and analyze potential need for additional accounting personnel. [12/06]	Administrative Secretary now trained in Accounts Payable processing.
Complete 2007 Compensation and Benefits Survey. [2/07]	Completed 2/07
Evaluate need for a Senior Accountant position. [3/07]	Completed. New position approved by the Board.
Evaluate remaining usable life for CCWA computer network servers and replace critical servers. [12/07]	Critical servers scheduled for replacement in the FY 2007/08 Budget.
Explore alternative medical insurance options such as Health Savings Accounts and other types of health insurance plans. [12/06]	Done. CCWA now offers an HSA plan through ACWA.
Complete final allocation of CCWA project costs, amend debt service schedules and closeout remaining bond trustee and capital deposit accounts. [12/06]	Completed June 2007
Prepare history of actual State water payments by project participant from FY 1996/97 through the current fiscal year and distribute to project participants [12/06]	No progress
Complete MOU for dry year option/purchase program with San Luis Obispo County. [6/07]	Draft proposal presented to Operating Committee 7/07
Investigate groundwater banking and storage opportunities in Santa Barbara County, San Luis Obispo County, and elsewhere in California.	Groundwater banking feasibility report for San Luis Obispo County due 9/07
Create opportunities for groundwater banking, acquisition of suspended SBCFC&WCD water and unallocated SLOCFC&WCD water to increase State water reliability. [12/06]	SLOCFC&WCD is interested in participating in a series of one year option/purchase agreements. DWR reviewing process to reacquire suspended water.
Complete all required actions to reacquire 12,214 acre-feet of Santa Barbara County suspended SWP water.	On schedule
Assist San Luis Obispo County as needed in transferring Shandon Table A Amount water and ensure that any transfers do not detrimentally impact existing project participants. [12/06]	No progress
Continue work on Accounting Department and Administration Department policies and procedures manual chapters on	Ongoing

Central Coast Water Authority
Administration Department
 Fiscal Year 2007/08 Budget

Administrative, Accounts Payable, Purchasing, Cash Management, and Project Participant Invoices. [12/06]

Prepare the FY 2006/07 Budget in conformance with Government Finance Officers Association (GFOA) and submit it to GFOA for the "Distinguished Budget Presentation" award. [7/06] Done 11/06

Prepare a Comprehensive Annual Financial Report for FY 2005/06 in conformance with GFOA and submit it to GFOA for the "Excellence in Financial Reporting" award. [11/06] Done 11/06

Prepare and submit FY 2005/06 report of continuing disclosure to Bond Trustee. [3/07] Done 3/07

Contracts

Goal

Status

Preserve benefits of Monterey Amendment (Amendment No. 16 to the State Water Contract) to CCWA's project participants and its customers. [Ongoing] Monterey EIR draft due 9/07.

Renew agreement with DWR to operate and maintain the treated water portion of the Coastal Branch Extension. [1/07] Completed. New agreement now runs through 2016.

DWR Coordination

Goal

Status

Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance. [11/07] A meeting is scheduled in July to discuss a request by the City of Morro Bay to move the shutdown date.

Assist DWR in removing sediment from raw water pump station forebays. [12/06] Bluestone pump station forebay was cleaned by DWR 3/07.

Engineering

Goal

Status

Complete first of three phases of control system logic upgrade at WTP. [12/06] No progress

Central Coast Water Authority
Administration Department
Fiscal Year 2007/08 Budget

Migrate CCWA as-built drawings to one consistent electronic format. [12/06]	Postponed until new Operations Manager/Engineer is hired.
Complete development of five and twenty year Capital Improvement program. [9/07]	No progress
Explore and address pipeline and fiber optic cable continuity issues [12/07]	On schedule
Identify Polonio Pass WTP sludge lagoon C rehabilitation needs. [9/07]	Inflow study has been completed and traced back to Lagoon B. Further work has been delayed due to the presence of Red Legged Frogs.
Assess use of particle counters as a tool for gauging water treatment effectiveness [9/06]	Staff determined that existing particle counters function well, provide reliable results, and can communicate with SCADA. Two particle counters will be connected at settled water and filtered water with one spare unit for the test filter. This work is currently underway and is anticipated to be done early next year.
Complete rapid small-scale test for GAC comparisons. [9/07]	In progress and results due in September.
Participate in technical advisory committee regarding Bradbury Dam outlet works. [Ongoing]	Outlet works have been removed.
Assess solar power opportunities. [12/06]	A preliminary assessment of solar power at the treatment plant determined that a payback of less than 10 years cannot be realized at this time. In addition, a system that maximizes savings by utilizing PG&E rebates most efficiently results in a system that costs over \$1.2 million and provides only 30-40% of the treatment facility's power usage. At this time, solar opportunities will not be considered further until the market changes.

Central Coast Water Authority
Administration Department
 Fiscal Year 2007/08 Budget

Install Phase 2 of the Control System Upgrade at Polonio Pass WTP. [11/07]

On schedule, bid quotes received.

Complete input/output upgrade at Energy Dissipation Valve Vault. [11/07]

On schedule, bid quotes received.

Identify Polonio Pass WTP sludge lagoon C rehabilitation needs. [9/07]

Inflow study has been completed and traced back to Lagoon B. Further work has been delayed due to the presence of Red Legged Frogs.

Environmental and Safety

Goal

Status

Complete HCP (Habitat Conservation Plan) according to schedule presented by National Fish and Wildlife Service. [12/07]

Ongoing

Update Process Safety Management Plan. [2/07]

Training complete, finish written document 9/07.

Update Injury and Illness Prevention Program. [3/07]

Postponed until 10/07.

Complete consultation for 1601 permit to control beavers and beaver dams at the Arroyo Grande mitigation site. [12/06]

On hold – regulators reviewing application and alternatives.

Monitor and repair revegetation and erosion damage following 2006 abandoned pipeline removal along Santa Rosa Road. [3-year commitment]

Ongoing: Piles and supports removed. Revegetation monitoring for 3 years as of 10/06

Design solutions and repair erosion damage in pipeline alignment near Creston. [3/07]

Postponed to 10/07

Remove supports and protections for maturing oak trees and continue oak tree monitoring program for DWR Reaches 1-6 and CCWA Schedules A, B and C. [Ongoing]

Ongoing

Water Treatment Plant and Distribution

Goal

Status

Implement Long Term 2 Surface Water Treatment Rule and Stage 2 Disinfection Byproducts rules. [12/07]

Sampling began April 18 and will be done monthly per the EPA schedule for two years.

Central Coast Water Authority
Administration Department
Fiscal Year 2007/08 Budget

Implement distribution system security enhancements. [12/07]	12 security cameras and mounting hardware have been purchased and received for installation at Tanks 2, 5, 7 and the EDV. Towers for camera mounting have been purchased and received. Tower concrete footings have been installed at Tanks, 2, 5 and the EDV. Tank 7 camera tower footing is in progress. Underground conduits for communication from the security cameras to the network have been installed at Tanks 2, 5, 7 and the EDV.
Implement flow pacing for WTP chlorine, sodium hydroxide, and ammonium hydroxide systems. [12/07]	The filter effluent flow meter, to be utilized for flow pacing, has been installed. PLC logic modifications are in progress.
Complete ten-year update of the Polonio Pass WTP operations manual. [12/07]	On schedule.
Re-plumb aluminum sulfate chemical feed system at the Polonio Pass WTP. [11/07]	On schedule
Implement flow pacing for WTP chlorine system. [9/06]	The filter effluent flow meter, to be utilized for flow pacing, has been installed. PLC logic modifications are in progress.
Replace obsolete turbidimeters at WTP. [8/06]	Completed 12/06
Complete the Santa Ynez Pump Facility sodium bisulfite tank modifications. [9/07]	Initial tank evaluations have begun. A cost analysis is underway to determine the feasibility of replacement rather than repair. The manufacturer indicates the tank life at ten years.
Complete internal pipeline inspection of Reach 4. [11/07]	On schedule

Central Coast Water Authority
Administration Department
Fiscal Year 2007/08 Budget

Implement permanent chlorine feed system at Tank 7. [6/07]

The building has been erected and nears completion. Contractor terminated. Remainder of work will be overseen by staff.

Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements and revegetation and erosion control. [Ongoing]

A digital telephone system connection and combination Internet access, T1 service, has been completed to enhance communications and provide lower operating costs.

Staff are shifting backwash operations to off or partial peak hours when possible without impacting water quality, at a monthly savings of over \$500. The PPWTP interior light retrofit was completed in 12/06, reducing electrical usage by over 50,000kwhr/yr and saving CCWA over \$400 per month. In addition, CCWA received a rebate of \$2,400 from PG&E for completing this project.

Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]

Ongoing

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

Ongoing

New Goals for Calendar Year 2008

- Obtain approval of and implement Financial amendment to the State Water Contract through the State Water Contractors.
- Complete all required actions to reacquire 12,214 acre-feet of Santa Barbara County suspended SWP water. [12/07]
- Prepare history of actual State water payments by project participant from FY 1996/97 through the current fiscal year and distribute to project participants. [12/07]
- Complete MOU for dry year option/purchase program with San Luis Obispo County. [6/07]

Central Coast Water Authority
Administration Department
Fiscal Year 2007/08 Budget

- Investigate groundwater banking and storage opportunities in Santa Barbara County, San Luis Obispo County, and elsewhere in California.
- Prepare the FY 2007/08 Budget in conformance with Government Finance Officers Association (GFOA) and submit it to GFOA for the “Distinguished Budget Presentation” award. [7/07]
- Prepare a Comprehensive Annual Financial Report for FY 2006/07 in conformance with GFOA and submit it to GFOA for the “Excellence in Financial Reporting” award. [11/07]
- Prepare and submit FY 2006/07 report of continuing disclosure to Bond Trustee. [3/08]
- Install Phase 2 of the Control System Upgrade at Polonio Pass WTP. [11/07]
- Review and implement environmentally sound policies (“green policies”) for CCWA Operations, Maintenance, and Engineering Functions. [12/07]
- Request and participate in bi-annual Cal/OSHA consultation inspection at the Polonio Pass WTP. [9/07]
- Identify and implement mechanisms to firm up water supply reliability as needed.
- Identify and implement mechanisms to offset shortages due to drought.
- Consider San Luis Obispo County membership in CCWA if requested.
- Work with State Water Contractors and DWR to develop and implement a multi-year water transfer policy.

Central Coast Water Authority
Administration Department
Fiscal Year 2007/08 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 Fiscal Year 2007/08 is decreasing by \$130 or 0.01% when compared to the FY 2006/07 Budget. The total FY 2007/08 budget is \$966,301 compared to the FY 2006/07 budget of \$966,430. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$22,000 due to the following:

- Administration Department FY 2007/08 salary pool allocation of \$25,448.
- All other employee benefit expenses are changed only slightly from the prior year budget amounts.

Professional Services The professional services budget is increasing by \$14,000 due to a \$15,000 increase in the legal services budget and a \$2,000 increase in accounting services, partially offset by a \$3,000 decrease in other professional services.

Other Expenses Other expenses are decreasing by about \$45,000 due to the reallocation of routine computer maintenance expenses to the Water Treatment Plant and Distribution departments to more accurately reflect the actual expense allocation of these expenses, coupled with a decrease in budgeted non-capitalized equipment and equipment rental expenses.

Non-Annual Recurring Expenses

As part of the budget process, certain expenses which occur periodically are identified and charged to the project participants over a number of years to minimize fluctuations in the annual O&M assessments. The assessment of the non-annual recurring expenses is charged to the project participants on a Table A and financial reach basis.

No additional deposits are being collected for the Administration Department NARES account for FY 2007/08.

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2007/08 Budget

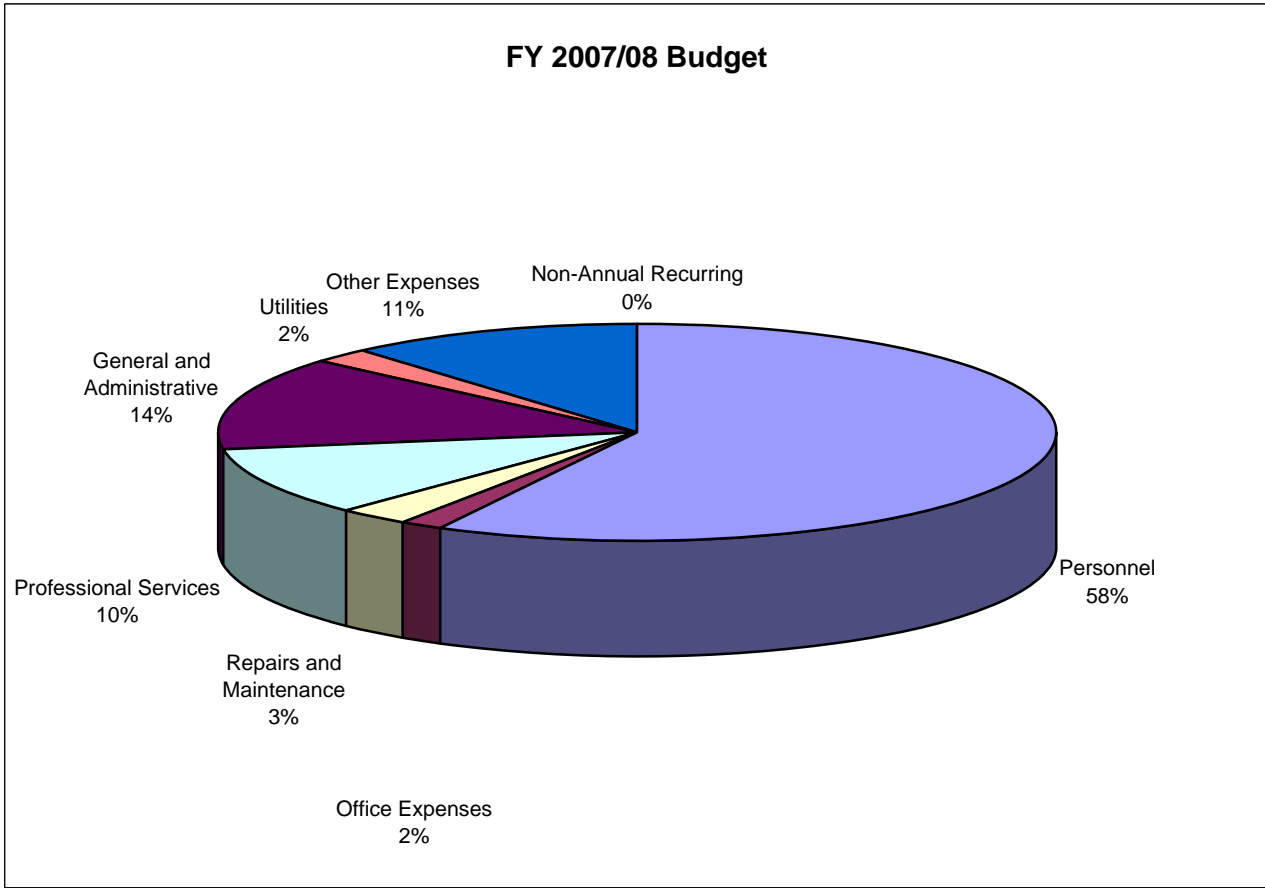
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2005/06	Number Auth. FY 2006/07	Number Requested FY 2007/08	Change Over FY 2005/06	Change Over FY 2006/07
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director	1.00	1.00	1.00	-	-
Chief Engineer ⁽¹⁾	0.25	0.25	0.25	-	-
Senior Accountant	-	-	1.00	1.00	1.00
Accounting Specialist	1.00	1.00	-	(1.00)	(1.00)
Secretary II	1.75	1.75	1.75	-	-
TOTAL:	4.50	4.50	4.50	-	-

PERSONNEL WAGE SUMMARY				
Position Title	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2006/07 Current Salary
Executive Director ⁽¹⁾	N/A	N/A	N/A	\$ 73,196
Deputy Director	N/A	N/A	N/A	\$ 127,300
Chief Engineer ⁽¹⁾	25	\$ 8,349	\$ 10,185	\$ 27,284
Senior Accountant	16	\$ 5,206	\$ 6,352	\$ 58,136
Secretary II	11	\$ 4,042	\$ 4,932	\$ 79,295
FY 2007/08 Salary Pool				\$ 25,448
TOTAL:				\$ 390,660

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

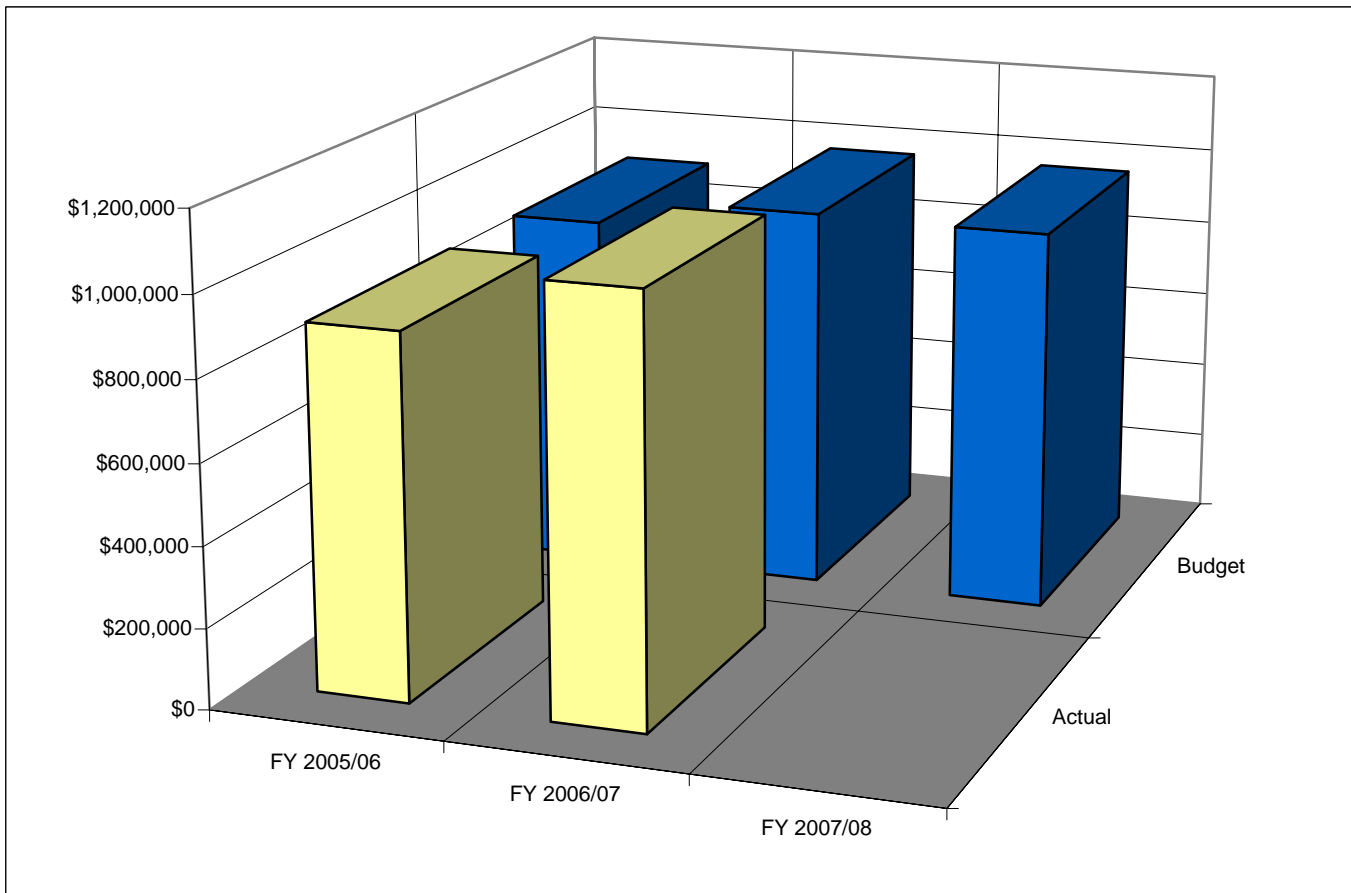
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2007/08 Budget

Item	FY 2007/08 Budget
Personnel	\$ 557,164
Office Expenses	17,000
Repairs and Maintenance	28,160
Professional Services	98,600
General and Administrative	133,075
Utilities	21,900
Other Expenses	110,402
Non-Annual Recurring	-
TOTAL:	<u><u>\$ 966,301</u></u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2007/08 Budget

Item	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget
Personnel	\$ 482,591	\$ 529,954	\$ 535,603	\$ 543,684	\$ 557,164
Office Expenses	17,000	13,008	17,000	13,828	17,000
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	27,230	27,959	25,030	21,521	28,160
Professional Services	87,600	122,947	84,600	219,076	98,600
General and Administration	121,081	86,797	127,533	129,933	133,075
Utilities	23,240	20,434	21,820	19,493	21,900
Other Expenses	139,438	97,093	154,844	100,970	110,402
Subtotal	\$ 898,180	\$ 898,191	\$ 966,430	\$ 1,048,506	\$ 966,301
Non-Annual Recurring	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
TOTAL:	\$ 903,180	\$ 903,191	\$ 971,430	\$ 1,053,506	\$ 966,301



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 340,803	\$ 364,375	\$ 375,850	\$ 384,105	\$ 390,660	\$ 14,810	3.94%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	1,500	2,415	2,000	195	2,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	58,277	73,235	70,284	72,110	72,272	1,988	2.83%
5100.15	Medicare Taxes	5,268	6,118	5,805	6,394	6,031	226	3.89%
5100.20	Health Insurance	22,765	22,945	23,068	22,983	23,347	279	1.21%
5100.25	Workers' Compensation	4,708	4,512	4,782	3,723	4,216	(566)	-11.84%
5100.30	Vehicle Expenses	11,400	11,619	11,400	11,180	11,400	-	0.00%
5100.35	IRC 457-Employer Paid	21,000	21,837	22,500	22,442	23,250	750	3.33%
5100.40	Cafeteria Plan Benefits	6,327	8,824	8,827	11,048	11,650	2,823	31.98%
5100.45	Dental/Vision Plan	6,198	8,776	6,475	6,164	7,891	1,416	21.86%
5100.50	Long-Term Disability	1,719	1,742	1,898	1,539	1,679	(219)	-11.52%
5100.55	Life Insurance	1,176	1,301	1,264	1,424	1,319	55	4.32%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	203	-	-	-	-	N/A
5100.70	Employee Incentive Programs	1,200	944	1,200	378	1,200	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
1300.60	Capitalized Employee Benefits	-	1,110	-	-	-	-	N/A
Total Personnel Expenses:		482,591	529,954	535,603	543,684	557,164	21,560	4.03%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	12,000	8,367	12,000	9,011	12,000	-	0.00%
5200.30	Miscellaneous Office Expenses	5,000	4,641	5,000	4,817	5,000	-	0.00%
Total Office Expenses:		17,000	13,008	17,000	13,828	17,000	-	0.00%
<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:		-	-	-	-	-	-	-

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Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	4,700	5,061	4,400	3,370	5,280	880	20.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	19,530	20,748	17,530	15,867	19,780	2,250	12.84%
5700.40	Landscape Maintenance	3,000	2,150	3,100	2,284	3,100	-	0.00%
Total Repairs and Maintenance:		27,230	27,959	25,030	21,521	28,160	3,130	12.50%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	7,200	24,741	7,200	42,357	4,200	(3,000)	-41.67%
5400.20	Legal Services	50,000	72,302	45,000	148,468	60,000	15,000	33.33%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,400	1,250	3,400	1,877	3,400	-	0.00%
5400.60	Accounting Services	27,000	24,654	29,000	26,375	31,000	2,000	6.90%
Total Professional Services:		87,600	122,947	84,600	219,076	98,600	14,000	16.55%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	24,500	21,752	24,500	23,956	24,500	-	0.00%
5300.20	Mileage Reimbursement	1,000	1,907	1,000	433	1,000	-	0.00%
5300.30	Dues and Memberships	74,671	46,890	82,623	93,486	89,165	6,542	7.92%
5300.40	Publications	4,510	2,139	3,510	2,719	3,510	-	0.00%
5300.50	Training	2,000	7,636	5,000	2,521	5,000	-	0.00%
5300.60	Advertising	2,000	1,693	2,000	245	2,000	-	0.00%
5300.70	Printing and Binding	8,500	2,029	5,000	2,535	4,000	(1,000)	-20.00%
5300.80	Postage	3,900	2,752	3,900	4,039	3,900	-	0.00%
Total General and Administrative:		121,081	86,797	127,533	129,933	133,075	5,542	4.35%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	540	313	540	320	540	-	0.00%
5800.30	Electric-Fixed	6,600	5,603	6,600	4,790	6,600	-	0.00%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	1,200	1,045	1,200	855	1,200	-	0.00%
5800.50	Telephone	12,800	11,318	11,200	11,295	11,080	(120)	-1.07%
5800.60	Waste Disposal	2,100	2,155	2,280	2,233	2,480	200	8.77%
Total Utilities:		23,240	20,434	21,820	19,493	21,900	80	0.37%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	15,742	16,519	17,095	17,442	18,895	1,800	10.53%
5900.30	Non-Capitalized Projects	-	-	-	10,276	-	-	N/A
5900.40	Equipment Rental	8,660	7,096	10,400	7,199	7,200	(3,200)	-30.77%
5900.50	Non-Capitalized Equipment	10,000	2,978	10,000	763	5,000	(5,000)	-50.00%
5900.60	Computer Expenses	87,425	70,501	98,400	65,290	60,360	(38,040)	-38.66%
5900.70	Appropriated Contingency	17,611		18,950	-	18,947	(3)	-0.01%
Total Other Expenses:		139,438	97,093	154,844	100,970	110,402	(44,442)	-28.70%
TOTAL OPERATING EXPENSES		\$ 898,180	\$ 898,191	\$ 966,430	\$ 1,048,506	\$ 966,301	\$ (130)	-0.01%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$25,448 for the FY 2007/08 salary pool.

FY 07/08 Requested Budget	390,660
FY 06/07 Estimated Actual	384,105
Increase (Decrease)	6,555

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

Description: Overtime expenses for non-exempt Administration employees.

FY 07/08 Requested Budget	2,000
FY 06/07 Estimated Actual	195
Increase (Decrease)	1,805

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

Description: Not funded.

FY 07/08 Requested Budget	-
FY 06/07 Estimated Actual	-
Increase (Decrease)	-

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

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 18.5% contribution rate for FY 2007/08.

FY 07/08 Requested Budget	72,272
FY 06/07 Estimated Actual	72,110
Increase (Decrease)	162

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

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

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

FY 07/08 Requested Budget	6,031
FY 06/07 Estimated Actual	6,394
Increase (Decrease)	(364)

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

Description: Funds for the employer provided portion of medical insurance coverage for Administration employees. Budget amount is based on actual medical insurance election for the Administration Department. Includes an increase for 2008 estimated at 10%.
Family: \$ 14,092
Emp+1: \$ 12,165
Emp: \$ 5,164

FY 07/08 Requested Budget	23,347
FY 06/07 Estimated Actual	22,983
Increase (Decrease)	364

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 71%. Based on a 5% premium increase over FY 2006/07.

FY 07/08 Requested Budget	4,216
FY 06/07 Estimated Actual	3,723
Increase (Decrease)	493

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

Description: Auto allowance for the Executive Director in the amount of \$750 per month and Deputy Director in the amount of \$200 per month.

FY 07/08 Requested Budget	11,400
FY 06/07 Estimated Actual	11,180
Increase (Decrease)	220

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5100.35 **ACCOUNT TITLE:** Deferred Compensation-Employer Paid

Description: Funds for employer paid matching deferred compensation contributions for the Executive Director and Deputy Director. Executive Director portion is allocated 50% to administration, 25% to the water treatment plant and 25% to the distribution department.

FY 07/08 Requested Budget	23,250
FY 06/07 Estimated Actual	22,442
Increase (Decrease)	808

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 07/08 Requested Budget	11,650
FY 06/07 Estimated Actual	11,048
Increase (Decrease)	602

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

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,816 per year per family for dental and vision expenses. Budgeted amount is \$1,661 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 07/08 Requested Budget	7,891
FY 06/07 Estimated Actual	6,164
Increase (Decrease)	1,726

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 \$0.47 per \$100 of salary.

FY 07/08 Requested Budget	1,679
FY 06/07 Estimated Actual	1,539
Increase (Decrease)	140

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 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 07/08 Requested Budget	1,319
FY 06/07 Estimated Actual	1,424
Increase (Decrease)	(105)

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

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

FY 07/08 Requested Budget	250
FY 06/07 Estimated Actual	-
Increase (Decrease)	250

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

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

FY 07/08 Requested Budget	1,200
FY 06/07 Estimated Actual	378
Increase (Decrease)	823

Safety Program	\$	600
EAAP	\$	600
TOTAL:	\$	1,200

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

Description: Funds for Office supplies for the Administration Department. Based on \$1000 per month in office supply expenses.

FY 07/08 Requested Budget	12,000
FY 06/07 Estimated Actual	9,011
Increase (Decrease)	2,989

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

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

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards, kitchen supplies and SBB&T monthly bank fees \$150.

FY 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	4,817
Increase (Decrease)	183

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

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

FY 07/08 Requested Budget	24,500
FY 06/07 Estimated Actual	23,956
Increase (Decrease)	544

\$	2,500	ACWA Conferences
\$	18,000	SWC Meetings (\$1,500 per month)
\$	4,000	Other miscellaneous meetings
\$	24,500	TOTAL

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

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

FY 07/08 Requested Budget	1,000
FY 06/07 Estimated Actual	433
Increase (Decrease)	567

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

Description: Funds for professional dues.

FY 07/08 Requested Budget	89,165
FY 06/07 Estimated Actual	93,486
Increase (Decrease)	(4,321)

\$	13,520	SWC Bay Delta Charges
\$	20,145	State Water Contractors Dues
\$	35,000	MWQI Charges for 2008 Calendar Year
\$	11,500	ACWA
\$	2,000	SWPCA JPA Allocation
\$	2,250	Support various water education programs
\$	4,750	Employee Professional Dues and Misc.
\$	89,165	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

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

Description: Funds for publications received by CCWA
 \$ 760 News clipping service (\$190 quarterly)
 \$ 1,000 Personnel related subscriptions
 \$ 1,000 Employee professional publications
 \$ 750 Other Publications - General
 \$ 3,510 TOTAL

FY 07/08 Requested Budget	3,510
FY 06/07 Estimated Actual	2,719
Increase (Decrease)	791

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

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

FY 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	2,521
Increase (Decrease)	2,479

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

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

FY 07/08 Requested Budget	2,000
FY 06/07 Estimated Actual	245
Increase (Decrease)	1,755

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 07/08 Requested Budget	4,000
FY 06/07 Estimated Actual	2,535
Increase (Decrease)	1,465

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

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

Description: Funds for all postal and mail expenses.
 \$ 3,000 Postage meter expenses (\$250 per month)
 \$ 900 Overnight and shipping svcs (\$75 per month)
 \$ 3,900 TOTAL

FY 07/08 Requested Budget 3,900
FY 06/07 Estimated Actual 4,039
Increase (Decrease) (139)

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

Description: Funds for miscellaneous consultants and other services.
 Administration office alarm system \$ 2,200
 Other services \$ 2,000
 TOTAL: \$ 4,200

FY 07/08 Requested Budget 4,200
FY 06/07 Estimated Actual 42,357
Increase (Decrease) (38,157)

Prior year amount includes expenses for preparation of the Urban Water Management Plan.

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

Description: Funds for CCWA legal services.
 \$ 45,000 Hatch & Parent General Counsel
 \$ 15,000 Sheppard Mullin Personnel Counsel
 \$ 60,000 TOTAL

FY 07/08 Requested Budget 60,000
FY 06/07 Estimated Actual 148,468
Increase (Decrease) (88,468)

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

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

FY 07/08 Requested Budget -
FY 06/07 Estimated Actual -
Increase (Decrease) -

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

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

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

FY 07/08 Requested Budget	3,400
FY 06/07 Estimated Actual	1,877
Increase (Decrease)	1,524

\$	900	IRC 125 Plan administraton fees (\$75 per mo)
\$	1,000	Employee Assistance Program
\$	1,500	Other miscellaneous
\$	3,400	TOTAL

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

Description: Funds for the annual audit of the FY 2006/07 Financial Statements and the State Water Contractors audit fees.

FY 07/08 Requested Budget	31,000
FY 06/07 Estimated Actual	26,375
Increase (Decrease)	4,625

\$	15,000	State Water Contractor audit fees
\$	16,000	Auditing FY 2006/07 financial statements
\$	31,000	TOTAL

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

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

FY 07/08 Requested Budget	5,280
FY 06/07 Estimated Actual	3,370
Increase (Decrease)	1,910

\$	3,000	Copier maintenance agreement
\$	1,580	Postage machine, fax, printer agreements
\$	700	Other misc. equipment repairs
\$	5,280	TOTAL

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

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

FY 07/08 Requested Budget	19,780
FY 06/07 Estimated Actual	15,867
Increase (Decrease)	3,913

\$	480	Monthly Pest Control
\$	13,300	Janitorial services and supplies
\$	3,000	Building repairs
\$	3,000	HVAC quarterly maintenance
\$	19,780	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

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

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

FY 07/08 Requested Budget	3,100	\$	2,100	Gardener (\$175 per month)
FY 06/07 Estimated Actual	2,284	\$	700	Irrigation Water (\$58 per month)
Increase (Decrease)	816	\$	300	Miscellaneous
		\$	3,100	TOTAL

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

Description: Funds for natural gas service to the Administration building (\$45 per month).

FY 07/08 Requested Budget	540			
FY 06/07 Estimated Actual	650			
Increase (Decrease)	(110)			

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

Description: Funds for electrical service to the Administration building (\$550 per month).

FY 07/08 Requested Budget	6,600			
FY 06/07 Estimated Actual	4,790			
Increase (Decrease)	1,810			

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

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

FY 07/08 Requested Budget	1,200			
FY 06/07 Estimated Actual	855			
Increase (Decrease)	345			

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

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

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

FY 07/08 Requested Budget	11,080	\$	2,500	Long distance (\$210 per month)
FY 06/07 Estimated Actual	11,295	\$	6,900	Local long distance (\$575 per month)
Increase (Decrease)	(215)	\$	1,680	Cell phone airtime (\$140 per month)
		\$	11,080	TOTAL

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

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

FY 07/08 Requested Budget	2,480	\$	2,280	Waste Disposal service (\$190 per month)
FY 06/07 Estimated Actual	2,233	\$	200	Hazardous Waste Disposal
Increase (Decrease)	247	\$	2,480	TOTAL

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

Description: Funds for insurance related expenses.

FY 07/08 Requested Budget	18,895	\$	1,412	Property and auto insurance based on allocation provided by JPIA
FY 06/07 Estimated Actual	17,442	\$	12,983	General Liability and E&O apportioned by payroll percentages
Increase (Decrease)	1,453	\$	4,500	Employee fidelity bond
		\$	18,895	TOTAL

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

Description: Funds for rental of equipment.

FY 07/08 Requested Budget	7,200	\$	1,840	Postage meter (\$460 per quarter)
FY 06/07 Estimated Actual	7,199	\$	4,860	Copier lease (\$405 per month)
Increase (Decrease)	1	\$	500	Other
		\$	7,200	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2007/08 BUDGET**

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 \$5,000 in cost with an estimated useful life under 5 years.

FY 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	763
Increase (Decrease)	4,237

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

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

FY 07/08 Requested Budget	60,360
FY 06/07 Estimated Actual	65,290
Increase (Decrease)	(4,930)

\$	2,500	Internet Provider
\$	23,100	Annual service agreements
\$	34,760	Compuvision and other computer expenses
\$	60,360	TOTAL

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

Description: 2.0% of operating expenses

FY 07/08 Requested Budget	18,947
FY 06/07 Estimated Actual	-
Increase (Decrease)	18,947



Laboratory Analyst, Louise Hickok, working in Polonio Pass Water Treatment Plant Laboratory

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 Health Services and the U.S. Environmental Protection Agency.

Highlights

Department Information

- Number of employees 13.75
- Polonio Pass Water Treatment Plant design capacity 49.44 million gallons per day
- FY 2007/08 requested water deliveries 42,322 acre-feet

Budget Information

- Total FY 2007/08 O&M Budget \$ 3,420,043
- Non-Annual Recurring Expense deposits \$ -0-
- **Total WTP FY 2007/08 Budgeted Expenses \$ 3,420,043**

- O&M Budget increase over FY 2006/07 \$ 326,667

- Fixed O&M Expenses \$ 2,380,060
- Variable O&M Expenses \$ 1,039,983

- FY 2007/08 budgeted chemical cost \$ 27.00 per acre-foot

- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 37.14
 - Variable \$ 5.04

- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 129.00
 - Variable \$ 25.00

Significant Accomplishments During FY 2006/07

- CCWA has explored potential cost savings by shifting backwash operations to off or partial peak hours when possible without impacting water quality, at a monthly savings of over \$500. The PPWTP interior light retrofit was completed in December 2006, reducing electrical usage by over 50,000kwhr/yr and saving CCWA over \$400 per month. In addition, CCWA will be receiving a rebate of \$2,400 from PG&E for completing this project. CCWA continues to foster a relationship with Kern County Water Agency for cost effective sampling for taste and odor.

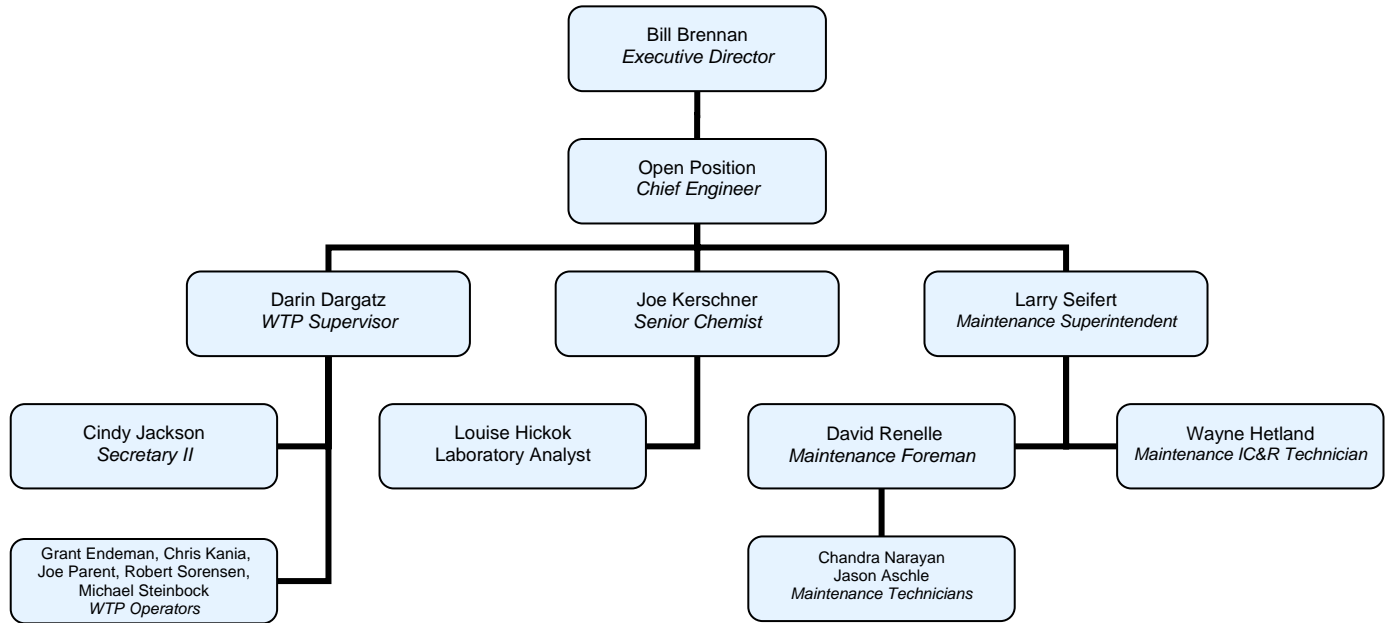
Significant Goals for FY 2007/08

- Implement flow pacing for WTP chlorine, sodium hydroxide, and ammonium hydroxide systems.
- Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements, and revegetation and erosion control.

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

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 Maintenance/IC&R Technician and 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 Health Services 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 mandated reports, provides laboratory data to project participants, oversees the water

Central Coast Water Authority
Water Treatment Plant Department
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sampling program, maintains all laboratory equipment and trains Operations and Maintenance staff in laboratory safety and procedures.

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

The following pages list the 2006 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2007 goals for the Water Treatment Plant Department.

Each of the following individual departmental goals is tied to the Authority’s Mission Statement and Objectives, which are shown in bold, italics typeface.

2006 ACCOMPLISHMENTS

<i>Goal</i>	<u>Status</u>
Implement Long Term 2 Surface Water Treatment Rule and Stage 2 Disinfection Byproducts rules. [12/07]	Sampling began April 18 and will be done monthly per the EPA schedule for two years.
Implement flow pacing for WTP chlorine, sodium hydroxide, and ammonium systems. [12/07]	The filter effluent flow meter, to be utilized for flow pacing, has been installed. PLC logic modifications are in progress.
Replace obsolete turbidimeters at WTP. [8/06]	Completed 12/06.
Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements and revegetation and erosion control. [Ongoing]	A digital telephone system connection and combination Internet access, T1 service, has been completed to enhance communications and provide lower operating costs. Staff are shifting backwash operations to off or partial peak hours when possible without impacting water quality, at a monthly savings of over \$500. The PPWTP interior light retrofit was completed in 12/06, reducing electrical usage by over 50,000kwhr/yr and saving CCWA over \$400 per month. In addition, CCWA received a rebate of \$2,400 from PG&E for completing this project.

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Complete ten-year update of the Polonio Pass WTP operations manual. [12/07]	On schedule.
Re-plumb aluminum sulfate chemical feed system at the Polonio Pass WTP. [11/07]	On schedule
Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]	Ongoing
Assist project participants in preparing to meet new federal and state water quality regulations. [Ongoing]	Ongoing

New Goals for Calendar Year 2008

Goal

Status

Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements and revegetation and erosion control. [Ongoing]

Review and implement environmentally sound policies (“green policies”) for CCWA Operations, Maintenance, and Engineering Functions.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2007/08 Budget

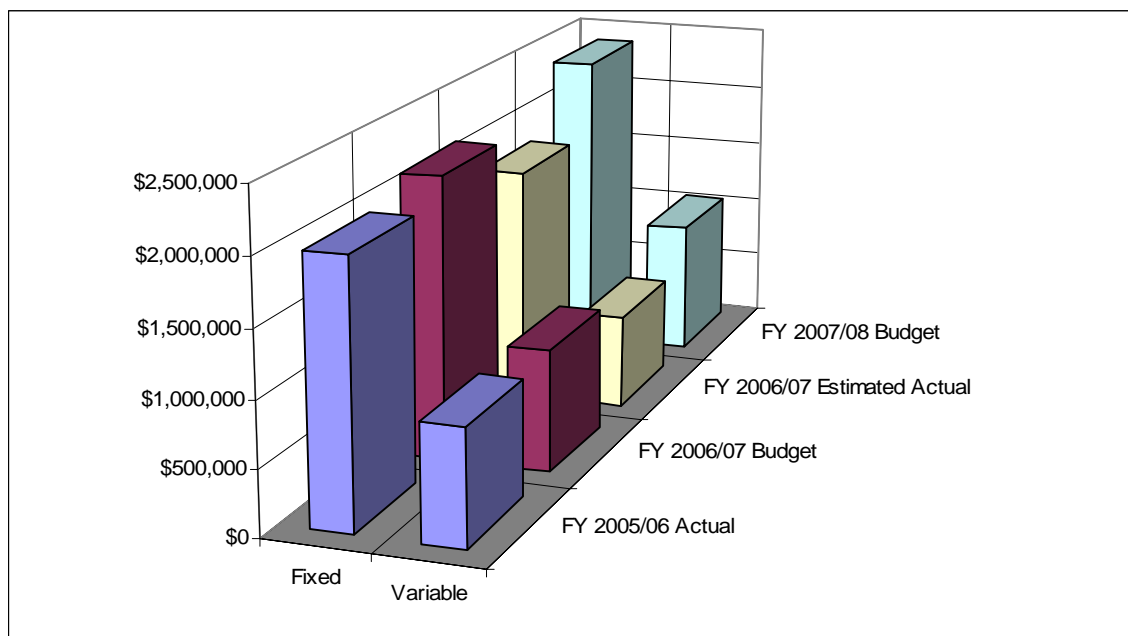
WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

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.

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.

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 dechlorinating 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.

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Fiscal Year 2007/08 Operating Expense Budget

The FY 2007/08 water treatment plant operating expense budget is \$3,420,043 which is \$326,667 higher than the previous year's budget of \$3,093,377, a 10.56% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 42% of the budget. Supplies and equipment comprise 31% 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 135 shows the allocation of the various components of the water treatment plant operating expense budget.

Personnel Expenses Total personnel expenses are increasing by about \$48,000 (excluding capitalized salaries and benefits) when compared to the FY 2006/07 budget for the following reasons.

- An increase in full-time regular wages for the FY 2007/08 salary pool allocation of \$58,232.
- Health insurance expense increase of approximately \$21,100 for a projected 10% increase effective January 1, 2008.
- Workers' compensation insurance decrease of about \$8,700 due to a lower experience modification factor.

Supplies and Equipment Total supplies and equipment expenses for FY 2007/08 are about \$115,000 higher than the previous year primarily due to a 9,412 AF increase in requested water deliveries compared to the prior year. The estimated chemical cost per acre-foot remaining the same at \$27.

Monitoring Expenses Monitoring expenses are decreasing by \$19,400 to more accurately reflect the anticipated use of outside lab testing services during the year.

Other Expenses Other expenses are increasing by approximately \$167,000 due to the reclassification of the Granular Activated Carbon (GAC) replacement project costs from the Non-Annual Recurring Expense funded section of the budget to the Operating Expense section of the budget. The GAC replacement project budget is \$168,400 (please see the "FY 2007/08 GAC Replacement Project" narrative discussion on page 123 in this section of the budget document).

Non-Annual Recurring Expenses

As part of the budget process, certain expenses which occur periodically are identified and are charged to the project participants over a number of years to minimize fluctuations in the annual O&M assessments. The assessment of the non-annual recurring expenses (NARES) are charged to the project participants based on the specific expenditures classification (i.e., fixed or variable).

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2007/08 Budget

In the year in which the expenditure occurs, the proposed expenditure is allocated to the project participants taking into account the adjustments for the water treatment plant allocation and the exchange agreement. The resulting expenditure is then charged against the deposits made by the project participants over the prior years.

No additional deposits are being collected for the Water Treatment Plant NARES account for FY 2007/08.

FY 2007/08 Granular Activated Carbon (GAC) Replacement

As part of the Authority's on-going efforts to maintain high water quality for its project participants, the GAC in two of the water treatment plant filters is scheduled to be replaced during FY 2007/08. The estimated cost of this project is \$168,400 and will be funded through the fixed Water Treatment Plant operating expense budget in the "Non-Capitalized Project" operating expense account.

The CCWA Board adopted policy for allocation of GAC replacement costs states that GAC replacements will be allocated to the project participants in proportion to the actual water deliveries over the last three fiscal years, including both the variable regional water treatment plant and exchange agreement modifications.

The following table shows the allocation of the FY 2007/08 GAC replacement costs.

GAC Replacement Allocation

Project Participant	Total Deliveries July 2004 to June 2007 (Est.)	Allocation of GAC Replacement on Delivery Basis	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Variable Modifications	Net GAC Replacement Cost
Guadalupe	1,373	\$ 2,503	\$ 328			\$ 2,830
Santa Maria	39,985	72,887	9,514			82,400
Golden State Water Co.	703	1,281	175			1,456
Vandenberg AFB	11,332	20,657	2,787			23,444
Buellton	1,782	3,248	405			3,653
Santa Ynez (Solvang)	3,566	6,500	814			7,314
Santa Ynez	1,945	3,545	2,321		14,634	20,501
Goleta	7,249	13,214	1,597	(7,943)	(5,271)	1,597
Morehart Land	246	448	58	(448)		58
La Cumbre	1,889	3,443	466	(3,443)		466
Raytheon (SBRC)	67	122	6	(122)		6
Santa Barbara	3,246	5,917	604	(2,408)	(3,509)	604
Montecito	4,414	8,046	883	(4,537)	(3,509)	883
Carpinteria	2,060	3,755	353	(1,409)	(2,346)	353
Shandon	-	-	-			-
Chorro Valley	6,264	11,418	-			11,418
Lopez	6,262	11,415	-			11,415
TOTAL:	92,383	\$ 168,400	\$ 20,311	\$ (20,311)	\$ 0	\$ 168,400

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2007/08 Budget

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension is funded through the CCWA O&M assessments. Additionally, certain portions of the facilities around the Polonio Pass Water Treatment are owned by DWR but also operated and maintained by CCWA such as the access road to the Water Treatment Plant. Since CCWA does not own the DWR facilities, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the Water Treatment Plant which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table is a summary of the FY 2007/08 Water Treatment Plant Non-Capitalized Projects.

<i>Non-Capitalized Projects-Reach Specific</i>		
Project Description	Financial Reach	Amount ⁽¹⁾
Lagoon C Modifications	WTP	\$ 13,470
GAC Replacement, Filters 1 and 3	WTP	168,400
WTP Control Room Improvements	WTP	16,850
Flexible Joint Monitoring Program	WTP	29,200
Miscellaneous Concrete Repairs	WTP	11,250
WTP Entrance Gate Replacement	WTP	16,850
TOTAL:		\$ 256,020
<small>(1) Excludes CCWA labor and overhead costs.</small>		

Central Coast Water Authority
Water Treatment Plant Department
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Description: ***Lagoon C Modifications***

Department: Water Treatment Plant

Project Type: Non-capitalized Project

Expanded Description: Address grading and drainage issues on Lagoon C at the treatment plant.

Estimated Charge	\$ 12,000
Sales Tax	\$ 870
Contingency (5%)	<u>\$ 600</u>
Subtotal without CCWA Labor	\$ 13,470
Labor	\$ 5,000
Fringe and Overhead	<u>\$ 1,500</u>
Total Cost:	\$ 19,970

Funding Source: Reach Specific Assessments

Operating Budget Impact: Modifications will return basin to usable condition.

Description: ***Granular Activated Carbon Replacement, Filters 1 and 3***

Department: Water Treatment Plant

Project Type: Non-capitalized Project

Expanded Description: Replace granular activated carbon in filters 1 and 3

Estimated Charge	\$150,000
Sales Tax	\$ 10,900
Contingency (5%)	<u>\$ 7,500</u>
Total Cost:	\$168,400

Funding Source: Reach Specific Assessments

Operating Budget Impact: Regular activated carbon replacement in two filters per year on a rotating basis ensures consistent water quality.

Central Coast Water Authority
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Description: ***Water Treatment Plant Control Room Improvements***

Department: Water Treatment Plant

Project Type: Non-capitalized Project

Expanded Description: Update components in the treatment plant control room.

Estimated Charge \$ 15,000

Sales Tax \$ 1,100

Contingency (5%) \$ 750

Subtotal without

CCWA labor \$ 16,850

Labor \$ 12,000

Fringe and Overhead \$ 3,600

Total Cost: \$ 32,450

Funding Source: Reach Specific Assessments

Operating Budget Impact: Existing arrangement poses safety hazards.

Description: ***Flexible Joint Monitoring Program***

Department: Water Treatment Plant

Project Type: Non-capitalized Project

Expanded Description: Install monitoring wells near each of the flexible joints to monitor leakage.

Estimated Charge \$ 26,000

Sales Tax \$ 1,900

Contingency (5%) \$ 1,300

Total Cost: \$ 29,200

Funding Source: Reach Specific Assessments

Operating Budget Impact: Monitoring suspect joints will help to identify leaks and prioritize repairs. Addressing leaking joints proactively may reduce emergency shutdowns and can protect plant infrastructure.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2007/08 Budget

Description: ***Miscellaneous Concrete Repairs at the Treatment Plant***

Department: Water Treatment Plant

Project Type: Non-capitalized Project

Expanded Description: Repair chipped or cracked concrete at the end of the filter gallery, scrubber area and on the process deck.

Estimated Charge	\$ 10,000
Sales Tax	\$ 750
Contingency (5%)	<u>\$ 500</u>
Subtotal without CCWA Labor	\$ 11,250
Labor	\$ 4,700
Fringe and Overhead	<u>\$ 1,400</u>
Total Cost:	\$ 17,350

Funding Source: Reach Specific Assessments

Operating Budget Impact: Existing conditions pose tripping hazards.

Description: ***Treatment Plant Entrance Gate Replacement***

Department: Water Treatment Plant

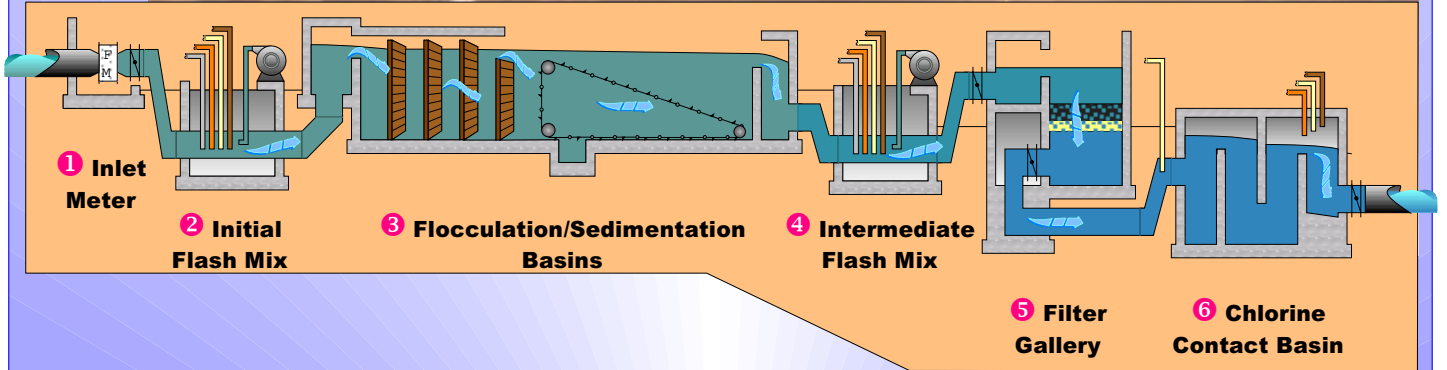
Project Type: Non-capitalized Project

Expanded Description: Modify the entrance gate at the treatment plant.

Estimated Charge	\$ 15,000
Sales Tax	\$ 1,100
Contingency (5%)	<u>\$ 750</u>
Subtotal without CCWA Labor	\$ 16,850
Labor	\$ 4,400
Fringe and Overhead	<u>\$ 1,300</u>
Total Cost:	\$ 22,550

Funding Source: Reach Specific Assessments

Operating Budget Impact: Existing gate does not stay closed in windy conditions and is maintenance intensive.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
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Fiscal Year 2007/08 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 “retreat” the State water that is delivered from Lake Cachuma, they would effectively be paying twice to treat the water if the Regional Water Treatment Plant Allocation agreement was not in place. Initial treatment occurs at the Polonio Pass Water Treatment Plant and retreatment occurs at the various South Coast project participants’ treatment plants.

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

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

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

The following tables show the calculation of the FY 2007/08 Regional Water Treatment Plant Allocation and Credit.

**Central Coast Water Authority
Regional Water Treatment Plant Fixed and Capital Allocation and Credit
FY 2007/08 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%	\$ 29,636	\$ 41,123	\$ 70,759	\$ 52,994	\$ 38,191	\$ 91,185	1.41%	20,426	\$ 37.14
Santa Maria	16,200		16,200	36.90%	872,918	1,211,268	2,084,186	1,560,916	1,124,896	2,685,813	41.46%	601,627	37.14
Golden State Water	500		500	1.14%	26,942	37,385	64,327	48,176	34,719	82,895	1.28%	18,569	37.14
VAFB	5,500		5,500	12.53%	296,361	411,233	707,594	529,941	381,909	911,850	14.07%	204,256	37.14
Buellton	578		578	1.32%	31,145	43,217	74,362	55,692	40,135	95,827	1.48%	21,465	37.14
Santa Ynez (Solvang)	1,500		1,500	3.42%	80,826	112,154	192,980	144,529	104,157	248,686	3.84%	55,706	37.14
Santa Ynez	500	2,470	2,970	6.76%	160,015	37,385	197,400	286,133	206,206	492,339	7.60%	110,285	37.14
Goleta	4,500	(889)	3,611	8.22%	194,571	336,463	531,034	347,923	250,736	598,659	9.24%	134,101	37.14
Morehart	200	-	200	0.46%	10,777	14,954	25,731	19,271	13,888	33,158	0.51%	7,427	37.14
La Cumbre	1,000	-	1,000	2.28%	53,884	74,770	128,653	96,353	69,438	165,791	2.56%	37,137	37.14
Raytheon	50	-	50	0.11%	2,694	3,738	6,433	4,818	3,472	8,290	0.13%	1,857	37.14
Santa Barbara	3,000	(593)	2,407	5.48%	129,714	224,309	354,023	231,949	167,157	399,106	6.16%	89,401	37.14
Montecito	3,000	(593)	2,407	5.48%	129,714	224,309	354,023	231,949	167,157	399,106	6.16%	89,401	37.14
Carpinteria	2,000	(395)	1,605	3.66%	86,476	149,539	236,015	154,633	111,438	266,071	4.11%	59,600	37.14
SB County Subtotal:	39,078	-	39,078	89.00%	2,105,671	2,921,848	5,027,519	3,765,277	2,713,500	6,478,777	100.00%	1,451,258	
SLO County	4,830	-	4,830	11.00%	260,259	361,137	621,396	0	-	-		-	
TOTAL:	43,908		43,908	100.00%	\$ 2,365,930	\$ 3,282,985	\$ 5,648,915	\$ 3,765,277	\$ 2,713,500	\$ 6,478,777	100.00%	1,451,258	

Fixed & Capital Retirement Allocation Factor

Total South Coast Table A	11,280	Total Adjusted Fixed & Capital Costs (SB County)	\$ 6,478,777
Total SB County Table A	39,078	Total Unadjusted Fixed & Capital Costs (SB County)	5,027,519
Subtotal:	50,358	Fixed & Capital WTP Allocation Amount	<u>\$ 1,451,258</u>
South Coast Retreated %	1.29		

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	3,611	32.01%	(464,559)	(128.65)
Morehart	200	1.77%	(25,731)	(128.65)
La Cumbre	1,000	8.86%	(128,653)	(128.65)
Raytheon	50	0.44%	(6,433)	(128.65)
Santa Barbara	2,407	21.34%	(309,706)	(128.65)
Montecito	2,407	21.34%	(309,706)	(128.65)
Carpinteria	1,605	14.23%	(206,471)	(128.65)
SB County Subtotal:	11,280	100.00%	(1,451,258)	
SLO County	0	0.00%	-	
TOTAL:	11,280	100.00%	(1,451,258)	

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

Central Coast Water Authority
Regional Water Treatment Plant Variable Allocation and Credit
FY 2007/08 Budget

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	630		630	\$ 15,481	18,659	3,178	5.04					\$ 23,604	
Santa Maria	17,820		17,820	437,890	527,783	89,893	5.04					691,520	
Golden State Water	550		550	13,515	16,290	2,774	5.04					21,343	
VAFB	6,050		6,050	148,666	179,185	30,519	5.04					234,775	
Buellton	644		644	15,825	19,074	3,249	5.04					24,714	
Santa Ynez (Solvang)	1,500		1,500	36,859	44,426	7,567	5.04					63,273	
Santa Ynez	700	2,470	3,170	77,887	93,876	15,989	5.04					126,274	
Goleta	4,950	(889)	4,061	99,789	120,274	20,485	5.04	4,061	51.78%	\$ (99,789)	(24.57)	154,586	\$ (564,348)
Morehart	220	-	220	5,406	6,516	1,110	5.04	220	2.80%	(5,406)	(24.57)	8,537	(31,137)
La Cumbre	800	-	800	19,658	23,694	4,036	5.04	800	10.20%	(19,658)	(24.57)	41,173	(148,312)
Raytheon	55	-	55	1,352	1,629	277	5.04	55	0.70%	(1,352)	(24.57)	2,134	(7,784)
Santa Barbara	593	(593)	0	7	9	1	5.04	0	0.00%	(7)	(24.57)	89,402	(309,713)
Montecito	3,300	(593)	2,707	66,526	80,183	13,657	5.04	2,707	34.52%	(66,526)	(24.57)	103,057	(376,232)
Carpinteria	395	(395)	(0)	(3)	(4)	(1)	5.04	(0)	0.00%	3	(24.57)	59,600	(206,467)
SB County Subtotal:	38,207	-	38,207	938,859	1,131,593	192,735	5.04	7,843	100.00%	(192,735)		1,643,992	(1,643,992)
SLO County	4,115		4,115	101,125	-			0	0.00%	-		-	-
TOTAL:	42,322	0	42,322	\$ 1,039,983	\$ 1,131,593	\$ 192,735		7,843	100.00%	\$ (192,735)		\$ 1,643,992	\$ (1,643,992)

Variable Retreatment Allocation Factor

Total South Coast Deliveries	7,843
Total SB County Deliveries	38,207
Subtotal:	46,050
South Coast Retreated %	1.21

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Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2007/08 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 a pipeline which extends from Lake Cachuma to the Santa Ynez area. This pipeline was used to deliver water from Lake Cachuma to SYID#1.

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

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

The benefits of exchange are:

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

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

The following tables show the FY 2007/08 Santa Exchange Agreement modifications.

**Central Coast Water Authority
Santa Ynez Exchange Agreement Modificaitons
FY 2007/08 Budget**

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods	WTP Requested Water Deliveries		
	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		Requested Deliveries	Exchange Deliveries	Net Deliveries
Guadalupe	550		1.25%	\$ 29,636	\$ 54	\$ -	\$ 41,123	\$ 75	\$ -	\$ -	630	630	
Santa Maria	16,200		36.90%	872,918	54	-	1,211,268	75	-	-	17,820	17,820	
Golden State Water	500		1.14%	26,942	54	-	37,385	75	-	-	550	550	
VAFB	5,500		12.53%	296,361	54	-	411,233	75	-	-	6,050	6,050	
Buellton	578		1.32%	31,145	54	-	43,217	75	-	-	644	644	
Santa Ynez (Solvang)	1,500		3.42%	80,826	54	-	112,154	75	-	-	1,500	1,500	
Santa Ynez	500	2,470	1.14%	26,942	54	133,073	37,385	75	184,654	317,727	700	2,470	
Goleta	4,500	(889)	10.25%	242,477	54	(47,906)	336,463	75	(66,475)	(114,382)	4,950	(889)	
Morehart	200	-	0.46%	10,777	54	-	14,954	75	-	-	220	-	
La Cumbre	1,000	-	2.28%	53,884	54	-	74,770	75	-	-	800	-	
Raytheon	50	-	0.11%	2,694	54	-	3,738	75	-	-	55	-	
Santa Barbara	3,000	(593)	6.83%	161,651	54	(31,938)	224,309	75	(44,317)	(76,255)	593	(593)	
Montecito	3,000	(593)	6.83%	161,651	54	(31,938)	224,309	75	(44,317)	(76,255)	3,300	(593)	
Carpinteria	2,000	(395)	4.55%	107,768	54	(21,292)	149,539	75	(29,545)	(50,836)	395	(395)	
SB County Subtotal:	39,078	-	89.00%	2,105,671	-	-	2,921,848	-	-	-	38,207	-	
SLO County	4,830	-	11.00%	260,259	-	-	361,137	-	-	-	4,115	4,115	
TOTAL:	43,908	-	100.00%	\$ 2,365,930	\$ -	\$ -	\$ 3,282,985	\$ -	\$ -	\$ -	42,322	0	

Project Participant	WTP Variable Exchange Modifications			Total Exchange Modifications	
	WTP Variable Costs	WTP Variable Costs Per Acre-Foot	Variable Exchange Modifications	TOTAL EXCHANGE MODIFICATIONS	Cost (Credit) Per Acre-Foot
Guadalupe	\$ 15,481	\$ 25	-	-	-
Santa Maria	437,890	25	-	-	-
Golden State Water	13,515	25	-	-	-
VAFB	148,666	25	-	-	-
Buellton	15,825	25	-	-	-
Santa Ynez (Solvang)	36,859	25	-	-	-
Santa Ynez	77,887	25	\$ 60,686	378,413	\$ 153
Goleta	99,789	25	(21,847)	(136,229)	\$ (153)
Morehart	5,406	25	-	-	-
La Cumbre	19,658	25	-	-	-
Raytheon	1,352	25	-	-	-
Santa Barbara	7	25	(14,565)	(90,819)	\$ (153)
Montecito	66,526	25	(14,565)	(90,819)	\$ (153)
Carpinteria	(3)	25	(9,710)	(60,546)	\$ (153)
SB County Subtotal:	938,859	-	-	-	-
SLO County	101,125	-	-	-	-
TOTAL:	\$ 1,039,983	\$ -	\$ -	\$ -	\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2007/08 Budget

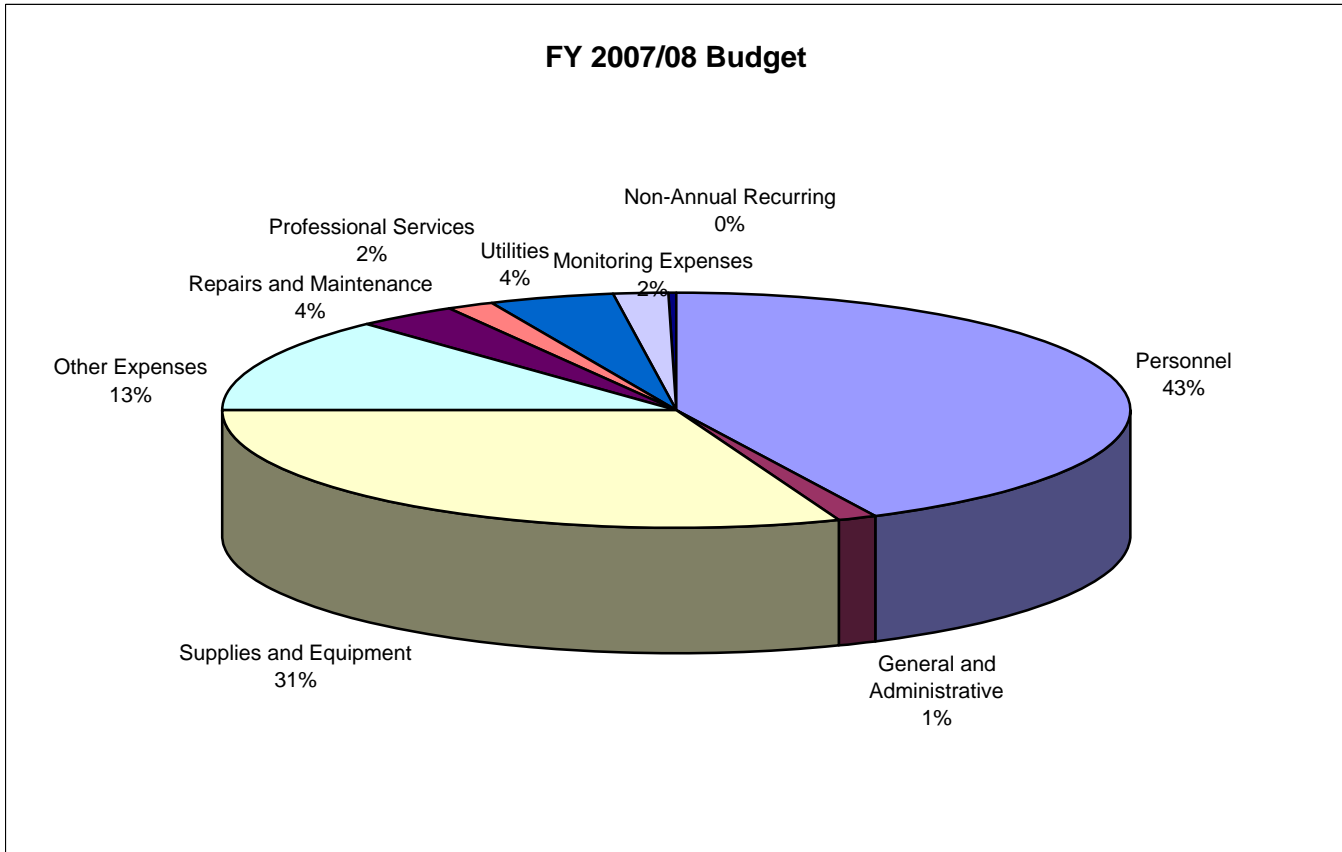
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2005/06	Number Auth. FY 2006/07	Number Requested FY 2007/08	Change Over FY 2005/06	Change Over FY 2006/07
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Chief Engineer ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽³⁾	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Regulatory 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 Technician	0.80	0.80	0.80	-	-
WTP Operators	5.00	5.00	5.00	-	-
Lab Analyst	0.75	0.75	0.75	-	-
Secretary II	0.75	0.75	0.75	-	-
TOTAL:	13.75	13.75	13.75	-	-

PERSONNEL WAGE SUMMARY				
Position Title	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2006/07 Current Salary
Executive Director ⁽¹⁾	N/A	N/A	N/A	\$ 36,598
Chief Engineer ⁽²⁾	25	\$ 8,349	\$ 10,185	\$ 38,198
WTP Supervisor	20	\$ 6,422	\$ 7,835	\$ 74,672
Maintenance Superintendent ⁽³⁾	20	\$ 6,422	\$ 7,835	\$ 50,369
Maintenance Foreman	16	\$ 5,206	\$ 6,352	\$ 68,058
Regulatory Specialist ⁽⁴⁾	18	\$ 5,783	\$ 7,055	\$ 18,725
Senior Chemist	18	\$ 5,783	\$ 7,055	\$ 75,587
Maintenance Technicians	14	\$ 4,687	\$ 5,718	\$ 115,290
Maintenance/IC&R Technician	15	\$ 4,940	\$ 6,026	\$ 46,326
WTP Operators	14	\$ 4,687	\$ 5,718	\$ 293,530
Lab Analyst	11	\$ 4,042	\$ 4,932	\$ 34,913
Secretary II	11	\$ 4,042	\$ 4,932	\$ 34,492
FY 2007/08 Salary Pool				\$ 58,232
TOTAL:				\$ 944,989

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
(2) The Chief Engineer is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
(3) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).
(4) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).

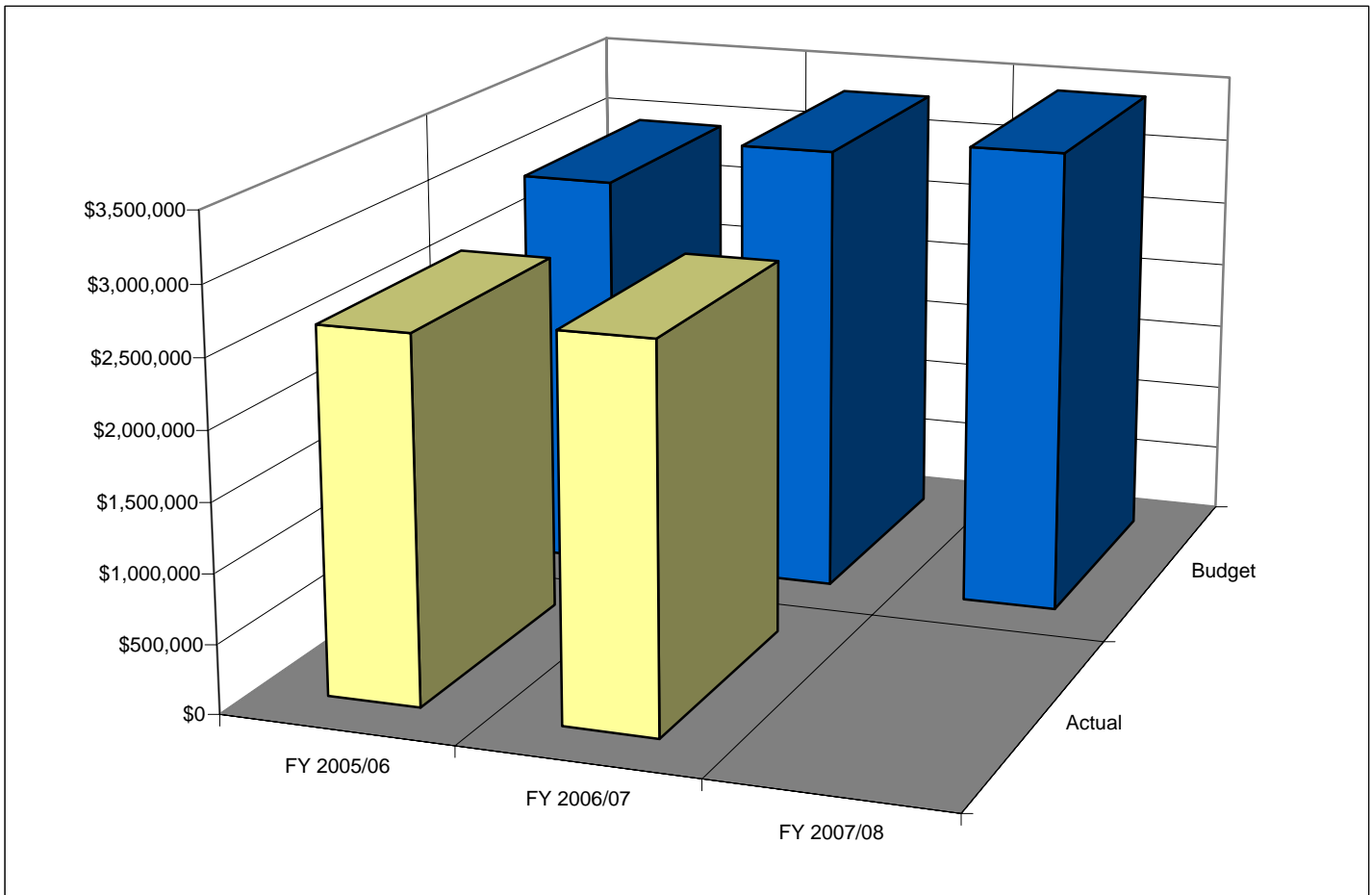
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2007/08 Budget

Item	FY 2007/08 Budget
Personnel	\$ 1,459,402
Office Expenses	5,760
Supplies and Equipment	1,057,463
Monitoring Expenses	70,000
Repairs and Maintenance	122,900
Professional Services	62,700
General and Administrative	48,450
Utilities	150,585
Other Expenses	442,783
Non-Annual Recurring	-
TOTAL:	\$ 3,420,043



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2007/08 Budget

Item	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget
Personnel	\$ 1,339,431	\$ 1,343,561	\$ 1,421,189	\$ 1,214,180	\$ 1,459,402
Office Expenses	5,400	5,476	7,260	6,455	5,760
Supplies and Equipment	895,195	566,224	942,816	729,403	1,057,463
Monitoring Expenses	68,700	56,378	89,400	51,963	70,000
Repairs and Maintenance	98,200	105,963	112,500	146,898	122,900
Professional Services	37,200	28,160	62,500	27,700	62,700
General and Administrative	43,850	26,966	47,800	29,637	48,450
Utilities	138,000	130,959	139,000	122,096	150,585
Other Expenses	249,898	292,999	270,912	207,857	442,783
Subtotal	\$ 2,875,874	\$ 2,556,685	\$ 3,093,377	\$ 2,536,191	\$ 3,420,043
Non-Annual Recurring	\$ 76,695	\$ 76,695	\$ 213,428	\$ 213,428	\$ -
TOTAL:	\$ 2,952,569	\$ 2,633,380	\$ 3,306,805	\$ 2,749,619	\$ 3,420,043



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 853,982	\$ 833,216	\$ 912,079	\$ 817,367	\$ 944,989	\$ 32,910	3.61%
1300.60	Capitalized Wages and Overtime	(15,244)	-	(15,120)	(31,892)	(27,100)	(11,980)	79.23%
5000.20	Overtime	42,699	51,018	45,604	28,602	47,249	1,645	3.61%
5000.40	Standby Pay	25,842	19,403	17,199	20,304	18,542	1,343	7.81%
5000.50	Shift Differential Pay	11,500	12,597	11,500	11,627	11,500	-	0.00%
5000.10	PERS Retirement	144,423	165,029	168,943	146,178	173,109	4,166	2.47%
5100.15	Medicare Taxes	13,594	13,297	14,357	12,515	14,879	522	3.64%
5100.20	Health Insurance	158,026	145,042	159,449	144,794	180,447	20,998	13.17%
5100.25	Workers' Compensation	54,827	42,402	53,674	35,196	44,992	(8,682)	-16.18%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	3,500	3,640	3,750	3,740	3,875	125	3.33%
5100.40	Cafeteria Plan Benefits	18,020	17,755	17,266	13,499	13,924	(3,342)	-19.35%
5100.45	Dental/Vision Plan	18,594	22,432	19,425	22,994	23,672	4,247	21.86%
5100.50	Long-Term Disability	4,334	4,423	4,615	3,561	4,072	(544)	-11.78%
5100.55	Life Insurance	3,514	4,611	3,717	4,415	3,921	204	5.49%
5100.60	Employee Physicals	750	340	750	439	750	-	0.00%
5000.30	Temporary Services	5,000	1,100	5,000	-	5,000	-	0.00%
5100.70	Employee Incentive Programs	2,600	2,599	2,600	1,082	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	175	1,000	-	0.00%
1300.60	Capitalized Employee Benefits	(7,530)	4,655	(4,620)	(20,416)	(8,020)	(3,400)	73.59%
Total Personnel Expenses:		1,339,431	1,343,561	1,421,189	1,214,180	1,459,402	38,213	2.69%

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Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
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OFFICE EXPENSES

5200.20	Office Supplies	3,000	3,878	4,740	4,189	3,240	(1,500)	-31.65%
5200.30	Miscellaneous Office Expenses	2,400	1,598	2,520	2,266	2,520	-	0.00%
Total Office Expenses:		5,400	5,476	7,260	6,455	5,760	(1,500)	-20.66%

SUPPLIES AND EQUIPMENT

5500.10	Uniform Expenses	8,125	6,222	8,245	4,422	10,265	2,020	24.50%
5500.15	Minor Tools and Equipment	5,000	2,608	5,000	2,785	8,500	3,500	70.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	555	1,500	380	5,500	4,000	266.67%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	855,070	529,283	898,571	691,920	1,003,198	104,628	11.64%
5500.35	Maintenance Supplies/Hardware	10,000	7,520	10,000	7,506	10,000	-	0.00%
5500.40	Safety Supplies	3,500	3,648	6,000	4,403	5,000	(1,000)	-16.67%
5500.45	Fuel and Lubricants	12,500	16,387	13,500	17,714	15,000	1,500	11.11%
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	274	-	-	N/A
Total Supplies and Equipment:		895,195	566,224	942,816	729,403	1,057,463	114,648	12.16%

MONITORING EXPENSES

5600.10	Lab Supplies	37,500	38,468	39,000	40,702	38,000	(1,000)	-2.56%
5600.20	Lab Tools and Equipment	5,000	4,857	5,000	626	5,000	-	0.00%
5600.30	Lab Testing	26,200	13,053	45,400	10,635	27,000	(18,400)	-40.53%
Total Monitoring Expenses:		68,700	56,378	89,400	51,963	70,000	(19,400)	-21.70%

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Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	70,000	79,105	80,000	117,340	90,000	10,000	12.50%
5700.20	Vehicle Repairs and Maintenance	5,000	4,658	5,000	4,936	5,000	-	0.00%
5700.30	Building Maintenance	19,200	18,600	22,900	19,462	22,900	-	0.00%
5700.40	Landscape Maintenance	4,000	3,600	4,600	5,160	5,000	400	8.70%
Total Repairs and Maintenance:		98,200	105,963	112,500	146,898	122,900	10,400	9.24%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	16,300	11,008	15,600	7,188	15,600	-	0.00%
5400.20	Legal Services	-	3,246	-	541	-	-	N/A
5400.30	Engineering Services	5,000	75	5,000	-	5,000	-	0.00%
5400.40	Permits	15,900	13,831	14,900	10,712	15,100	200	1.34%
5400.50	Non-Contractual Services	-	-	27,000	9,260	27,000	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		37,200	28,160	62,500	27,700	62,700	200	0.32%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	11,000	7,365	13,750	9,797	13,750	-	0.00%
5300.20	Mileage Reimbursement	600	198	600	1,116	650	50	8.33%
5300.30	Dues and Memberships	11,000	10,745	11,000	11,086	11,000	-	0.00%
5300.40	Publications	1,000	1,079	1,000	475	1,000	-	0.00%
5300.50	Training	13,750	3,568	13,750	3,561	13,750	-	0.00%
5300.60	Advertising	2,000	1,587	2,000	1,433	2,000	-	0.00%
5300.70	Printing and Binding	-	2,424	-	-	-	-	N/A
5300.80	Postage	4,500	-	5,700	2,169	6,300	600	10.53%
Total General and Administrative:		43,850	26,966	47,800	29,637	48,450	650	1.36%

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Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	4,000	4,351	4,500	4,440	4,800	300	6.67%
5800.30	Electric-Fixed	96,000	91,394	96,000	86,306	96,000	-	0.00%
5800.35	Electric-Variable	26,000	22,848	26,000	21,576	36,785	10,785	41.48%
5800.40	Water	-	94	-	-	-	-	N/A
5800.50	Telephone	9,500	10,029	10,000	7,158	10,000	-	0.00%
5800.60	Waste Disposal	2,500	2,242	2,500	2,617	3,000	500	20.00%
Total Utilities:		138,000	130,959	139,000	122,096	150,585	11,585	8.33%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	58,292	50,827	62,298	59,064	67,596	5,298	8.50%
5900.30	Non-Capitalized Projects	100,466	201,926	113,210	112,121	256,020	142,810	126.15%
5900.40	Equipment Rental	15,000	17,462	15,000	8,830	15,000	-	0.00%
5900.50	Non-Capitalized Equipment	10,000	7,241	10,000	6,272	10,000	-	0.00%
5900.60	Computer Expenses	9,750	15,543	9,750	21,570	26,910	17,160	176.00%
5900.70	Appropriated Contingency	56,390		60,654	-	67,257	6,603	10.89%
Total Other Expenses:		249,898	292,999	270,912	207,857	442,783	171,871	63.44%
TOTAL OPERATING EXPENSES		\$ 2,875,874	\$ 2,556,685	\$ 3,093,377	\$ 2,536,191	\$ 3,420,043	\$ 326,667	10.56%

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**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$58,232 for the FY 2007/08 salary pool.

FY 07/08 Requested Budget	944,989
FY 06/07 Estimated Actual	817,367
Increase (Decrease)	127,622

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 07/08 Requested Budget	47,249
FY 06/07 Estimated Actual	28,602
Increase (Decrease)	18,647

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 07/08 Requested Budget	(16,745)
FY 06/07 Estimated Actual	(31,892)
Increase (Decrease)	15,147

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Water Treatment Plant Department.

FY 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	-
Increase (Decrease)	5,000

\$ 5,000 Maintenance support
\$ 5,000 TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

Description: Funds for stand-by pay for one employee assigned to stand-by duty on a 24-hour basis. Based on \$1.50 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$1.85 per hour for Instrumentation and Control employee stand-by pay (1/3 to WTP and 2/3 to Distribution)

FY 07/08 Requested Budget	18,542
FY 06/07 Estimated Actual	20,304
Increase (Decrease)	(1,762)

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Funds for shift employee pay.

FY 07/08 Requested Budget	11,500
FY 06/07 Estimated Actual	11,627
Increase (Decrease)	(127)

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 18.5% contribution rate for FY 2007/08.

FY 07/08 Requested Budget	173,109
FY 06/07 Estimated Actual	146,178
Increase (Decrease)	26,931

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

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

FY 07/08 Requested Budget	14,879
FY 06/07 Estimated Actual	12,515
Increase (Decrease)	2,364

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 07/08 Requested Budget	180,447
FY 06/07 Estimated Actual	144,794
Increase (Decrease)	35,653

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 10% in 2008.
Family: \$ 14,092
Emp+1: \$ 12,165
Emp: \$ 5,164

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

FY 07/08 Requested Budget	44,992
FY 06/07 Estimated Actual	35,196
Increase (Decrease)	9,795

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 71%. Based on a 10% premium increase over FY 2006/07.

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

FY 07/08 Requested Budget	3,875
FY 06/07 Estimated Actual	3,740
Increase (Decrease)	135

Description: Employer paid deferred compensation contributions for the Executive Director.

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

FY 07/08 Requested Budget	13,924
FY 06/07 Estimated Actual	13,499
Increase (Decrease)	425

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

FY 07/08 Requested Budget	23,672
FY 06/07 Estimated Actual	22,994
Increase (Decrease)	678

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,816 per year per family for dental and vision expenses. Budgeted amount is \$1,661 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 07/08 Requested Budget	4,072
FY 06/07 Estimated Actual	3,561
Increase (Decrease)	511

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.47 per \$100 of salary.

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

FY 07/08 Requested Budget	3,921
FY 06/07 Estimated Actual	4,415
Increase (Decrease)	(494)

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

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

FY 07/08 Requested Budget	750
FY 06/07 Estimated Actual	439
Increase (Decrease)	311

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

\$ 750 5 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

Employees will be taking welding, electrical/electronics, and laboratory classes.

FY 07/08 Requested Budget	1,000
FY 06/07 Estimated Actual	175
Increase (Decrease)	825

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

Safety Program \$ 1,300

EAAP 1,300

TOTAL: \$ 2,600

FY 07/08 Requested Budget	2,600
FY 06/07 Estimated Actual	1,082
Increase (Decrease)	1,518

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 07/08 Requested Budget	(8,309)
FY 06/07 Estimated Actual	(20,416)
Increase (Decrease)	12,107

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the WTP. Based on \$270 per month in office supply expenses.

FY 07/08 Requested Budget	3,240
FY 06/07 Estimated Actual	4,189
Increase (Decrease)	(949)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses associated with CCWA. This includes picture developing, awards, business cards, coffee, kitchen supplies, etc., estimated at \$210 per month.

FY 07/08 Requested Budget	2,520
FY 06/07 Estimated Actual	2,266
Increase (Decrease)	254

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

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

FY 07/08 Requested Budget	13,750
FY 06/07 Estimated Actual	9,797
Increase (Decrease)	3,953

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 07/08 Requested Budget	650
FY 06/07 Estimated Actual	1,116
Increase (Decrease)	(466)

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 07/08 Requested Budget	11,000
FY 06/07 Estimated Actual	11,086
Increase (Decrease)	(86)

AWWA dues	\$400
AWWARF dues	\$9,600
Certification	\$1,000
Total	\$11,000

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 07/08 Requested Budget	1,000
FY 06/07 Estimated Actual	475
Increase (Decrease)	525

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

\$ 13,750 \$1,000 per employee

FY 07/08 Requested Budget	13,750
FY 06/07 Estimated Actual	3,561
Increase (Decrease)	10,189

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 07/08 Requested Budget	2,000
FY 06/07 Estimated Actual	1,433
Increase (Decrease)	567

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.

An extra \$1,800 has been added to this account for FY 07/08 to pay for shipping Cryptosporidium samples to meet the requirements of the Long Term 2 Enhanced Surface Water Treatment Rule.

FY 07/08 Requested Budget	6,300
FY 06/07 Estimated Actual	2,169
Increase (Decrease)	4,131

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services
Description: Outside professional services including:
 \$ 3,000 Cathodic protection
 2,000 Fire system/extinguisher inspection
 3,000 Security
 800 Crane inspection
 1,800 Oil analysis and waste oil service
 1,000 Miscellaneous
 1,000 Emergency generator/forklift service
 \$ 3,000 Equipment Calibration
 \$ 15,600 TOTAL

FY 07/08 Requested Budget	15,600
FY 06/07 Estimated Actual	7,188
Increase (Decrease)	8,412

ACCOUNT NUMBER: 5400.20

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

FY 07/08 Requested Budget	-
FY 06/07 Estimated Actual	541
Increase (Decrease)	(541)

ACCOUNT NUMBER: 5400.30

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

FY 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	-
Increase (Decrease)	5,000

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits
Description: Funds for all required permits for the WTP including the California Department of Health.
 \$ 11,000 Drinking Water Program
 2,000 DHS Lab Accreditation
 600 Emergency Generator Permit
 1,500 Hazardous Materials Fees
 \$ 15,100 TOTAL

FY 07/08 Requested Budget	15,100
FY 06/07 Estimated Actual	10,712
Increase (Decrease)	4,388

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 07/08 Requested Budget	27,000
FY 06/07 Estimated Actual	9,260
Increase (Decrease)	17,740

\$	12,000	Miscellaneous facility painting
\$	15,000	Road oiling
\$	27,000	

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 07/08 Requested Budget	10,265
FY 06/07 Estimated Actual	4,422
Increase (Decrease)	5,843

\$	5,940	Uniform Service (\$540 per month)
	1,650	Blue jean pants (\$150/year for 11 employees)
	2,275	Boots (\$175/year for 13 employees)
	400	Misc. uniform requirements (jackets, etc.)
\$	10,265	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

Description: Funds for the purchase of minor tools and equipment, plus a one-time increase for a mini-crane.

FY 07/08 Requested Budget	8,500
FY 06/07 Estimated Actual	2,785
Increase (Decrease)	5,715

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 07/08 Requested Budget	-
FY 06/07 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

Description: Funds for the purchase of supplies for landscape maintenance at the WTP, plus a one-time cost of \$4,000 for landscape improvements in front of the Operations Building.

FY 07/08 Requested Budget	5,500
FY 06/07 Estimated Actual	380
Increase (Decrease)	5,120

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

Based on \$27.00 per acre foot and 36,785 acre feet of requests in FY 2007/08 and \$5,000 for taste and odor reduction chemicals.

FY 07/08 Requested Budget	1,003,198
FY 06/07 Estimated Actual	691,920
Increase (Decrease)	311,278

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 07/08 Requested Budget	10,000
FY 06/07 Estimated Actual	7,506
Increase (Decrease)	2,494

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 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	4,403
Increase (Decrease)	597

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 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 07/08 Requested Budget	15,000
FY 06/07 Estimated Actual	17,714
Increase (Decrease)	(2,714)

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 07/08 Requested Budget	38,000
FY 06/07 Estimated Actual	40,702
Increase (Decrease)	(2,702)

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 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	626
Increase (Decrease)	4,374

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 07/08 Requested Budget	27,000
FY 06/07 Estimated Actual	10,635
Increase (Decrease)	16,365

3,200	DBP Analysis
3,000	Annual analysis
200	Monthly Aluminum Analysis
6,000	Taste and Odor Analysis
14,600	Miscellaneous Analyses (includes LT2)
\$ 27,000	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 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 07/08 Requested Budget	90,000
FY 06/07 Estimated Actual	117,340
Increase (Decrease)	(27,340)

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	4,936
Increase (Decrease)	64

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 07/08 Requested Budget	22,900
FY 06/07 Estimated Actual	19,462
Increase (Decrease)	3,438

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	11,800	Janitorial service
	3,000	HVAC
	3,900	Janitorial Supplies
\$	22,900	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 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	5,160
Increase (Decrease)	(160)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service to the WTP.

FY 07/08 Requested Budget	4,800
FY 06/07 Estimated Actual	4,440
Increase (Decrease)	360

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 07/08 Requested Budget	96,000
FY 06/07 Estimated Actual	86,306
Increase (Decrease)	9,694

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP.
Variable electrical costs estimated at \$1 per acre-foot.

FY 07/08 Requested Budget	36,785
FY 06/07 Estimated Actual	21,576
Increase (Decrease)	15,209

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 07/08 Requested Budget	-
FY 06/07 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 07/08 Requested Budget	10,000
FY 06/07 Estimated Actual	7,158
Increase (Decrease)	2,842

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 07/08 Requested Budget	3,000
FY 06/07 Estimated Actual	2,617
Increase (Decrease)	383

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 07/08 Requested Budget	67,596
FY 06/07 Estimated Actual	59,064
Increase (Decrease)	8,532

\$	36,191	Property and auto coverage based on the apportionment provided by JPIA.
\$	31,405	General liability and E&O based on salary proportions.
\$	67,596	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects around the WTP which are not eligible for capitalization because the facilities are not owned by CCWA or do not meet the capitalization criteria. See the detailed description of the WTP Non-Capitalized Projects in this section of the Budget.

FY 07/08 Requested Budget	256,020
FY 06/07 Estimated Actual	112,121
Increase (Decrease)	143,899

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 07/08 Requested Budget	15,000
FY 06/07 Estimated Actual	8,830
Increase (Decrease)	6,170

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 \$5,000 in cost with an estimated useful life under 5 years.

FY 07/08 Requested Budget	10,000
FY 06/07 Estimated Actual	6,272
Increase (Decrease)	3,728

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 07/08 Requested Budget	26,910
FY 06/07 Estimated Actual	21,570
Increase (Decrease)	5,340

Service Contracts	\$8,750
Minor purchases	\$1,000
Compuvision	\$17,160
Total	\$26,910

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget.

FY 07/08 Requested Budget	67,257
FY 06/07 Estimated Actual	-
Increase (Decrease)	67,257



CCWA Valve Vault near Talley Farms in Arroyo Grande

Distribution Department

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

Highlights

Department Information

- Number of employees 10
- Authority pipeline (in miles) 42
- Coastal Branch Phase II pipeline (in miles) 101
- Total pipeline operated
 - By the Authority (in miles) 130
- Number of water storage tanks 7
- Number of turnouts 10

Budget Information

- Total FY 2007/08 O&M Budget \$2,089,007
- Non-Annual Recurring Expense deposits \$ -0-
- **Total Distribution Department FY 2007/08 Budgeted Expenses \$2,089,007**
- O&M Budget increase over FY 2006/07 \$ 103,683
- Fixed O&M expenses \$1,708,084
- Variable O&M expenses \$ 380,923
- FY 2007/08 budgeted electrical cost \$ 55 per acre-foot

Significant Accomplishments During FY 2006/07

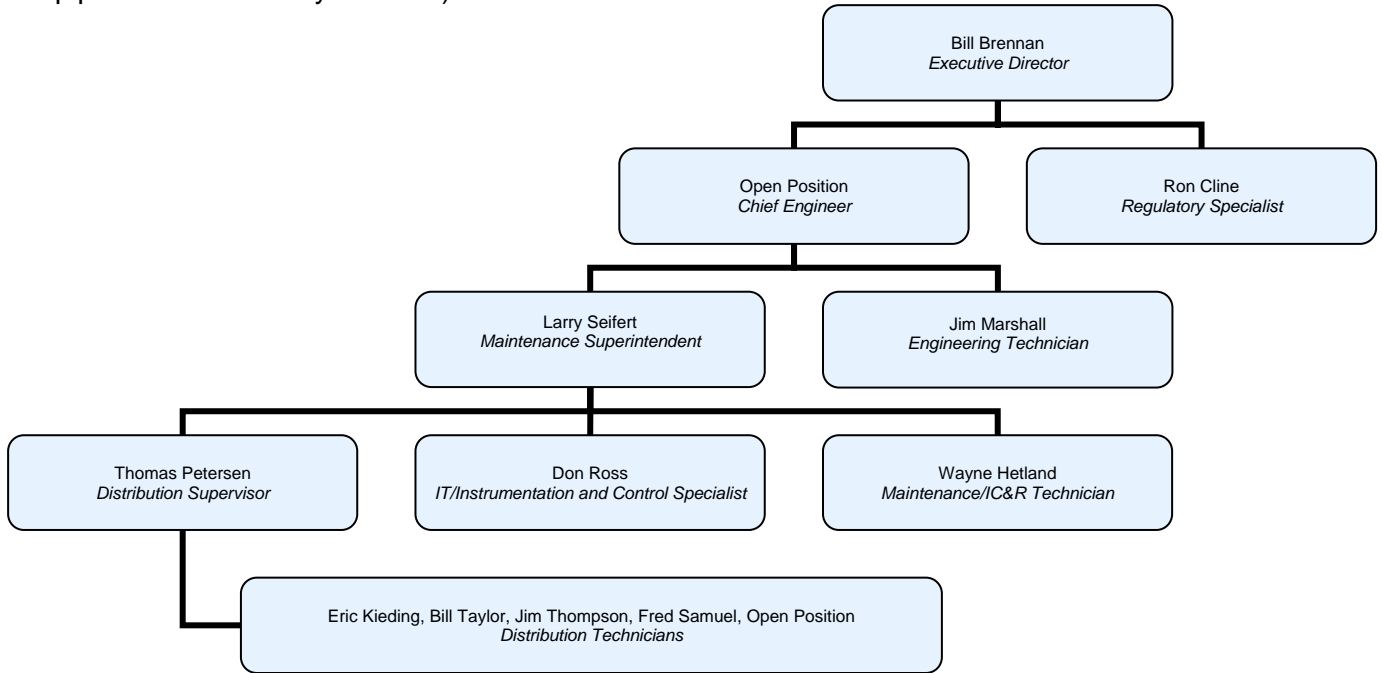
- Implement permanent chlorine feed system at Tank 7.
- Coordinated the pipeline and water treatment plant inspections with the annual DWR shutdown for the Coastal Branch Phase I maintenance.

Significant Goals for FY 2007/08

- Complete the Santa Ynez Pump Facility sodium bisulfite tank modifications.
- Implement distribution system security enhancements.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2007/08 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 Technician.

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, dechloramination and disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 131 miles of pipeline and operate and maintain five storage tanks, nine turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.



Central Coast Water Authority
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Fiscal Year 2007/08 Budget

The IT/Instrumentation and Control Specialist and Maintenance/Instrumentation and Control Technician 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 Chief Engineer, who provide long term planning and establish priorities.

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

The following pages list the 2006 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2007 goals for the Distribution Department.

Each of the following individual departmental goals is tied to the Authority’s Mission Statement and Objectives, which are shown in bold, italics typeface.

2006 DISTRIBUTION ACCOMPLISHMENTS

<u>Goal</u>	Status
Implement Long Term 2 Surface Water Treatment Rule and Stage 2 Disinfection Byproducts rules. [12/07]	Sampling began April 18 and will be done monthly per the EPA schedule for two years.
Implement distribution system security enhancements. [12/07]	Twelve security cameras and mounting hardware have been purchased and received for installation at Tanks 2, 5, 7 and the EDV. Towers for camera mounting have been purchased and received. Tower concrete footings have been installed at Tanks 2, 5 and the EDV. Tank 7 camera tower footing is in progress. Underground conduits for communication from the security cameras to the network have been installed at Tanks 2, 5, 7 and the EDV.

Central Coast Water Authority
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Implement permanent chlorine feed system at Tank 7. [6/07]

The building has been erected and nears completion. Contractor terminated. Remainder of work will be overseen by staff.

Complete the Santa Ynez Pump Facility sodium bisulfite tank modifications. [9/07]

Initial tank evaluations have begun. A cost analysis is underway to determine the feasibility of replacement rather than repair. The manufacturer indicates the tank life at ten years.

Complete internal pipeline inspection of Reach 4. [11/07]

On schedule

Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements and revegetation and erosion control. [Ongoing]

A digital telephone system connection and combination Internet access, T1 service, has been ordered to enhance communications and provide lower operating costs. Installation of new telephone equipment at the Buellton Office and the Water Treatment Plant along with a new T1 network over our fiber optic cable to allow communications between the two facilities without telephone system charges and provide necessary communications between the two facilities during telephone system failures is in progress.

Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]

Ongoing

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

CCWA staff has been working to coordinate sampling for the Stage 2 D/DBP Rule with project participants.

Central Coast Water Authority
Distribution Department
Fiscal Year 2007/08 Budget

New Goals for Calendar Year 2008

Review and implement environmentally sound policies (“green policies”) for CCWA Operations, Maintenance, and Engineering Functions.

Central Coast Water Authority
Distribution Department
Fiscal Year 2007/08 Budget

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.

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

Central Coast Water Authority
Distribution Department
 Fiscal Year 2007/08 Budget

The table and map on page 170 shows the participation by project participant, by financial reach and the corresponding percentage share of the operating costs for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2005/06 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.

<i>Distribution Department Financial Reach Allocation</i>			
Financial Reach	FY 2007/08 Allocation Percentage	FY 2006/07 Allocation Percentage	Increase (Decrease)
Reach 33B	30.49%	23.49%	7.00%
Reach 34	11.95%	12.22%	-0.27%
Reach 35	5.72%	8.66%	-2.94%
Reach 37	3.18%	4.75%	-1.57%
Reach 38	3.81%	4.49%	-0.68%
Mission Hills II	10.63%	10.09%	0.54%
Santa Ynez I	16.22%	15.21%	1.01%
Santa Ynez II	18.01%	21.09%	-3.08%
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.

Variable O&M Costs are all costs that vary with the amount of water processed. These costs include all chemical and electrical costs for the Distribution Department including electrical costs at the Santa Ynez Pumping Facility.

Fiscal Year 2007/08 Operating Expense Budget

The Fiscal Year 2007/08 Distribution Department operating expense budget is \$2,089,007, which is \$103,683 higher than the previous year's budget of \$1,985,552, an increase of 5.22%. The personnel expense section of the Distribution Department budget represents approximately 54% of the budget. Utilities comprise 22%, with other

Central Coast Water Authority
Distribution Department
 Fiscal Year 2007/08 Budget

expenses making up the balance of the budget. The chart on page 171 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 \$18,000 (excluding reductions for capitalized salaries and benefits) attributed to the following:

- Salary increases for FY 2007/08 of \$42,881.
- Health insurance expense increase of approximately \$14,000 for a projected 10% increase effective January 1, 2008.
- Workers' compensation insurance decrease of about \$11,600 due to a lower experience modification factor.

Utility Expenses Utility expenses are increasing by about \$162,000 attributed to a change in project participant requested water deliveries into Lake Cachuma for FY 2007/08.

Other Expenses Other expenses are decreasing by approximately \$47,000 due to a decrease in non-capitalized project expenses, partially offset by an increase in computer related expenses resulting from an allocation of computer maintenance expenses to all three CCWA departments.

Turnout Expenses Turnout expenses include funds for utility expenses at each turnout, equipment repairs and maintenance and non-capitalized projects.

The following table shows the FY 2007/08 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES									
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Capital Projects	TOTAL		
Guadalupe	\$ 650	\$ 1,000	\$ -	\$ 500	\$ 2,150	\$ 20,300	\$ 22,450		
Santa Maria	500	1,500	-	500	2,500		2,500		
Golden State Water Co.	-	3,000	-	500	3,500		3,500		
Vandenberg Air Force Base	-	1,500	-	500	2,000		2,000		
Buellton	350	1,500	-	500	2,350		2,350		
Santa Ynez (Solvang)	250	1,000	-	500	1,750		1,750		
Santa Ynez	-	1,000	-	500	1,500		1,500		
Chorro Valley	-	1,500	5,000	500	7,000		7,000		
Lopez	600	1,500	-	500	2,600		2,600		
TOTAL:	\$ 2,350	\$ 13,500	\$ 5,000	\$ 4,500	\$ 25,350	\$ 20,300	\$ 45,650		

Central Coast Water Authority
Distribution Department
 Fiscal Year 2007/08 Budget

Non-Annual Recurring Expenses

As part of the budget process, certain expenses which occur periodically are identified and charged to the project participants over a number of years to minimize fluctuations in the annual O&M assessments. The assessment of the non-annual recurring expenses are charged to the project participants on an entitlement and financial reach basis.

No additional deposits are being collected for the Distribution Department NARES account for FY 2007/08.

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, since CCWA does not own the DWR portion of the Coastal Branch Extension, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the distribution system which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2007/08.

<i>Non-Capitalized Projects-Reach Specific</i>		
Project Description	Financial Reach	Amount
Energy Dissipation Valve Vault I/O Upgrade	34	11,300
Distribution System Asphalt Maintenance	SYI	8,267
	SYII	8,267
	ALL	8,267
Reach 4 Pipeline Inspection	33B	18,100
<i>TOTAL NON-CAPITALIZED PROJECTS</i>		\$ 54,201

Central Coast Water Authority
Distribution Department
Fiscal Year 2007/08 Budget

Description: ***Distribution System Asphalt Maintenance***

Department: Distribution, ALL, Santa Ynez I and Santa Ynez II (1/3 each)

Project Type: Non-Capitalized Project

Expanded Description: Provide asphalt maintenance for Tank 7, Buellton Administrative Office and Santa Ynez Pump Station to protect against loss of aggregate and extend the life of the asphalt.

Estimated Charge	\$ 22,000
Sales Tax	\$ 1,700
Contingency (5%)	<u>\$ 1,100</u>
Total Cost:	\$ 24,800

Funding Source: Reach Specific Assessments

Operating Budget Impact: Regular asphalt maintenance protects against more costly repairs.

Central Coast Water Authority
Distribution Department
Fiscal Year 2007/08 Budget

Description: ***Energy Dissipation Valve Vault I/O Upgrade***

Department: Distribution, Reach 34

Project Type: Non-capitalized Project

Expanded Description: Replace the input/output modules at the Energy Dissipation Valve Vault.

Estimated Charge	\$ 10,000
Sales Tax	\$ 800
Contingency (5%)	<u>\$ 500</u>
Subtotal without CCWA labor	\$ 11,300
Labor	\$ 8,000
Fringe and Overhead	<u>\$ 2,400</u>
Total Cost:	\$ 21,700

Funding Source: Reach Specific Assessments

Operating Budget Impact: Existing components are obsolete.

Description: ***Reach 4 Pipeline Inspection***

Department: Distribution, Reach 33B

Project Type: Non-capital Project

Expanded Description: Inspect the interior condition of a representative section of pipeline in Reach 4.

Estimated Charge	\$ 16,000
Sales Tax	\$ 1,300
Contingency (5%)	<u>\$ 800</u>
Subtotal without CCWA labor	\$ 18,100
Labor	\$ 44,000
Fringe and Overhead	<u>\$ 13,200</u>
Total Cost:	\$ 75,300

Funding Source: Reach Specific Assessments

Operating Budget Impact: Pipeline inspection ensures pipe integrity.

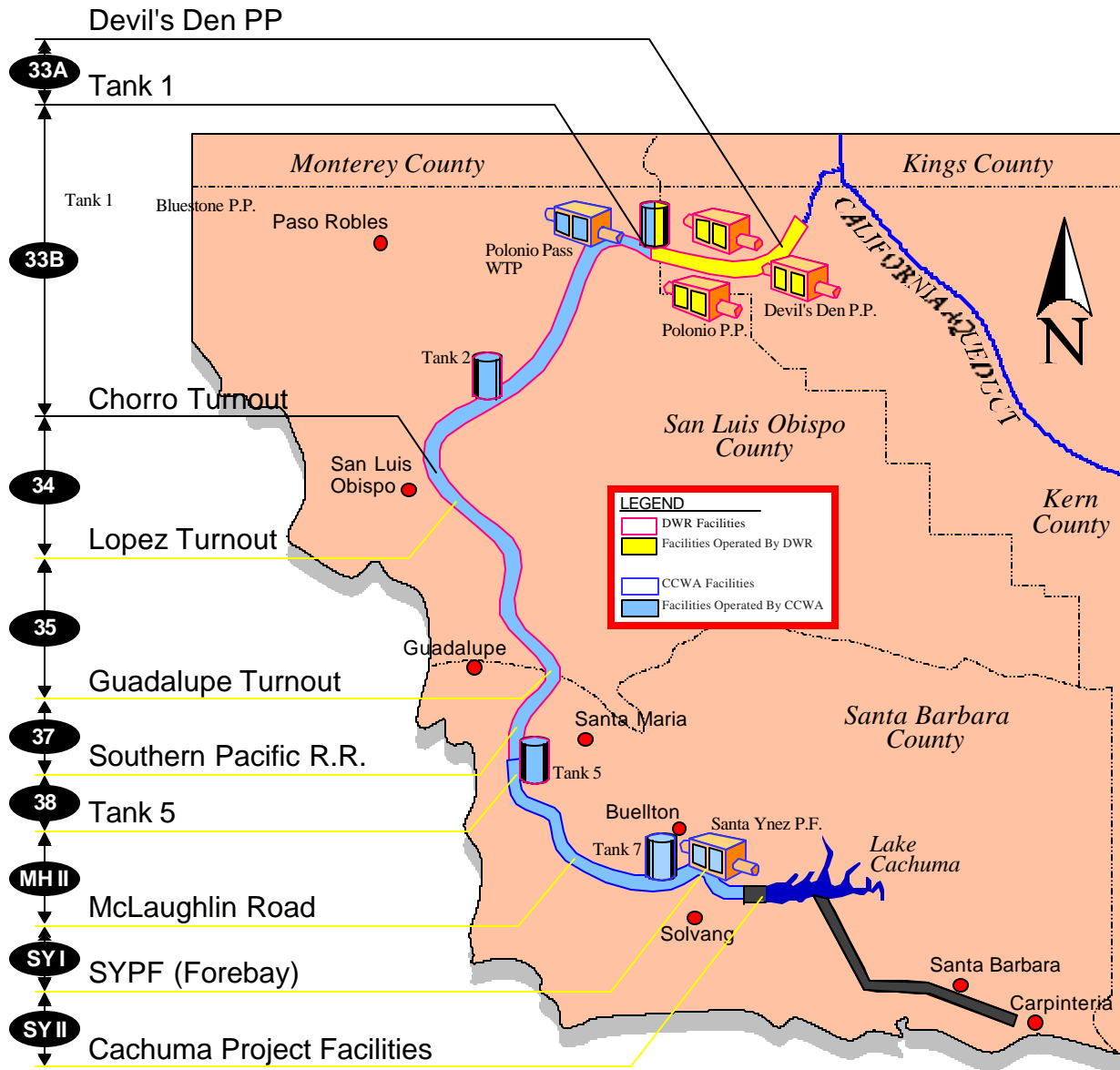
Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2007/08 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2005/06	Number Auth. FY 2006/07	Number Requested FY 2007/08	Change Over FY 2005/06	Change Over FY 2006/07
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Operations Manager	-	-	-	-	-
Chief Engineer ⁽²⁾	0.40	0.40	0.40	-	-
Regulatory 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 Technician	0.20	0.20	0.20	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	9.00	10.00	10.00	1.00	-

PERSONNEL WAGE SUMMARY				
Position Title	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2006/07 Current Salary
Executive Director ⁽¹⁾	N/A		N/A	\$ 36,598
Chief Engineer ⁽²⁾	25	\$ 8,349	\$ 10,185	\$ 43,655
Regulatory Specialist ⁽³⁾	18	\$ 5,783	\$ 7,055	\$ 56,176
Distribution Supervisor	18	\$ 5,783	\$ 7,055	\$ 71,718
Engineering Technician	16	\$ 5,206	\$ 6,352	\$ 50,211
Instrumentation & Control Specialist	18	\$ 5,783	\$ 7,055	\$ 75,587
Maintenance Superintendent ⁽⁴⁾	20	\$ 6,422	\$ 7,835	\$ 33,580
Maintenance/IC&R Technician	15	\$ 4,940	\$ 6,026	\$ 11,581
Distribution Technicians	14	\$ 4,687	\$ 5,718	\$ 303,135
FY 2007/08 Salary Pool				\$ 42,881
TOTAL:				\$ 725,123

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
(2) The Chief Engineer is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
(3) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).
(4) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).

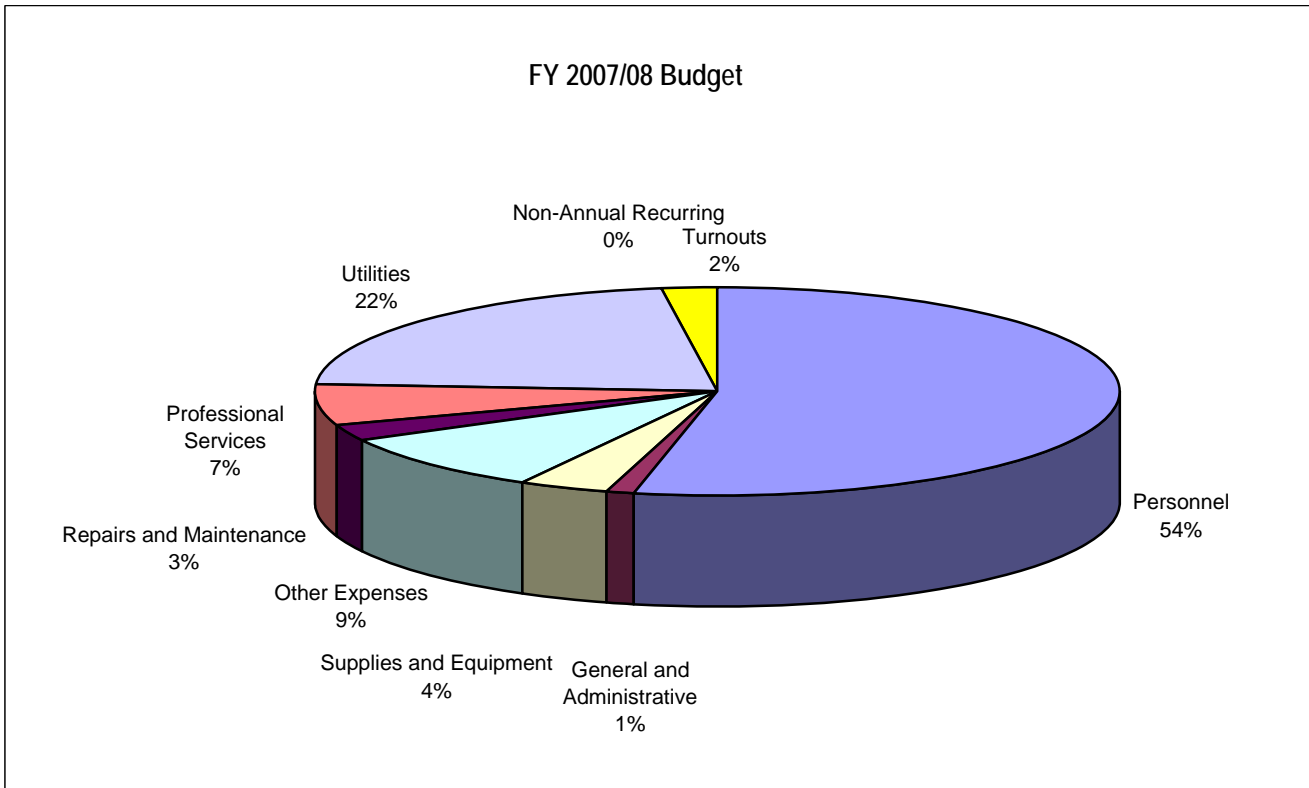
COASTAL BRANCH FINANCIAL REACHES



Purveyor	CONTRACT ENTITLEMENT IN FINANCIAL REACHES							
	WTP / 33B	34	35	37	38	MH II	SY I	SY II
Shandon	100							
Chorro Valley	2,338							
Lopez	2,392	2,392						
Guadalupe	550	550	550					
Santa Maria	16,200	16,200	16,200	16,200				
SCWC	500	500	500	500				
Vandenberg AFB	5,500	5,500	5,500	5,500	5,500	5,500		
Buellton	578	578	578	578	578	578	578	
Santa Ynez (Solvang)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
Santa Ynez	500	500	500	500	500	500	500	
Goleta	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Morehart Land	200	200	200	200	200	200	200	200
LaCumbre	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
SB Research	50	50	50	50	50	50	50	50
Santa Barbara	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Montecito	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Summerland	300	300	300	300	300	300	300	300
Carpinteria	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL	43,908 AF	41,470 AF	39,078 AF	38,528 AF	21,828 AF	21,828 AF	16,328 AF	13,750 AF

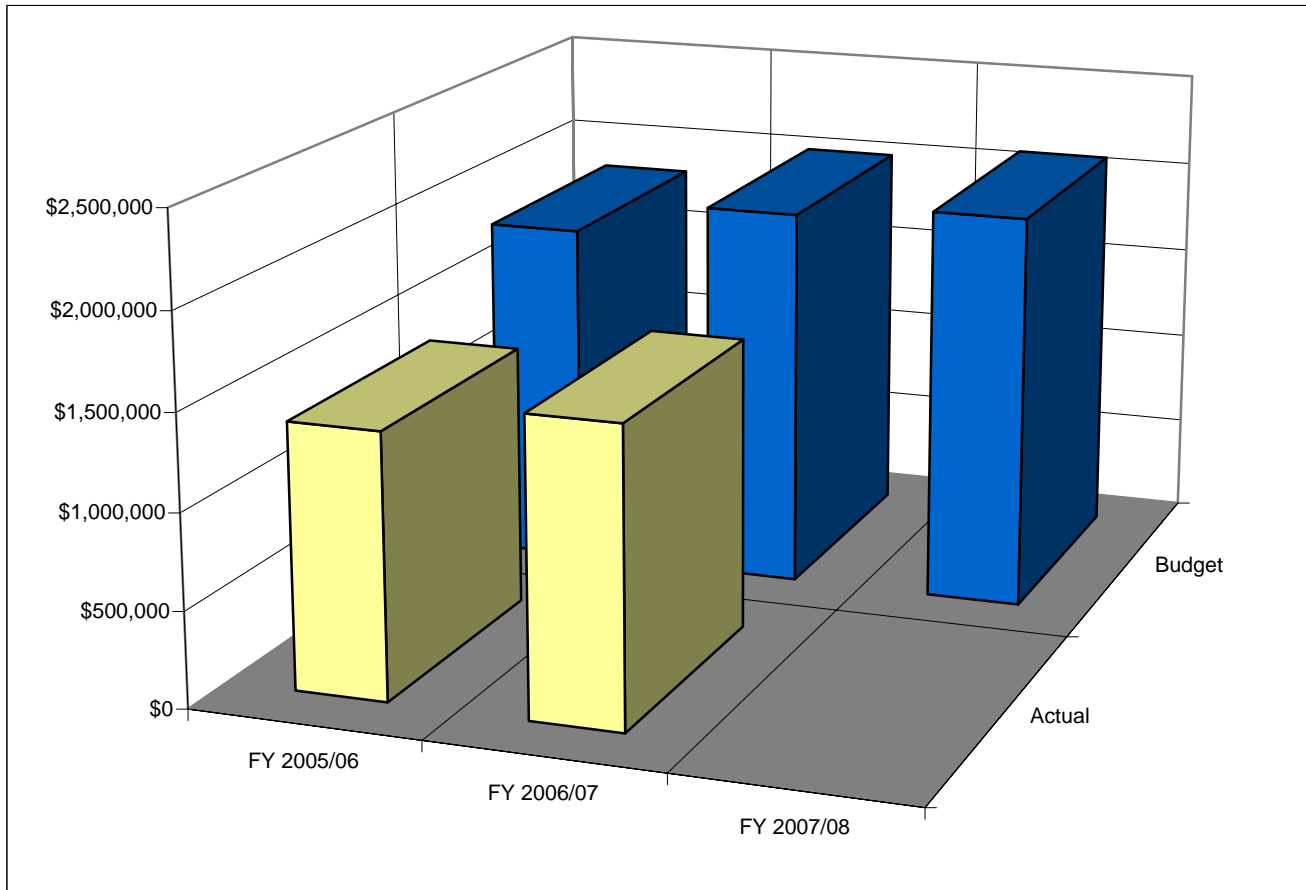
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2007/08 Budget

Item	FY 2007/08 Budget
Personnel	\$ 1,113,496
Office Expenses	3,000
Supplies and Equipment	73,965
Monitoring Expenses	-
Repairs and Maintenance	51,568
Professional Services	130,750
General and Administrative	23,100
Utilities	453,183
Other Expenses	194,295
Non-Annual Recurring	-
Turnouts	45,650
TOTAL:	\$ 2,089,007



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2007/08 Budget

Item	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget
Personnel	\$ 927,747	\$ 877,330	\$ 1,112,831	\$ 835,069	\$ 1,113,496
Office Expenses	3,000	945	3,000	2,158	3,000
Supplies and Equipment	65,705	71,919	72,605	57,062	73,965
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	51,568	46,628	51,568	48,817	51,568
Professional Services	132,600	80,444	140,400	46,531	130,750
General and Administrative	26,100	23,488	23,100	17,462	23,100
Utilities	315,223	74,304	290,820	207,709	453,183
Other Expenses	233,388	135,956	245,123	251,954	194,295
Turnouts	46,072	40,943	46,105	46,105	45,650
Subtotal	\$ 1,801,403	\$ 1,351,956	\$ 1,985,552	\$ 1,512,866	\$ 2,089,007
Non-Annual Recurring	\$ 29,415	\$ 29,415	\$ 29,415	\$ 29,415	\$ -
TOTAL:	\$ 1,830,818	\$ 1,381,371	\$ 2,014,967	\$ 1,542,281	\$ 2,089,007



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 605,930	\$ 559,469	\$ 720,086	\$ 556,185	\$ 725,123	\$ 5,036	0.70%
1300.60	Capitalized Wages and Overtime	(18,515)	-	(10,300)	(32,899)	(23,500)	(13,200)	128.16%
5000.20	Overtime	42,296	39,505	48,004	45,285	48,256	252	0.52%
5000.40	Standby Pay	24,178	18,136	23,535	18,103	22,805	(730)	-3.10%
5000.50	Shift Differential Pay	-	54	-	-	-	-	N/A
5100.10	PERS Retirement	98,908	97,027	129,403	97,239	128,706	(696)	-0.54%
5100.15	Medicare Taxes	9,801	8,036	11,533	8,256	11,601	68	0.59%
5100.20	Health Insurance	94,985	68,879	112,676	76,258	126,670	13,994	12.42%
5100.25	Workers' Compensation	40,636	29,671	44,621	23,223	33,017	(11,604)	-26.01%
5100.30	Vehicle Expenses	-	32	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	3,500	3,639	3,750	3,740	3,875	125	3.33%
5100.40	Cafeteria Plan Benefits	10,218	7,728	6,357	4,445	6,250	(108)	-1.69%
5100.45	Dental/Vision Plan	11,743	13,018	13,632	10,029	16,612	2,980	21.86%
5100.50	Long-Term Disability	3,181	2,630	3,806	2,216	3,270	(536)	-14.09%
5100.55	Life Insurance	3,247	2,748	3,327	2,712	3,412	85	2.55%
5100.60	Employee Physicals	900	80	900	395	900	-	0.00%
5000.30	Temporary Services	1,000	-	1,000	1,141	10,000	9,000	900.00%
5100.70	Employee Incentive Programs	2,600	1,860	2,600	1,150	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	312	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	24,817	-	17,278	-	-	N/A
1300.60	Capitalized Employee Benefits	(7,861)	-	(3,100)	-	(7,100)	(4,000)	129.03%
Total Personnel Expenses:		927,747	877,330	1,112,831	835,069	1,113,496	666	0.06%

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Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
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OFFICE EXPENSES

5200.20	Office Supplies	2,000	377	2,000	845	2,000	-	0.00%
5200.30	Miscellaneous Office Expenses	1,000	568	1,000	1,313	1,000	-	0.00%
Total Office Expenses:		3,000	945	3,000	2,158	3,000	-	0.00%

SUPPLIES AND EQUIPMENT

5500.10	Uniform Expenses	6,205	6,698	6,205	5,652	6,565	360	5.80%
5500.15	Minor Tools and Equipment	10,000	13,375	10,000	9,806	10,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	1,666	1,000	387	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	5,644	10,000	5,880	10,000	-	0.00%
5500.40	Safety Supplies	4,000	3,589	4,000	1,650	5,000	1,000	25.00%
5500.45	Fuel and Lubricants	27,000	36,279	33,900	32,720	33,900	-	0.00%
5500.50	Seed/Erosion Control Supplies	7,000	4,493	7,000	900	7,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	175	500	68	500	-	0.00%
Total Supplies and Equipment:		65,705	71,919	72,605	57,062	73,965	1,360	1.87%

MONITORING EXPENSES

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

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Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	30,000	33,308	30,000	31,606	30,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	14,420	6,929	14,420	7,507	14,420	-	0.00%
5700.30	Building Maintenance	4,000	3,440	4,000	5,610	4,000	-	0.00%
5700.40	Landscape Maintenance	3,148	2,950	3,148	4,093	3,148	-	0.00%
Total Repairs and Maintenance:		51,568	46,628	51,568	48,817	51,568	-	0.00%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	113,850	68,158	104,050	30,848	93,750	(10,300)	-9.90%
5400.20	Legal Services	-	592	-	1,085	-	-	N/A
5400.30	Engineering Services	16,000	9,324	16,000	1,586	16,000	-	0.00%
5400.40	Permits	2,750	2,371	2,750	3,279	3,400	650	23.64%
5400.50	Non-Contractual Services	-	-	17,600	9,733	17,600	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		132,600	80,444	140,400	46,531	130,750	(9,650)	-6.87%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	12,000	14,789	9,000	5,859	9,000	-	0.00%
5300.20	Mileage Reimbursement	-	-	-	194	-	-	N/A
5300.30	Dues and Memberships	1,300	1,125	1,300	939	1,300	-	0.00%
5300.40	Publications	1,300	489	1,300	722	1,300	-	0.00%
5300.50	Training	9,000	6,552	9,000	8,022	9,000	-	0.00%
5300.60	Advertising	2,000	-	2,000	1,593	2,000	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	500	532	500	133	500	-	0.00%
Total General and Administrative:		26,100	23,488	23,100	17,462	23,100	-	0.00%

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Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2007/08 Administration/O&M Budget

Account Number	Account Name	FY 2005/06 Budget	FY 2005/06 Actual	FY 2006/07 Budget	FY 2006/07 Estimated Actual	FY 2007/08 Budget	Change from FY 2006/07 Budget	Percent Change FY 2006/07 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	400	1,085	400	507	400	-	0.00%
5800.30	Electric Fixed	30,540	25,047	30,540	52,562	54,660	24,120	78.98%
5800.35	Electric-Variable	265,083	33,947	240,680	143,869	380,923	140,243	58.27%
5800.40	Water	1,200	1,066	1,200	1,228	1,200	-	0.00%
5800.50	Telephone	16,000	10,857	16,000	6,737	14,000	(2,000)	-12.50%
5800.60	Waste Disposal	2,000	2,302	2,000	2,805	2,000	-	0.00%
Total Utilities:		315,223	74,304	290,820	207,709	453,183	162,363	55.83%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	41,740	50,287	46,895	45,992	43,768	(3,127)	-6.67%
5900.30	Non-Capitalized Projects	118,130	44,351	121,100	158,868	54,201	(66,899)	-55.24%
5900.40	Equipment Rental	12,000	10,389	12,000	10,169	12,000	-	0.00%
5900.50	Non-Capitalized Equipment	10,000	5,915	10,000	4,249	10,000	-	0.00%
5900.60	Computer Expenses	17,100	25,013	17,100	32,676	34,260	17,160	100.35%
5900.70	Appropriated Contingency	34,418	-	38,028	-	40,066	2,037	5.36%
Total Other Expenses:		233,388	135,956	245,123	251,954	194,295	(50,828)	-20.74%
	Turnouts	46,072	40,943	46,105	46,105	45,650	(455)	-0.99%
TOTAL OPERATING EXPENSES		\$ 1,801,403	\$ 1,351,956	\$ 1,985,552	\$ 1,512,866	\$ 2,089,007	103,683	5.22%

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**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$42,881 for FY 2007/08 salary pool.

FY 07/08 Requested Budget	725,123
FY 06/07 Estimated Actual	556,185
Increase (Decrease)	168,937

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 07/08 Requested Budget	48,256
FY 06/07 Estimated Actual	45,285
Increase (Decrease)	2,972

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 07/08 Requested Budget	(23,500)
FY 06/07 Estimated Actual	(32,899)
Increase (Decrease)	9,399

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Distribution Department, for the hiring of a student intern to assist with drawings and right-of-way documentation.

FY 07/08 Requested Budget	10,000
FY 06/07 Estimated Actual	1,141
Increase (Decrease)	8,859

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 07/08 Requested Budget	22,805
FY 06/07 Estimated Actual	18,103
Increase (Decrease)	4,702

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by duty on a 24-hour basis. Based on \$1.37 per hour (5% of average hourly rate). 2/3 of Instrumentation Employee standby pay allocated to Distribution Department and 1/3 allocated to the Water Treatment Plant Department.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 07/08 Requested Budget	128,706
FY 06/07 Estimated Actual	97,239
Increase (Decrease)	31,467

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 18.50% contribution rate for FY 2007/08 based on the 2% @ 55 formula.

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 07/08 Requested Budget	11,601
FY 06/07 Estimated Actual	8,256
Increase (Decrease)	3,345

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 07/08 Requested Budget	126,670
FY 06/07 Estimated Actual	76,258
Increase (Decrease)	50,411

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan limits for each employee based on their dependent status as follows:
Family: \$ 14,092
Emp+1: \$ 12,165
Emp: \$ 5,164

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 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 71%. Based on a 10% premium increase over FY 2006/07.

FY 07/08 Requested Budget	33,017
FY 06/07 Estimated Actual	23,223
Increase (Decrease)	9,794

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

Description: Employer paid deferred compensation contributions for the Executive Director.

FY 07/08 Requested Budget	3,875
FY 06/07 Estimated Actual	3,740
Increase (Decrease)	135

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 07/08 Requested Budget	6,250
FY 06/07 Estimated Actual	4,445
Increase (Decrease)	1,805

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,816 per year per family for dental and vision expenses. Budgeted amount is \$1,661 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 07/08 Requested Budget	16,612
FY 06/07 Estimated Actual	10,029
Increase (Decrease)	6,583

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 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 \$0.47 per \$100 of salary.

FY 07/08 Requested Budget	3,270
FY 06/07 Estimated Actual	2,216
Increase (Decrease)	1,054

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 07/08 Requested Budget	3,412
FY 06/07 Estimated Actual	2,712
Increase (Decrease)	700

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 07/08 Requested Budget	900
FY 06/07 Estimated Actual	395
Increase (Decrease)	505

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 07/08 Requested Budget	1,000
FY 06/07 Estimated Actual	312
Increase (Decrease)	688

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5100.70

ACCOUNT TITLE: Employee Incentive Programs

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

FY 07/08 Requested Budget	2,600
FY 06/07 Estimated Actual	1,150
Increase (Decrease)	1,450

Safety Program	\$	1,300
EAAP	\$	1,300
TOTAL:	\$	2,600

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 07/08 Requested Budget	(7,100)
FY 06/07 Estimated Actual	-
Increase (Decrease)	(7,100)

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 07/08 Requested Budget	2,000
FY 06/07 Estimated Actual	845
Increase (Decrease)	1,155

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 07/08 Requested Budget	1,000
FY 06/07 Estimated Actual	1,313
Increase (Decrease)	(313)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 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 Chief Engineer as well as travel expenses for winter maintenance.

FY 07/08 Requested Budget	9,000
FY 06/07 Estimated Actual	5,859
Increase (Decrease)	3,141

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 07/08 Requested Budget	-
FY 06/07 Estimated Actual	194
Increase (Decrease)	(194)

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

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

FY 07/08 Requested Budget	1,300
FY 06/07 Estimated Actual	939
Increase (Decrease)	361

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 07/08 Requested Budget	1,300
FY 06/07 Estimated Actual	722
Increase (Decrease)	578

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 07/08 Requested Budget	9,000
FY 06/07 Estimated Actual	8,022
Increase (Decrease)	978

\$ 9,000 - \$1,000 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 07/08 Requested Budget	2,000
FY 06/07 Estimated Actual	1,593
Increase (Decrease)	407

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 07/08 Requested Budget	500
FY 06/07 Estimated Actual	133
Increase (Decrease)	367

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$ 60,000	Environmental Services
10,000	Cathodic protection
10,000	Miscellaneous (vault repairs, flow meter repairs, etc.)
8,500	Aerial survey and/or photos
1,500	Emergency generator service
1,000	Oil analysis
750	Fire extinguisher inspections
2,000	Crane inspections
\$ 93,750	TOTAL

FY 07/08 Requested Budget	93,750
FY 06/07 Estimated Actual	30,848
Increase (Decrease)	62,902

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 07/08 Requested Budget	-
FY 06/07 Estimated Actual	1,085
Increase (Decrease)	(1,085)

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 07/08 Requested Budget	16,000
FY 06/07 Estimated Actual	1,586
Increase (Decrease)	14,415

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required permits for the Distribution Department.

FY 07/08 Requested Budget	3,400
FY 06/07 Estimated Actual	3,279
Increase (Decrease)	121

1,200	Low Threat Discharge Permit
1,200	Diesel Permit
1,000	SYPP Business Plan
\$ 3,400	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 07/08 Requested Budget	17,600
FY 06/07 Estimated Actual	9,733
Increase (Decrease)	7,867

\$ 11,000	Miscellaneous Painting
\$ 6,600	Landscaping services at AGMS
\$ 17,600	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 07/08 Requested Budget	6,565
FY 06/07 Estimated Actual	5,652
Increase (Decrease)	913

\$	3,240	Uniform Service (\$270 month)
\$	1,350	Blue jean pants (\$150/year for 9 employees)
\$	1,575	Boots (\$175/year for 9 employees)
\$	400	Misc. uniform requirements (jackets, etc.)
\$	6,565	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 07/08 Requested Budget	10,000
FY 06/07 Estimated Actual	9,806
Increase (Decrease)	194

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 07/08 Requested Budget	-
FY 06/07 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 and the Buellton office.

FY 07/08 Requested Budget	1,000
FY 06/07 Estimated Actual	387
Increase (Decrease)	613

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 07/08 Requested Budget	-
FY 06/07 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 07/08 Requested Budget	10,000
FY 06/07 Estimated Actual	5,880
Increase (Decrease)	4,120

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 07/08 Requested Budget	5,000
FY 06/07 Estimated Actual	1,650
Increase (Decrease)	3,350

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 07/08 Requested Budget	33,900
FY 06/07 Estimated Actual	32,720
Increase (Decrease)	1,180

\$	29,900	Vehicles
\$	1,000	Emergency Generator Sets
\$	2,000	Lubricants
\$	1,000	Miscellaneous
\$	33,900	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 07/08 Requested Budget	7,000
FY 06/07 Estimated Actual	900
Increase (Decrease)	6,100

\$	1,000	Seed
	1,000	Plants and materials
	5,000	Erosion control
\$	7,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 07/08 Requested Budget	500
FY 06/07 Estimated Actual	68
Increase (Decrease)	432

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of Distribution Department equipment.

FY 07/08 Requested Budget	30,000
FY 06/07 Estimated Actual	31,606
Increase (Decrease)	(1,606)

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of Distribution Department vehicles.

FY 07/08 Requested Budget	14,420
FY 06/07 Estimated Actual	7,507
Increase (Decrease)	6,913

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

Description: Funds for the repair and maintenance of the Santa Ynez Pumping Facility.

FY 07/08 Requested Budget	4,000
FY 06/07 Estimated Actual	5,610
Increase (Decrease)	(1,610)

\$	2,000	Janitorial Service
	2,000	Miscellaneous Repairs
\$	4,000	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 07/08 Requested Budget	3,148
FY 06/07 Estimated Actual	4,093
Increase (Decrease)	(945)

\$	2,448	SYPF (\$204 month)
\$	700	SYPF spring mowing
\$	3,148	TOTAL

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service for the Distribution Department.

FY 07/08 Requested Budget	400
FY 06/07 Estimated Actual	507
Increase (Decrease)	(107)

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 07/08 Requested Budget	54,660
FY 06/07 Estimated Actual	52,562
Increase (Decrease)	2,098

\$	9,600	Suite B & C	\$800 month
	1,200	2 Iso vaults	\$100 month
	5,040	2 Tanks	\$420 month
	2,220	11 Rectifiers	\$185 month
	3,600	EDV	\$300 month
	33,000	SYPF	\$2750 month
\$	54,660	TOTAL	

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 07/08 Requested Budget	380,923
FY 06/07 Estimated Actual	143,869
Increase (Decrease)	237,054

Acre feet pumped	6,926
Cost per acre foot	\$55
TOTAL	\$380,923

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to
the Distribution Department.

FY 07/08 Requested Budget	1,200
FY 06/07 Estimated Actual	1,228
Increase (Decrease)	(28)

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

Description: Funds for Distribution Department phones including
long distance, pagers and cellular phone bills.

FY 07/08 Requested Budget	14,000
FY 06/07 Estimated Actual	6,737
Increase (Decrease)	7,263

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 07/08 Requested Budget	2,000
FY 06/07 Estimated Actual	2,805
Increase (Decrease)	(805)

\$	1,000	Trash service
	1,000	Hazardous waste removal
\$	2,000	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 07/08 Requested Budget	43,768
FY 06/07 Estimated Actual	45,992
Increase (Decrease)	(2,224)

\$	19,670	Property and Auto Insurance as apportioned by JPIA.
\$	24,098	General liability and E&O insurance pro rated by salary percentages.
\$	43,768	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects along the pipeline on facilities which are not owned by CCWA or do not qualify for capitalization under the CCWA capitalization policy (see detailed breakout in this section of the budget).

FY 07/08 Requested Budget	54,201
FY 06/07 Estimated Actual	158,868
Increase (Decrease)	(104,667)

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the Distribution Department.

FY 07/08 Requested Budget	12,000
FY 06/07 Estimated Actual	10,169
Increase (Decrease)	1,831

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 \$5,000 in cost with an estimated useful life under 5 years.

FY 07/08 Requested Budget	10,000
FY 06/07 Estimated Actual	4,249
Increase (Decrease)	5,751

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2007/08 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 07/08 Requested Budget	34,260
FY 06/07 Estimated Actual	32,676
Increase (Decrease)	1,584

DSL Allowance	\$2,400
Service Contracts	\$9,500
New Computers	\$4,200
Minor purchases	\$1,000
Compuvision	\$17,160
Total	\$34,260

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget.

FY 07/08 Requested Budget	40,066
FY 06/07 Estimated Actual	-
Increase (Decrease)	40,066



Distribution Technician, Jimmy Thompson, working at Fiber Optic Cable Splice Box on Drum Canyon Road

Capital Improvements

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.

Highlights

Total FY 2007/08 CIP Budget **\$ 331,380**

- New Facilities and Equipment \$ -0-
- Equipment Replacement and Repair \$ 331,380

CIP Funding Sources

- **Total FY 2007/08 CIP Budget** **\$ 331,380**
- Assessment Funded CIP \$ 231,780
- Non-Annual Recurring Expenses \$ 99,600

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2007/08 Budget

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2007/08 is \$331,380.

There are two (2) components of the CIP budget: (1) **New Facilities and Equipment** and (2) **Equipment Replacement and Repair**.

New Facilities and Equipment (NFE)

This section of the CIP budget provides funding for new purchases of facilities and equipment needed by the Authority. These purchases are generally for items which the Authority does not already own.

There are no new facilities and equipment included in the FY 2007/08 Budget.

Equipment Replacement and Repair (ERR)

This section of the CIP budget provides funding for the repair and replacement of existing facilities and equipment.

For FY 2007/08 the ERR budget is \$331,380. The budgeted expenditures for ERR are listed below.

Equipment Replacement and Repair	
Distribution Department Vehicle Replacements	49,600
Computer Network Server Replacements	70,000
Chemical Feed Pump and Piping Modifications	33,700
Fire System Equipment Upgrade	11,100
Replace Sedimentation Basin Valve Actuator	16,850
WTP PLC Upgrade-Phase 2: PCM 200	57,500
Guadalupe Turnout Redesign	20,300
Santa Ynez Pump Station PLC Upgrade	18,100
Sodium Bisulfite Level Transmitters	6,800
Modify Santa Ynez Pump Station Flowmeter	33,900
Suite C Roof Repairs-Buellton Admin Bldg	6,765
Santa Ynez Pump Station Roof Repairs	6,765
TOTAL EQUIPMENT REPLACEMENT AND REPAIR	\$ 331,380

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2007/08 Budget

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. There are no carry-over capital improvement projects for FY 2007/08.

Funding of Capital Improvements Expenditures

The FY 2007/08 CIP expenditures are being funded from two funding sources – Project Participant Assessment, (\$231,780) and Non-Annual Recurring Expense Deposits (\$99,600).

The following table shows the allocation of the FY 2007/08 capital improvements by department, financial reach, and funding source.

FY 2007/08 Capital Improvements					
Capital Improvements	Specific		Water Treatment		Total
	Financial Reach	Administration	Plant	Distribution	
Non-Annual Recurring Expense Funded CIP					
Vehicle Replacements					
Four Wheel Drive Distribution Truck	ALL			24,800	24,800
Van for Instrumentation Technician	ALL			24,800	24,800
Computer Network Server Replacements	ADM	50,000			50,000
Subtotal:		50,000	-	49,600	99,600
Assessment Funded CIP					
Computer Network Server Replacements	ADM	20,000			20,000
Chemical Feed Pump and Piping Mods	WTP		33,700		33,700
Fire System Equipment Upgrade	WTP		11,100		11,100
Sedimentation Basin Valve					
Actuator Replacement	WTP		16,850		16,850
WTP PLC Upgrade-Phase 2: PCM 200	WTP		57,500		57,500
Guadalupe Turnout Redesign	Guadalupe TO			20,300	20,300
Santa Ynez Pump Station PLC Upgrade	SYII			18,100	18,100
Sodium Bisulfite Level Transmitters	SYII			6,800	6,800
Santa Ynez Pump Station Flowmeter					
Modifications	SYII			33,900	33,900
Suite C Roof Repairs-Buellton Admin	ALL			6,765	6,765
Santa Ynez Pump Station Roof Repairs	SYII			6,765	6,765
Subtotal:		20,000	119,150	92,630	231,780
TOTAL CIP		\$ 70,000	\$ 119,150	\$ 142,230	\$ 331,380

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

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.

Final Project Cost Allocation and Reconciliation

On September 28, 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 of Series 1996A revenue bonds. When the 1996A revenue bonds were issued in October 1996, funds were withheld from the bond proceeds and capital deposits for the estimated future costs necessary to complete the construction of project facilities. After issuance of the 2006A refunding revenue bonds, a full reconciliation and final allocation of all project costs was completed and a corresponding net credit or additional amount due was calculated for each Santa Barbara County and San Luis Obispo County Project Participant.

For those project participants which participated in the Authority's revenue bonds, a reallocation of actual debt service costs from the first revenue bond issue in 1992 through 2006 was calculated and compared to the actual payments by each financing participant. The resulting net credit or additional amount due is shown on the schedule on page 214 under the "*Debt Management*" section of this budget.

For those project participants which paid for their share of the construction of project facilities with cash, a similar reconciliation was completed and a corresponding credit or additional amount was adjusted from the ending capital deposit accounts. Any amounts remaining in the capital deposit account after final adjustment of the project costs is shown as a credit against the fixed project costs. Amounts owed by contribution fund participants are shown as an additional amount due.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

Description: ***Vehicle Replacements***

Department: Distribution, All

Project Type: Capital Project

Expanded Description: Replace Distribution four-wheel drive truck and Instrumentation van that will have over 100,000 miles.

Estimated Charge \$ 46,000
Sales Tax \$ 3,600

Total Cost: \$ 49,600

Funding Source: Non-Annual Recurring Expense Deposits

Operating Budget Impact: Replacement of vehicles on a regular schedule reduces repair costs.

Description: ***Computer Network Server Replacements***

Department: Admin

Project Type: Capital Project

Expanded Description: Replace three computer network servers whose warranty has expired. The three servers selected for replacement are the most critical with regard to relative importance in the administration of the organization.

Estimated Charge \$ 64,125
Sales Tax \$ 2,775
Contingency (5%) \$ 3,100

Total Cost: \$ 70,000

Funding Source: Non-Annual Recurring Expense Deposits (\$50,000)
Reach Specific Assessments (\$20,000)

Operating Budget Impact: Replacing network servers on a routine basis decreases computer network consulting costs due to obsolete equipment and lost productivity for computer down-time.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

Description: ***Chemical Feed Pump and Piping Modifications***

Department: Water Treatment Plant

Project Type: Capital Project

Expanded Description: Match pump sizing to chemical feed needs and ensure adequate redundancy across the entire plant flow range.

Estimated Charge	\$ 30,000
Sales Tax	\$ 2,200
Contingency (5%)	<u>\$ 1,500</u>
Subtotal without CCWA Labor	\$ 33,700
Labor	\$ 14,400
Fringe and Overhead	<u>\$ 4,300</u>
Total Cost:	\$ 52,400

Funding Source: Reach Specific Assessments

Operating Budget Impact: Matching pump size to chemical feed requirements improves efficiency thereby reducing operating costs. Redundancy reduces operating costs by allowing the exchange of a failed unit without a maintenance call-out.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

Description: ***Fire System Equipment Upgrade***

Department: Water Treatment Plant

Project Type: Capital Project

Expanded Description: Replace fire sensors that are obsolete.

Estimated Charge	\$ 9,900
Sales Tax	\$ 700
Contingency (5%)	<u>\$ 500</u>
Subtotal without CCWA Labor	\$ 11,100
Labor	\$ 2,400
Fringe and Overhead	<u>\$ 720</u>
Total Cost:	\$ 14,220

Funding Source: Reach Specific Assessments

Operating Budget Impact: No notable impact.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

Description: ***Sedimentation Basin Valve Actuator Replacement***

Department: Water Treatment Plant

Project Type: Capital Project

Expanded Description: Replace the actuators that modulate the telescoping valves at the sedimentation basins.

Estimated Charge	\$ 15,000
Sales Tax	\$ 1,100
Contingency (5%)	<u>\$ 750</u>
Subtotal without CCWA Labor	\$ 16,850
Labor	\$ 3,000
Fringe and Overhead	<u>\$ 1,000</u>
Total Cost:	\$ 20,850

Funding Source: Reach Specific Assessments

Operating Budget Impact: Replacing obsolete equipment prior to failure eliminates the need for emergency repairs, which elevate replacement costs.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

Description: **WTP PLC Upgrade - Phase 2: PCM 200**

Department: Water Treatment Plant

Project Type: Capital Project

Expanded Description: Replace the PLC components in PCM 200

Estimated Charge	\$ 51,000
Sales Tax	\$ 4,000
Contingency (5%)	<u>\$ 2,500</u>
Subtotal without CCWA Labor	\$ 57,500
Labor	\$ 7,300
Fringe and Overhead	<u>\$ 2,000</u>
Total Cost:	\$ 67,000

Funding Source: Reach Specific Assessments

Operating Budget Impact: Replacement parts for the existing PLC components are few to non-existent. Failure of an existing component may require additional manpower for operations, causing increased operational costs.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

Description: ***Guadalupe Turnout Redesign***

Department: Guadalupe Turnout

Project Type: Capital Project

Expanded Description: Modify the layout of Guadalupe Turnout to resolve operational and safety issues.

Estimated Charge	\$ 17,300
Sales Tax	\$ 1,300
Contingency (5%)	<u>\$ 1,700</u>
Subtotal without CCWA Labor	\$ 20,300
Labor	\$ 9,000
Fringe and Overhead	<u>\$ 2,700</u>
Total Cost:	\$ 32,000

Funding Source: Reach Specific Assessments-Guadalupe Turnout

Operating Budget Impact: Modifications will lead to lower maintenance costs and greater protection to staff and downstream facilities, per Guadalupe's request and at their expense.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

Description: ***Santa Ynez Pump Station PLC Upgrade***

Department: Distribution, Reach – Santa Ynez II

Project Type: Capital Project

Expanded Description: Upgrade the PLC components at the Santa Ynez Pump Station from 984 to Quantum.

Estimated Charge	\$ 16,000
Sales Tax	\$ 1,300
Contingency (5%)	<u>\$ 800</u>
Subtotal without CCWA Labor	\$ 18,100
Labor	\$ 8,000
Fringe and Overhead	<u>\$ 2,400</u>
Total Cost:	\$ 28,500

Funding Source: Reach Specific Assessments

Operating Budget Impact: Replacement parts for the existing PLC components are few to non-existent. Failure of an existing component may require additional manpower for operations, causing increased operational costs.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

Description: ***Sodium Bisulfite Level Transmitters***

Department: Distribution, Santa Ynez II

Project Type: Capital Project

Expanded Description: Replace the level transmitters on the sodium bisulfite tanks at the Santa Ynez Pump Station.

Estimated Charge	\$ 6,000
Sales Tax1	\$ 500
Contingency (5%)	<u>\$ 300</u>
Subtotal without CCWA Labor	\$ 6,800
Labor	\$ 1,500
Fringe and Overhead	<u>\$ 500</u>
Total Cost:	\$ 8,800

Funding Source: Reach Specific Assessments

Operating Budget Impact: No notable impact.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2007/08 Budget

Description: ***Santa Ynez Pump Station Flowmeter Modifications***

Department: Distribution, Santa Ynez II

Project Type: Capital Project

Expanded Description: Modify the flowmeter at the pump station to ensure accuracy at low plant flows. Existing arrangement is inaccurate at the low flows now possible because of the variable frequency drive.

Estimated Charge	\$ 30,000
Sales Tax	\$ 2,400
Contingency (5%)	<u>\$ 1,500</u>
Subtotal without CCWA Labor	\$ 33,900
Labor	\$ 5,000
Fringe and Overhead	<u>\$ 1,500</u>
Total Cost:	\$ 40,400

Funding Source: Reach Specific Assessments

Operating Budget Impact: No notable impact.

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Capital Improvements
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Description: ***Buellton Administration Building Suite C and Santa Ynez Pump Station Roof Repairs***

Department: Distribution, ALL and Santa Ynez II (50% each)

Project Type: Capital Project

Expanded Description: Make repairs to the roof on Suite C at the Buellton Administrative Office and at the Santa Ynez Pumping Facility.

Estimated Charge	\$ 12,000
Sales Tax	\$ 930
Contingency (5%)	<u>\$ 600</u>

Total Cost: \$ 13,530

Funding Source: Reach Specific Assessments

Operating Budget Impact: Existing roof is scheduled for maintenance based on age and style of roof. Delaying maintenance will result in further damage to the roof, structure, and contents of Suite C.



Powder Coated Pressure Relief Valve

Debt Management

The Debt Management section of the FY 2007/08 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, arbitrage rebate liability, and the project participant debt payment schedule.

Highlights

2006A Revenue Bond Principal and Interest Due **\$ 11,536,825**

- FY 2007/08 Principal Payment \$ 5,895,000
- FY 2007/08 Interest Payments \$ 5,641,826

Bond Payment Funding Sources **\$ 11,536,825**

- Fixed Assessments from Project Participants \$ 10,770,678
- Debt Service Account Interest Credits \$ 766,147

1996 Revenue Bond Information

- Principal Payment Date October 1st
- Interest Payment Dates October 1st and April 1st
- Outstanding Principal Balance (6-30-07) \$ 123,190,000
- True Interest Cost (TIC) 4.24%
- Final maturity date October 1, 2021

Central Coast Water Authority
Debt Management
Fiscal Year 2007/08 Budget

Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain of the Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

Series 2006 A Refunding Revenue Bonds

On September 28, 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996 A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% and were issued to reduce the Authority's total debt service payments over the

Central Coast Water Authority
Debt Management
 Fiscal Year 2007/08 Budget

next 15 years by \$4.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

The following table shows the comparison of total annual debt service under the 1996 Series A revenue bonds, net of reserve fund interest earnings and the total annual debt service under the Series 2006A bonds and the corresponding annual savings.

Annual Debt Service Savings from Series 2006A Revenue Bonds			
	1996A Bonds, Net ⁽¹⁾	2006A Bonds	Annual Savings
FY 07/08	\$ 11,906,509	\$ 11,536,825	\$ 369,684
FY 08/09	11,870,184	11,590,125	280,059
FY 08/09	11,882,790	11,577,725	305,065
FY 09/10	11,883,346	11,580,225	303,121
FY 10/11	11,871,971	11,537,325	334,646
FY 11/12	11,868,221	11,582,463	285,759
FY 12/13	11,861,096	11,525,975	335,121
FY 13/14	11,854,721	11,520,100	334,621
FY 14/15	11,838,346	11,504,725	333,621
FY 15/16	11,830,971	11,493,975	336,996
FY 16/17	11,816,471	11,528,050	288,421
FY 17/18	11,808,721	11,476,750	331,971
FY 18/19	11,796,471	11,467,625	328,846
FY 19/20	11,783,596	11,453,750	329,846
FY 20/21	11,768,846	11,439,000	329,846
FY 21/22 ⁽²⁾	-	-	-

(1) 1996 Revenue bond debt service net of annual reserve fund guaranteed investment contract interest of \$697,904.

(2) FY 21/22 debt service under the 1996 bonds would have been paid from the reserve fund proceeds, and so it is excluded from this table.

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments to the Authority with respect to the project. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

Central Coast Water Authority
Debt Management
Fiscal Year 2007/08 Budget

The Bonds

The bonds are dated September 28, 2006 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "2006A Revenue Bond Debt Service Schedule" in this section*).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

Arbitrage Rebate Liability

The final arbitrage rebate liability calculations on the 1996 Series A bonds as of September 28, 2006, showed no rebate liability to the Internal Revenue Service.

The five-year rebate calculation for the 1992 Revenues Bonds indicates a negative rebate liability of (\$5,546,174) completed on June 10, 1998. No additional rebate calculations will be performed on the 1992 bonds as a result of this negative rebate liability.

Construction Project Close Out and Final Reconciliation

On June 25, 1998, the Authority declared the construction project complete. In conjunction with declaring the project complete, a reconciliation of all construction expenditures and the corresponding allocation of costs to each financial reach was performed and the Project Closeout Report was prepared. Additionally, funds were retained from the construction fund and the local project fund based on estimates of future project expenditures to fully complete the remaining construction items.

With the issuance of the Series 2006A revenue bonds, the final allocation of project costs and corresponding debt service amounts to the financing participants was completed during FY 2006/07. As part of this final project reconciliation, all costs and corresponding debt service amounts were recalculated back to the beginning of the project and a corresponding net credit or additional amount due was calculated for each financing participant and contribution fund participant. Please refer to the *"Capital Improvements"* section of this budget for additional information on the final project closeout and cost allocation.

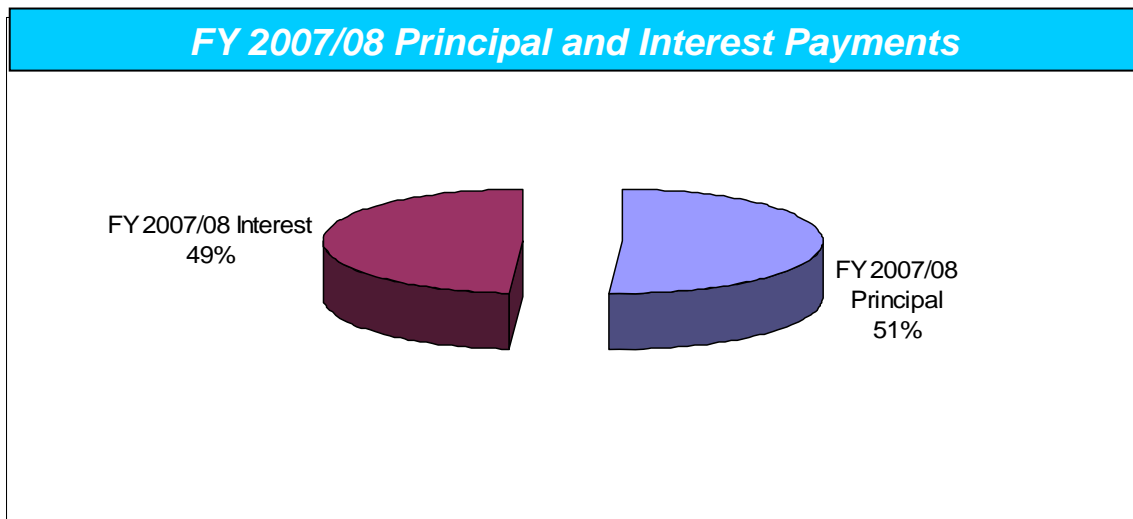
Central Coast Water Authority
Debt Management
Fiscal Year 2007/08 Budget

Fiscal Year 2007/08 Debt Service Budget

For FY 2007/08, total 2006A principal payments are \$5,895,000 and total interest due is \$5,641,826, totaling \$11,536,826. Additionally, Bond Trustee fees in the amount of \$2,000 are included in the debt service assessment.

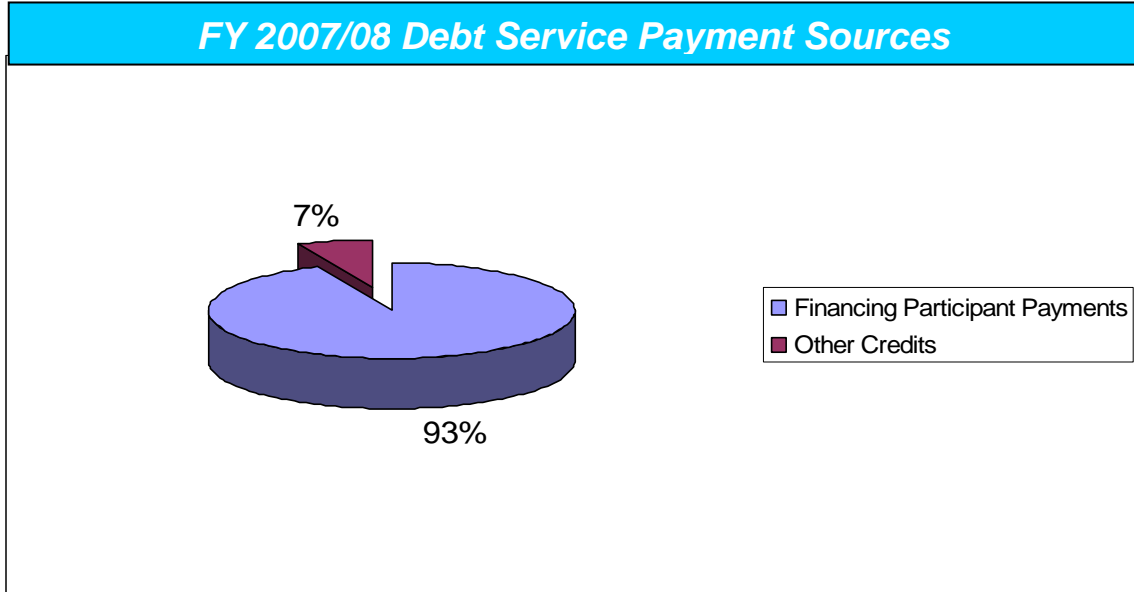
The following are adjustments to the CCWA 2006A revenue bond debt service payments:

- Debt Service Account Interest Income Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the debt service payment dates on the bonds. Additionally, during FY 2006/07, the Authority issued the 2006A refunding revenue bonds which lowered the total debt service payments from the financing participants and created credits for the FY 2006/07 debt service payments which are used to partially offset the FY 2007/08 payments. Total estimated investment income and other credits is \$766,147.
- Project Closeout Final Allocation and Reconciliation After the issuance of the 2006A revenue bonds, all project costs associated with construction of the CCWA project facilities were reconciled. The reconciliation includes a reallocation of prior actual debt service payments beginning with the 1992 revenue bonds and the subsequent 1996 refunding revenue bonds. The financing participants “owe” an additional \$42,613 in total based on the final actual allocation of project costs. This amount will be used in the total true-up of all costs including the contribution fund participants, which are entitled to additional credits based on the final cost allocation.
- The following chart shows the total principal and interest payments for the 2006A revenue bonds for FY 2007/08.



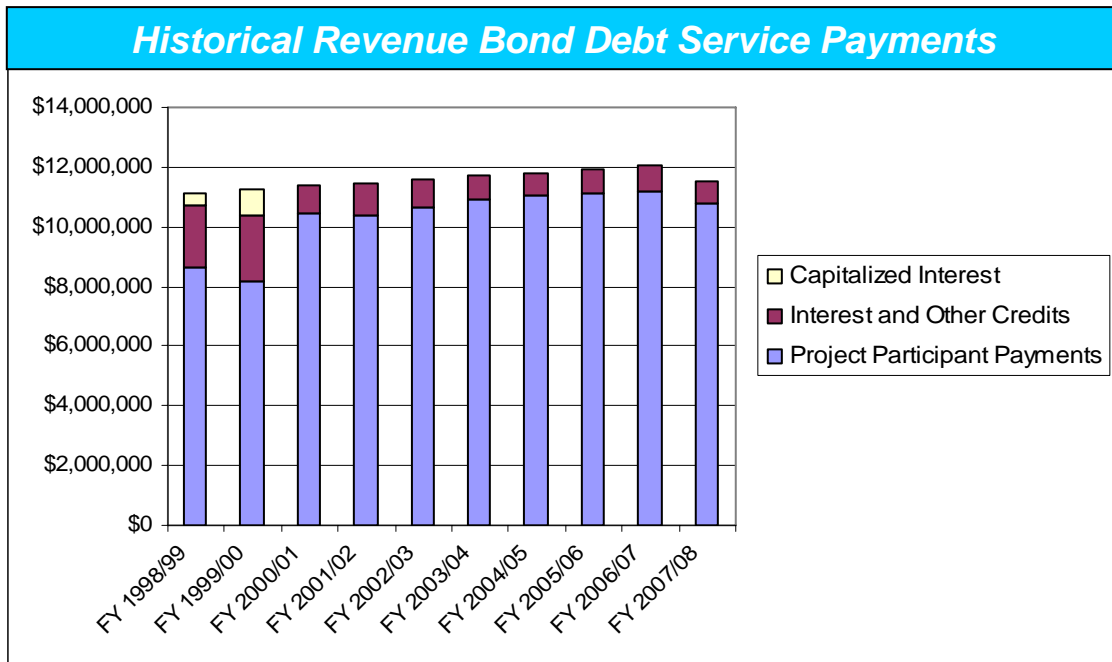
Central Coast Water Authority
Debt Management
 Fiscal Year 2007/08 Budget

The following chart shows the sources of cash for the FY 2007/08 debt service payments.



Historical CCWA Revenue Bond Debt Service Payments

The following graph shows the composition of the source of funds for payment of the CCWA revenue bond debt service payments.



Central Coast Water Authority
2006 Revenue Bond Series A Debt Service Payments
 Fiscal Year 2007/08 Budget

Financing Participant	Allocation Percentage	FY 2007/08 Series A (10/1/07) Principal Payment	FY 2007/08 Series A (10/1/07) Interest Payment	FY 2007/08 Series A (4/1/08) Interest Payment	Trustee Expenses	Debt Service Account Interest & Credits ⁽¹⁾	Project True-Up (Net Credit) Additional Due ⁽²⁾	FY 2007/08 Total Payments
Avila Beach	0.11897%	\$ 6,749	\$ 3,297	\$ 3,162	2	\$ (1,181)	\$ (8,831)	\$ 3,198
California Men's Colony	1.04062%	59,033	28,839	27,658	21	(8,992)	(37,622)	68,936
County of SLO	1.10853%	62,885	30,721	29,463	22	(9,575)	(39,950)	73,566
Cuesta College	0.52035%	29,519	14,421	13,830	10	(4,496)	(18,821)	34,462
Morro Bay	6.71441%	380,897	186,078	178,460	134	(48,960)	39,160	735,768
Oceano	0.86986%	49,345	24,107	23,120	17	(8,641)	(66,436)	21,512
Pismo Beach	1.43766%	81,556	39,842	38,211	29	(14,283)	(109,787)	35,568
Shandon	0.11779%	6,682	3,264	3,131	2	(981)	(3,124)	8,974
Guadalupe	1.48049%	83,986	41,029	39,349	30	(11,138)	3,337	156,593
Buellton	2.62260%	148,775	72,681	69,705	52	(18,950)	6,542	278,806
Santa Ynez (Solvang)	6.94483%	456,886	223,201	214,063	139	(61,990)	11,391	843,690
Santa Ynez	2.60816%	171,585	83,824	80,392	52	(22,954)	7,846	320,745
Goleta	25.38455%	1,440,020	703,487	674,687	508	(181,564)	95,974	2,733,112
Morehart Land	1.05459%	66,127	32,305	30,982	21	(8,572)	3,250	124,114
La Cumbre	5.04894%	316,589	154,662	148,330	101	(40,628)	14,980	594,034
Raytheon	0.24401%	13,842	6,762	6,486	5	(1,761)	787	26,121
Santa Barbara	15.60468%	885,225	432,456	414,751	312	(111,849)	52,522	1,673,417
Montecito	16.59331%	1,040,468	508,296	487,487	332	(133,401)	54,744	1,957,926
Carpinteria	10.48564%	594,831	290,591	278,694	210	(76,230)	36,653	1,124,749
TOTAL:	100.00000%	\$ 5,895,000	\$ 2,879,863	\$ 2,761,963	2,000	\$ (766,147)	\$ 42,613	\$ 10,815,291

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Notes:

- (1) Represents interest on the financing participant debt service payments for FY 2006/07 and credits associated with refinancing the 1996 revenue bonds at a lower interest rate.
- (2) Represents the final credits or additional amount due for the final reconciliation of all project costs associated with construction of CCWA project facilities. See additional narrative explanation in the "Capital Improvement Projects" section of the budget document.

Central Coast Water Authority
Series 2006A Revenue Bond Debt Service Schedule
Dated September 28, 2006

Debt Service Date	Interest Rate	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Year Debt Service (Cash)
4/1/2007			2,927,860	123,190,000	2,927,860
10/1/2007	4.000%	5,895,000	2,879,863	117,295,000	
4/1/2008			2,761,963	117,295,000	11,536,825 FY 2007/08
10/1/2008	4.000%	6,190,000	2,761,963	111,105,000	
4/1/2009			2,638,163	111,105,000	11,590,125
10/1/2009	4.000%	6,430,000	2,638,163	104,675,000	
4/1/2010			2,509,563	104,675,000	11,577,725
10/1/2010	4.000%	6,695,000	2,509,563	97,980,000	
4/1/2011			2,375,663	97,980,000	11,580,225
10/1/2011	5.000%	6,960,000	2,375,663	91,020,000	
4/1/2012			2,201,663	91,020,000	11,537,325
10/1/2012	4.00% - 4.50%	7,335,000	2,201,663	90,645,000	
4/1/2013			2,045,800	90,645,000	11,582,463
10/1/2013	5.000%	7,625,000	2,045,800	83,020,000	
4/1/2014			1,855,175	83,020,000	11,525,975
10/1/2014	5.000%	8,010,000	1,855,175	75,010,000	
4/1/2015			1,654,925	75,010,000	11,520,100
10/1/2015	5.000%	8,405,000	1,654,925	66,605,000	
4/1/2016			1,444,800	66,605,000	11,504,725
10/1/2016	5.000%	8,825,000	1,444,800	57,780,000	
4/1/2017			1,224,175	57,780,000	11,493,975
10/1/2017	4.000%	9,265,000	1,224,175	48,515,000	
4/1/2018			1,038,875	48,515,000	11,528,050
10/1/2018	5.000%	9,640,000	1,038,875	38,875,000	
4/1/2019			797,875	38,875,000	11,476,750
10/1/2019	5.000%	10,125,000	797,875	28,750,000	
4/1/2020			544,750	28,750,000	11,467,625
10/1/2020	5.000%	10,630,000	544,750	18,120,000	
4/1/2021			279,000	18,120,000	11,453,750
10/1/2021	5.000%	11,160,000	279,000	6,960,000	11,439,000
			52,552,498		175,742,498



Distribution Supervisor, Tom Petersen, fitting the Dresser Coupling in the Outlet Meter Vault at the Santa Ynez Pump Station

Reserves and Cash Management

The Reserves and Cash Management section of the FY 2007/08 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund, Non-Annual Recurring Expenses (NARES) and cash management information.

Highlights

FY 2007/08 Total Reserve Balances **\$ 9,879,255**

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 7,879,255
- Non-Annual Recurring Expenses (6-30-08) \$ -0-

Non-Annual Recurring Expenses

- FY 2007/08 Beginning Balance \$ 253,342
- Refunds for FY 2007/08 \$ 133,742
- FY 2007/08 Expenditures \$ 119,600

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2007/08 Budget

Operating Reserve 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 immediately undertake 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 (60) days of the Authority notice.
- Administration:** The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2007/08 Budget

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 judgements. 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	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

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2007/08 Budget

Rate Coverage Reserve Fund

During its December 18, 1997 regular meeting, the Board of Directors also adopted the "Rate Coverage Reserve Fund" policy as follows:

Purpose: The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).

Contributions: Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor which has elected to participate in the Rate Fund shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor's Contract Payments with respect to that year. A participating Contractor's initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund's creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty (60) days of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor's obligations until the subsequent July 1. For example: to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund's creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.

Withdrawal: A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2007/08 Budget

Administration: Investments of deposits in the Rate Coverage Reserve Fund will be in Permitted Investments described in clause (A) of the definition thereof contained in the Indenture of Trust, dated as of November 1, 1996, with maturities of one year or less or in the Local Agency Investment Fund or in other investments approved in writing by AMBAC. Rate Fund investment earnings shall be credited to the Contractors account within the Fund except to the extent the Contractor directs the Authority to credit said earnings to the Contractor's payments obligations or as otherwise directed by the Contractor. Deposits and related earnings on deposits for each project participant will be accounted for on an individual project participant basis even if commingled for investment purposes. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the Rate Fund.

Use of Funds: Monies in the Rate Fund shall not be expended for any purpose, except upon approval of the Board of Directors (i) for emergency expenses, and (ii) to the extent necessary to supplement funds available from the O&M Reserve Fund provided that the Contractor submits written documentation to the Authority that it is in compliance with its WSA rate coverage obligations without considering the proposed expenditure from the fund.

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of January 31, 2007. Participation in the fund for FY 2007/08 is not yet known. Prior to June 30, 2007, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2007/08.

FY 2006/07 Rate Coverage Reserve Fund

Project Participant	FY 2006/07 Deposit
City of Buellton	\$ 242,535
Carpinteria Valley Water District	765,941
City of Guadalupe	157,483
La Cumbre Mutual Water Company	367,173
Montecito Water District	1,021,131
City of Santa Maria	4,169,232
Santa Ynez, RWCD, I.D. #1 (Solvang)	569,041
Santa Ynez, RWCD, I.D. #1	392,347
County of San Luis Obispo (Shandon)	14,778
Oceano Community Services District	179,594
TOTAL:	\$ 7,879,255

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2007/08 Budget

Non-Annual Recurring Expense Cash Deposits

As part of the budget process, certain expenses which occur periodically are identified and charged to the project participants over a number of years to minimize fluctuations in the annual assessments through deposits to the “Non-Annual Recurring Expense Deposit” (NARES) account. However, in recent years, many of the expenditures for which the NARES account was established, occur and are funded on an annual basis. As such, the NARES account will be closed at the end of FY 2007/08 and all expenditures will be included in the budget each year on an annual basis. The following table shows anticipated activity in the non-annual recurring expense deposits account for FY 2006/07 and FY 2007/08.

Non-Annual Recurring Expense Cash Deposits

Financing Participant	FY 2006/07 Beginning Balance	FY 2006/07 Interest Income	FY 2006/07 NARES Expenditures	FY 2007/08 (Credit) Amount Due	FY 2007/08 NARES Expenditures	FY 2007/08 Ending Balance
Shandon	\$ 1,763	\$ 78	\$ (73)	\$ (1,734)	\$ (34)	\$ (0)
Chorro Valley	22,052	772	(16,265)	(5,754)	(805)	0
Lopez	20,385	750	(14,334)	(5,636)	(1,166)	(0)
Guadalupe	4,775	178	(3,586)	(73)	(1,293)	0
Santa Maria	134,516	4,796	(111,433)	10,873	(38,753)	(0)
Golden State Water Co.	3,171	119	(1,983)	(110)	(1,196)	0
VAFB	52,798	1,856	(34,749)	(4,944)	(14,960)	0
Buellton	7,340	260	(5,154)	(589)	(1,857)	0
Santa Ynez (Solvang)	21,754	796	(11,188)	(6,543)	(4,819)	0
Santa Ynez	36,134	1,348	(24,370)	(11,506)	(1,606)	0
Goleta	61,534	2,202	(12,696)	(33,659)	(17,381)	(0)
Morehart Land Co.	2,968	106	(539)	(1,762)	(772)	0
La Cumbre	12,400	445	(2,876)	(6,107)	(3,862)	0
Raytheon	635	23	(134)	(331)	(193)	0
Santa Barbara	43,085	1,539	(8,186)	(24,851)	(11,587)	(0)
Montecito	42,448	1,518	(8,272)	(24,107)	(11,587)	(0)
Carpinteria	29,015	1,038	(5,419)	(16,909)	(7,725)	(0)
TOTAL:	\$ 496,773	\$ 17,824	\$ (261,255)	\$ (133,741)	\$ (119,600)	\$ 1

Cash Management

All cash balances presented in this document exclude cash balances held as deposits for project participants. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance to show the cash balances as if all receivables and payables had been received or paid.

It is the Authority’s policy to refund unexpended operating assessments and investment income on the general fund after the close of each fiscal year. Therefore, 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.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2007/08 Budget

Cash Components

The Authority's cash balances are comprised of the following:

- **Operating Expense Assessments** Cash amounts collected from the project participants for operating expense assessments. These cash balances are held in the Authority demand deposit bank accounts and the California Local Agency Investment Fund.
- **Pass-Through Expenses** Cash amounts collected from the project participants for payment to the DWR and Warren Act charges paid to the U.S. Bureau of Reclamation. These balances are held in a custodial account and invested in accordance with the Authority's investment policy with maturities corresponding to the anticipated payment date on the expenses.
- **Debt Service Payments** Cash amounts collected from the financing participants for payment on the 2006 revenue bonds. These balances are held in a custodial account and invested in accordance with the Authority's investment policy with maturities corresponding to the debt service payment dates on the 2006 revenue bonds.



Tank 7 Temporary Chlorination Tank

Four Year Financial Plan

The Four Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant through FY 2010/11. Additionally, this section includes each project participants' requested water deliveries for five years on a fiscal year and calendar year basis.

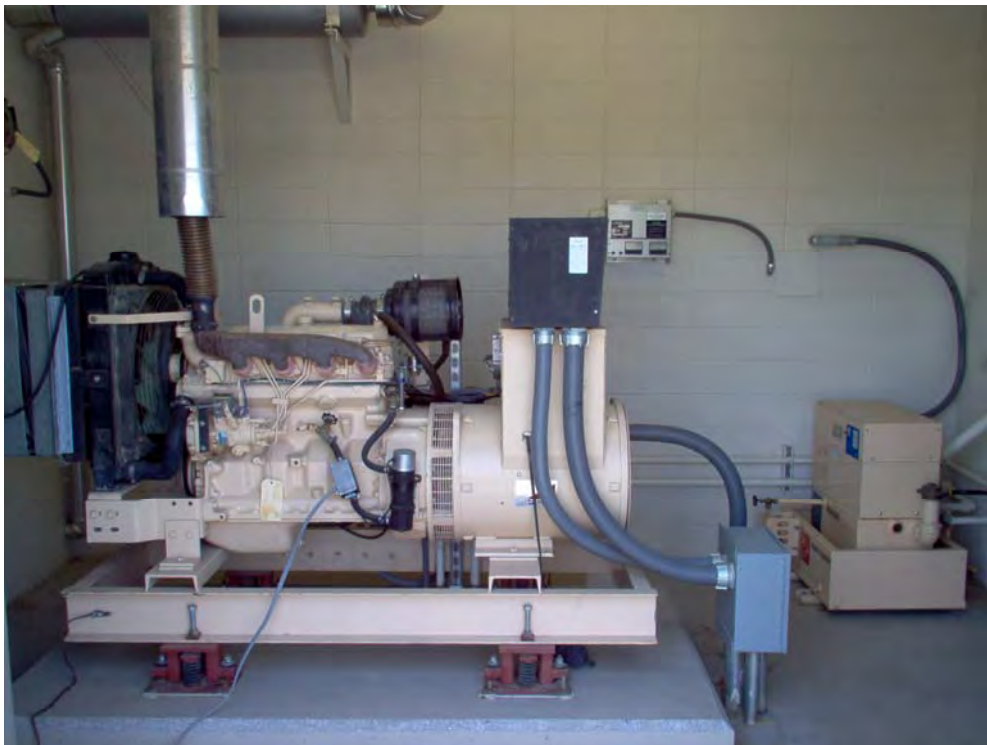
Central Coast Water Authority
Four Year Financial Plan
Fiscal Year 2007/08 Budget

The Four Year Financial Plan shows the allocated share of the Authority's costs to each project participant for four consecutive fiscal years beginning with the current budget year.

The Four Year Financial Plan is prepared to provide each project participant an estimate of future costs for the Authority. Specifically, these projections are used by the Authority's project participants to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet the coverage covenant contained in the Water Supply Agreements (*please refer to the "Budget Foreword" section of this document for additional information regarding the Water Supply Agreements and the coverage covenant*).

The Four Year Financial Plan consists of two pages for each project participant. The first page shows the requested water deliveries on a multi-year basis. The next two sections show allocation of the Authority's fixed and variable charges, including modifications for the Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement, if applicable (*see the Water Treatment Plant section to this document for additional information on the Regional Water Treatment Plant and Santa Ynez Exchange Agreements*). The last section shows the allocation of the DWR fixed and variable costs and a summary of projected total costs, by cost type, on a multi-year basis.

The second page of the Four Year Financial Plan shows an estimate of the payments due, by invoice date, for the cost projections shown on the first page of the Four Year Financial Plan.



Generator and Energy Dissipation Vault

Central Coast Water Authority
Water Request Projections
 Four Year Financial Plan

Project Participant	Fiscal Year Water Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				Calendar Year Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	2007	2008	2009	2010	2011
Shandon	-	-	-	-	-	-	-	-	-
Chorro Valley	2,221	2,338	2,247	2,344	2,188	2,332	2,241	2,338	2,338
Lopez	1,894	1,915	1,935	1,960	1,884	1,909	1,923	1,956	1,966
Guadalupe	630	605	605	605	605	605	605	605	605
Santa Maria	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820	17,820
Golden State Water Co. VAFB	550	550	550	550	550	550	550	550	550
Buellton	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050
Santa Ynez (Solvang)	644	636	636	636	636	636	636	636	636
Santa Ynez	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Goleta	700	700	700	700	700	700	700	700	700
Morehart Land	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950
La Cumbre	220	220	220	220	220	220	220	220	220
Raytheon	800	800	800	800	800	800	800	800	800
Santa Barbara	55	55	55	55	55	55	55	55	55
Montecito	593	539	509	509	616	560	509	509	509
Carpinteria	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
	395	359	339	339	410	374	339	339	339
TOTAL:	42,322	42,338	42,217	42,339	42,284	42,362	42,199	42,329	42,339

Central Coast Water Authority
Total Charges-All Participants
 Four Year Financial Plan Charges

Table A Including Drought Buffer				43,908
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	42,322	-	42,322	
FY 2008/09	42,338	-	42,338	
FY 2009/10	42,217	-	42,217	
FY 2010/11	42,339	-	42,339	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 5,132,184	\$ 1,451,258	\$ (1,451,258)	\$ -	\$ -	\$ -	\$ -	\$ 8,255,981	\$ 13,388,166
FY 2008/09	5,286,150	1,498,740	(1,498,740)	-	-	-	-	11,767,857	17,054,007
FY 2009/10	5,444,734	1,534,207	(1,534,207)	-	-	-	-	11,767,291	17,212,026
FY 2010/11	5,608,076	1,554,150	(1,554,150)	-	-	-	-	11,768,947	17,377,023

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

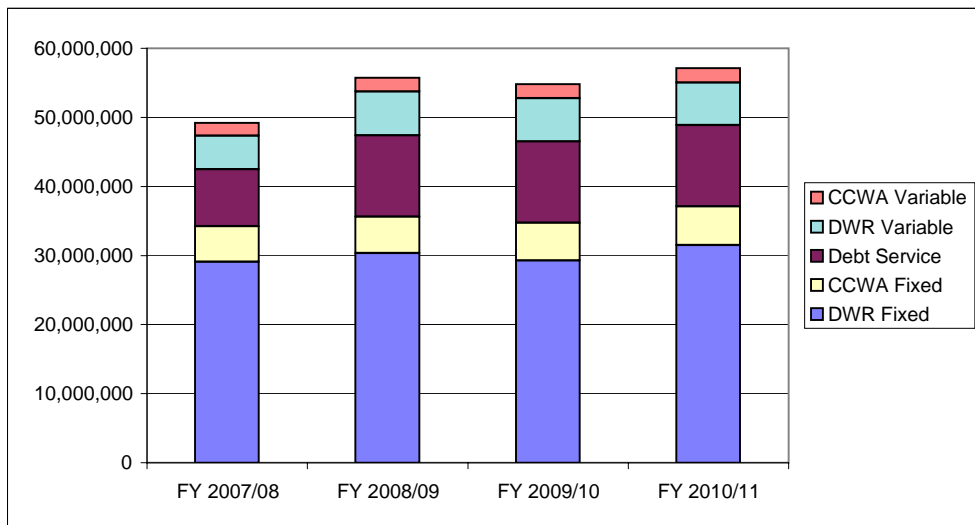
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 1,420,906	\$ 544,940	\$ 192,735	\$ (192,735)	\$ -	\$ -	\$ (143,239)	\$ -	\$ 1,822,606
FY 2008/09	1,523,516	592,934	201,921	(201,921)	-	-	(130,217)	-	1,986,233
FY 2009/10	1,570,363	590,034	209,898	(209,898)	-	-	(123,046)	-	2,037,351
FY 2010/11	1,620,750	590,034	216,195	(216,195)	-	-	(123,046)	-	2,087,738

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2007/08	\$ 29,114,548	\$ 4,866,904	\$ 33,981,452	\$ 5,132,184	\$ 1,822,606	\$ 8,255,981	\$ 29,114,548	\$ 4,866,904	\$ 49,192,223
FY 2008/09	30,341,044	6,369,426	36,710,470	5,286,150	1,986,233	11,767,857	30,341,044	6,369,426	55,750,709
FY 2009/10	29,292,749	6,267,038	35,559,787	5,444,734	2,037,351	11,767,291	29,292,749	6,267,038	54,809,164
FY 2010/11	31,515,013	6,155,417	37,670,429	5,608,076	2,087,738	11,768,947	31,515,013	6,155,417	57,135,190

(3) Net of DWR account interest income.



Central Coast Water Authority
Total Charges - Santa Barbara County Project Participants
 Four Year Financial Plan Charges

Table A Including Drought Buffer				39,078
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	38,207	-	38,207	
FY 2008/09	38,084	-	38,084	
FY 2009/10	38,034	-	38,034	
FY 2010/11	38,034	-	38,034	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 4,624,676	\$ 1,451,258	\$ (1,451,258)	\$ -	\$ -	\$ -	\$ 7,567,906	\$ 12,192,582	
FY 2008/09	4,931,845	1,498,740	(1,498,740)	-	-	-	10,423,914	15,355,758	
FY 2009/10	5,079,800	1,534,207	(1,534,207)	-	-	-	10,422,894	15,502,694	
FY 2010/11	5,232,194	1,554,150	(1,554,150)	-	-	-	10,424,567	15,656,761	

- (1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

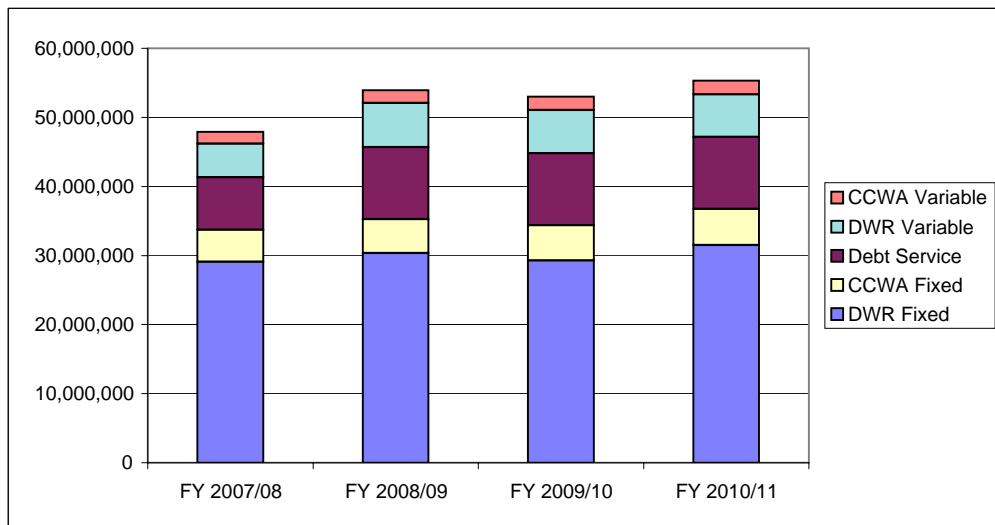
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 1,319,781	\$ 544,940	\$ 192,735	\$ (192,735)	\$ -	\$ -	\$ (143,239)	\$ -	\$ 1,721,482
FY 2008/09	1,415,858	592,934	201,921	(201,921)	-	-	(130,217)	-	1,878,575
FY 2009/10	1,461,327	590,034	209,898	(209,898)	-	-	(123,046)	-	1,928,315
FY 2010/11	1,505,167	590,034	216,195	(216,195)	-	-	(123,046)	-	1,972,154

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2007/08	\$ 29,114,548	\$ 4,866,904	\$ 33,981,452	\$ 4,624,676	\$ 1,721,482	\$ 7,567,906	\$ 29,114,548	\$ 4,866,904
FY 2008/09	30,341,044	6,369,426	36,710,470	4,931,845	1,878,575	10,423,914	30,341,044	6,369,426	53,944,803
FY 2009/10	29,292,749	6,267,038	35,559,787	5,079,800	1,928,315	10,422,894	29,292,749	6,267,038	52,990,796
FY 2010/11	31,515,013	6,155,417	37,670,429	5,232,194	1,972,154	10,424,567	31,515,013	6,155,417	55,299,345

- (3) Net of DWR account interest income.



Central Coast Water Authority
Shandon
 Four Year Financial Plan Charges

Table A Including Drought Buffer				100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	-	-	-	
FY 2008/09	-	-	-	
FY 2009/10	-	-	-	
FY 2010/11	-	-	-	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 4,743							\$ 8,330	\$ 13,073
FY 2008/09	4,886							13,272	18,157
FY 2009/10	5,032							13,276	18,308
FY 2010/11	5,183							13,276	18,459

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

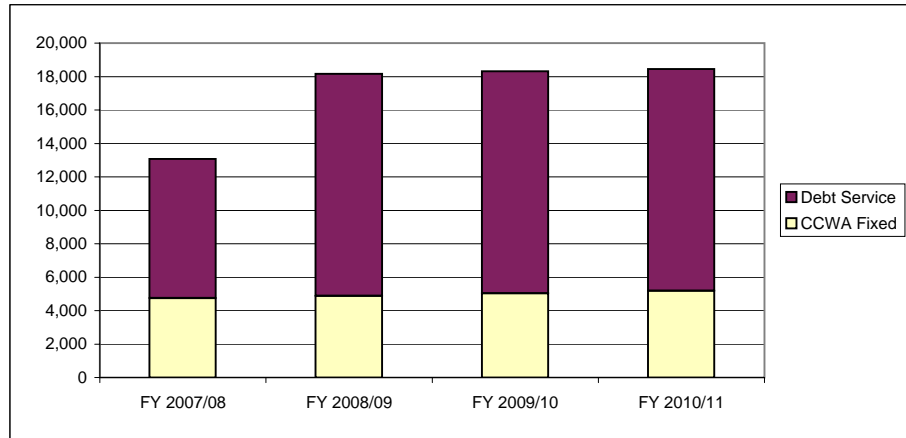
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$0								\$ -
FY 2008/09	-								-
FY 2009/10	-								-
FY 2010/11	-								-

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2007/08			\$ -	\$ 4,743	\$ -	\$ 8,330	\$ -	\$ -
FY 2008/09			-	4,886	-	13,272	-	-	18,157
FY 2009/10			-	5,032	-	13,276	-	-	18,308
FY 2010/11			-	5,183	-	13,276	-	-	18,459

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Shandon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ -	0
June 1, 2007	\$ 13,073	n/a
July 1, 2007	\$ -	0
October 1, 2007	\$ -	0
January 1, 2008	\$ -	0
April 1, 2008	\$ -	0
June 1, 2008	\$ 18,157	n/a
July 1, 2008	\$ -	0
October 1, 2008	\$ -	0
January 1, 2009	\$ -	0
April 1, 2009	\$ -	0
June 1, 2009	\$ 18,308	n/a
July 1, 2009	\$ -	0
October 1, 2009	\$ -	0
January 1, 2010	\$ -	0
April 1, 2010	\$ -	0
June 1, 2010	\$ 18,459	n/a
July 1, 2010	\$ -	0
October 1, 2010	\$ -	0
January 1, 2011	\$ -	0

Central Coast Water Authority
Chorro Valley Turnout
 Four Year Financial Plan Charges

Table A Including Drought Buffer			2,338
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2007/08	2,221	-	2,221
FY 2008/09	2,338	-	2,338
FY 2009/10	2,247	-	2,247
FY 2010/11	2,344	-	2,344

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 164,093						\$ 907,900	\$ 1,071,993	
FY 2008/09	169,016						1,057,281	1,226,297	
FY 2009/10	174,086						1,057,638	1,231,724	
FY 2010/11	179,309						1,057,624	1,236,933	

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

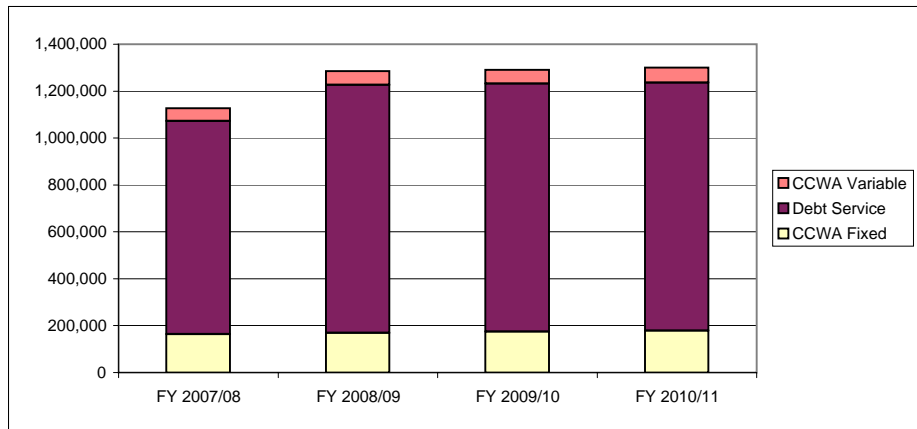
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 54,580							\$ 54,580	
FY 2008/09	59,178							59,178	
FY 2009/10	58,581							58,581	
FY 2010/11	62,943							62,943	

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2007/08			\$ -	\$ 164,093	\$ 54,580	\$ 907,900	\$ -	\$ -	\$ 1,126,573
FY 2008/09			-	169,016	59,178	1,057,281	-	-	1,285,475
FY 2009/10			-	174,086	58,581	1,057,638	-	-	1,290,305
FY 2010/11			-	179,309	62,943	1,057,624	-	-	1,299,877

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Chorro Valley

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 14,694	598
June 1, 2007	\$ 1,071,993	n/a
July 1, 2007	\$ 12,979	528
October 1, 2007	\$ 12,367	503
January 1, 2008	\$ 14,540	592
April 1, 2008	\$ 17,590	695
June 1, 2008	\$ 1,226,297	n/a
July 1, 2008	\$ 13,723	542
October 1, 2008	\$ 12,890	509
January 1, 2009	\$ 14,976	592
April 1, 2009	\$ 15,589	598
June 1, 2009	\$ 1,231,724	n/a
July 1, 2009	\$ 14,135	542
October 1, 2009	\$ 13,433	515
January 1, 2010	\$ 15,425	592
April 1, 2010	\$ 18,500	689
June 1, 2010	\$ 1,236,933	n/a
July 1, 2010	\$ 14,559	542
October 1, 2010	\$ 13,997	521
January 1, 2011	\$ 15,888	592

Central Coast Water Authority
Lopez Turnout
 Four Year Financial Plan Charges

Table A Including Drought Buffer				2,392
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	1,894	-	1,894	
FY 2008/09	1,915	-	1,915	
FY 2009/10	1,935	-	1,935	
FY 2010/11	1,960	-	1,960	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 175,149							\$ (64,632)	\$ 110,517
FY 2008/09	180,404							273,391	453,794
FY 2009/10	185,816							273,483	459,299
FY 2010/11	191,390							273,480	464,870

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

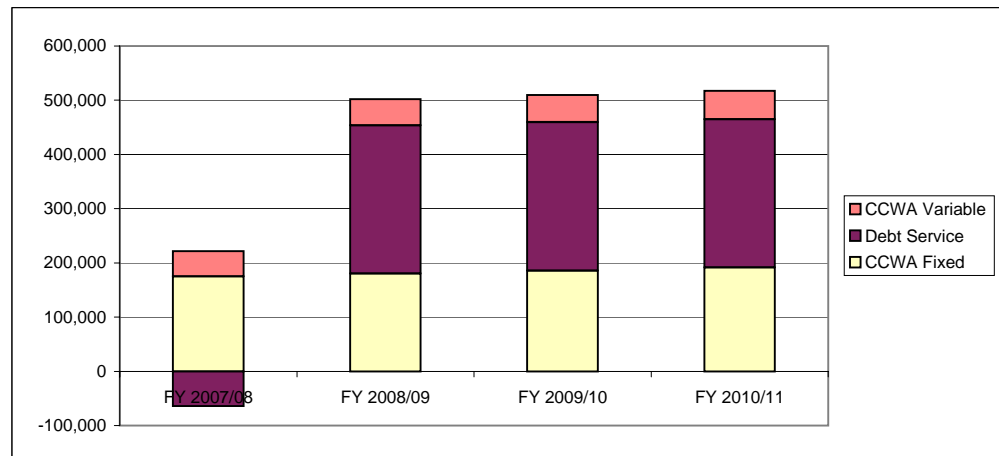
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 46,545								\$ 46,545
FY 2008/09	48,479								48,479
FY 2009/10	50,455								50,455
FY 2010/11	52,640								52,640

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2007/08		-	-	\$ 175,149	\$ 46,545	\$ (64,632)	-	-	\$ 157,062
FY 2008/09		-	-	180,404	48,479	273,391	-	-	502,274
FY 2009/10		-	-	185,816	50,455	273,483	-	-	509,754
FY 2010/11		-	-	191,390	52,640	273,480	-	-	517,510

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Lopez

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 14,860	605
June 1, 2007	\$ 110,517	n/a
July 1, 2007	\$ 10,683	435
October 1, 2007	\$ 8,275	337
January 1, 2008	\$ 12,727	518
April 1, 2008	\$ 15,540	614
June 1, 2008	\$ 453,794	n/a
July 1, 2008	\$ 11,155	441
October 1, 2008	\$ 8,599	340
January 1, 2009	\$ 13,185	521
April 1, 2009	\$ 16,059	616
June 1, 2009	\$ 459,299	n/a
July 1, 2009	\$ 11,646	447
October 1, 2009	\$ 8,987	345
January 1, 2010	\$ 13,763	528
April 1, 2010	\$ 16,648	620
June 1, 2010	\$ 464,870	n/a
July 1, 2010	\$ 12,452	464
October 1, 2010	\$ 9,337	348
January 1, 2011	\$ 14,203	529

Central Coast Water Authority
City of Guadalupe
 Four Year Financial Plan Charges

Table A Including Drought Buffer				605
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	630	-	630	
FY 2008/09	605	-	605	
FY 2009/10	605	-	605	
FY 2010/11	605	-	605	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 78,741	\$ 20,426	\$ -	\$ 20,426	\$ -	\$ -	\$ -	\$ 137,094	\$ 236,261
FY 2008/09	81,103	21,094	-	21,094	-	-	-	166,806	269,003
FY 2009/10	83,536	21,593	-	21,593	-	-	-	166,862	271,992
FY 2010/11	86,043	21,874	-	21,874	-	-	-	166,860	274,777

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

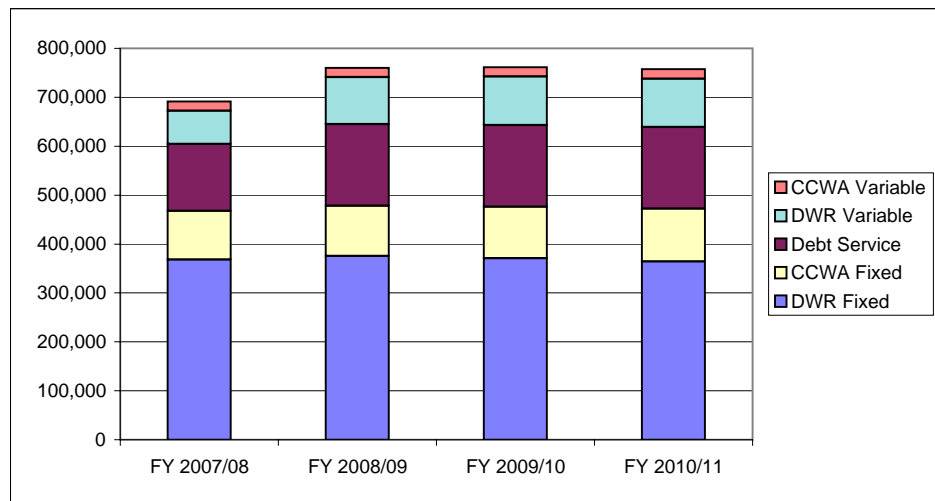
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 15,481	\$ -	\$ 3,178	\$ -	\$ 3,178	\$ -	\$ -	\$ -	\$ 18,659
FY 2008/09	15,313	-	3,208	-	3,208	-	-	-	18,520
FY 2009/10	15,772	-	3,339	-	3,339	-	-	-	19,111
FY 2010/11	16,245	-	3,439	-	3,439	-	-	-	19,684

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2007/08	\$ 368,333	\$ 68,089	\$ 436,422	\$ 99,167	\$ 18,659	\$ 137,094	\$ 368,333	\$ 68,089	\$ 691,342
FY 2008/09	375,650	96,661	472,311	102,197	18,520	166,806	375,650	96,661	759,835
FY 2009/10	370,754	99,655	470,408	105,130	19,111	166,862	370,754	99,655	761,511
FY 2010/11	364,439	98,497	462,936	107,916	19,684	166,860	364,439	98,497	757,396

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

City of Guadalupe

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 22,087	171
June 1, 2007	\$ 604,594	n/a
July 1, 2007	\$ 21,613	155
October 1, 2007	\$ 21,465	150
January 1, 2008	\$ 21,583	154
April 1, 2008	\$ 30,911	171
June 1, 2008	\$ 644,653	n/a
July 1, 2008	\$ 24,941	130
October 1, 2008	\$ 29,353	150
January 1, 2009	\$ 29,976	154
April 1, 2009	\$ 32,784	171
June 1, 2009	\$ 642,746	n/a
July 1, 2009	\$ 26,364	130
October 1, 2009	\$ 29,496	150
January 1, 2010	\$ 30,122	154
April 1, 2010	\$ 32,277	171
June 1, 2010	\$ 639,215	n/a
July 1, 2010	\$ 25,818	130
October 1, 2010	\$ 29,718	150
January 1, 2011	\$ 30,369	154

Central Coast Water Authority
City of Santa Maria
 Four Year Financial Plan Charges

Table A Including Drought Buffer			17,820
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2007/08	17,820	-	17,820
FY 2008/09	17,820	-	17,820
FY 2009/10	17,820	-	17,820
FY 2010/11	17,820	-	17,820

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Prepayments and Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 1,694,269	\$ 601,627	\$ -	\$ 601,627	\$ -	\$ -	\$ -	\$ (671,080)	\$ 1,624,816
FY 2008/09	1,745,097	621,311	-	621,311	-	-	-	-	2,366,408
FY 2009/10	1,797,450	636,014	-	636,014	-	-	-	-	2,433,464
FY 2010/11	1,851,373	644,281	-	644,281	-	-	-	-	2,495,655

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

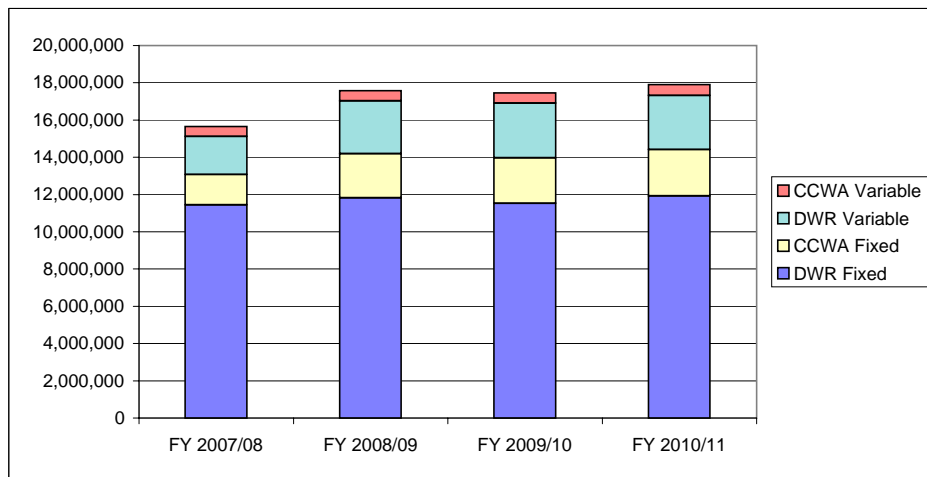
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 437,890	\$ -	\$ 89,893	\$ -	\$ 89,893	\$ -	\$ -	\$ -	\$ 527,783
FY 2008/09	451,027	-	94,482	-	94,482	-	-	-	545,508
FY 2009/10	464,557	-	98,343	-	98,343	-	-	-	562,901
FY 2010/11	478,494	-	101,294	-	101,294	-	-	-	579,788

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2007/08	\$ 11,446,302	\$ 2,051,481	\$ 13,497,783	\$ 2,295,896	\$ 527,783	\$ (671,080)	\$ 11,446,302	\$ 2,051,481	\$ 15,650,382
FY 2008/09	11,827,564	2,840,574	14,668,137	2,366,408	545,508	0	11,827,564	2,840,574	17,580,053
FY 2009/10	11,530,611	2,935,283	14,465,894	2,433,464	562,901	0	11,530,611	2,935,283	17,462,258
FY 2010/11	11,927,319	2,897,916	14,825,235	2,495,655	579,788	0	11,927,319	2,897,916	17,900,678

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Maria

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 665,400	5,150
June 1, 2007	\$ 13,071,118	n/a
July 1, 2007	\$ 642,298	4,370
October 1, 2007	\$ 625,417	3,800
January 1, 2008	\$ 646,149	4,500
April 1, 2008	\$ 926,971	5,150
June 1, 2008	\$ 14,193,971	n/a
July 1, 2008	\$ 813,393	4,370
October 1, 2008	\$ 768,394	3,800
January 1, 2009	\$ 877,323	4,500
April 1, 2009	\$ 983,375	5,150
June 1, 2009	\$ 13,964,075	n/a
July 1, 2009	\$ 861,236	4,370
October 1, 2009	\$ 771,981	3,800
January 1, 2010	\$ 881,592	4,500
April 1, 2010	\$ 968,538	5,150
June 1, 2010	\$ 14,422,974	n/a
July 1, 2010	\$ 845,660	4,370
October 1, 2010	\$ 774,865	3,800
January 1, 2011	\$ 888,640	4,500

Central Coast Water Authority
Golden State Water Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				550
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	550	-	550	
FY 2008/09	550	-	550	
FY 2009/10	550	-	550	
FY 2010/11	550	-	550	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 54,182	\$ 18,569	\$ -	\$ 18,569	\$ -	\$ -	\$ -	\$ (20,327)	\$ 52,424
FY 2008/09	55,808	19,176	-	19,176	-	-	-	-	74,984
FY 2009/10	57,482	19,630	-	19,630	-	-	-	-	77,112
FY 2010/11	59,206	19,885	-	19,885	-	-	-	-	79,091

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

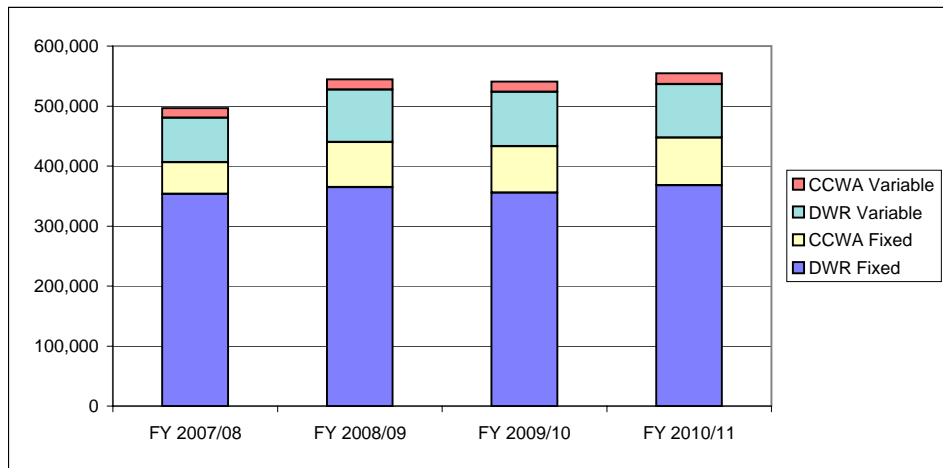
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 13,515	\$ -	\$ 2,774	\$ -	\$ 2,774	\$ -	\$ -	\$ -	\$ 16,290
FY 2008/09	13,921	-	2,916	-	2,916	-	-	-	16,837
FY 2009/10	14,338	-	3,035	-	3,035	-	-	-	17,373
FY 2010/11	14,768	-	3,126	-	3,126	-	-	-	17,895

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2007/08	\$ 353,758	\$ 74,232	\$ 427,990	\$ 72,751	\$ 16,290	\$ (20,327)	\$ 353,758	\$ 74,232	\$ 496,703
FY 2008/09	365,048	87,640	452,689	74,984	16,837	0	365,048	87,640	544,509
FY 2009/10	355,883	90,595	446,478	77,112	17,373	0	355,883	90,595	540,964
FY 2010/11	368,127	89,426	457,553	79,091	17,895	0	368,127	89,426	554,539

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Golden State Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 23,208	157
June 1, 2007	\$ 406,181	n/a
July 1, 2007	\$ 22,704	140
October 1, 2007	\$ 22,112	120
January 1, 2008	\$ 22,497	133
April 1, 2008	\$ 28,326	157
June 1, 2008	\$ 440,032	n/a
July 1, 2008	\$ 25,851	140
October 1, 2008	\$ 24,139	120
January 1, 2009	\$ 26,161	133
April 1, 2009	\$ 30,046	157
June 1, 2009	\$ 432,995	n/a
July 1, 2009	\$ 27,384	140
October 1, 2009	\$ 24,252	120
January 1, 2010	\$ 26,288	133
April 1, 2010	\$ 29,586	157
June 1, 2010	\$ 447,219	n/a
July 1, 2010	\$ 26,908	140
October 1, 2010	\$ 24,357	120
January 1, 2011	\$ 26,470	133

Central Coast Water Authority
Vandenberg Air Force Base
 Four Year Financial Plan Charges

Table A Including Drought Buffer				6,050
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	6,050	-	6,050	
FY 2008/09	6,050	-	6,050	
FY 2009/10	6,050	-	6,050	
FY 2010/11	6,050	-	6,050	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<i>Regional WTP Modifications</i>			<i>Exchange Agreement Modifications</i>			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 622,223	\$ 204,256	-	\$ 204,256	-	-	-	\$ (191,907)	\$ 634,572
FY 2008/09	640,890	210,939	-	210,939	-	-	-	-	851,828
FY 2009/10	660,116	215,931	-	215,931	-	-	-	-	876,047
FY 2010/11	679,920	218,737	-	218,737	-	-	-	-	898,657

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

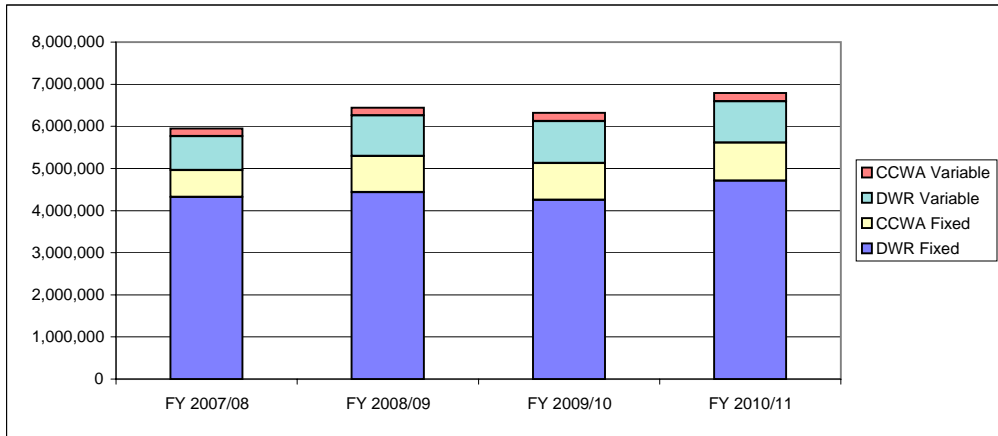
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<i>Regional WTP Modifications</i>			<i>Exchange Agreement Modifications</i>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 148,666	-	\$ 30,519	-	\$ 30,519	-	-	-	\$ 179,185
FY 2008/09	153,126	-	32,077	-	32,077	-	-	-	185,203
FY 2009/10	157,720	-	33,388	-	33,388	-	-	-	191,108
FY 2010/11	162,452	-	34,390	-	34,390	-	-	-	196,842

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2008/09	4,440,286	965,163	5,405,449	851,828	185,203	0	4,440,286	965,163	6,442,481
FY 2009/10	4,254,439	996,547	5,250,985	876,047	191,108	0	4,254,439	996,547	6,318,140
FY 2010/11	4,713,528	984,246	5,697,774	898,657	196,842	0	4,713,528	984,246	6,793,272

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Vandenberg Air Force Base

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 251,491	1,655
June 1, 2007	\$ 4,958,437	n/a
July 1, 2007	\$ 246,901	1,500
October 1, 2007	\$ 245,420	1,450
January 1, 2008	\$ 245,272	1,445
April 1, 2008	\$ 301,104	1,655
June 1, 2008	\$ 5,292,114	n/a
July 1, 2008	\$ 278,534	1,500
October 1, 2008	\$ 285,753	1,450
January 1, 2009	\$ 284,975	1,445
April 1, 2009	\$ 319,228	1,655
June 1, 2009	\$ 5,130,485	n/a
July 1, 2009	\$ 294,956	1,500
October 1, 2009	\$ 287,127	1,450
January 1, 2010	\$ 286,344	1,445
April 1, 2010	\$ 314,102	1,655
June 1, 2010	\$ 5,612,185	n/a
July 1, 2010	\$ 289,684	1,500
October 1, 2010	\$ 289,057	1,450
January 1, 2011	\$ 288,244	1,445

Central Coast Water Authority
City of Buellton
 Four Year Financial Plan Charges

Table A Including Drought Buffer				636
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	644	-	644	
FY 2008/09	636	-	636	
FY 2009/10	636	-	636	
FY 2010/11	636	-	636	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 78,265	\$ 21,465	\$ -	\$ 21,465	\$ -	\$ -	\$ -	\$ 252,787	\$ 352,517
FY 2008/09	80,613	22,168	-	22,168	-	-	-	295,487	398,267
FY 2009/10	83,031	22,692	-	22,692	-	-	-	295,586	401,310
FY 2010/11	85,522	22,987	-	22,987	-	-	-	295,582	404,092

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

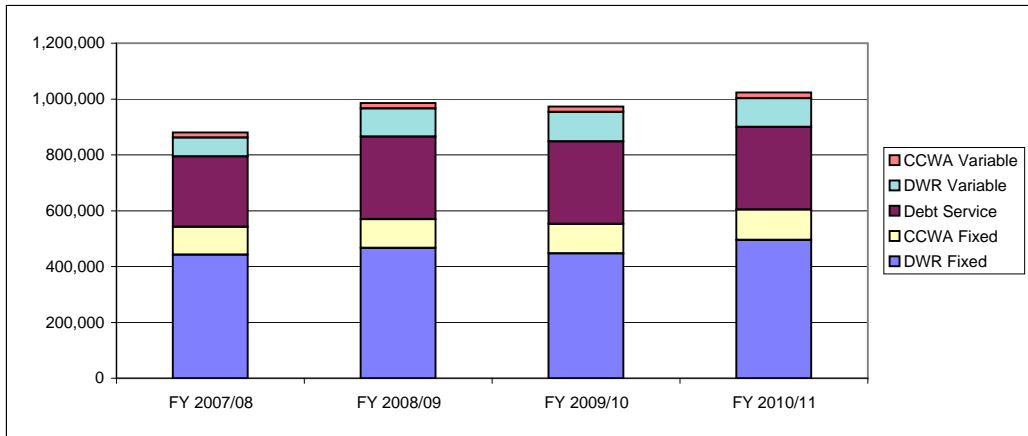
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 15,825	\$ -	\$ 3,249	\$ -	\$ 3,249	\$ -	\$ -	\$ -	\$ 19,074
FY 2008/09	16,097	-	3,372	-	3,372	-	-	-	19,469
FY 2009/10	16,580	-	3,510	-	3,510	-	-	-	20,090
FY 2010/11	17,078	-	3,615	-	3,615	-	-	-	20,693

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2007/08	\$ 441,897	\$ 67,046	\$ 508,943	\$ 99,730	\$ 19,074	\$ 252,787	\$ 441,897	\$ 67,046
FY 2008/09	466,639	101,518	568,157	102,780	19,469	295,487	466,639	101,518	985,893
FY 2009/10	447,108	104,761	551,869	105,723	20,090	295,586	447,108	104,761	973,268
FY 2010/11	495,354	103,496	598,850	108,509	20,693	295,582	495,354	103,496	1,023,635

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

City of Buellton

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 22,152	182
June 1, 2007	\$ 794,414	n/a
July 1, 2007	\$ 21,263	152
October 1, 2007	\$ 21,204	150
January 1, 2008	\$ 21,500	160
April 1, 2008	\$ 32,821	182
June 1, 2008	\$ 864,906	n/a
July 1, 2008	\$ 27,288	144
October 1, 2008	\$ 29,661	150
January 1, 2009	\$ 31,218	160
April 1, 2009	\$ 34,814	182
June 1, 2009	\$ 848,417	n/a
July 1, 2009	\$ 28,864	144
October 1, 2009	\$ 29,803	150
January 1, 2010	\$ 31,369	160
April 1, 2010	\$ 34,283	182
June 1, 2010	\$ 899,446	n/a
July 1, 2010	\$ 28,297	144
October 1, 2010	\$ 29,992	150
January 1, 2011	\$ 31,617	160

Central Coast Water Authority
Santa Ynez Improvement District No. 1 (City of Solvang)
 Four Year Financial Plan Charges

Table A Including Drought Buffer			1,500
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2007/08	1,500	-	1,500
FY 2008/09	1,500	-	1,500
FY 2009/10	1,500	-	1,500
FY 2010/11	1,500	-	1,500

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 191,580	\$ 55,706	\$ -	\$ 55,706	\$ -	\$ -	\$ -	\$ 803,360	\$ 1,050,646
FY 2008/09	197,327	57,529	-	57,529	-	-	-	951,568	1,206,424
FY 2009/10	203,247	58,890	-	58,890	-	-	-	948,588	1,210,726
FY 2010/11	209,345	59,656	-	59,656	-	-	-	949,890	1,218,891

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

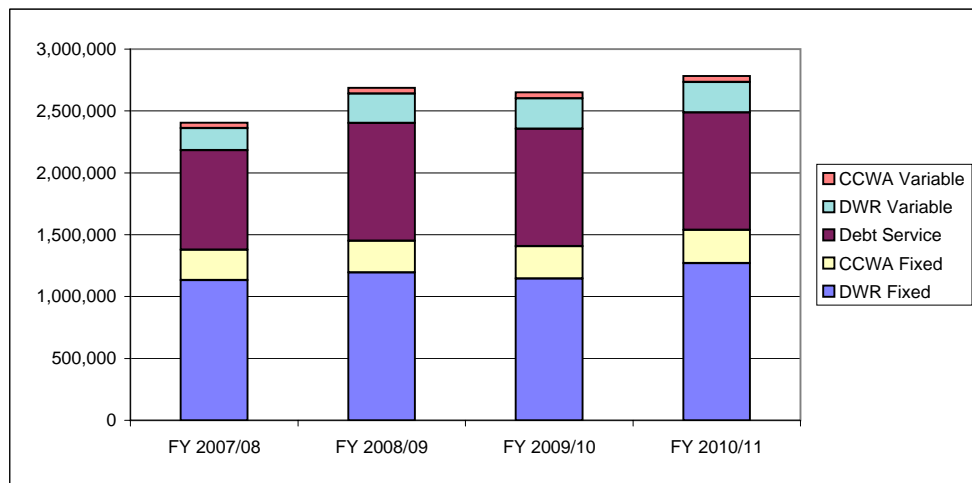
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 36,859	\$ -	\$ 7,567	\$ -	\$ 7,567	\$ -	\$ -	\$ -	\$ 44,426
FY 2008/09	37,965	-	7,953	-	7,953	-	-	-	45,918
FY 2009/10	39,104	-	8,278	-	8,278	-	-	-	47,382
FY 2010/11	40,277	-	8,526	-	8,526	-	-	-	48,804

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>		Total DWR Costs	<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2007/08	\$ 1,132,038	\$ 178,981	\$ 1,311,019	\$ 247,286	\$44,426	\$803,360	\$ 1,132,038	\$ 178,981	\$ 2,406,091
FY 2008/09	1,195,444	239,169	1,434,613	254,856	45,918	951,568	1,195,444	239,169	2,686,955
FY 2009/10	1,144,726	247,078	1,391,804	262,137	47,382	948,588	1,144,726	247,078	2,649,912
FY 2010/11	1,270,188	243,964	1,514,152	269,000	48,804	949,890	1,270,188	243,964	2,781,846

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary
 Santa Ynez River Water Conservation District, ID#1
(City of Solvang)

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 57,036	415
June 1, 2007	\$ 2,182,684	n/a
July 1, 2007	\$ 56,000	380
October 1, 2007	\$ 54,519	330
January 1, 2008	\$ 55,852	375
April 1, 2008	\$ 75,334	415
June 1, 2008	\$ 2,401,868	n/a
July 1, 2008	\$ 70,237	380
October 1, 2008	\$ 66,257	330
January 1, 2009	\$ 73,259	375
April 1, 2009	\$ 79,879	415
June 1, 2009	\$ 2,355,452	n/a
July 1, 2009	\$ 74,398	380
October 1, 2009	\$ 66,569	330
January 1, 2010	\$ 73,615	375
April 1, 2010	\$ 78,612	415
June 1, 2010	\$ 2,489,078	n/a
July 1, 2010	\$ 73,098	380
October 1, 2010	\$ 66,872	330
January 1, 2011	\$ 74,186	375

Central Coast Water Authority
Santa Ynez Improvement District No. 1
 Four Year Financial Plan Charges

Table A Including Drought Buffer				700
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	700	2,470	3,170	
FY 2008/09	700	2,245	2,945	
FY 2009/10	700	2,121	2,821	
FY 2010/11	700	2,121	2,821	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 73,515	\$ 110,285	\$ -	\$ 110,285	\$ 184,654	\$ 133,073	\$ 317,727	\$ 269,809	\$ 771,336
FY 2008/09	75,720	105,282	-	105,282	167,867	124,605	292,472	356,289	829,764
FY 2009/10	77,992	102,920	-	102,920	158,623	121,276	279,898	355,173	815,984
FY 2010/11	80,332	104,258	-	104,258	158,623	124,914	283,537	355,661	823,787

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

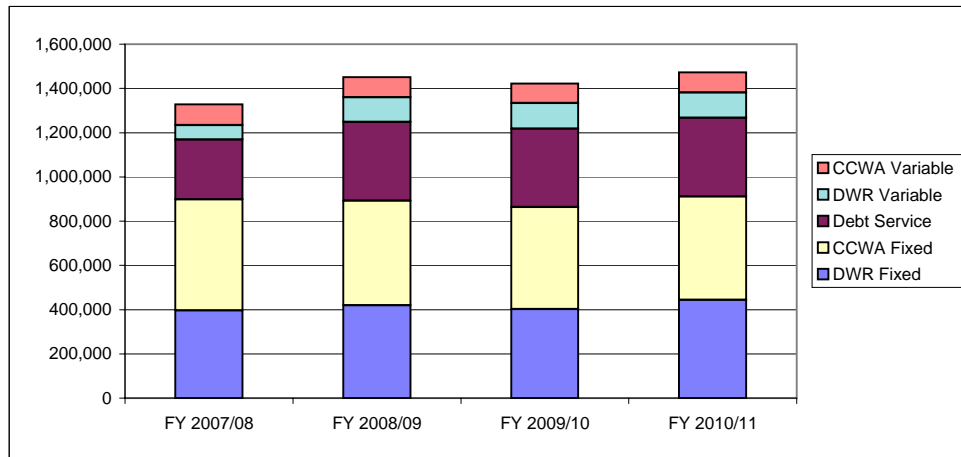
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 17,201	\$ -	\$ 15,989	\$ -	\$ 15,989	\$ 60,686	\$ -	\$ -	\$ 93,876
FY 2008/09	17,717	-	15,615	-	15,615	56,824	-	-	90,157
FY 2009/10	18,249	-	15,571	-	15,571	55,306	-	-	89,126
FY 2010/11	18,796	-	16,038	-	16,038	56,965	-	-	91,799

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2007/08	\$ 396,978	\$ 65,246	\$ 462,224	\$ 501,527	\$ 93,876	\$ 269,809	\$ 396,978	\$ 65,246	\$ 1,327,436
FY 2008/09	419,206	111,422	530,628	473,475	90,157	356,289	419,206	111,422	1,450,548
FY 2009/10	402,343	115,303	517,645	460,810	89,126	355,173	402,343	115,303	1,422,755
FY 2010/11	443,823	113,755	557,577	468,126	91,799	355,661	443,823	113,755	1,473,164

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Santa Ynez River Water Conservation District, ID#1

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2007	\$ 63,143	210	1,232
June 1, 2007	\$ 1,168,314	n/a	n/a
July 1, 2007	\$ 26,347	180	264
October 1, 2007	\$ 22,843	105	172
January 1, 2008	\$ 46,791	205	802
April 1, 2008	\$ 76,081	210	1,120
June 1, 2008	\$ 1,248,969	n/a	n/a
July 1, 2008	\$ 37,293	180	240
October 1, 2008	\$ 26,353	105	156
January 1, 2009	\$ 61,852	205	729
April 1, 2009	\$ 75,975	210	1,018
June 1, 2009	\$ 1,218,326	n/a	n/a
July 1, 2009	\$ 38,617	180	218
October 1, 2009	\$ 26,638	105	156
January 1, 2010	\$ 63,199	205	729
April 1, 2010	\$ 76,484	210	1,018
June 1, 2010	\$ 1,267,610	n/a	n/a
July 1, 2010	\$ 38,117	180	218
October 1, 2010	\$ 26,585	105	156
January 1, 2011	\$ 64,368	205	729

Central Coast Water Authority
Goleta Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				4,950
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	4,950	(889)	4,061	
FY 2008/09	4,950	(808)	4,142	
FY 2009/10	4,950	(764)	4,186	
FY 2010/11	4,950	(764)	4,186	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 654,943	\$ 134,101	\$ (464,559)	\$ (330,458)	\$ (66,475)	\$ (47,906)	\$ (114,382)	\$ 2,572,758	\$ 2,782,862
FY 2008/09	674,592	141,588	(480,925)	(339,337)	(60,432)	(44,858)	(105,290)	2,860,064	3,090,028
FY 2009/10	694,829	146,686	(492,944)	(346,258)	(57,104)	(43,659)	(100,763)	2,861,028	3,108,837
FY 2010/11	715,674	148,593	(499,351)	(350,759)	(57,104)	(44,969)	(102,073)	2,860,992	3,123,834

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

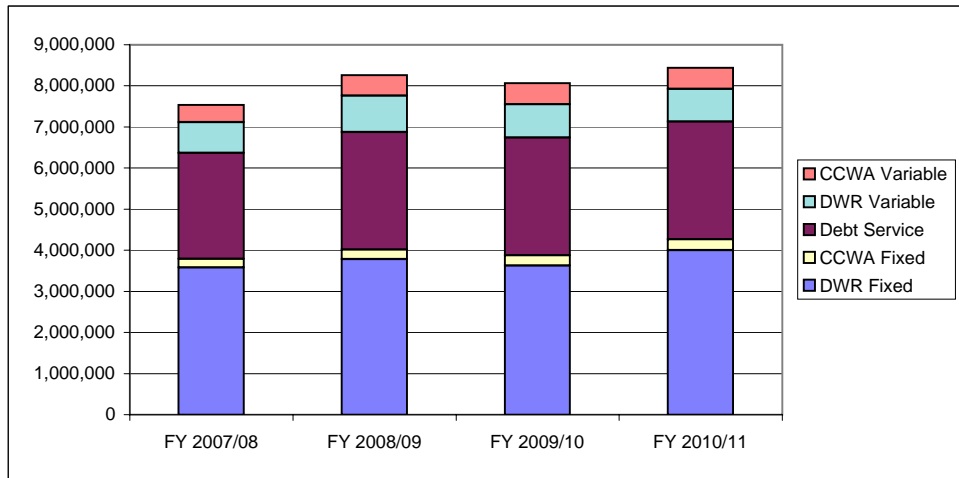
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2007/08	\$ 318,860	\$ 260,617	\$ 20,485	\$ (99,789)	\$ (79,304)	\$ (21,847)	\$ (51,566)	\$ 426,760
FY 2008/09	359,916	287,100	21,960	(104,828)	(82,869)	(20,457)	(46,878)	496,812
FY 2009/10	373,310	287,100	23,103	(109,134)	(86,031)	(19,910)	(44,297)	510,173
FY 2010/11	384,509	287,100	23,796	(112,408)	(88,612)	(20,507)	(44,297)	518,194

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				CCWA Fixed	CCWA Variable O&M				
FY 2007/08	\$ 3,582,590	\$ 747,279	\$ 4,329,869	\$ 210,104	\$ 426,760	\$ 2,572,758	\$ 3,582,590	\$ 747,279	\$ 7,539,491
FY 2008/09	3,783,456	891,208	4,674,663	229,965	496,812	2,860,064	3,783,456	891,208	8,261,503
FY 2009/10	3,631,695	814,922	4,446,617	247,808	510,173	2,861,028	3,631,695	814,922	8,065,626
FY 2010/11	4,004,939	795,606	4,800,545	262,842	518,194	2,860,992	4,004,939	795,606	8,442,573

(3) Net of DWR account interest income. Includes DWR fixed costs for the Goleta additional 2500 AF.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Goleta Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2007	\$ 272,097	1,255	811
June 1, 2007	\$ 6,365,452	n/a	n/a
July 1, 2007	\$ 293,481	1,110	1,015
October 1, 2007	\$ 337,953	1,500	1,438
January 1, 2008	\$ 270,507	1,085	796
April 1, 2008	\$ 320,527	1,255	852
June 1, 2008	\$ 6,873,484	n/a	n/a
July 1, 2008	\$ 324,460	1,110	1,024
October 1, 2008	\$ 434,710	1,500	1,444
January 1, 2009	\$ 308,323	1,085	823
April 1, 2009	\$ 314,192	1,255	888
June 1, 2009	\$ 6,740,532	n/a	n/a
July 1, 2009	\$ 313,495	1,110	1,031
October 1, 2009	\$ 412,492	1,500	1,444
January 1, 2010	\$ 284,915	1,085	823
April 1, 2010	\$ 307,834	1,255	888
June 1, 2010	\$ 7,128,773	n/a	n/a
July 1, 2010	\$ 307,411	1,110	1,031
October 1, 2010	\$ 414,699	1,500	1,444
January 1, 2011	\$ 283,856	1,085	823

Central Coast Water Authority
Morehart Land Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				220
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	220	-	220	
FY 2008/09	220	-	220	
FY 2009/10	220	-	220	
FY 2010/11	220	-	220	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 28,829	\$ 7,427	\$ (25,731)	\$ (18,303)	\$ -	\$ -	\$ -	\$ 99,552	\$ 110,078
FY 2008/09	29,694	7,671	(26,054)	(18,383)	-	-	-	131,337	142,648
FY 2009/10	30,585	7,852	(26,387)	(18,535)	-	-	-	131,381	143,431
FY 2010/11	31,503	7,954	(26,730)	(18,776)	-	-	-	131,380	144,106

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

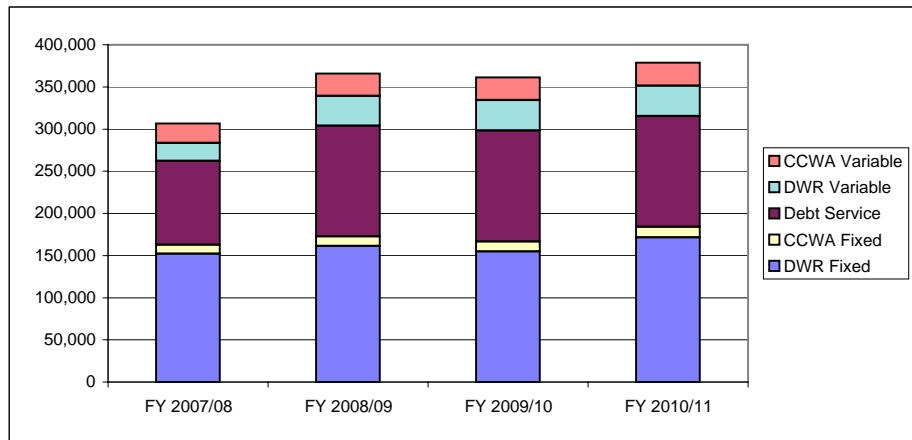
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 16,091	\$ 11,180	\$ 1,110	\$ (5,406)	\$ (4,296)	\$ -	\$ -	\$ -	\$ 22,974
FY 2008/09	18,031	12,760	1,166	(5,568)	(4,402)	-	-	-	26,389
FY 2009/10	18,572	12,760	1,214	(5,735)	(4,521)	-	-	-	26,811
FY 2010/11	19,129	12,760	1,251	(5,907)	(4,657)	-	-	-	27,233

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2007/08	\$ 152,257	\$ 21,266	\$ 173,522	\$10,526	\$ 22,974	\$99,552	\$ 152,257	\$ 21,266	\$ 306,574
FY 2008/09	161,465	35,154	196,619	11,311	26,389	131,337	161,465	35,154	365,656
FY 2009/10	154,707	36,238	190,945	12,050	26,811	131,381	154,707	36,238	361,187
FY 2010/11	171,401	35,819	207,220	12,727	27,233	131,380	171,401	35,819	378,559

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Morehart Land Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 11,478	59
June 1, 2007	\$ 262,335	n/a
July 1, 2007	\$ 10,538	50
October 1, 2007	\$ 11,582	60
January 1, 2008	\$ 10,642	51
April 1, 2008	\$ 16,048	59
June 1, 2008	\$ 304,113	n/a
July 1, 2008	\$ 13,934	50
October 1, 2008	\$ 16,883	60
January 1, 2009	\$ 14,679	51
April 1, 2009	\$ 16,750	59
June 1, 2009	\$ 298,138	n/a
July 1, 2009	\$ 14,528	50
October 1, 2009	\$ 16,997	60
January 1, 2010	\$ 14,775	51
April 1, 2010	\$ 16,619	59
June 1, 2010	\$ 315,507	n/a
July 1, 2010	\$ 14,380	50
October 1, 2010	\$ 17,168	60
January 1, 2011	\$ 14,884	51

Central Coast Water Authority
La Cumbre Mutual Water Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				1,100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	800	-	800	
FY 2008/09	800	-	800	
FY 2009/10	800	-	800	
FY 2010/11	800	-	800	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 147,027	\$ 37,137	\$ (128,653)	\$ (91,516)	\$ -	\$ -	\$ -	\$ (456,637)	\$ (401,126)
FY 2008/09	151,437	38,353	(130,270)	(91,917)	-	-	-	628,786	688,306
FY 2009/10	155,981	39,260	(131,935)	(92,675)	-	-	-	628,998	692,304
FY 2010/11	160,660	39,770	(133,650)	(93,879)	-	-	-	628,990	695,771

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

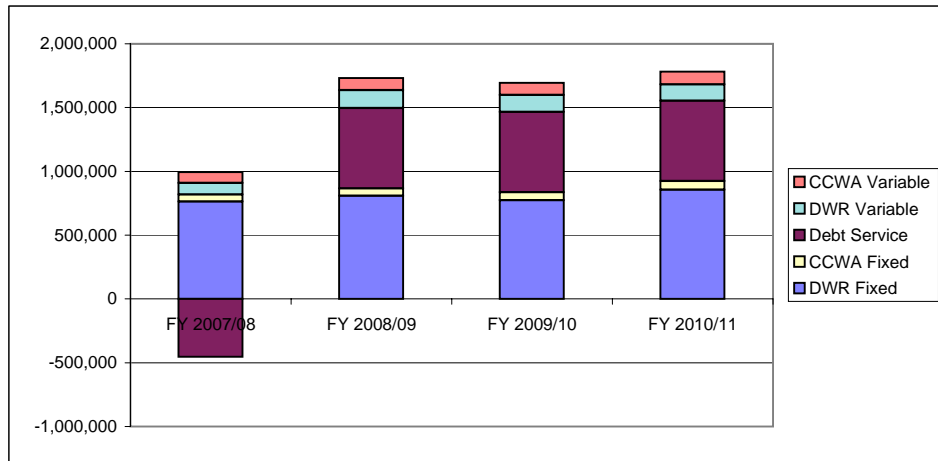
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 58,511	\$ 40,528	\$ 4,036	\$ (19,658)	\$ (15,623)	\$ -	\$ -	\$ -	\$ 83,416
FY 2008/09	65,568	46,400	4,242	(20,248)	(16,007)	-	-	-	95,962
FY 2009/10	67,535	46,400	4,415	(20,856)	(16,441)	-	-	-	97,495
FY 2010/11	69,561	46,400	4,547	(21,481)	(16,934)	-	-	-	99,027

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2007/08	\$ 763,229	\$ 91,241	\$ 854,470	\$55,511	\$ 83,416	\$ (456,637)	\$ 763,229	\$ 91,241	\$ 536,761
FY 2008/09	807,325	139,671	946,995	59,520	95,962	628,786	807,325	139,671	1,731,263
FY 2009/10	773,534	131,723	905,257	63,306	97,495	628,998	773,534	131,723	1,695,055
FY 2010/11	857,005	128,917	985,922	66,781	99,027	628,990	857,005	128,917	1,780,720

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

La Cumbre Mutual Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 44,707	210
June 1, 2007	\$ 362,103	n/a
July 1, 2007	\$ 43,143	195
October 1, 2007	\$ 43,143	195
January 1, 2008	\$ 43,664	200
April 1, 2008	\$ 60,270	210
June 1, 2008	\$ 1,495,631	n/a
July 1, 2008	\$ 56,746	195
October 1, 2008	\$ 58,696	195
January 1, 2009	\$ 59,921	200
April 1, 2009	\$ 59,773	210
June 1, 2009	\$ 1,465,838	n/a
July 1, 2009	\$ 56,070	195
October 1, 2009	\$ 56,070	195
January 1, 2010	\$ 57,304	200
April 1, 2010	\$ 58,980	210
June 1, 2010	\$ 1,552,776	n/a
July 1, 2010	\$ 55,248	195
October 1, 2010	\$ 56,223	195
January 1, 2011	\$ 57,492	200

Central Coast Water Authority
Raytheon
 Four Year Financial Plan Charges

Table A Including Drought Buffer				55
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	55	-	55	
FY 2008/09	55	-	55	
FY 2009/10	55	-	55	
FY 2010/11	55	-	55	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 7,309	\$ 1,857	\$ (6,433)	\$ (4,576)	\$ -	\$ -	\$ -	\$ 22,014	\$ 24,748
FY 2008/09	7,528	1,918	(6,513)	(4,596)	-	-	-	27,493	30,425
FY 2009/10	7,754	1,963	(6,597)	(4,634)	-	-	-	27,502	30,622
FY 2010/11	7,987	1,989	(6,682)	(4,694)	-	-	-	27,502	30,794

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

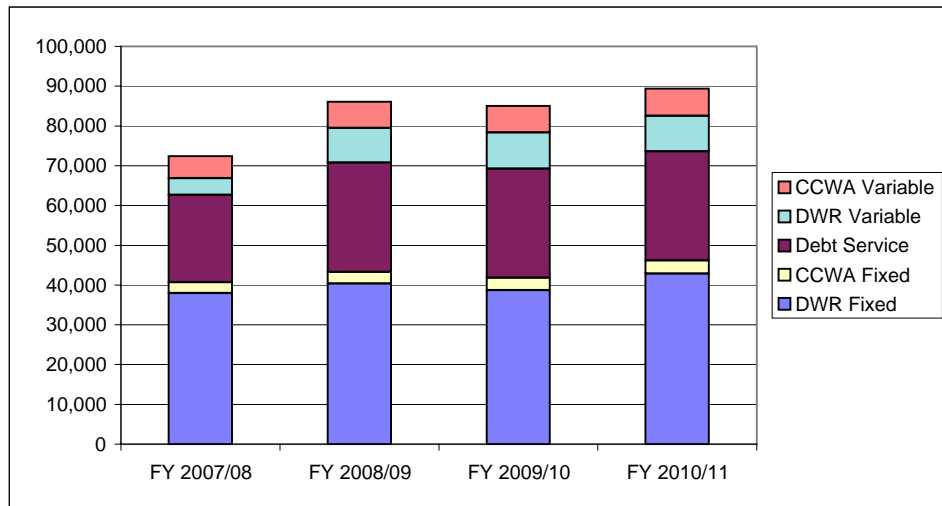
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2007/08	\$ 4,023	\$ 2,639	\$ 277	\$ (1,352)	\$ (1,074)	\$ -	\$ -	\$ -	\$ 5,588
FY 2008/09	4,508	3,190	292	(1,392)	(1,100)	-	-	-	6,597
FY 2009/10	4,643	3,190	304	(1,434)	(1,130)	-	-	-	6,703
FY 2010/11	4,782	3,190	313	(1,477)	(1,164)	-	-	-	6,808

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	Total State Water Charges			DWR Fixed	DWR Variable O&M	Total SWP Charges
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	Debt Service			
FY 2007/08	\$ 37,935	\$ 4,133	\$ 42,068	\$ 2,733	\$ 5,588	\$ 22,014	\$ 37,935	\$ 4,133	\$ 72,403
FY 2008/09	40,366	8,681	49,047	2,932	6,597	27,493	40,366	8,681	86,070
FY 2009/10	38,677	9,060	47,736	3,120	6,703	27,502	38,677	9,060	85,061
FY 2010/11	42,850	8,901	51,751	3,293	6,808	27,502	42,850	8,901	89,354

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Raytheon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 3,370	23
June 1, 2007	\$ 62,683	n/a
July 1, 2007	\$ 2,557	15
October 1, 2007	\$ 1,033	0
January 1, 2008	\$ 2,760	17
April 1, 2008	\$ 5,950	23
June 1, 2008	\$ 70,791	n/a
July 1, 2008	\$ 4,071	15
October 1, 2008	\$ 547	0
January 1, 2009	\$ 4,711	17
April 1, 2009	\$ 6,224	23
June 1, 2009	\$ 69,299	n/a
July 1, 2009	\$ 4,249	15
October 1, 2009	\$ 546	0
January 1, 2010	\$ 4,743	17
April 1, 2010	\$ 6,207	23
June 1, 2010	\$ 73,645	n/a
July 1, 2010	\$ 4,217	15
October 1, 2010	\$ 485	0
January 1, 2011	\$ 4,800	17

Central Coast Water Authority
City of Santa Barbara
 Four Year Financial Plan Charges

Table A Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	593	(593)	0	
FY 2008/09	539	(539)	0	
FY 2009/10	509	(509)	(0)	
FY 2010/11	509	(509)	(0)	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<i>Regional WTP Modifications</i>			<i>Exchange Agreement Modifications</i>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 433,757	\$ 89,401	\$ (309,706)	\$ (220,305)	\$ (44,317)	\$ (31,938)	\$ (76,255)	\$ 1,632,154	\$ 1,769,350
FY 2008/09	446,769	94,392	(320,617)	(226,224)	(40,288)	(29,905)	(70,193)	1,758,170	1,908,522
FY 2009/10	460,172	97,791	(328,629)	(230,838)	(38,069)	(29,106)	(67,176)	1,758,764	1,920,922
FY 2010/11	473,977	99,062	(332,901)	(233,839)	(38,069)	(29,979)	(68,049)	1,758,741	1,930,831

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

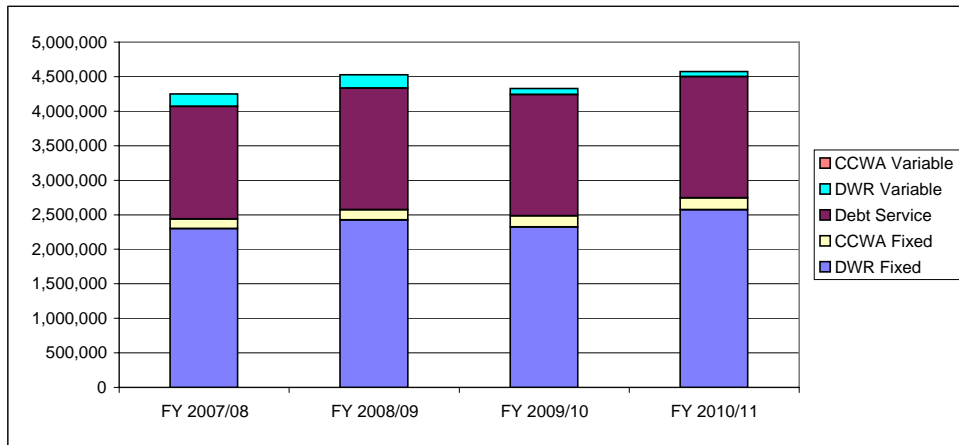
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<i>Regional WTP Modifications</i>			<i>Exchange Agreement Modifications</i>		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2007/08	\$14,586	\$ 34,378	\$ 1	\$ (7)	\$ (6)	\$ (14,565)	\$ (34,377)	\$ 16
FY 2008/09	13,652	31,262	1	(4)	(3)	(13,638)	(31,252)	20
FY 2009/10	13,260	29,522	(1)	4	3	(13,273)	(29,531)	(19)
FY 2010/11	13,658	29,522	(1)	4	3	(13,672)	(29,531)	(19)

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	CCWA			Debt Service	DWR		Total SWP Charges
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs		Fixed	Variable O&M	Service		Fixed	Variable O&M	
FY 2007/08	\$ 2,298,923	\$ 180,710	\$ 2,479,634	\$137,198	\$ 16	\$ 1,632,154	\$ 2,298,923	\$ 180,710	\$ 4,249,001	
FY 2008/09	2,421,974	195,267	2,617,241	150,351	20.42	1,758,170	2,421,974	195,266.70	4,525,783	
FY 2009/10	2,320,603	85,391	2,405,994	162,158	(19.14)	1,758,764	2,320,603	85,391.28	4,326,897	
FY 2010/11	2,571,015	70,628	2,641,643	172,090	(19.44)	1,758,741	2,571,015	70,627.98	4,572,454	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Barbara

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2007	\$ 45,195	296	0
June 1, 2007	\$ 4,068,275	n/a	n/a
July 1, 2007	\$ 45,212	64	1
October 1, 2007	\$ 45,219	42	1
January 1, 2008	\$ 45,099	191	(1)
April 1, 2008	\$ 63,749	269	0
June 1, 2008	\$ 4,330,496	n/a	n/a
July 1, 2008	\$ 39,508	58	0
October 1, 2008	\$ 37,602	38	1
January 1, 2009	\$ 54,427	174	(1)
April 1, 2009	\$ 35,897	244	(0)
June 1, 2009	\$ 4,241,525	n/a	n/a
July 1, 2009	\$ 12,144	53	1
October 1, 2009	\$ 10,254	38	1
January 1, 2010	\$ 27,077	174	(1)
April 1, 2010	\$ 31,941	244	(0)
June 1, 2010	\$ 4,501,846	n/a	n/a
July 1, 2010	\$ 8,190	53	1
October 1, 2010	\$ 6,489	38	1
January 1, 2011	\$ 23,989	174	(1)

Central Coast Water Authority
Montecito Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	3,300	(593)	2,707	
FY 2008/09	3,300	(539)	2,761	
FY 2009/10	3,300	(509)	2,791	
FY 2010/11	3,300	(509)	2,791	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 434,779	\$ 89,401	\$ (309,706)	\$ (220,305)	\$ (44,317)	\$ (31,938)	\$ (76,255)	\$ 1,950,818	\$ 2,089,038
FY 2008/09	447,823	94,392	(320,617)	(226,224)	(40,288)	(29,905)	(70,193)	2,066,503	2,217,908
FY 2009/10	461,257	97,791	(328,629)	(230,838)	(38,069)	(29,106)	(67,176)	2,067,200	2,230,444
FY 2010/11	475,095	99,062	(332,901)	(233,839)	(38,069)	(29,979)	(68,049)	2,067,174	2,240,381

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

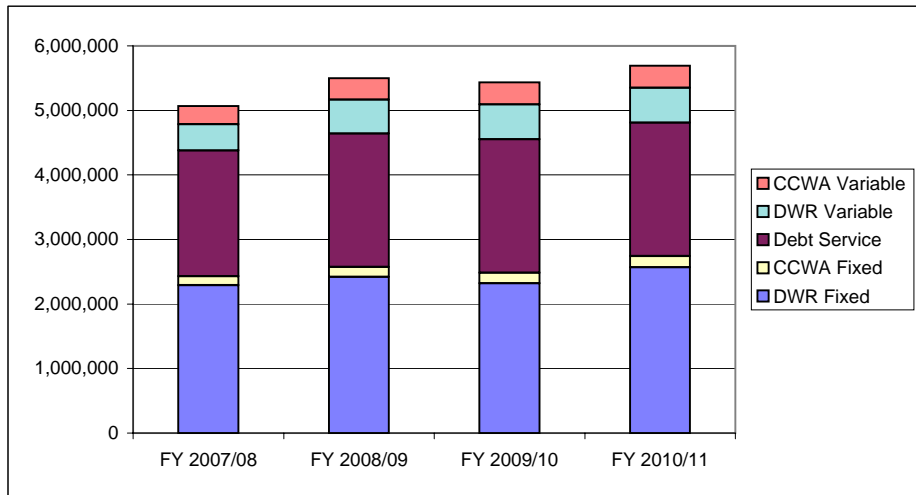
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2007/08	\$ 212,573	\$ 172,681	\$ 13,657	\$ (66,526)	\$ (52,869)	\$ (14,565)	\$ (34,377)	\$ 283,443
FY 2008/09	239,944	191,400	14,640	(69,886)	(55,246)	(13,638)	(31,252)	331,208
FY 2009/10	248,873	191,400	15,402	(72,756)	(57,354)	(13,273)	(29,531)	340,115
FY 2010/11	256,340	191,400	15,864	(74,938)	(59,074)	(13,672)	(29,531)	345,462

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2007/08	\$ 2,289,768	\$ 404,823	\$ 2,694,591	\$138,220	\$ 283,443	\$ 1,950,818	\$ 2,289,768	\$ 404,823	\$ 5,067,073
FY 2008/09	2,421,974	527,162	2,949,136	151,405	331,208	2,066,503	2,421,974	527,162	5,498,252
FY 2009/10	2,320,603	543,571	2,864,174	163,243	340,115	2,067,200	2,320,603	543,571	5,434,732
FY 2010/11	2,571,015	537,216	3,108,231	173,207	345,462	2,067,174	2,571,015	537,216	5,694,075

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Montecito Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Requested SWP Delivery (acre-feet)
April 1, 2007	\$ 177,040	1,020	724
June 1, 2007	\$ 4,378,806	n/a	n/a
July 1, 2007	\$ 160,531	630	567
October 1, 2007	\$ 191,115	900	859
January 1, 2008	\$ 159,581	750	558
April 1, 2008	\$ 240,198	1,020	751
June 1, 2008	\$ 4,639,882	n/a	n/a
July 1, 2008	\$ 173,901	630	572
October 1, 2008	\$ 248,751	900	863
January 1, 2009	\$ 195,520	750	575
April 1, 2009	\$ 254,793	1,020	776
June 1, 2009	\$ 4,551,046	n/a	n/a
July 1, 2009	\$ 181,913	630	578
October 1, 2009	\$ 250,381	900	863
January 1, 2010	\$ 196,599	750	575
April 1, 2010	\$ 252,628	1,020	776
June 1, 2010	\$ 4,811,396	n/a	n/a
July 1, 2010	\$ 179,369	630	578
October 1, 2010	\$ 252,882	900	863
January 1, 2011	\$ 197,800	750	575

Central Coast Water Authority
Carpinteria Valley Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				2,200
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2007/08	395	(395)	(0)	
FY 2008/09	359	(359)	(0)	
FY 2009/10	339	(339)	(0)	
FY 2010/11	339	(339)	(0)	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2007/08	\$ 288,780	\$ 59,600	\$ (206,471)	\$ (146,870)	\$ (29,545)	\$ (21,292)	\$ (50,836)	\$ 1,003,987	\$ 1,095,061
FY 2008/09	297,444	62,928	(213,744)	(150,816)	(26,859)	(19,937)	(46,796)	1,181,411	1,281,243
FY 2009/10	306,367	65,194	(219,086)	(153,892)	(25,380)	(19,404)	(44,784)	1,181,810	1,289,501
FY 2010/11	315,558	66,041	(221,934)	(155,893)	(25,380)	(19,986)	(45,366)	1,181,795	1,296,094

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA charges.

CCWA Variable O&M Charges

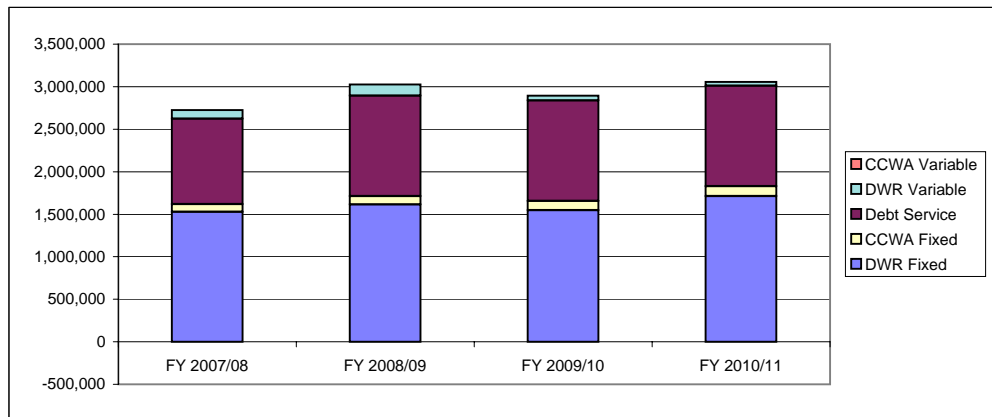
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2007/08	\$ 9,699	\$ 22,918	\$ (1)	\$ 3	\$ 3	\$ (9,710)	\$ (22,918)	\$ (8)
FY 2008/09	9,074	20,822	(1)	6	4	(9,092)	(20,835)	(26)
FY 2009/10	8,812	19,662	(2)	11	9	(8,849)	(19,687)	(53)
FY 2010/11	9,076	19,662	(2)	12	9	(9,114)	(19,687)	(54)

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2007/08	\$ 1,526,675	\$ 102,478	\$ 1,629,153	\$ 91,074	\$ (8)	\$ 1,003,987	\$ 1,526,675	\$ 102,478
FY 2008/09	1,614,649	130,136	1,744,785	99,832	(26)	1,181,411	1,614,649	130,136	3,026,002
FY 2009/10	1,547,069	56,912	1,603,981	107,691	(53)	1,181,810	1,547,069	56,912	2,893,428
FY 2010/11	1,714,010	47,029	1,761,039	114,299	(54)	1,181,795	1,714,010	47,029	3,057,079

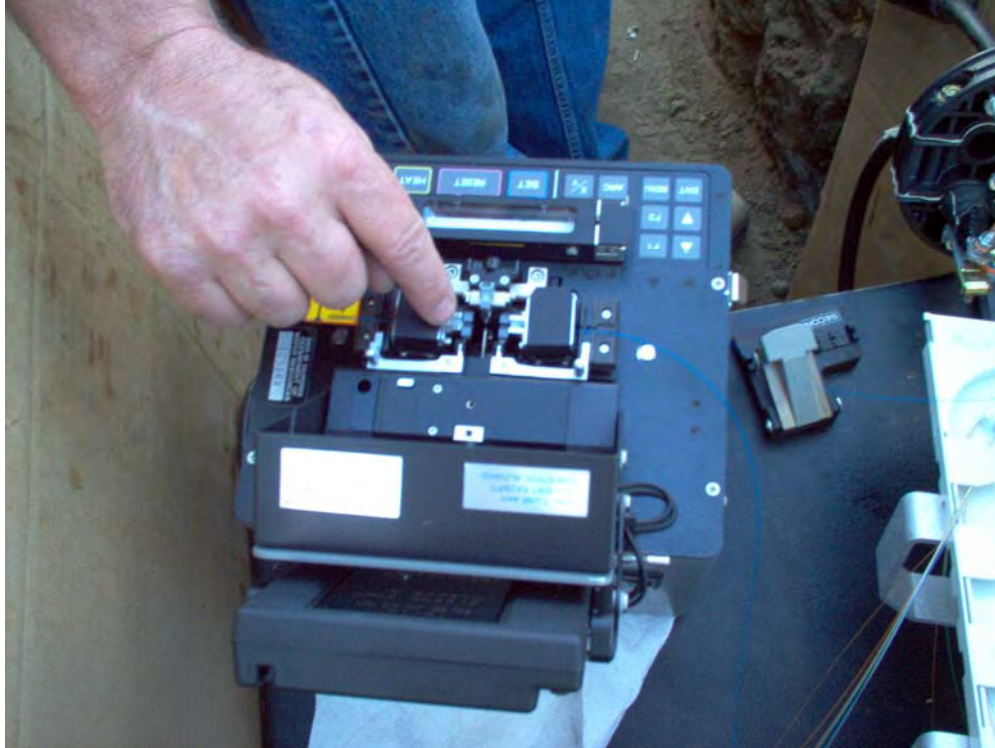
(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2007/08 Four Year Financial Plan
 Project Participant Payment Summary

Carpinteria Valley Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2007	\$ 25,613	197	(0)
June 1, 2007	\$ 2,621,736	n/a	n/a
July 1, 2007	\$ 25,607	42	(0)
October 1, 2007	\$ 25,647	28	1
January 1, 2008	\$ 25,604	128	(0)
April 1, 2008	\$ 42,421	179	(0)
June 1, 2008	\$ 2,895,892	n/a	n/a
July 1, 2008	\$ 26,417	39	1
October 1, 2008	\$ 24,986	25	0
January 1, 2009	\$ 36,285	116	(1)
April 1, 2009	\$ 24,020	163	0
June 1, 2009	\$ 2,836,569	n/a	n/a
July 1, 2009	\$ 8,020	35	0
October 1, 2009	\$ 6,760	25	0
January 1, 2010	\$ 18,058	116	(1)
April 1, 2010	\$ 21,373	163	0
June 1, 2010	\$ 3,010,104	n/a	n/a
July 1, 2010	\$ 5,373	35	0
October 1, 2010	\$ 4,238	25	0
January 1, 2011	\$ 15,989	116	(1)



Fusion Splicer being used to repair the Fiber Optic Cable at Santa Rosa Road

Appendix

The Appendix to the FY 2007/08 Budget contains miscellaneous statistical information on the CCWA, the CCWA Investment Policy and a glossary of terms.

Central Coast Water Authority
Miscellaneous Statistical Information
 Fiscal Year 2007/08 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	28.25
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2006/07 Santa Barbara County estimated deliveries	27,408 acre-feet
San Luis Obispo State water Table A	4,289 acre-feet
FY 2006/07 estimated San Luis Obispo estimated deliveries	4,126 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	340,000
San Luis Obispo County	<u>41,000</u>
TOTAL	381,000

CENTRAL COAST WATER AUTHORITY
STATEMENT OF INVESTMENT POLICY

I. PURPOSE:

This statement is intended to provide guidelines for the prudent investment of the Authority's cash balances, and outline the policies for maximizing the efficiency of the Authority's cash management system. The ultimate goal is to enhance the economic status of the Authority while protecting its assets.

II. SCOPE

It is intended that this policy cover all funds and investment activities under the direct authority of the Authority Board of Directors.

III. OBJECTIVES

- A. Safety. Safety of principal is the foremost objective of the Authority. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value.

- B. Liquidity. An adequate percentage of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet cash requirements.

- C. Yield. Yield shall become a consideration only after the basic requirements of safety and liquidity have been met.

- D. Market-Average Rate of Return. The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Authority's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict investments.
- E. Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.
- F. Prudence (Civil Code #2261). The standard of prudence to be used by investment officials shall be the "prudent investor" per Government Code section 53600.3 which states: "care, skill, prudence and diligence under the circumstances then prevailing, 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". This "Prudent Investor Standard" shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.
- G. Public Trust. All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

IV. DELEGATION OF AUTHORITY:

- A. Investment Officer. Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.
- B. Investment Oversight Committee. The Authority Finance Committee shall serve as the Investment Oversight Committee. The purpose of the Committee is to: (1) review the investment practices used by the Investment Officer for compliance with the investment policy and written procedures, (2) analysis of the quarterly Treasurer's report for adherence to established guidelines, and (3) advise Authority Board of Directors of any deviations from guidelines or any practices which are deemed to be imprudent for a public agency.

V. INTERNAL CONTROLS:

The Investment Officer shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by employees and officers of the Authority.

VI. REPORTING:

The Investment Officer shall submit monthly to the Board an investment report that summarizes all securities. For those securities with a maturity of more than 12 months, the type of investment, institution, date of maturity, investment amount, market value, and yield will also be provided. The Investment Officer shall also provide, on a quarterly basis, a statement of compliance of the portfolio with the Statement of Investment Policy and a statement of the Authority's ability to meet the expenditure requirements for the next six months.

VII. APPROVED INSTRUMENTS:

The Authority shall be governed by the California Government Code, Sections 53600 et seq. Where this policy specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Within the context of these limitations, the following investments are authorized, provided, however, that where there is no limitation on the term of the investment, no investment shall be made in any security which, at the time of the investment, has a term remaining to maturity in excess of 5 years, unless specifically exempted in Section X of this Investment Policy or the Board has granted express authority to make that investment no less than 3 months prior to the investment:

- (a) United States notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Obligations issued by government sponsored corporations such as the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), and the Federal National Mortgage Association (FNMA).

- (c) Commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investors Service, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars and have a rating of A-1+ by Standard & Poor's Corporation and P-1 by Moody's Investors Service and which matures not more than 270 days after the date of purchase. Purchases of commercial paper may not exceed 25 percent of the Authority's surplus money invested.

Commercial paper investments with one company may not exceed one-third (33 1/3%) of total commercial paper investments.

- (d) Time deposits. The Authority may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.
- (e) Local Agency Investment Fund. The Authority may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer up to the maximum permitted by State law.
- (f) Money market funds rated "AAAm" or AAAM-G" or better by Standard & Poor's Corporation.

VIII. DEPOSITORIES:

The Treasurer will establish selection criteria for pre-approval of institutions to do business with. To qualify for selection, an institution must have an office in California. A written listing of approved institutions will be maintained by the Investment Officer.

IX. BROKER/DEALERS:

To provide for the optimum yield in the investment of the Authority's funds, the Authority's investment procedures shall be designed to encourage competitive bidding on transactions from approved brokers/dealers. In order to be approved by the Authority, the dealer must be a primary dealer reporting to the New York Federal Reserve, unless a comprehensive credit and capitalization analysis reveals that the firm is adequately financed to conduct public business; the dealer must be experienced in institutional trading practices and familiar with the California Government Code as related to investments; and other criteria as may be established in the investment procedures.

X. MATURITY RESTRICTIONS:

In addition to the 5 year limitation on investments specified in this policy, the average maturity of the Authority's combined portfolio shall not exceed 2 years without prior approval of the Board (for a specified period). Reserve Fund investments are exempt from this restriction; however, reserve fund investment maturities shall be limited to or prior to final maturity of the Authority's Bond Financing.

XI. RISK TOLERANCE

The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Investment Officer is expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Investment Officer shall periodically establish guidelines and strategies to control risks of default, market price changes and illiquidity. In addition to these general policy considerations, the following specific policies will be strictly observed.

XII. SAFEKEEPING AND CUSTODY:

To protect against potential fraud and embezzlement, the assets of the Authority shall be secured through third-party custody and safekeeping procedures. The Investment Officer shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by the independent auditor and any irregularities noted should be reported promptly to the Treasurer and the Board.

XIII. PERFORMANCE EVALUATION AND OPERATIONS AUDIT:

The monthly investment reports submitted to the Board shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

XIV. ETHICS:

All persons authorized to place or approve investments shall report annually on Form 700 of the Fair Political Practices Commission all required economic interests for that year.

XV. UPDATE OF POLICY:

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2007/08 Budget

A

Account - A record of a business transaction; a reckoning of money received or paid.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

Accrual - The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot.

Adoption - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Advance Refunding - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Aqueduct - A canal for conveying a large amount of water.

Assets - Resources owned or held by a government which have monetary value.

B

Bond Call - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

Budget - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2007/08 Budget

C

Capital Improvements - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

Capitalized Interest - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

Carry-Over - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are "carried over" into the subsequent fiscal year.

Coastal Branch Phase II - A 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

Coverage - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Defeasance - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

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

Department of Water Resources - The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear,

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2007/08 Budget

deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

G

General Fund - The Authority's cash balance net of reserve balances.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2007/08 Budget

J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2007/08 Budget

O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Off Aqueduct Charge - Bond debt service, cover and reserves for transmission costs allocated to DWR off-aqueduct power facilities (power cost which includes both fixed and variable cost elements.)

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

Reserves - A budgeted amount to be set aside in an account for future use.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2007/08 Budget

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Revenue Bond - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

Right of Way - A legal right of passage over another person's ground.

S

Santa Ynez Exchange Agreement - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

T

Table A Amount - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2007/08 Budget

Table A Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

Transportation Charge - Minimum Operation, Maintenance, Power and Replacement (OMP&R) - Operating costs incurred by DWR that do not depend on or vary with quantities of water delivered to the Authority.

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Water Supply Agreement - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

Water System Revenue Bond Surcharge - The surcharge is the difference between the total project charges collected at the project interest rate for a project and the annual financing costs of the water system revenue bonds issued for that project. Project interest rate is the melded financing costs for projects not financed with water system revenue bonds.

THE STATE WATER PROJECT IN SANTA BARBARA COUNTY

Introduction

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

History of the State Water Project

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).

Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

The State Water Project in Santa Barbara County

The Early Years

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

The 1980's and 1990's

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report (EIR), needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities, and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.

The Central Coast Water Authority

Early Activities

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water. Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Golden State Water Company (formerly, Southern California Water Company), La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch Phase II project, which extends from northwest

Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

Project Financing, Development and Implementation

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000. In September 2006, CCWA refinanced the 1996 revenue bond issue resulting in debt service savings of approximately \$350,000. The principal amount of the refunding bonds was \$129,190,000)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. Pages 288 and 289 contain project maps depicting the facilities constructed by the State, CCWA and various project participants. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was

necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million

financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings.

CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, and construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by

State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

A Commitment to Environmental Protection

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere

environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's

cultural experts could study the sites, report them to the state and federal agencies and then mitigate.

- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and caring for 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County)

and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

Water Supply Reliability

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 73% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement

among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.

- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.
- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

The Future

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and

service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives. CCWA has built both the organization and infrastructure that will support this vision well into the future.

July 1998

Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies
(and year of initial water delivery)**

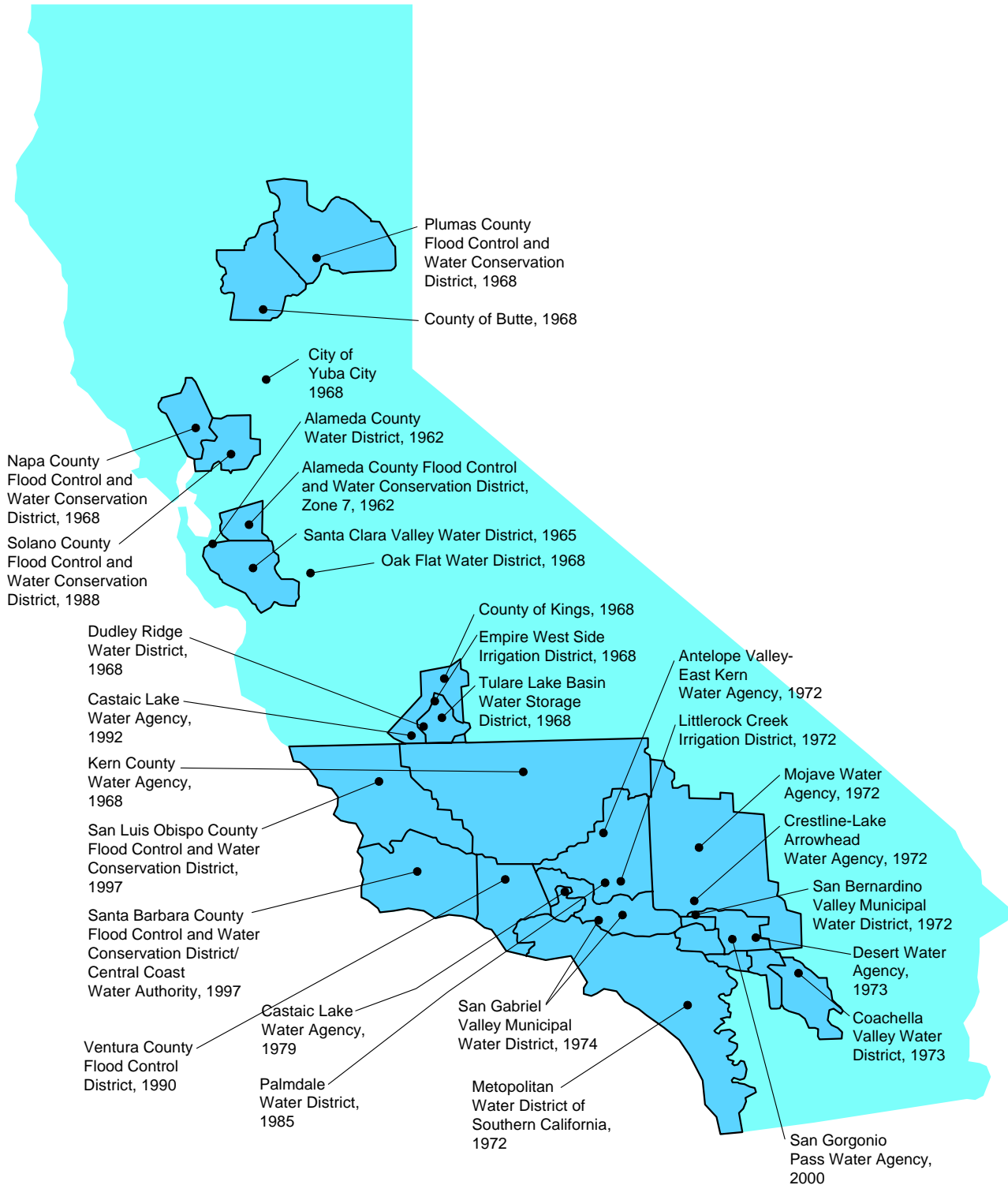


Table 1

COASTAL BRANCH PHASE II PROJECT DATA *

Tank Sites*	1	1	2	5	7
	raw water	treated water	treated water	treated water	treated water
# of tanks	3	2	2	2	1
total capacity (million gallons)	24.2	9.8	6.4	5	2.5

* Tank sites 3, 4 and 6 were eliminated during design of the facilities.

Polonio Pass Water Treatment Plant	49.46 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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Pipeline		
<u>Location (from/to)</u>	<u>Pipeline Diameter (inches)</u>	<u>Distance (miles)</u>
Devils Den Pumping Plant/Tank1	57	13.0
Tank1/Salinas River	48	33.0
Salinas River/Cuesta Tunnel	51	7.1
Cuesta Tunnel/Tank 5	42	47.5
Tank 5/Purisima Road	39	13.3
Purisima Road/Santa Ynez Pumping Facility	36	21.2
Santa Ynez P.F./Lake Cachuma	30	8.0
Total Pipeline >>>		143.1

Pump Plants	<u>Flow Rate (cfs)</u>	<u>Horsepower (each pump)</u>	<u># of Pumps</u>	<u>Lift (ft)</u>
Devils Den Pumping Plant (DWR)	100	1760	6	550
Bluestone Pumping Plant (DWR)	100	1760	6	550
Polonio Pass Pumping Plant (DWR)	100	1760	6	550
Santa Ynez Pumping Facility (CCWA)	22	300	5	250

Turnouts	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	Golden State Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Raytheon, La Cumbre Mutual Water Co.

* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.