




CENTRAL COAST WATER AUTHORITY

MEMORANDUM

March 3, 2021

TO: CCWA Operating Committee

FROM: Lisa M. Long
Controller 

SUBJECT: CCWA FY 2021/22 Preliminary Budget

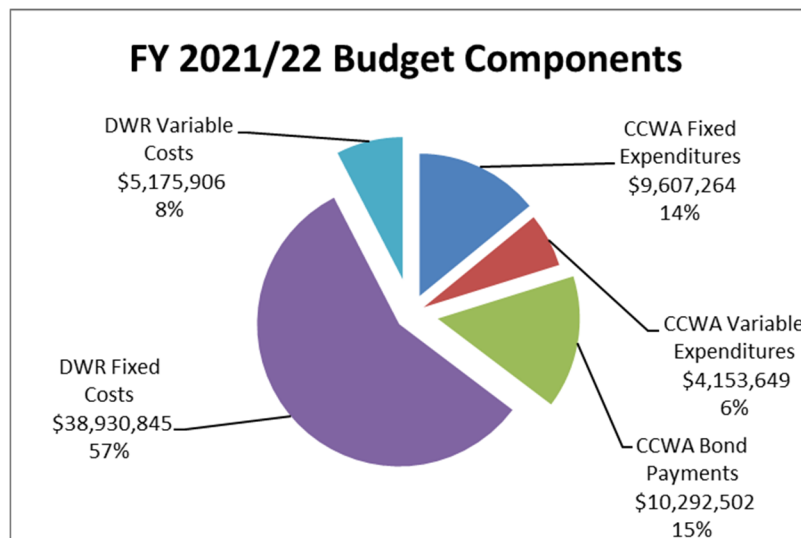
SUMMARY

The Preliminary FY 2021/22 Budget document has been posted for review at the CCWA website www.ccwa.com under the Major Reports tab. This memorandum provides an overview of the preliminary budget and highlights significant changes between it and the Final FY 2020/21 Budget. Staff will provide an overview of the Preliminary FY 2021/22 Budget at the March 11, 2021 Operating Committee meeting, and will be providing an overview at the March 25, 2021 CCWA Board Meeting.

DISCUSSION

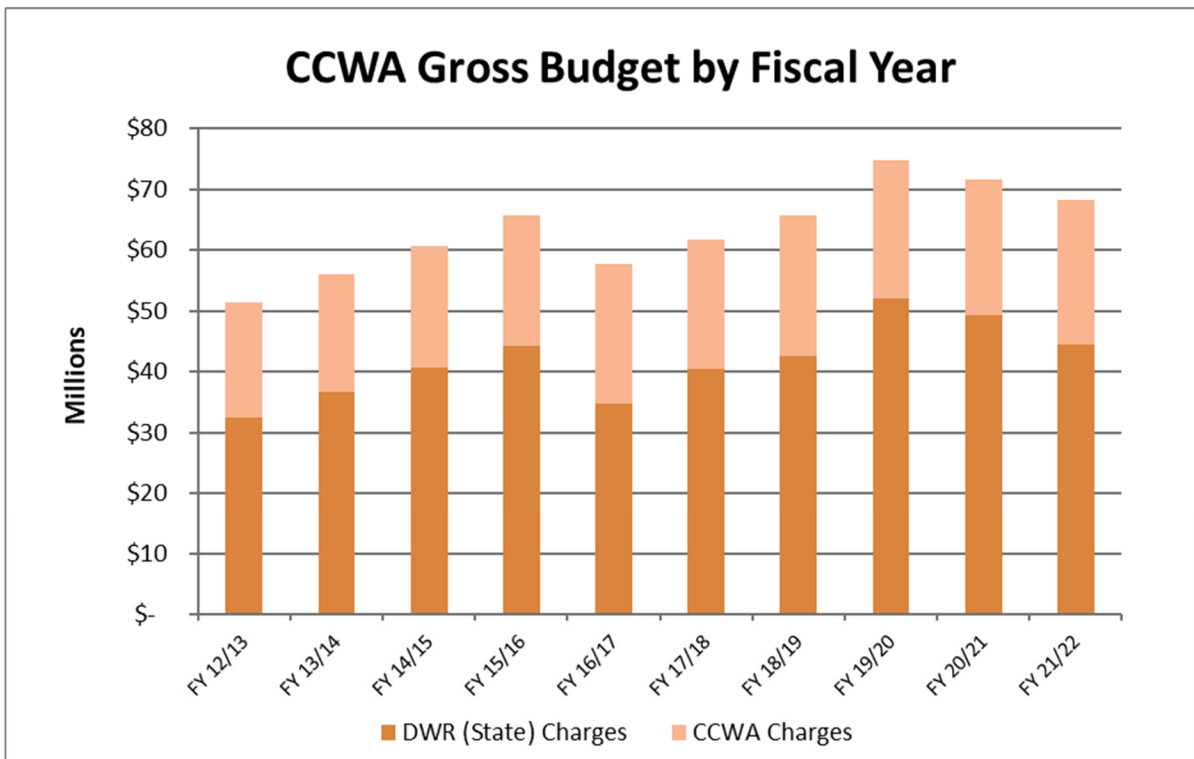
The FY 2021/22 Preliminary Budget calls for total project participant payments of \$68.02 million compared to the FY 2020/21 budget of \$71.09 million, a \$3.07 million decrease.

The following graph shows the various components of the FY 2021/22 Preliminary Budget and subsequent table compares the Preliminary FY 2021/22 Budget and the Final FY 2020/21 Budget:



Budget Item	Final FY 2020/21 Budget	Preliminary FY 2021/2022 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses - Fixed	\$ 7,467,814	\$ 7,850,320	\$ 382,506
CCWA Operating Expenses - Variable	2,618,077	4,153,649	1,535,573
Revenue Bond Debt Service Payments	10,274,767	10,292,502	17,735
Capital/Non-Capital Projects	1,956,528	1,322,060	(634,468)
Total CCWA Expenses:	22,317,186	23,618,531	1,301,345
Pass-Through Expenses			
DWR Fixed Costs	43,237,081	38,930,845	(4,306,236)
DWR Variable Costs	5,449,707	5,175,906	(273,800)
Warren Act and Trust Fund Payments	538,969	434,884	(104,085)
Total Pass-Through Expenses:	49,225,756	44,541,636	(4,684,121)
Subtotal Gross Budget:	71,542,943	68,160,167	(3,382,776)
CCWA (Credits) Due	(452,559)	(142,214)	310,345
TOTAL:	\$ 71,090,383	\$ 68,017,953	\$ (3,072,431)

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



CCWA Operating Expense Budget

The Preliminary FY 2021/22 CCWA operating expense budget totals \$12,003,969 which is \$1,918,078 more than the FY 2020/21 operating expense budget, or a 19.02% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2021/22 and FY 2020/21.

	Final FY 2020/21 Budget	Preliminary FY 2021/2022 Budget	Increase	Percentage Change
Fixed O&M	\$ 7,467,814	\$ 7,850,320	\$ 382,506	5.12%
Variable O&M	2,618,077	4,153,649	1,535,573	58.65%
Total:	\$10,085,891	\$12,003,969	\$ 1,918,078	19.02%

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

Water Deliveries

Total requested water deliveries for FY 2021/22 are 31,007 acre feet compared to the FY 2020/21 requested deliveries of 33,626 acre feet, a decrease of 2,619 acre-feet.

Personnel Expenses

Personnel expenses are increasing by about \$98,953 which includes the following changes from the prior year:

- The FY 2020/21 total salaries and wages budget for all departments is increasing \$82,685 as compared to the prior fiscal year budget, representing an increase of 2.58%.
- CalPERS retirement expenses are increasing by approximately \$8,097. The combined CCWA paid employer, employee and unfunded actuarial liability contribution rates for the FY 2021/22 total 30.20% as compared to the prior year amount of 27.823%, for a combined increase of 2.377%.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by about \$26,851 due to; 1) The 2021 CalPERS health insurance plan with the lowest premiums increased by 5.62% over the 2020 premiums, as opposed to the increase of 5% budgeted for the calendar year 2021. The 2021 health allowances have remained at same levels used in 2020; 2) The FY 2021/22 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2022. The health plan estimates are based on the elections of each employee at the time the budget is prepared.

- Workers' Compensation costs are decreasing by \$19,135 due to an 11% reduction in the Experience modification rate for CCWA.
- The FY 2021/22 Budget includes a \$149,952 deposit into the Retiree Benefit Trust Program, a decrease of \$6,851 for FY 2021/22 over the FY 2020/21 budget amount of \$156,803. This decrease is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums for employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of CCWA service.

Supplies and Equipment

Supplies and equipment are decreasing by \$470,400 based primarily on the reduced cost of chemicals needed. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality.

Monitoring Expenses

Monitoring expenses are only increasing by \$11,193 due to a for additional lab supplies and equipment as identified by the Senior Chemist.

Repairs and Maintenance

Repairs and maintenance costs are decreasing nominally, by about \$950 due to reduced HVAC-related costs.

Professional Services

Professional Services are increasing by \$191,062 due primarily to an increase of \$25,000 budgeted for Santa Barbara County staff time regarding State water issues, and an increase of about \$150,000 for legal services.

General and Administrative

General and Administrative costs are decreasing by about \$15,250 due to decreased meetings and travel costs.

Utilities

Utility expenses are increasing by about \$2,033,777 largely due to PG&E rate increases and demand charges.

Other Expenses

Other expenses are increasing by about \$69,193 due to increased insurance costs and computer expenses.

Approximately 44% of the operating expense budget represents personnel expenses. This is followed by 27% for utilities, 11% for supplies and equipment, and 6% for professional services, with the balance being comprised of other expenses.

CCWA Capital Improvement & Non-Capital Projects

The Preliminary FY 2021/22 Budget includes \$1,322,060 for capital and non-capital improvement projects, a \$634,468 decrease over the prior year amount. All capital improvement and non-capital projects are funded on a current basis from project participant assessments.

Please refer to the “*Projects*” section of the Preliminary FY 2021/22 Budget for additional information on the budgeted capital improvement projects.

Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement Modifications

The Preliminary FY 2021/22 fixed, capital and variable regional water treatment plant allocation expense and corresponding credit is \$1,377,658 or \$35.25/AF for all Project Participants. The Preliminary FY 2021/22 fixed, capital and variable Santa Ynez exchange agreement modifications total \$563,401, or \$215/AF. The capital retreatment allocation has been reduced to reflect the payment in full of the CCWA bonds on October 1, 2021.

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

CCWA 2016A Revenue Bond Debt Service

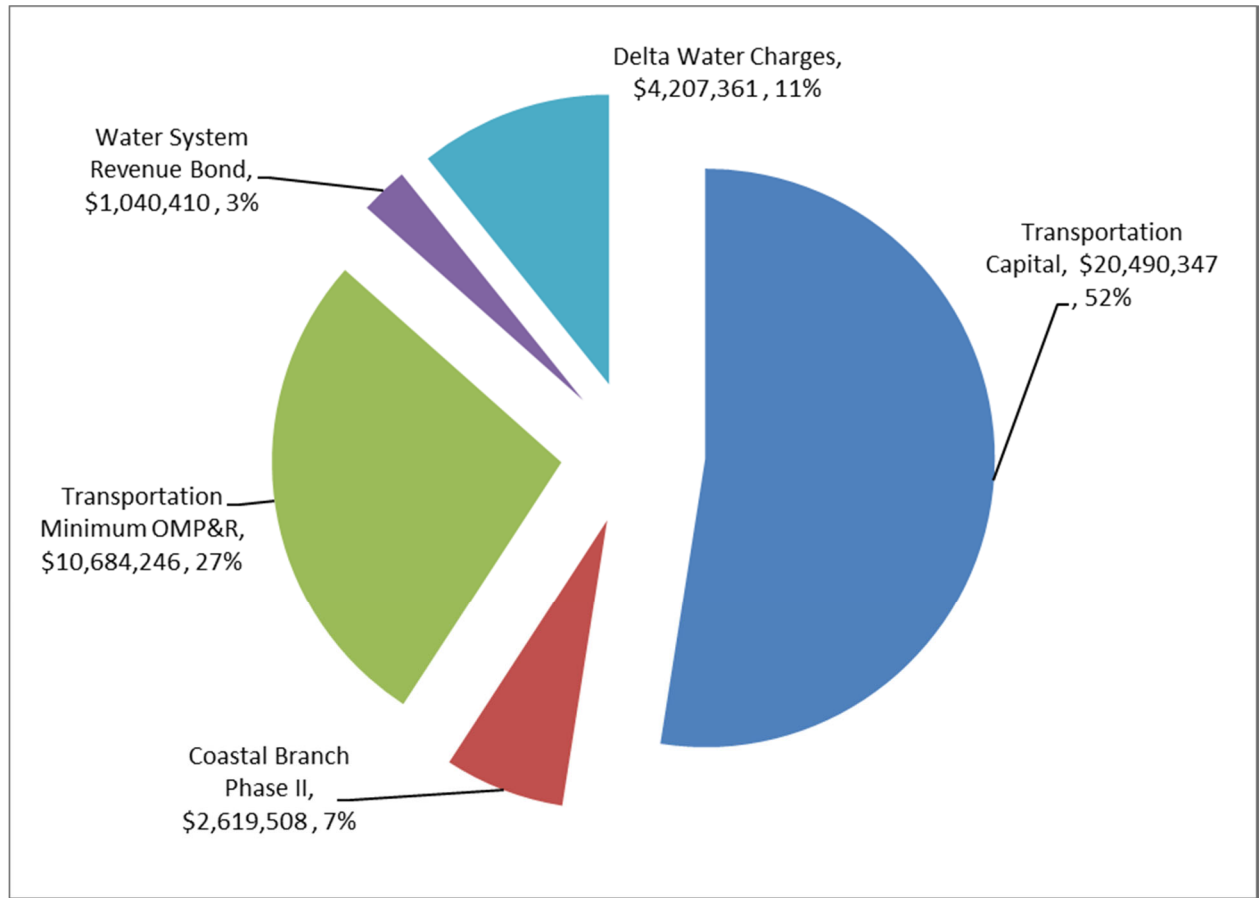
CCWA 2016A revenue bond debt service for FY 2021/22 totals \$10.29 million, which is \$17,735 higher than the prior year amount. The final principal and interest payment for the CCWA 2016A revenue bonds will be made on October 1, 2021.

Warren Act and Trust Fund Payments

The Preliminary FY 2021/22 Budget includes \$434,884 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 7,498 acre feet of water to be delivered to Cachuma Lake.

DWR FIXED COSTS

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



The FY 2021/22 DWR fixed charges total \$38,930,845 which is \$4,306,236 lower than the FY 2020/21 Budget. The reasons for the cost component variances are described later in this report.

Transportation Capital

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

The FY 2021/22 Transportation capital charges are increasing by \$1,146,504 due to the following:

Transportation Capital Budget-to-Budget Changes			
	FY 2020/21	FY 2021/22	Change
Calculated Component	\$ 23,132,541	\$ 23,455,581	\$ 323,040
Rate Management Credits	(2,515,069)	(2,515,020)	49
Prior Year amount due	108,233	356,134	247,901
Prior Year Overcollection Credit	(1,361,652)	(791,837)	569,815
Other Adjustments	(20,209)	(14,511)	5,698
Total:	\$ 19,343,843	\$ 20,490,347	\$ 1,146,504

Coastal Branch Extension-Transportation Capital Reach 37 and 38

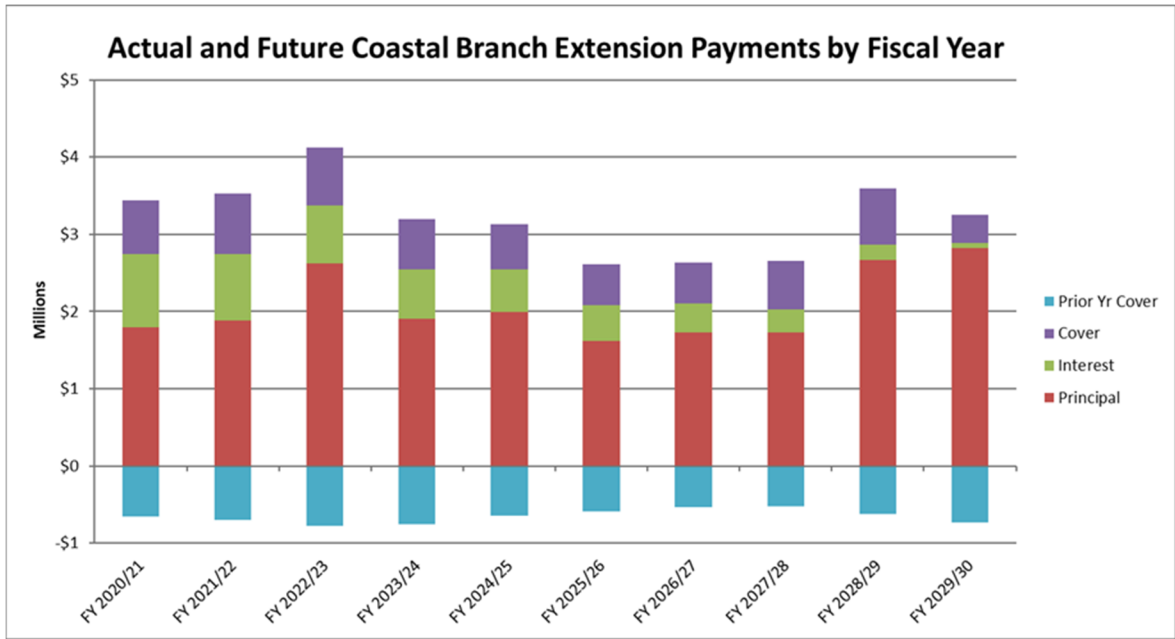
This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according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

Coastal Branch Extension debt service payments for FY 2021/22 total \$2,602,748, which is \$32,413 higher than the prior year amount due to the following:

Coastal Branch Extension Debt Service			
	FY 2020/21	FY 2021/22	Change
Principal Payments	\$ 1,789,404	\$ 1,880,463	\$ 91,059
Interest Payments	954,146	863,375	(90,771)
Bond Cover	697,270	778,722	81,452
Rate Management Credits	(162,457)	(162,454)	3
Return of Prior Year Cover	(653,554)	(697,270)	(43,716)
Prior year amount due (credit)	(54,474)	(60,088)	(5,614)
Total:	\$ 2,570,334	\$ 2,602,748	\$ 32,413

Principal, Interest and Bond Cover Changes

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



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

Transportation Minimum OMP&R

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

For FY 2021/22, total Transportation Minimum OMP&R charges are \$10,684,247, which is \$5,415,100 less than the prior year amount due to the following:

<i>Transportation Minimum OMP&R</i>			
	FY 2020/21	FY 2021/22	Change
Calculated Component	\$ 14,376,734	\$ 11,410,855	\$ (2,965,879)
Prior Year (Over)/Under Collection	1,701,987	(726,608)	(2,428,595)
Prior Year Amount Due (Credit)	20,626	-	(20,626)
Total:	\$ 16,099,347	\$ 10,684,247	\$ (5,415,100)

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

Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2021/22, the WSRB is \$187,379 lower than the prior year amount.

Delta Water Charge

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

The FY 2021/22 Delta Water Charge totals \$4,207,361, which is \$144,923 higher than the prior year amount for the following reasons.

<i>Delta Water Charge</i>			
	FY 2020/21	FY 2021/22	Change
Rate per acre-foot	\$ 91.60	\$ 95.55	\$ 3.95
Delta Water Charge	4,166,640	4,346,321	179,681
Rate Management Credits	(138,960)	(138,960)	-
Replacement Deposits	-	-	-
Prior year amount due (credit)	34,758	-	(34,758)
Total:	\$ 4,062,438	\$ 4,207,361	\$ 144,923

As the table above shows, the FY 2021/22 rate per acre-foot totals \$95.55, which is \$3.95/AF more than the prior year amount.

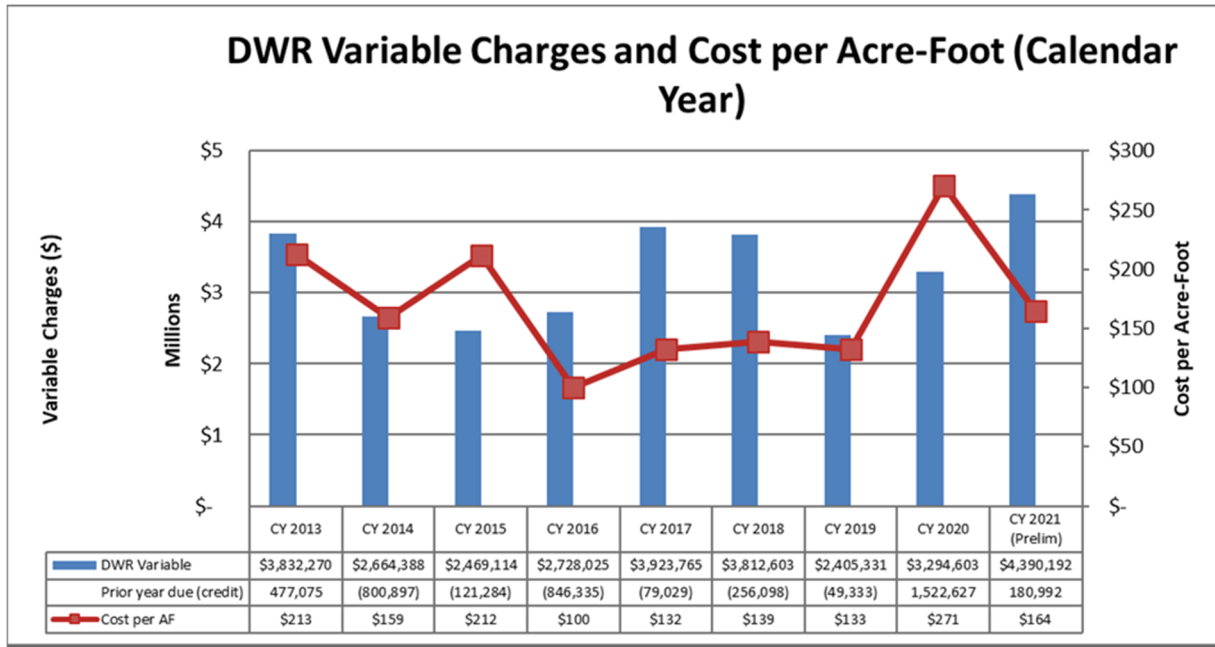
The FY 2021/22 rate includes an estimated \$20.00/AF increase for calendar year 2022 for potential other conservation and delta related facilities (\$10.00/AF on a fiscal year basis).

DWR VARIABLE COSTS

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

- Off-Aqueduct Charge
- Variable OMP&R

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



The DWR variable charges for FY 2021/22 total \$5,175,906 which is \$273,800 lower than the budgeted FY 2020/21 variable charges.

Variable OMP&R Charges

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

For 2021/22, the variable OMP&R charges total \$5,175,453, which is \$221,710 less than the prior year amount. The budget is based on estimated water deliveries of 27,907 acre-feet.

The cost per acre-foot for water deliveries in FY 2021/22 is estimated to be \$209.67/AF.

Variable Cost Per Acre-Foot Analysis

The Preliminary FY 2021/22 variable cost per acre-foot for Table A water is \$266.08 for the North County project participants and \$652.66 for South Coast project participants.

The Preliminary Budget for FY 2021/22 reflects 2,626 AF in exchange deliveries between Santa Ynez ID#1 and the South Coast exchange participants. The large increase in the estimated cost per acre-foot for South Coast project participants is due to demand charges from PG&E, coupled with lower pumping demand. CCWA staff has been researching this and will be proposing a plan to mitigate these higher costs.

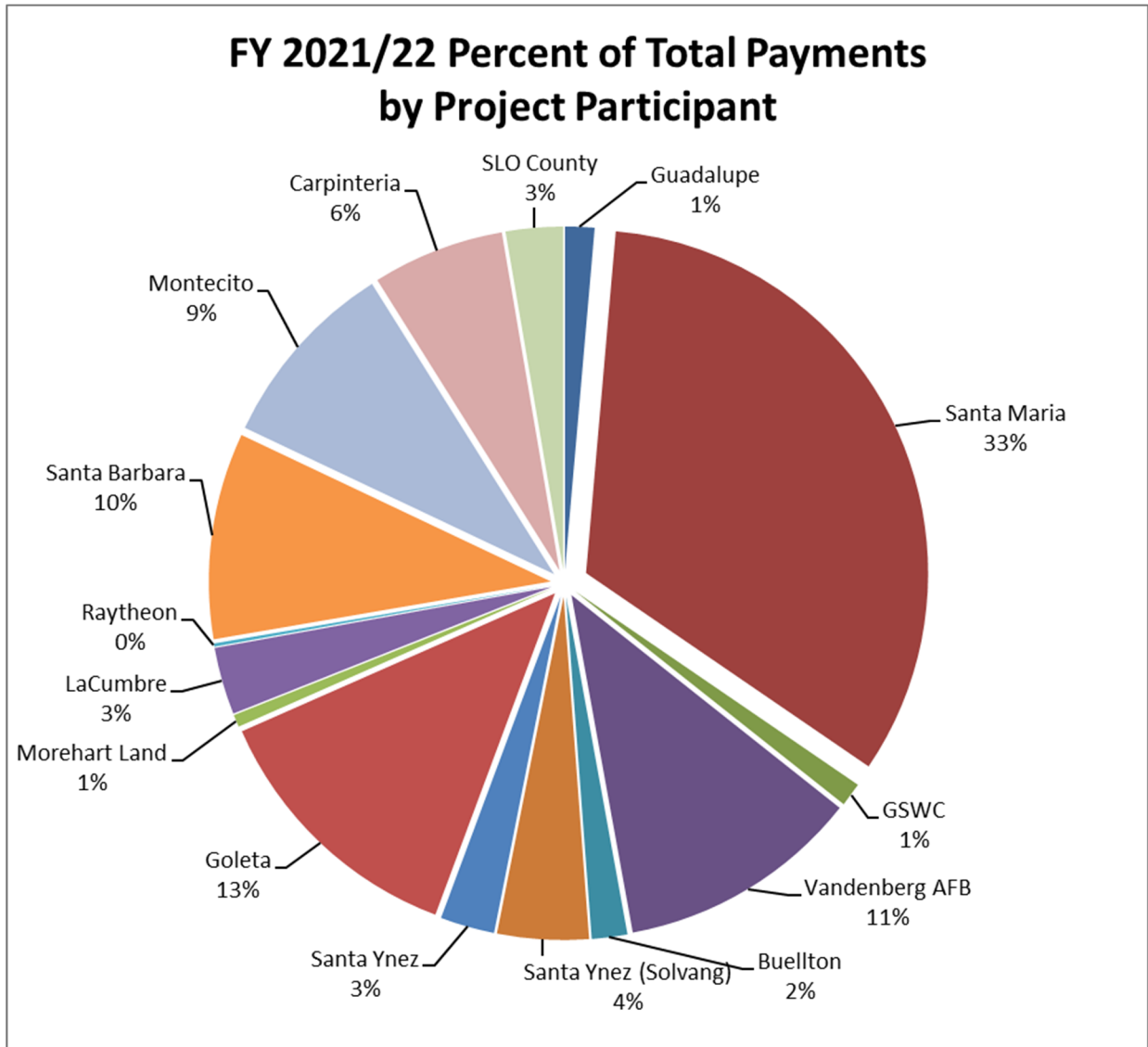
Total Payments Comparison by Project Participant

The following table shows the total budgeted payments by project participant for FY 2020/21 and total payments shown on the FY 2021/22 Preliminary Budget and the corresponding increase or decrease.

Project Participant	Total Payments FY 2020/21	Total Payments FY 2021/2022	Change FY 2020/21 to FY 2021/2022
Guadalupe	\$ 1,024,987	\$ 942,412	\$ (82,576)
Santa Maria	24,482,141	22,543,108	(1,939,033)
Golden State Water Co.	814,912	760,732	(54,180)
Vandenberg AFB	8,416,174	7,808,033	(608,141)
Buellton	1,195,302	1,142,283	(53,019)
Santa Ynez (Solvang)	3,108,313	2,931,883	(176,430)
Santa Ynez	2,122,143	1,745,823	(376,320)
Goleta	8,657,304	8,653,843	(3,461)
Morehart Land	395,661	392,983	(2,678)
La Cumbre	2,147,637	2,154,533	6,896
Raytheon	103,192	100,517	(2,675)
Santa Barbara	6,499,446	6,608,425	108,979
Montecito	6,050,892	6,150,036	99,144
Carpinteria	4,195,681	4,243,850	48,170
Shandon	25,975	25,655	(320)
Chorro Valley	1,285,327	1,277,595	(7,732)
Lopez	565,296	532,741	(32,555)
TOTAL:	\$ 71,090,383	\$ 68,014,453	\$ (3,075,931)

FY 2021/22 Total Payments by Percentage

The following chart shows the percentage of total payments for FY 2021/22 by project participant.



Budget in Brief

Attached to this report is a "FY 2021/22 Preliminary Budget in Brief" which provides a snapshot of each major component of the proposed FY 2021/22 Preliminary Budget.

Budget Items Not Included in the Preliminary Budget

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

- Ten Year Financial Plan
- Budget transmittal letter
- Appendix to the budget

- Miscellaneous charts and graphs
- Significant Accomplishments, Goals and Performance Measures

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

LML



Central Coast Water Authority FY 2021/22 Proposed Final Budget in Brief

FY 2021/22 BUDGET SUMMARY

	FY 2020/21	FY 2021/22	Increase
	Budget	Budget	(Decrease)
CCWA Operating Expenses	\$ 10,085,891	\$ 12,003,969	\$ 1,918,078
DWR Fixed and Variable Costs	48,686,788	44,106,752	(4,580,036)
Capital Improvement & Non Capital Projects	1,956,528	1,322,060	(634,468)
Warren Act Charges	538,969	434,884	(104,085)
Debt Service Payments	10,274,767	10,292,502	17,735
Subtotal	71,542,943	68,160,167	(3,382,776)
CCWA Credits	(452,559)	(142,214)	310,345
TOTAL :	\$ 71,090,383	\$ 68,017,953	\$ (3,072,431)

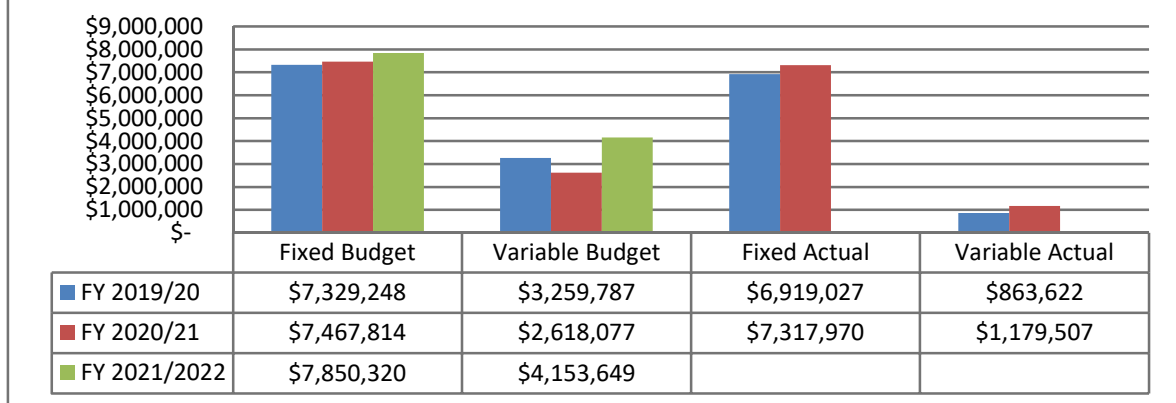
\$3.38 million decrease in the gross budget, excluding CCWA credits

CCWA OPERATING EXPENSES

	FY 2020/21	FY 2021/22	Increase
	Budget	Budget	(Decrease)
Personnel	\$ 5,221,432	\$ 5,320,385	\$ 98,953
Office Expenses	21,300	21,300	-
Supplies & Equipment	1,845,711	1,375,311	(470,400)
Monitoring Expenses	106,215	117,408	11,193
Repairs & Maintenance	293,760	292,810	(950)
Professional Services	493,223	684,785	191,562
General & Administrative	322,412	307,162	(15,250)
Utilities	1,143,895	3,177,673	2,033,777
Other Expenses	637,942	707,135	69,193
Total Operating Expense	\$ 10,085,891	\$ 12,003,969	\$ 1,918,078

Total operating expense increase of \$1.9million inclusive of the following factors: \$98.9k increase in personnel; \$191k increase in professional services related to legal services for the SWP Contract Assignment and Reacquisition of Suspended Table A Water; G&A is lower by \$15k for decreased dues and travel; \$69k increase in other expenses due to anticipated increase in insurance costs and increased computer expenses; \$470k decrease in Supplies and Equipment related to reduced chemical costs, and \$2.0 million in increased Utilities due to increase in PG&E rates.

Operating Expenses Fixed and Variable Expenses



DWR FIXED AND VARIABLE CHARGES

DWR Fixed cost decrease of \$4.3 million due to reduced Transportation Minimum costs of \$5.4 million and reduced Water System Revenue Bond costs, combined with an increase of \$1.1 million in Transportation Capital costs and a net \$132k increase in all other DWR Fixed charges

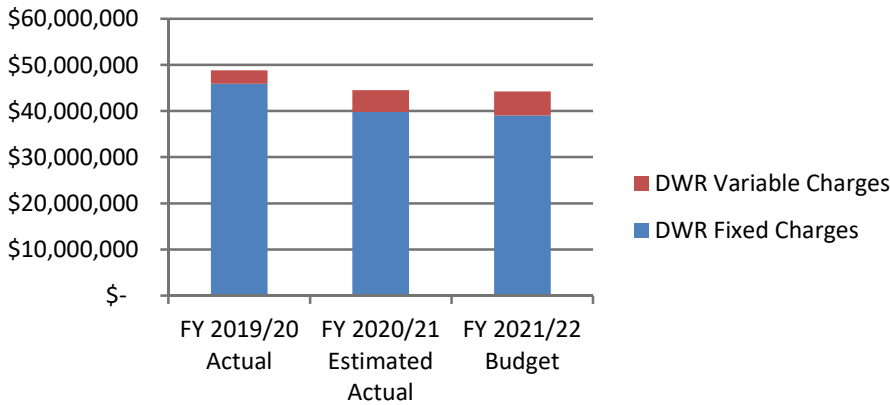
DWR Variable cost decrease of \$0.2 million over FY 2020/21 is largely due to an decrease in the estimated Variable OMP&R costs for calendar years 2021 and 2022.

Transportation Capital
Coastal Branch Phase II
Transportation Minimum OMP&R
Water System Revenue Bond
Delta Water Charge
Subtotal Fixed DWR Charges

Off-Aqueduct Charges
Variable OMP&R
Subtotal Variable DWR Charges
DWR Account Investment Income
Total DWR Charges

	FY 2020/21	FY 2021/22	Increase
	Budget	Budget	(Decrease)
Transportation Capital	\$ 19,343,843	\$ 20,490,347	\$ 1,146,504
Coastal Branch Phase II	2,632,194	2,619,508	(12,686)
Transportation Minimum OMP&R	16,099,347	10,684,247	(5,415,100)
Water System Revenue Bond	1,227,790	1,040,410	(187,379)
Delta Water Charge	4,062,438	4,207,361	144,923
Subtotal Fixed DWR Charges	43,365,611	39,041,872	(4,323,739)
Off-Aqueduct Charges	70,544	18,454	(52,090)
Variable OMP&R	5,379,162	5,157,453	(221,710)
Subtotal Variable DWR Charges	5,449,707	5,175,906	(273,800)
DWR Account Investment Income	(128,530)	(111,027)	17,503
Total DWR Charges	\$ 48,686,788	\$ 44,106,752	\$ (4,580,036)

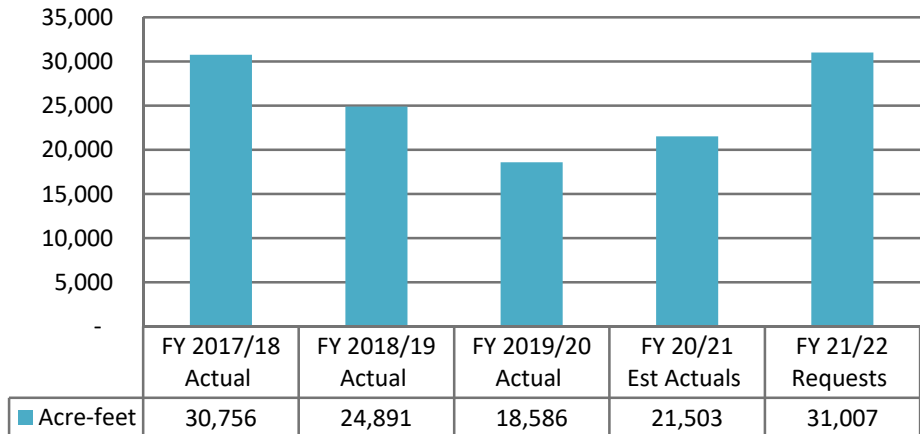
DWR Fixed and Variable Charges



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

DWR Delivery Allocation Percentage	
Calendar Year	Percentage
2010	50%
2011	80%
2012	65%
2013	60%
2014	5%
2015	20%
2016	60%
2017	85%
2018	35%
2019	75%
2020	20%
2021 (initial)	10%

Water Deliveries and Requests

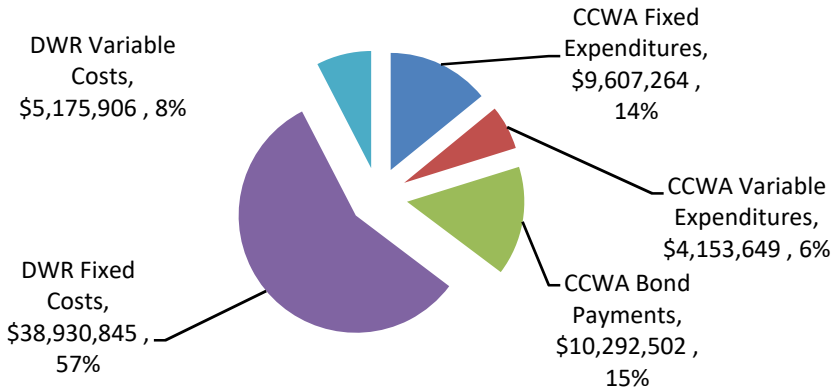


OTHER EXPENDITURES

	FY 2020/21 Budget	FY 2021/22 Budget	Increase (Decrease)
Debt Service Payments	\$ 10,274,767	\$ 10,292,502	\$ 17,735
Capital Improvement & Non-Capital Projects	1,956,528	1,322,060	(634,468)
Warren Act Charges	538,969	434,884	(104,085)
Total Other Expenditures	\$ 12,770,264	\$ 12,049,446	\$ (720,818)

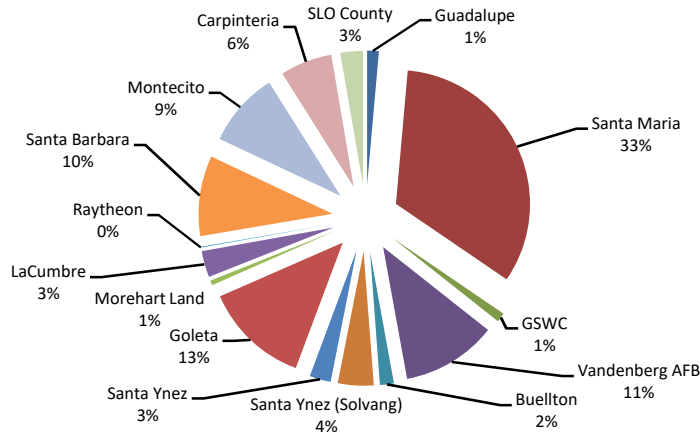
\$0.6 million decrease in Capital & Non-Capital Projects; \$17k increase in debt service payments; \$0.1 million decrease in Warren Act Charges.

FY 2021/22 Budget Components



80% of the CCWA Budget is outside of the direct control of CCWA.
DWR costs comprise 65% of the total CCWA Budget with another 15% representing the CCWA revenue bond debt service payments

FY 2021/22 Percent of Total Payments by Project Participant



FY 2021/22 Variable Cost Per Acre-Foot

Table A Water

North Santa Barbara County	\$ 266.08
South Santa Barbara County	\$ 652.66

Santa Ynez Exchange Water

Santa Ynez ID#1	\$ 214.55
South Coast Exchange Participants	\$ 166.51

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

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2021/2022 Budget

Project Participant	Unadjusted Fixed CCWA Operating Expense ⁽¹⁾	Unadjusted Variable CCWA Operating Expense	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Adjustment Variable	Regional WTP Allocation	Regional WTP Allocation Credit	Adjusted Charge	Warren Act Charges	2016A Revenue Bond Debt Service	Subtotal FY 2021/2022 CCWA	Non-Annual Recurring Expenses	CCWA (Credits) Amount Due	Total FY 2021/2022 CCWA
Guadalupe	\$ 97,825	\$ 26,597	\$ -	\$ -	\$ 26,536	\$ -	\$ 150,957	\$ -	\$ 146,624	\$ 297,581	\$ -	\$ -	\$ 297,581
Santa Maria	2,848,986	527,547	-	-	\$712,856	-	4,089,389	-	-	4,089,389	-	-	4,089,389
Golden State Water	92,180	24,139	-	-	\$24,113	-	140,432	-	-	140,432	-	-	140,432
Vandenberg AFB	1,098,968	114,156	-	-	\$224,568	-	1,437,692	-	-	1,437,692	-	-	1,437,692
Buellton	136,653	18,258	-	-	\$25,282	-	180,193	-	259,578	439,771	-	-	439,771
Santa Ynez (Solvang)	350,471	39,017	-	-	\$63,364	-	452,853	-	797,830	1,250,683	-	-	1,250,683
Santa Ynez	117,689	30,766	448,148	115,253	\$149,436	-	861,293	-	299,628	1,160,921	-	(1,782)	1,159,139
Goleta	1,263,870	600,185	(161,101)	(41,431)	\$141,188	(\$499,294)	1,303,416	77,836	2,514,368	3,895,620	-	(40,921)	3,854,699
Morehart Land	56,172	19,985	-	-	\$7,617	(\$26,876)	56,898	2,784	115,465	175,147	-	-	175,147
La Cumbre	280,860	249,399	-	-	\$42,317	(\$150,135)	422,441	34,742	552,767	1,009,950	-	-	1,009,950
Raytheon	14,043	9,160	-	-	\$2,022	(\$7,158)	18,067	1,276	24,165	43,509	-	-	43,509
Santa Barbara	842,580	891,639	(107,685)	(27,694)	\$107,985	(\$384,460)	1,322,365	120,350	1,545,811	2,988,526	-	-	2,988,526
Montecito	842,580	891,639	(107,685)	(27,694)	\$107,985	(\$384,460)	1,322,365	120,350	1,816,592	3,259,306	-	(32,711)	3,226,596
Carpinteria	561,720	575,106	(71,676)	(18,433)	\$71,467	(\$254,356)	863,827	77,546	1,038,582	1,979,955	-	(21,358)	1,958,597
Shandon	13,991	-	-	-	-	-	13,991	-	11,664	25,655	-	-	25,655
Chorro Valley	265,075	97,785	-	-	-	-	362,860	-	929,167	1,292,027	-	(14,432)	1,277,595
Lopez	285,218	38,271	-	-	-	-	323,489	-	240,263	563,752	-	(31,011)	532,741
TOTAL:	\$ 9,168,880	\$ 4,153,649	\$ 0	\$ 0	\$ 1,706,738	\$ (1,706,738)	\$ 13,322,529	\$ 434,884	\$ 10,292,502	\$ 24,049,915	\$ -	\$ (142,214)	\$ 23,907,701

(1) Includes Capital and Non-Capital Projects.

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES					TOTAL 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	\$ 290,470	\$ -	\$ -	\$ 148,828	\$ 18,636	\$ 55,968	\$ 513,902	\$ -	\$ 130,929	\$ 130,929	\$ -	\$ 644,830	\$ 942,412	
Santa Maria	8,527,877	570,983	-	4,383,651	548,919	1,648,503	15,679,933	11,929	2,761,857	2,773,786	-	18,453,719	22,543,108	
Golden State Water	259,122	17,623	-	135,298	16,942	50,880	479,865	-	140,436	140,436	-	620,300	760,732	
Vandenberg AFB	2,894,841	193,852	317,874	1,488,277	186,362	559,677	5,640,882	2,530	726,929	729,459	-	6,370,341	7,808,033	
Buellton	304,906	20,372	33,406	156,404	19,585	58,835	593,509	-	109,003	109,003	-	702,512	1,142,283	
Santa Ynez (Solvang)	768,995	52,869	86,693	396,228	48,347	139,221	1,492,353	2,454	186,394	188,848	-	1,681,201	2,931,883	
Santa Ynez	272,513	17,623	28,898	144,963	19,421	63,840	547,258	-	39,426	39,426	-	586,684	1,745,823	
Goleta	2,332,327	158,606	260,079	1,217,681	-	457,918	4,426,610	-	-	-	(51,594)	4,375,016	8,229,716	
Morehart Land	103,646	7,049	11,559	54,119	6,777	20,352	203,502	56	14,278	14,334	-	217,836	392,983	
La Cumbre	518,228	35,246	57,795	270,596	33,884	101,759	1,017,508	1,484	125,590	127,075	-	1,144,583	2,154,533	
Raytheon	26,765	1,762	2,890	13,530	1,694	5,088	51,729	-	5,279	5,279	-	57,008	100,517	
Santa Barbara	1,554,700	105,738	173,386	811,787	101,652	305,278	3,052,541	-	567,358	567,358	-	3,619,899	6,608,425	
Montecito	1,554,700	105,738	173,386	811,787	-	305,278	2,950,889	-	11,139	11,139	(38,588)	2,923,440	6,150,036	
Carpinteria	1,036,472	70,492	115,591	541,191	-	203,519	1,967,265	-	338,834	338,834	(20,846)	2,285,254	4,243,850	
Goleta 2500 AF	44,784	-	-	109,907	38,192	231,244	424,128	-	-	-	-	424,128	424,128	
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	25,655	
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,277,595	
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	532,741	
TOTAL:	\$ 20,490,347	\$ 1,357,953	\$ 1,261,555	\$ 10,684,247	\$ 1,040,410	\$ 4,207,361	\$ 39,041,872	\$ 18,454	\$ 5,157,453	\$ 5,175,906	\$ (111,027)	\$ 44,106,752	\$ 68,017,953	



*John Brady explaining the Seismic Joint during Tour of Facilities
June 2019*

Budget Foreword

The Budget Foreword section of the FY 2021/22 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

Authority Overview

General Information

- Form of Government Joint Powers Authority
- Government Code Section Section 6500, Article 1, Chapter 5, Division 7, Title 1
- Date of Organization August 1, 1991
- Member Agencies 8
- Associate Members 1
- Areas served Santa Barbara County
San Luis Obispo County
- Project Participants 13 - Santa Barbara County
11 - San Luis Obispo County
- Estimated total population served 440,668 - Santa Barbara County
41,000 - San Luis Obispo County
- Fiscal Year End June 30th
- Santa Barbara County Table A 39,078 acre-feet
- Drought Buffer Table A 3,908 acre-feet
- San Luis Obispo County Table A 4,830 acre-feet

Operational Information

- Administrative Offices Buellton
- Water Treatment Plant Polonio Pass, Shandon
Capacity 50 million gallons per day
- Pumping Plant Santa Ynez
Capacity 13 million gallons per day
- Authority Pipeline (in miles) 42
- Coastal Branch Phase II Pipeline (in miles) 101
- Number of water storage tanks 7
- Number of turnouts 10
- Number of full-time equivalent Positions 30.25

Central Coast Water Authority

Reader's Guide

Fiscal Year 2021/22 Budget

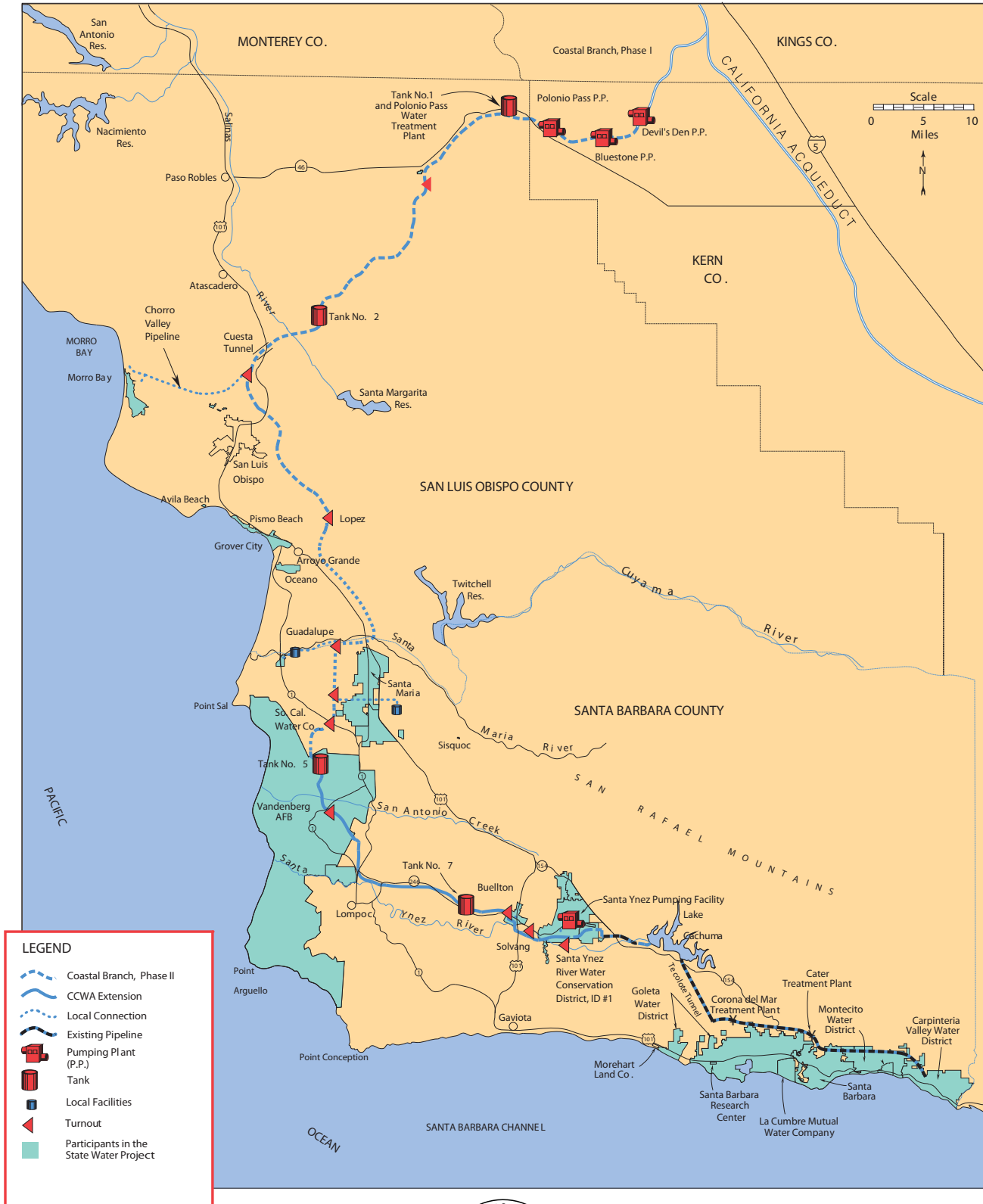
The organization and presentation of the Central Coast Water Authority's fiscal year budget is designed to satisfy the needs of citizens, ratepayers, public officials and Authority employees. It is organized and structured to meet external and internal managerial needs. As a comprehensive management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

The Authority's budget is divided into the following ten (10) major sections with sub-sections included in each major section:

- I. **BUDGET FOREWORD** An introductory section that contains the budget transmittal letter; narrative discussion on the financial policies, goals and objectives of the Authority; and narrative discussion on the budget process.
- II. **BUDGET SUMMARY** A past, present and future overview of the Authority's budget and financial plans.
- III. **REVENUES AND SOURCES OF CASH** Narrative, graphs and spreadsheets describing the Authority's revenue and other sources of cash for the past and present fiscal year and revenue projections.
- IV. **DEPARTMENT OF WATER RESOURCES (DWR)** Narrative, graphs and spreadsheets describing the DWR charges which are paid by the member agencies and other project participants of the Authority.
- V. **OPERATING EXPENSES** The operating expense section of the budget is comprised of the Administration, Water Treatment Plant, and Distribution Departments and includes narrative discussion on the operating expenses for each department as well as graphs and spreadsheets.
- VI. **PROJECTS** The projects section of the budget is comprised of the Capital, Non-Capital and Extraordinary Projects and includes a narrative discussion on the capitalization criteria and funding detail
- VII. **CCWA BOND DEBT** The bond debt section contains information on the Authority's outstanding revenue bonds, security and the project participant debt payment schedule.
- VIII. **RESERVES AND CASH MANAGEMENT** The reserves and cash management section includes information regarding the Authority's O&M reserve fund, rate coverage reserve fund, DWR reserve fund, and cash management information.
- IX. **TEN YEAR FINANCIAL PLAN** The ten year financial plan section of the budget provides the ten year pro forma projections for each project participant.
- X. **APPENDIX** The appendix includes a glossary of terms, acronyms and other items relevant to the Authority's budget.

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

Project Map



Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2021/22 Budget

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

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

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2021/22 Budget

Board of Directors Voting Percentages

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

CCWA Committees

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

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

Santa Barbara County Project Participants

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2021/22 Budget

Santa Barbara County Project Participant Table A Amounts

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

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

San Luis Obispo County Water Purchasers

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2021/22 Budget

San Luis Obispo County Project Participant Table A Amounts

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

Water Supply Agreements

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

Local Water Treatment Agreements

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2021/22 Budget

State Water Project

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

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

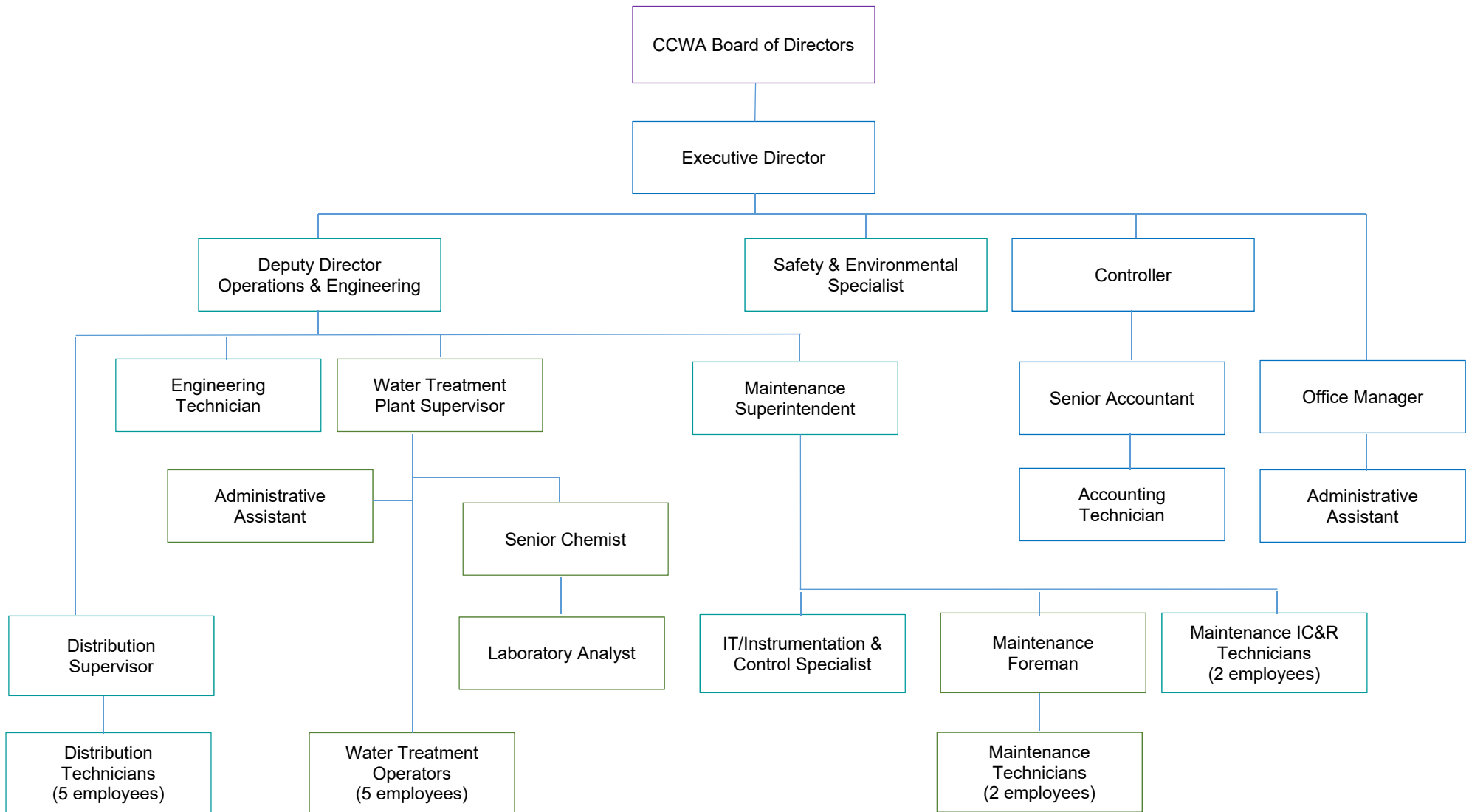
The Coastal Branch Phase II pipeline, which was constructed by DWR between 1995 and 1997 to supply State water to San Luis Obispo and Santa Barbara Counties, runs from the Coastal Branch Phase I terminus over the coastal mountains to and through the County of San Luis Obispo to a terminus in northern Santa Barbara County. Its largest diameter is 57 inches between the Devils Den Pumping Plant and Tank 1 and its smallest diameter is 42 inches along the southerly-most 48 miles.

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

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

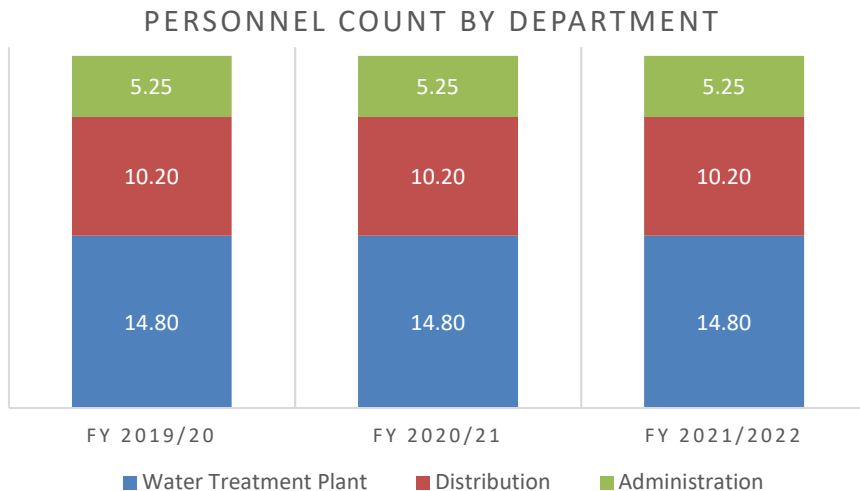


Central Coast Water Authority Organization Chart FY 2021/22



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2021/2022 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2019/20	Authorized FY 2020/21	Requested FY 2021/2022	Over FY 2019/20	Over FY 2020/21
Executive Director	1.00	1.00	1.00	-	-
Deputy Director of Operations	1.00	1.00	1.00	-	-
Safety & Environmental Specialist ⁽²⁾	1.00	1.00	1.00	-	-
Controller	1.00	1.00	1.00	-	-
Deputy Controller	1.00	-	-	(1.00)	-
Office Manager	1.00	1.00	1.00	-	-
Administrative Assistant	1.50	1.50	1.50	-	-
Senior Accountant	-	1.00	1.00	1.00	-
Accounting Technician	0.75	0.75	0.75	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	2.00	2.00	2.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	30.25	30.25	30.25	-	-



Central Coast Water Authority

Budget Process

Fiscal Year 2021/22 Budget

Fiscal Year Budget

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

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

Ten Year Financial Plan

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

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

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

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

Committee Review of the Budget

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

Central Coast Water Authority

Budget Process

Fiscal Year 2021/22 Budget

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

Board Adoption of the Fiscal Year Budget

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

Budget Amendment Process

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

CCWA Financial Schedule FY 2021/22

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

Central Coast Water Authority

Budget Process

Fiscal Year 2021/22 Budget

CCWA Budget Planning Schedule
FY 2021/22 Budget

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

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

- Receive DWR Statement of Charges (for following calendar year)
 - Prepare Draft Budget
 - Submit Preliminary Budget to Operating Committee
 - Submit Preliminary Budget to Board of Directors
 - Board Approval of Final Budget
 - Beginning of 2021/22 Budget Expenditure Cycle
- July 1, 2020
 - November 1, 2020- February 28, 2021
 - March 11, 2021
 - March 25, 2021
 - April 22, 2021
 - July 1, 2022

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2021/22 Budget

Budget Reporting

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

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

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

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II

Santa Ynez I

Santa Ynez II

DWR Reaches

Reach 33B

Reach 34

Reach 35

Reach 37

Reach 38

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

Financial Statement Reporting

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2021/22 Budget

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

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

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

BUDGET POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2021/22 Budget

- The Authority will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports comparing actual revenues and expenditures/expenses to budgeted amounts.
- Laws and policies limiting revenue sources and expenditures must be explicitly addressed in the budget process.
- No Unfunded Mandates - The Board of Directors will not establish a goal or policy without also providing the necessary funding to accomplish those goals or policies.
- Budget Change Policy - The adopted budget may only be changed by Board action. Budget change requests may be made by staff to the Board of Directors at a regularly scheduled Board meeting. The Board will then consider the requests based on staff's recommendations and approve or deny the requests by a majority vote.
- Bond Coverage Policy - The project participants have covenanted to collect sufficient revenues to maintain net revenues of 125% of all State water payments made to the Central Coast Water Authority. Net revenues are defined as gross revenues minus operating expenses and excluding depreciation. The Authority's staff will assist project participants in guaranteeing compliance with this covenant.
- Reconciliation of Charges - The Authority will endeavor to reconcile differences between actual expenditures incurred and amounts billed to the member agencies and other project participants in a timely manner. Under-expenditures in the budget will be returned to project participants as credits in subsequent billings.
- Investment Income Allocation - The Authority will endeavor to provide timely allocation of investment income to the member agencies and other project participants for payments covering 2016 revenue bond debt service and DWR charges.
- DWR Charges and Credits - The Authority will endeavor to provide sufficient information to the member agencies and other project participants regarding the DWR charges to enable them to gain a full understanding of the charges. Additionally, the Authority will provide credits given by DWR on the next available billing sent to the project participants.
- Ten Year Financial Plan - In conjunction with preparation of the fiscal year budget, the Authority will also prepare and make available a ten year financial plan which provides estimates of the total State water costs for the ten-year period.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2021/22 Budget

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

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

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

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

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2021/22 Budget

- Budget Transfer Policy - If CCWA staff determine funds are available in an Operations and Maintenance or Project account, staff may transfer available funds to other accounts and/or projects which were not anticipated in the CCWA Board adopted budget with the approval of the Finance Committee Chairperson, or alternatively, the CCWA Board Chairperson. Transfer of funds for projects and/or one-time expenditures cannot exceed \$25,000. Staff will prepare a summary of the Budget Fund Transfers which will include the source and destination of the funds, financial reaches impacted and justification for the transfer. A summary of the approved transfers will be included on the CCWA Board Consent Calendar as part of the next regularly scheduled Board meeting.
- Self-Funded Dental/Vision Plan Annual Limits and Premium Amounts - The CCWA self-funded Dental/Vision plan annual limit on total expenditures for each covered employee and the corresponding premium amount will increase at the beginning of each plan year by the December to December percentage change of the Los Angeles-Long Beach-Anaheim, CA Consumer Price Index for All Urban Consumers.

CAPITAL IMPROVEMENTS POLICY

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

DEBT POLICY

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2021/22 Budget

RESERVE POLICY

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

INVESTMENT POLICY

- The Authority will operate its idle cash investments under the “Prudent Investor Standard” per Government Code section 53600.3 which states: “...care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency”.
- The criteria for selecting investments and the order of priority:
 - (1) Safety, which refers to the potential loss of principal, interest or a combination of the two.
 - (2) Liquidity, which refers to the ability to “cash-in” at any moment in time with a minimal chance of losing some portion of principal or interest.
 - (3) Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2021/22 Budget

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



*Polonio Pass Water Treatment Plant Air Scour Valve Replacement Project
November 2019*

Budget Summary

The Budget Summary section of the FY 2021/22 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document as well as cost per acre-foot amounts based on the FY 2021/22 Budget.

Highlights

Budget Summary

• FY 2021/22 Gross Budget	\$ 68,160,167
• FY 2020/21 Gross Budget	<u>\$ 71,542,943</u>
Decrease:	\$ (3,382,776)
• FY 2021/22 CCWA Credits	\$ 142,214
• FY 2020/21 CCWA Credits	<u>\$ 452,559</u>
Decrease:	\$ (310,345)
• FY 2021/22 Net Budget (After CCWA Credits)	\$ 68,017,953
• FY 2020/21 Net Budget (After CCWA Credits)	<u>\$ 71,090,383</u>
Decrease:	\$ (3,072,431)

Significant Budget Changes

- DWR Fixed cost decrease of \$4.3 million due to a reduction of DWR Transportation Minimum OMP&R costs as compared to prior years, offset by an increase in Transportation Capital costs.
- CCWA Fixed O&M Expense budget increase of \$382,506
- CCWA Variable O&M Expense budget increase of \$1,535,573
- CCWA capital improvement projects and non-capital projects combined budget decrease of \$634,468
- Warren Act and Trust Fund budget decrease of \$104,085

Central Coast Water Authority
Budget Summary
 Fiscal Year 2021/2022 Budget

	FY 2019/20		FY 2020/21		Change from	Change from
	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	FY 2020/21 Budget	FY 2020/21 Est. Actual
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
<u>SOURCES OF CASH</u>						
CCWA Operating Expenses ⁽¹⁾	8,194,085	10,085,891	10,085,891	12,003,969	1,918,078	1,918,078
Debt Service Payments	10,310,248	10,274,767	10,274,767	10,292,502	17,735	17,735
Capital/Non-Capital Projects	1,348,725	1,956,528	1,956,528	1,322,060	(634,468)	(634,468)
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	42,341	-	89,624	-	-	(89,624)
CCWA (Credits)	-	(452,559)	(452,559)	(142,214)	310,345	310,345
Subtotal Revenues	19,895,399	21,864,627	21,954,251	23,476,317	1,611,690	1,522,066
<u>Pass-Through Expenses</u>						
DWR Fixed Costs	46,608,277	43,237,081	39,814,268	38,930,845	(4,306,236)	(883,423)
DWR Variable Costs	3,055,244	5,449,707	4,719,848	5,175,906	(273,800)	456,059
Warren Act Charges	221,523	538,969	160,428	434,884	(104,085)	274,456
Subtotal Pass-Through Expenses	49,885,044	49,225,756	44,694,544	44,541,636	(4,684,121)	(152,908)
TOTAL SOURCES OF CASH	69,780,443	71,090,383	66,648,794	68,017,953	(3,072,431)	1,369,158
<u>USES OF CASH</u>						
<u>CCWA Operating Expenses</u>						
Personnel	5,068,273	5,221,432	5,250,249	5,320,385	98,953	70,136
Office Expenses	16,571	21,300	20,985	21,300	-	315
Supplies and Equipment	805,517	1,845,711	902,211	1,375,311	(470,400)	473,100
Monitoring Expenses	97,187	106,215	103,252	117,408	11,193	14,156
Repairs and Maintenance	248,865	293,760	273,503	292,810	(950)	19,307
Professional Services	506,251	493,223	581,516	684,785	191,562	103,269
General and Administrative	190,760	322,412	232,609	307,162	(15,250)	74,553
Utilities	364,288	1,143,895	633,688	3,177,673	2,033,777	2,543,984
Other Expenses	680,603	637,942	499,463	707,135	69,193	207,672
Total Operating Expenses	7,978,316	10,085,891	8,497,477	12,003,969	1,918,078	3,506,492
<u>Other Expenditures</u>						
Warren Act Charges	221,523	538,969	538,969	434,884	(104,085)	(104,085)
Capital/Non-Capital Projects ⁽¹⁾	1,072,316	1,956,528	1,956,528	1,322,060	(634,468)	(634,468)
CCWA Credits	-	(452,559)	(452,559)	(142,214)	310,345	310,345
2016 Revenue Bond Debt Service	10,310,248	10,274,767	10,274,767	10,292,502	17,735	17,735
Unexpended O&M Assessments	534,519	-	(2,853,175)	-	-	-
Total Other Expenditures	12,138,606	12,317,705	9,464,530	11,907,232	(410,473)	(410,473)
Total CCWA Expenditures	20,116,922	22,403,596	17,962,007	23,911,201	1,507,605	3,096,019
<u>DWR Charges</u>						
Fixed DWR Charges	46,608,277	43,237,081	43,237,081	38,930,845	(4,306,236)	(4,306,236)
Variable DWR Charges	3,055,244	5,449,707	5,449,707	5,175,906	(273,800)	(273,800)
Total DWR Charges	49,663,521	48,686,788	48,686,788	44,106,752	(4,580,036)	(4,580,036)
TOTAL USES OF CASH	69,780,443	71,090,383	66,648,794	68,017,953	(3,072,431)	(1,484,017)
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000.0	\$ 2,000,000	\$ 2,000,000	-	-
Non-Annual Recurring Balance	\$ -	\$ -	-	-	-	-
Operating Reserve Balance	\$ 2,000,000	\$ 2,000,000.0	2,000,000	2,000,000	-	-
General Fund Balance	\$ -	\$ -	\$ (0)	\$ -	-	-

(1) Includes carryover revenues from the prior year.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2021/2022 Budget

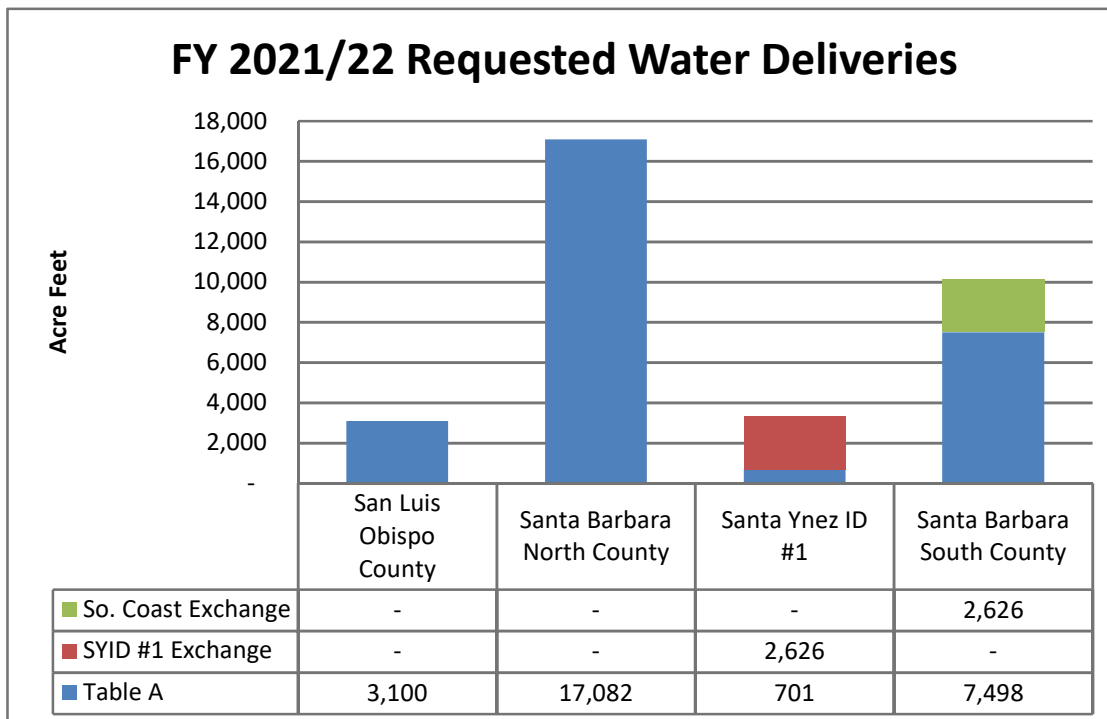
Project Participant	Unadjusted Fixed CCWA Operating Expense ⁽¹⁾	Unadjusted Variable CCWA Operating Expense	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Adjustment Variable	Regional WTP Allocation	Regional WTP Credit	Adjusted Charge	Warren Act Charges	2016A Revenue Bond Debt Service	Subtotal FY 2021/2022 CCWA	Non-Annual Recurring Expenses	CCWA (Credits) Amount Due	Total FY 2021/2022 CCWA
Guadalupe	\$ 97,825	\$ 26,597	\$ -	\$ -	\$ 26,536	\$ -	\$ 150,957	\$ -	\$ 146,624	\$ 297,581	\$ -	\$ -	\$ 297,581
Santa Maria	2,848,986	527,547	-	-	\$712,856	-	4,089,389	-	-	4,089,389	-	-	4,089,389
Golden State Water	92,180	24,139	-	-	\$24,113	-	140,432	-	-	140,432	-	-	140,432
Vandenberg AFB	1,098,968	114,156	-	-	\$224,568	-	1,437,692	-	-	1,437,692	-	-	1,437,692
Buellton	136,653	18,258	-	-	\$25,282	-	180,193	-	259,578	439,771	-	-	439,771
Santa Ynez (Solvang)	350,471	39,017	-	-	\$63,364	-	452,853	-	797,830	1,250,683	-	-	1,250,683
Santa Ynez	117,689	30,766	448,148	115,253	\$149,436	-	861,293	-	299,628	1,160,921	-	(1,782)	1,159,139
Goleta	1,263,870	600,185	(161,101)	(41,431)	\$141,188	(\$499,294)	1,303,416	77,836	2,514,368	3,895,620	-	(40,921)	3,854,699
Morehart Land	56,172	19,985	-	-	\$7,617	(\$26,876)	56,898	2,784	115,465	175,147	-	-	175,147
La Cumbre	280,860	249,399	-	-	\$42,317	(\$150,135)	422,441	34,742	552,767	1,009,950	-	-	1,009,950
Raytheon	14,043	9,160	-	-	\$2,022	(\$7,158)	18,067	1,276	24,165	43,509	-	-	43,509
Santa Barbara	842,580	891,639	(107,685)	(27,694)	\$107,985	(\$384,460)	1,322,365	120,350	1,545,811	2,988,526	-	-	2,988,526
Montecito	842,580	891,639	(107,685)	(27,694)	\$107,985	(\$384,460)	1,322,365	120,350	1,816,592	3,259,306	-	(32,711)	3,226,596
Carpinteria	561,720	575,106	(71,676)	(18,433)	\$71,467	(\$254,356)	863,827	77,546	1,038,582	1,979,955	-	(21,358)	1,958,597
Shandon	13,991	-	-	-	-	-	13,991	-	11,664	25,655	-	-	25,655
Chorro Valley	265,075	97,785	-	-	-	-	362,860	-	929,167	1,292,027	-	(14,432)	1,277,595
Lopez	285,218	38,271	-	-	-	-	323,489	-	240,263	563,752	-	(31,011)	532,741
TOTAL:	\$ 9,168,880	\$ 4,153,649	\$ 0	\$ 0	\$ 1,706,738	\$ (1,706,738)	\$ 13,322,529	\$ 434,884	\$ 10,292,502	\$ 24,049,915	\$ -	\$ (142,214)	\$ 23,907,701

(1) Includes Capital and Non-Capital Projects.

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES					TOTAL DWR and CCWA	
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Interest Income		Total DWR Charges
Guadalupe	\$ 290,470	\$ -	\$ -	\$ 148,828	\$ 18,636	\$ 55,968	\$ 513,902	\$ -	\$ 130,929	\$ 130,929	\$ -	\$ 644,830	\$ 942,412
Santa Maria	8,527,877	570,983	-	4,383,651	548,919	1,648,503	15,679,933	11,929	2,761,857	2,773,786	-	18,453,719	22,543,108
Golden State Water	259,122	17,623	-	135,298	16,942	50,880	479,865	-	140,436	140,436	-	620,300	760,732
Vandenberg AFB	2,894,841	193,852	317,874	1,488,277	186,362	559,677	5,640,882	2,530	726,929	729,459	-	6,370,341	7,808,033
Buellton	304,906	20,372	33,406	156,404	19,585	58,835	593,509	-	109,003	109,003	-	702,512	1,142,283
Santa Ynez (Solvang)	768,995	52,869	86,693	396,228	48,347	139,221	1,492,353	2,454	186,394	188,848	-	1,681,201	2,931,883
Santa Ynez	272,513	17,623	28,898	144,963	19,421	63,840	547,258	-	39,426	39,426	-	586,684	1,745,823
Goleta	2,332,327	158,606	260,079	1,217,681	-	457,918	4,426,610	-	-	-	(51,594)	4,375,016	8,229,716
Morehart Land	103,646	7,049	11,559	54,119	6,777	20,352	203,502	56	14,278	14,334	-	217,836	392,983
La Cumbre	518,228	35,246	57,795	270,596	33,884	101,759	1,017,508	1,484	125,590	127,075	-	1,144,583	2,154,533
Raytheon	26,765	1,762	2,890	13,530	1,694	5,088	51,729	-	5,279	5,279	-	57,008	100,517
Santa Barbara	1,554,700	105,738	173,386	811,787	101,652	305,278	3,052,541	-	567,358	567,358	-	3,619,899	6,608,425
Montecito	1,554,700	105,738	173,386	811,787	-	305,278	2,950,889	-	11,139	11,139	(38,588)	2,923,440	6,150,036
Carpinteria	1,036,472	70,492	115,591	541,191	-	203,519	1,967,265	-	338,834	338,834	(20,846)	2,285,254	4,243,850
Goleta 2500 AF	44,784	-	-	109,907	38,192	231,244	424,128	-	-	-	-	424,128	424,128
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	25,655
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,277,595
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	532,741
TOTAL:	\$ 20,490,347	\$ 1,357,953	\$ 1,261,555	\$ 10,684,247	\$ 1,040,410	\$ 4,207,361	\$ 39,041,872	\$ 18,454	\$ 5,157,453	\$ 5,175,906	\$ (111,027)	\$ 44,106,752	\$ 68,017,953

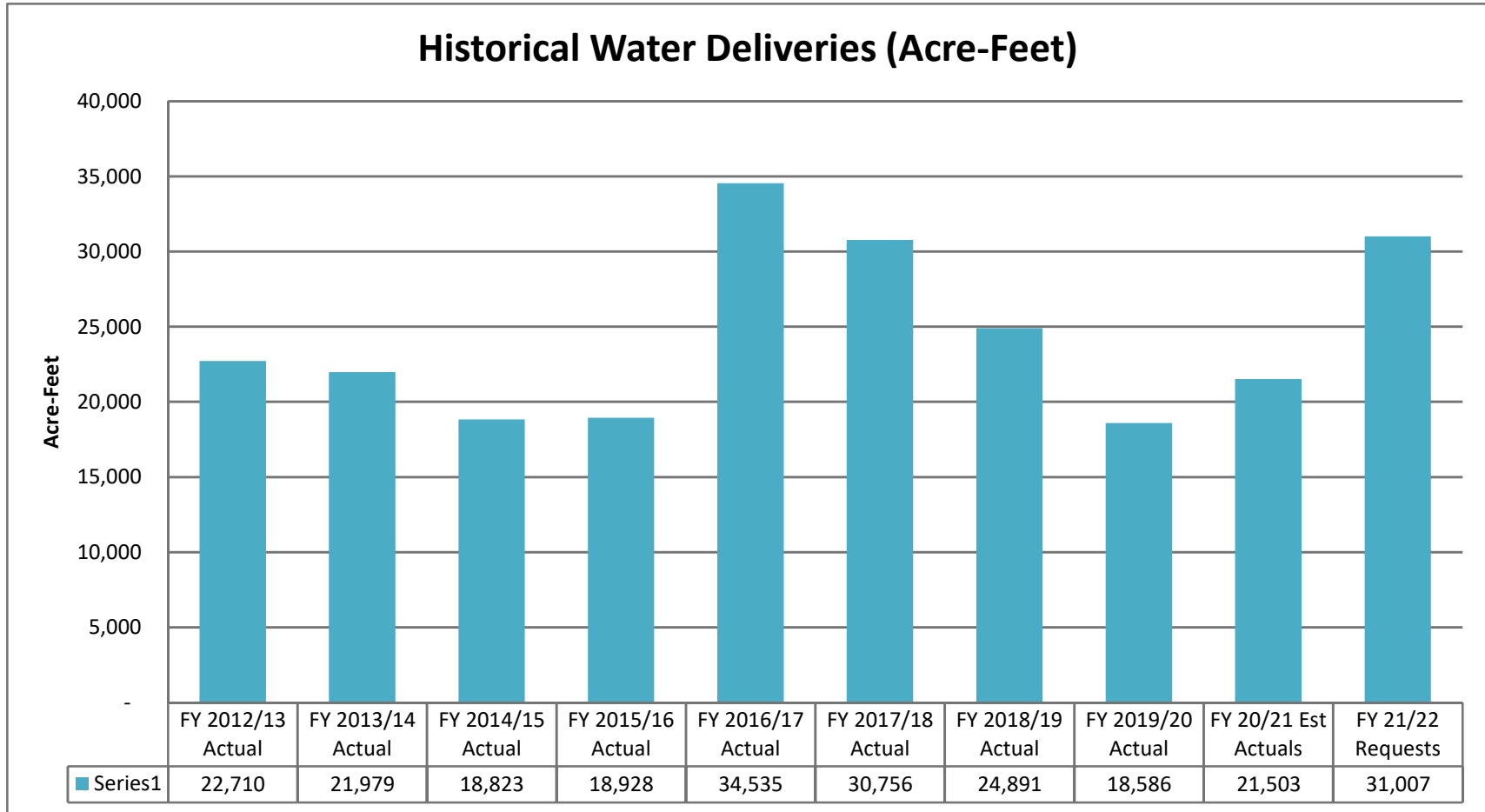
Central Coast Water Authority
FY 2021/22 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	872	-	872
Chorro Valley	2,228	-	2,228
Guadalupe	606	-	606
Santa Maria	12,020	-	12,020
Golden State Water	550	-	550
VAFB	2,601	-	2,601
Buellton	416	-	416
Solvang	889	-	889
Santa Ynez	701	2,626	3,327
Goleta	2,286	(944)	1,342
Morehart	48	-	48
La Cumbre	599	-	599
Raytheon	22	-	22
Santa Barbara	2,706	(631)	2,075
Montecito	2,706	(631)	2,075
Carpinteria	1,757	(420)	1,337
TOTAL:	31,007	-	31,007



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

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



Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2021/22 Budget

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

Cost-Types

The two cost-types are fixed and variable costs.

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

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

Water-Types

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

FY 2021/22 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	\$ 777,646	\$ 1,413.90
Santa Maria	16,200	19,105,888	1,179.38
Golden State Water Co.	500	590,341	1,180.68
VAFB	5,500	6,935,481	1,261.00
Buellton	578	1,010,165	1,747.69
Santa Ynez (Solvang)	1,500	2,694,776	1,796.52
Santa Ynez ⁽¹⁾	500	1,087,360	1,989.37
Goleta	4,500	7,754,781	1,723.28
Morehart	200	360,298	1,801.49
La Cumbre	1,000	1,796,802	1,796.80
Raytheon	50	86,796	1,735.91
Santa Barbara	3,000	5,241,806	1,747.27
Montecito	3,000	5,372,347	1,790.78
Carpinteria	2,000	3,411,526	1,705.76
TOTAL:	39,078	\$ 56,226,014	

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

Central Coast Water Authority
Cost Per Acre-Foot Analysis
Fiscal Year 2021/22 Budget

Fixed Cost Per Acre-Foot Difference Between Project Participants

As the above shows, there are significant differences between fixed costs 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 a 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 further upstream of the pipeline will have less capital costs than a project participant 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 are reflected in their higher fixed cost per acre-foot.

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2021/22 Budget

FY 2021/22 Table A Variable Cost Per Acre-Foot

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

Project Participant	Table A Amount	FY 2021/2022 Requested Deliveries			Variable Cost Per Acre-Foot TABLE A DELIVERIES							Table A Variable Cost/AF
		Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA WTP Variable	CCWA SYFP Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	550	606	-	606	\$ 26,597		\$ 7,146		\$ 127,499		\$ 161,242	\$ 266.08
Santa Maria	16,200	12,020	-	12,020	527,547		141,740		2,528,946		3,198,233	266.08
Golden State Water Co.	500	550	-	550	24,139		6,486		115,717		146,342	266.08
VAFB	5,500	2,601	-	2,601	114,156		30,671		547,237		692,064	266.08
Buellton	578	416	-	416	18,258		4,905		87,524		110,688	266.08
Santa Ynez (Solvang)	1,500	889	-	889	39,017		10,483		187,041		236,542	266.08
Santa Ynez ⁽¹⁾	500	701	2,626	3,327	26,295		39,232		147,487		213,014	259.70
Goleta	4,500	2,286	(944)	1,342	100,330	499,855	15,825	(58,899)	480,963	77,836	1,115,909	652.66
Morehart	200	48	-	48	2,107	17,879	566	(2,107)	10,099	2,784	31,328	652.66
La Cumbre	1,000	599	-	599	26,290	223,110	7,063	(26,290)	126,026	34,742	390,941	652.66
Raytheon	50	22	-	22	966	8,194	259	(966)	4,629	1,276	14,358	652.66
Santa Barbara	3,000	2,706	(631)	2,075	118,764	772,875	24,468	(91,070)	569,328	120,350	1,514,716	652.66
Montecito	3,000	2,706	(631)	2,075	118,764	772,875	24,468	(91,070)	569,328	120,350	1,514,716	652.66
Carpinteria	2,000	1,757	(420)	1,337	77,113	497,992	15,766	(58,680)	369,664	77,546	979,401	652.66
TOTAL:	39,078	27,907	-	27,907	\$ 1,220,342	\$ 2,792,780	\$ 329,080	\$ (329,080)	\$ 5,871,488	\$ 434,884	\$ 10,319,494	

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

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2021/22 Budget

FY 2021/22 Exchange Variable Cost Per Acre-Foot

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

Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES						
Project Participant	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	2,626	\$ 115,253	\$ 448,495	\$ -	\$ 563,748	\$ 214.68
Goleta	(944)	(41,431)		198,613	157,181	166.51
Morehart	-	-		-	-	
La Cumbre	-	-		-	-	
Raytheon (SBRC)	-	-		-	-	
Santa Barbara	(631)	(27,694)		132,759	105,065	166.51
Montecito	(631)	(27,694)		132,759	105,065	166.51
Carpinteria	(420)	(18,433)		88,366	69,932	166.51
TOTAL:	-	\$ -	\$ 448,495	\$ 552,497	\$ 1,000,992	

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.



Eye Wash Station at Polonio Pass Water Treatment Plant

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2021/22 Budget includes information on the Authority's revenues, pass-through receipts and a narrative explanation on the Authority's billing procedures and cash management.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2021/22 Budget

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

Assumptions for Revenue Projections

Since the Authority is a “pass-through” organization, ***all revenues are equal to the expenditures included in the budget.*** As such, there is no difference between the revenue estimates and the expenditures because the revenues are equal to the expenditures. Since all excess “revenues” are returned to the project participants or applied to reserves, and any “deficits” are collected from project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

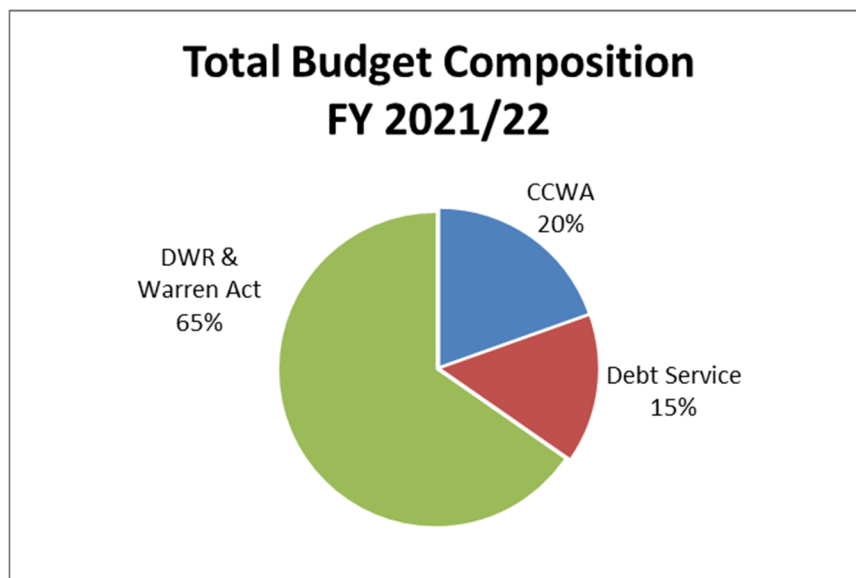
Revenues and Other Sources of Cash

Revenues	FY 2019/20	FY 2020/21	FY 2021/2022
	Actual	Estimated Actual	Budget
CCWA Operating Expenses ⁽¹⁾	\$ 8,194,085	\$ 10,085,891	\$ 12,003,969
Debt Service Payments	10,310,248	10,274,767	10,292,502
Capital Improvement Projects (CIP)	1,348,725	1,956,528	1,322,060
Investment Income	42,341	89,624	-
Subtotal Revenues	19,895,399	22,406,810	23,618,531
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	46,725,705	39,814,268	39,041,872
DWR Variable Costs	3,055,244	4,719,848	5,175,906
DWR Account Interest	(117,428)	-	(111,027)
Warren Act Charges ⁽¹⁾	221,523	160,428	434,884
Subtotal Pass Through Expenses	49,885,044	44,694,544	44,541,636
Gross Budget Before Credits	69,780,443	67,101,354	68,160,167
(Credits) Due and Prepayments	-	(452,559)	(142,214)
TOTAL SOURCES OF CASH	\$ 69,780,443	\$ 66,648,794	\$ 68,017,953

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2021/22 Budget

Revenues and Other Sources of Cash



FY 2020/21 Actual Cash Receipts

The actual cash receipts for FY 2020/21 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 2019/20, (2) interest income for FY 2019/20, and (3) differences between the DWR actual fixed payments and the budgeted fixed payments.

CCWA Operating Expense Revenues

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

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2021/22 Budget

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

**TOTAL CCWA FY 2021/22 OPERATING EXPENSES
 AND CAPITAL IMPROVEMENT PROJECTS**

Project Participant	CCWA Fixed Operating Expenses	CCWA Variable Operating Expenses	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Adjustment Cap. and Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 97,825	\$ 26,597	\$ 26,536	\$ -	\$ -	\$ -	\$ 150,957
Santa Maria	2,848,986	527,547	712,856	-	-	-	4,089,389
Golden State Water Co.	92,180	24,139	24,113	-	-	-	140,432
Vandenberg AFB	1,098,968	114,156	224,568	-	-	-	1,437,692
Buellton	136,653	18,258	25,282	-	-	-	180,193
Santa Ynez (Solvang)	350,471	39,017	63,364	-	-	-	452,853
Santa Ynez	117,689	30,766	149,436	-	448,148	115,253	861,293
Goleta	1,263,870	600,185	141,188	(499,294)	(161,101)	(41,431)	1,303,416
Morehart Land	56,172	19,985	7,617	(26,876)	-	-	56,898
La Cumbre	280,860	249,399	42,317	(150,135)	-	-	422,441
Raytheon	14,043	9,160	2,022	(7,158)	-	-	18,067
Santa Barbara	842,580	891,639	107,985	(384,460)	(107,685)	(27,694)	1,322,365
Montecito	842,580	891,639	107,985	(384,460)	(107,685)	(27,694)	1,322,365
Carpinteria	561,720	575,106	71,467	(254,356)	(71,676)	(18,433)	863,827
Shandon	13,991	-	-	-	-	-	13,991
Chorro Valley	265,075	97,785	-	-	-	-	362,860
Lopez	285,218	38,271	-	-	-	-	323,489
TOTAL:	\$ 9,168,880	\$ 4,153,649	\$ 1,706,738	\$(1,706,738)	\$ -	\$ -	\$ 13,322,529

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2021/22, are \$13,322,529.

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 2021/22 Budget

Debt Service Payments

The debt service payments on the 2016 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 2021/22, total net revenue for debt service payments will be \$9,022,269 or about \$42,663 less than the FY 2020/21 revenues. The following table shows each financing participant's share of the debt service. Please refer to the "CCWA Bond Debt" section of this budget for additional information regarding the debt payments from the CCWA financing participants.

Financing Participant	FY 2021/2022 Debt Service Payments ⁽¹⁾	Local Project Debt Service Payments ⁽²⁾	FY 2021/2022 Net Debt Service Revenue
Avila Beach	\$ 11,780	\$ (2,904)	\$ 8,876
California Men's Colony	103,039	(64,874)	38,165
County of SLO	109,764	(69,184)	40,579
Cuesta College	51,523	(32,441)	19,083
Morro Bay	664,841	(496,258)	168,582
Oceano	86,131	(19,787)	66,344
Pismo Beach	142,352	(32,669)	109,683
Shandon	11,664	(2,337)	9,326
Guadalupe	146,624	(84,372)	62,252
Buellton	259,578	(13,733)	245,845
Santa Ynez (Solvang)	797,830	(36,632)	761,198
Santa Ynez	299,628	(16,233)	283,394
Goleta	2,514,368	(208,558)	2,305,810
Morehart Land	115,465	(960)	114,505
La Cumbre	552,767	(4,801)	547,966
Raytheon	24,165	(1,268)	22,897
Santa Barbara	1,545,811	(45,530)	1,500,281
Montecito	1,816,592	(72,432)	1,744,159
Carpinteria	1,038,582	(65,259)	973,323
TOTAL:	\$ 10,292,502	\$ (1,270,233)	\$ 9,022,269
(1) 2016A revenue bond principal and interest, minus FY 2020/21 debt service account interest income credits plus bond trustee fees. (2) Payments from project participants for local facilities financed with CCWA revenue bonds.			

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2021/22 Budget

FY 2021/22 CCWA Credits

The following table shows a summary of the FY 2021/22 amount (due) for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years or to apply credits to their DWR Reserve.

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.

Project Participant	CCWA O&M Credits (Due)	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits (Due)
Guadalupe	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Maria	-	-	-	-	-
Golden State Water Co.	-	-	-	-	-
Vandenberg AFB ⁽²⁾	-	-	-	-	-
Buellton	-	-	-	-	-
Santa Ynez (Solvang)	-	-	-	-	-
Santa Ynez ⁽¹⁾	-	94	1,688	-	1,782
Goleta ⁽²⁾	37,326	3,595	-	-	40,921
Morehart Land	-	-	-	-	-
La Cumbre	-	-	-	-	-
Raytheon	-	-	-	-	-
Santa Barbara	-	-	-	-	-
Montecito ⁽²⁾	24,843	2,397	5,471	-	32,711
Carpinteria ⁽²⁾	16,612	1,598	3,149	-	21,358
Shandon	-	-	-	-	-
Oceano CSD	-	-	-	-	-
Avila Beach CSD	-	-	-	-	-
Pismo Beach	-	-	-	-	-
Avila Valley Water Co.	-	-	-	-	-
San Miguelito Water Co.	-	-	-	-	-
San Luis School	-	-	-	-	-
Chorro Valley	14,432	-	-	-	14,432
Lopez	31,011	-	-	-	31,011
TOTAL:	\$ 124,223	\$ 7,683	\$ 10,308	\$ -	\$ 142,214

(1) Santa Ynez's DWR Reserve Fund is fully funded, however they have elected to continue having any applied to their DWR reserve.

(2) Participants opting out of DWR Reserve Fund.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2021/22 Budget

Bank Account Cash Balances

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

Debt Service Payments

Payments made by the financing participants for debt service payments on the 2016 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 payments to DWR are held in a separate account and invested in accordance with CCWA's investment policy with investment maturities corresponding to the anticipated payment dates to DWR. Investment income in this account is allocated to the various project participants based on their proportional amount initially paid. Investment income associated with the DWR payments is not treated as investment income for the Authority but is instead recorded as a liability to the project participants until paid to them.

CCWA Operating Expense Revenue

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2021/22 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 2021/22.

Warren Act and Trust Fund Charges

Project Participant	Total FY 2021/2022 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	1,342	\$ 77,836
Morehart Land Co.	48	2,784
LaCumbre	599	34,742
Raytheon	22	1,276
Santa Barbara	2,075	120,350
Montecito	2,075	120,350
Carpinteria	1,337	77,546
TOTAL:	7,498	\$ 434,884

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2021/22 Budget

The following table represents the Fiscal Year 2021/22 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 2021/2022 DWR Fixed Charges	FY 2021/2022 DWR Variable Charges	FY 2021/2022 Interest Income	FY 2021/2022 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$ 513,902	\$ 130,929	\$ -	\$ -	\$ 644,830
Santa Maria	15,679,933	2,773,786	-	-	18,453,719
Golden State Water Co.	479,865	140,436	-	-	620,300
Vandenberg AFB	5,640,882	729,459	-	-	6,370,341
Buellton	593,509	109,003	-	-	702,512
Santa Ynez (Solvang)	1,492,353	188,848	-	-	1,681,201
Santa Ynez	547,258	39,426	-	-	586,684
Goleta	4,850,737	-	(51,594)	77,836	4,876,980
Morehart Land	203,502	14,334	-	2,784	220,620
LaCumbre	1,017,508	127,075	-	34,742	1,179,325
Raytheon	51,729	5,279	-	1,276	58,284
Santa Barbara	3,052,541	567,358	-	120,350	3,740,249
Montecito	2,950,889	11,139	(38,588)	120,350	3,043,790
Carpinteria	1,967,265	338,834	(20,846)	77,546	2,362,800
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$39,041,872	\$ 5,175,906	\$ (111,027)	\$ 434,884	\$44,541,636

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2021/22 Budget

Authority Billing Procedures

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

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

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

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

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

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

Water Delivery Requests and Variable O&M Cost Invoices

Water Delivery Requests from Project Participants

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

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Revenues and Sources of Cash
Fiscal Year 2021/22 Budget

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

- (1) The “seller’s track”, which means that any SWPC water that is available to that contractor above their requested amount will be made available for sale through one of the DWR “Turnback pools.” The Turnback pools are a pool of unused water available by individual SWPC for sale to all SWPC and allocated in proportion to the Table A amount for each contractor requesting to buy the Turnback Pool water. The price received for water sold in Turnback pool A is one-half of the Delta Water Charge rate (about \$42/AF for 2021) and one-quarter the delta water rate (about \$21/ for 2021) for Turnback pool B.
- (2) The “storer’s track”, which means the individual contractor wishes to store its unused current year water allocated by DWR in San Luis Reservoir to be used in the next calendar year.

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

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

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

Variable O&M Cost Billings to Project Participants

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

The basis for the billings to the CCWA project participants is the annual fiscal year budget. The basis for the variable billings is requests from the project

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2021/22 Budget

participants **based on their estimated demand for the year.** The idea is that project participants should provide delivery requests based on their estimated demand and then CCWA will attempt to meet that demand through the combination of various water sources that are available including, the current DWR Table A allocation, carryover water, dry year water purchase programs, purchases from other CCWA project participants, Turnback pool purchases, and supplemental water purchases and exchanges with other State Water Contractors, etc.

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

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

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

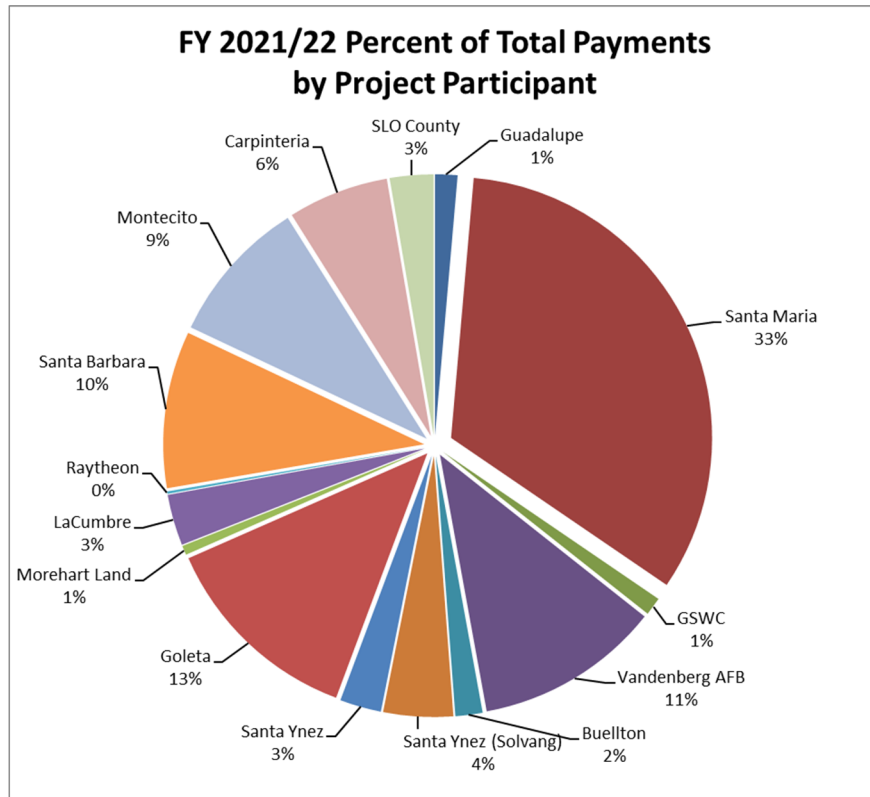
Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2021/22 Budget

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2021/22 for each project participant.

Project Participant	FY 2021/2022 Operating Expenses ⁽¹⁾	FY 2021/2022 Debt Service Payments	FY 2021/2022 DWR Costs	FY 2021/2022 Warren Act Charges ⁽²⁾	FY 2021/2022 CCWA (Credits) Due	FY 2021/2022 Total Payments
Guadalupe	\$ 150,957	\$ 146,624	\$ 644,830	\$ -	\$ -	\$ 942,412
Santa Maria	4,089,389	-	18,453,719	-	-	22,543,108
Golden State Water Co.	140,432	-	620,300	-	-	760,732
Vandenberg AFB	1,437,692	-	6,370,341	-	-	7,808,033
Buellton	180,193	259,578	702,512	-	-	1,142,283
Santa Ynez (Solvang)	452,853	797,830	1,681,201	-	-	2,931,883
Santa Ynez	861,293	299,628	586,684	-	(1,782)	1,745,823
Goleta	1,303,416	2,514,368	4,799,144	77,836	(40,921)	8,653,843
Morehart Land	56,898	115,465	217,836	2,784	-	392,983
La Cumbre	422,441	552,767	1,144,583	34,742	-	2,154,533
Raytheon	18,067	24,165	57,008	1,276	-	100,517
Santa Barbara	1,322,365	1,545,811	3,619,899	120,350	-	6,608,425
Montecito	1,322,365	1,816,592	2,923,440	120,350	(32,711)	6,150,036
Carpinteria	863,827	1,038,582	2,285,254	77,546	(21,358)	4,243,850
Shandon	13,991	11,664	N/A	-	-	25,655
Chorro Valley	362,860	929,167	N/A	-	(14,432)	1,277,595
Lopez	323,489	240,263	N/A	-	(31,011)	532,741
TOTAL:	\$ 13,322,529	\$ 10,292,502	\$ 44,106,752	\$ 434,884	\$ (142,214)	\$ 68,014,453

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

(2) Adjusted for Santa Ynez Exchange Agreement Modifications.

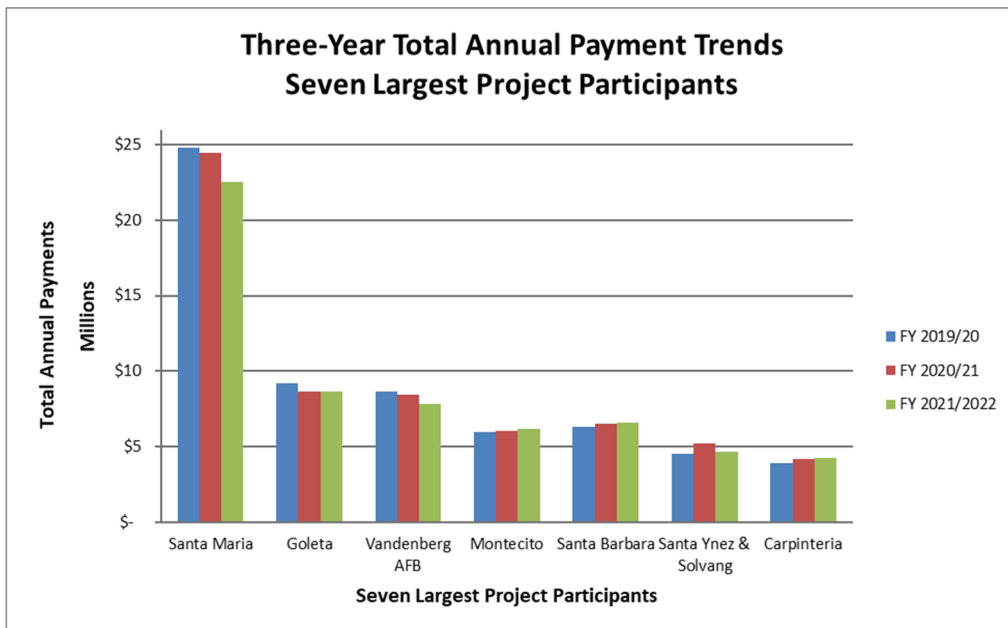


Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2021/22 Budget

The following table shows the total budgeted payments by project participant for FY 2020/21 and total payments shown on the FY 2021/22 Preliminary Budget and the corresponding increase or (decrease).

Project Participant	Total Payments FY 2020/21	Total Payments FY 2021/2022	Change FY 2020/21 to FY 2021/2022
Guadalupe	\$ 1,024,987	\$ 942,412	\$ (82,576)
Santa Maria	24,482,141	22,543,108	(1,939,033)
Golden State Water Co.	814,912	760,732	(54,180)
Vandenberg AFB	8,416,174	7,808,033	(608,141)
Buellton	1,195,302	1,142,283	(53,019)
Santa Ynez (Solvang)	3,108,313	2,931,883	(176,430)
Santa Ynez	2,122,143	1,745,823	(376,320)
Goleta	8,657,304	8,653,843	(3,461)
Morehart Land	395,661	392,983	(2,678)
La Cumbre	2,147,637	2,154,533	6,896
Raytheon	103,192	100,517	(2,675)
Santa Barbara	6,499,446	6,608,425	108,979
Montecito	6,050,892	6,150,036	99,144
Carpinteria	4,195,681	4,243,850	48,170
Shandon	25,975	25,655	(320)
Chorro Valley	1,285,327	1,277,595	(7,732)
Lopez	565,296	532,741	(32,555)
TOTAL:	\$ 71,090,383	\$ 68,014,453	\$ (3,075,931)

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





*May 29, 2019, San Luis Reservoir's storage is 1,455,336 acre feet, 71 percent of total capacity.
(Photo courtesy DWR)*

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2021/22 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 2021/22 DWR charges.

Highlights

Total FY 2021/22 DWR Charges **\$ 44,106,752**

- DWR Fixed Charges \$ 39,041,872
- DWR Variable Charges \$ 5,175,906
- Interest credits \$ (111,027)

Fixed Charge Highlights

- Total fixed charge decrease over FY 2020/21 of \$4,323,739.
- DWR Fixed cost decrease of \$4.3 million due to a decrease of \$5.4 million in the Transportation Minimum OMP&R costs for prior years, a decrease of \$0.18 million in Water System Revenue Bond, a decrease of \$0.01 million in Coastal Branch Charges, an increase of \$1.1 million in Transportation Capital costs over prior year, an increase of \$0.14 million in Delta Water Charges.

Variable Charge Highlights

- DWR Variable cost decrease of \$0.27 million over FY 2020/21.
- Estimated Variable OMP&R unit rate for 2021: \$209.67; 2022: \$209.67

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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 2021/22 DWR Charges

The DWR charges for the first half of FY 2021/22 are based on the 2021 Statement of Charges. The DWR charges for the second half of FY 2021/22 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 70 shows fixed and variable DWR costs for each project participant.

Central Coast Water Authority
Department of Water Resources Charges
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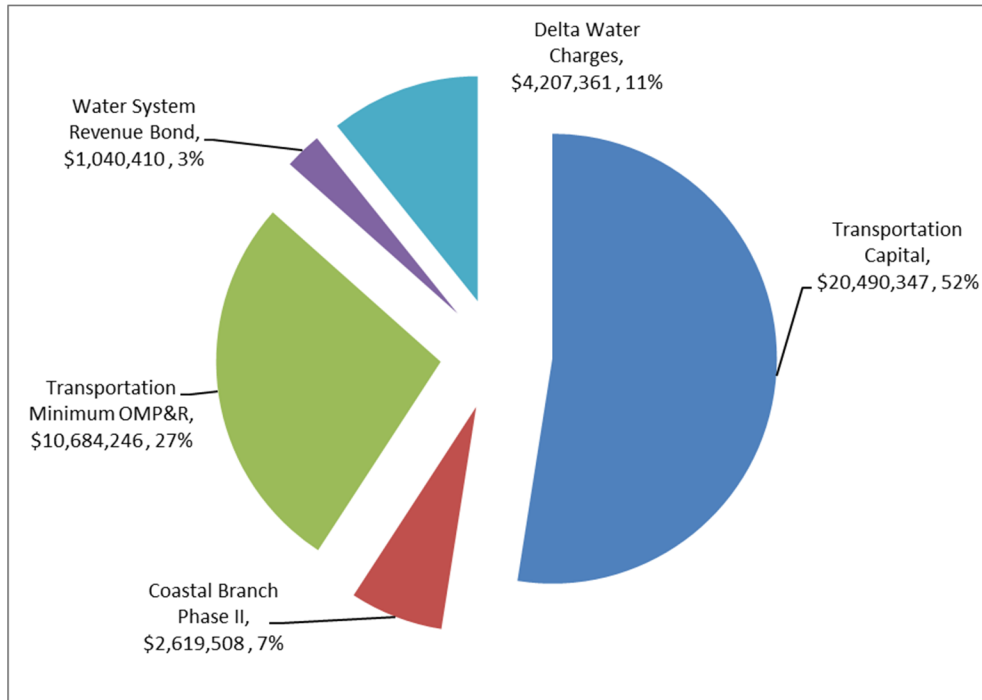
The following table provides a comparison of the FY 2019/20 through the FY 2021/22 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Est. Actual ⁽¹⁾	FY 2021/2022 Budget	FY 2021/22 Budget to FY 2020/21 Budget Increase (Decrease)
Transportation Capital	\$ 19,091,734	\$ 19,343,843	\$ 19,399,173	\$20,490,347	\$ 1,146,504
Coastal Branch Phase II	1,769,334	2,632,194	2,680,224	2,619,508	(12,686)
Transportation Minimum OMP&R	19,744,476	16,099,347	12,597,354	10,684,246	(5,415,100)
Water System Revenue Bond	1,987,913	1,227,790	1,474,854	1,040,410	(187,379)
Delta Water Charges	3,310,626	4,062,438	3,662,663	4,207,361	144,923
Subtotal Fixed DWR Charges	<u>45,904,083</u>	<u>43,365,611</u>	<u>39,814,268</u>	<u>39,041,872</u>	<u>(4,323,739)</u>
Off-Aqueduct Charges	12,754	70,544	38,814	18,454	(52,090)
Variable OMP&R	2,889,568	5,379,162	4,681,034	5,157,453	(221,710)
Subtotal Variable DWR Charges	<u>2,902,322</u>	<u>5,449,707</u>	<u>4,719,848</u>	<u>5,175,906</u>	<u>(273,800)</u>
DWR Account Investment Income	(135,329)	(128,530)	-	(111,027)	17,503
Total DWR Charges	<u>\$ 48,671,076</u>	<u>\$ 48,686,788</u>	<u>\$ 44,534,116</u>	<u>\$44,106,752</u>	<u>\$ (4,580,036)</u>

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

DWR FIXED COSTS

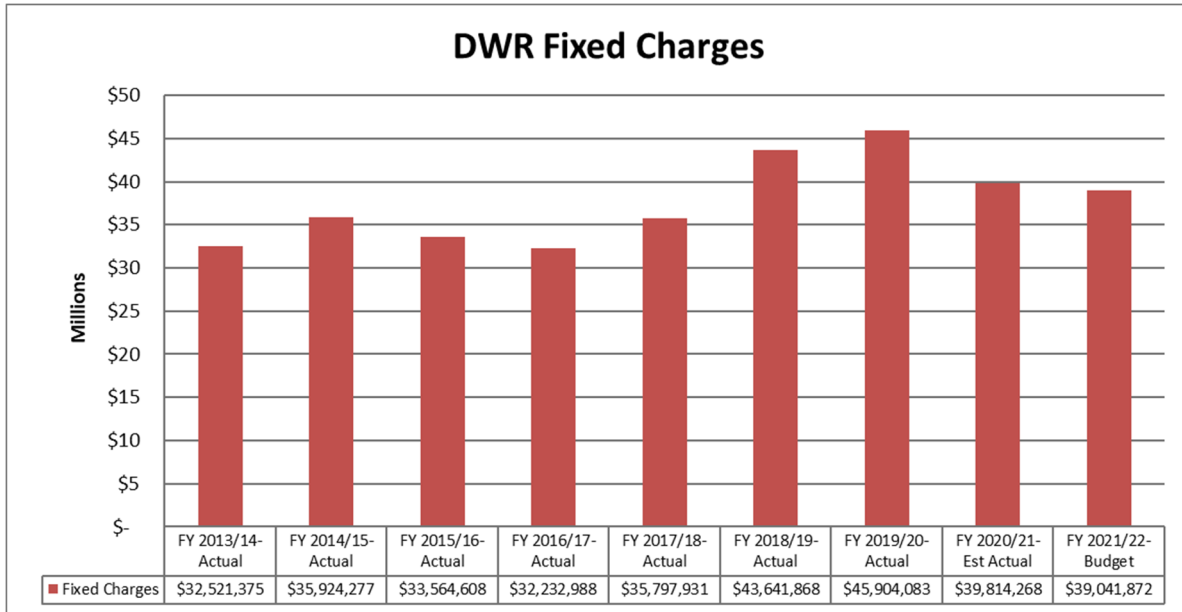
The DWR fixed costs are comprised of the following cost components:



Central Coast Water Authority
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The FY 2021/22 DWR fixed charges total \$39,041,872, which is \$4,323,739 lower than the FY 2020/21 Budget. The reasons for the cost component variances are described later in this section.

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



Transportation Capital

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

The following table shows the allocation of the FY 2021/22 Transportation Capital charges to each of the CCWA project participants:

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Department of Water Resources Charges
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TRANSPORTATION CAPITAL CHARGES

Project Participant	Table A	Percentage	Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Rate		Prior Year DWR Credits for Overpayments ⁽²⁾	FY 2020/21 Amount Due (Credit)	FY 2021/2022 Transportation Capital Charges
					Management Funds	Credit			
Guadalupe	550	1.41%	\$ 329,438	\$ (204)	\$ (35,365)	\$ (11,121)	\$ 7,723	\$ 290,470	
Santa Maria	16,200	41.46%	9,703,433	(6,016)	(1,041,656)	(327,578)	199,693	8,527,877	
Golden State Water Co.	500	1.28%	299,489	(186)	(32,150)	(10,110)	2,079	259,122	
VAFB	5,500	14.07%	3,294,376	(2,042)	(353,649)	(111,215)	67,371	2,894,841	
Buellton	578	1.48%	346,209	(215)	(37,165)	(11,688)	7,765	304,906	
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	889,197	(557)	(95,783)	(30,018)	6,157	768,995	
Santa Ynez ⁽³⁾	500	1.28%	308,758	(186)	(32,817)	(10,423)	7,181	272,513	
Goleta	4,500	11.52%	2,695,398	(1,671)	(289,349)	(90,994)	18,942	2,332,327	
Morehart	200	0.51%	119,795	(74)	(12,860)	(4,044)	829	103,646	
La Cumbre	1,000	2.56%	598,977	(371)	(64,300)	(20,221)	4,143	518,228	
Raytheon	50	0.13%	29,949	(19)	(3,215)	(1,011)	1,061	26,765	
Santa Barbara	3,000	7.68%	1,796,932	(1,114)	(192,899)	(60,663)	12,444	1,554,700	
Montecito	3,000	7.68%	1,796,932	(1,114)	(192,899)	(60,663)	12,444	1,554,700	
Carpinteria	2,000	5.12%	1,197,955	(743)	(128,600)	(40,442)	8,301	1,036,472	
Subtotal:	39,078	100.00%	\$ 23,406,838	\$ (14,511)	\$ (2,512,707)	\$ (790,191)	\$ 356,134	\$ 20,445,563	
Goleta Additional Table A	2,500	5.50%	48,743	-	(2,313)	(1,646)	-	44,784	
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-	
TOTAL:	45,486		\$ 23,455,581	\$ (14,511)	\$ (2,515,020)	\$ (791,837)	\$ 356,134	\$ 20,490,347	

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

The FY 2021/22 Transportation capital charges are increasing by \$1,146,504 due to the following:

Transportation Capital Budget-to-Budget Changes			
	FY 2020/21	FY 2021/22	Change
Calculated Component	\$ 23,132,541	\$ 23,455,581	\$ 323,040
Rate Management Credits	(2,515,069)	(2,515,020)	49
Prior Year amount due	108,233	356,134	247,901
Prior Year Overcollection Credit	(1,361,652)	(791,837)	569,815
Other Adjustments	(20,209)	(14,511)	5,698
Total:	\$ 19,343,843	\$ 20,490,347	\$ 1,146,504

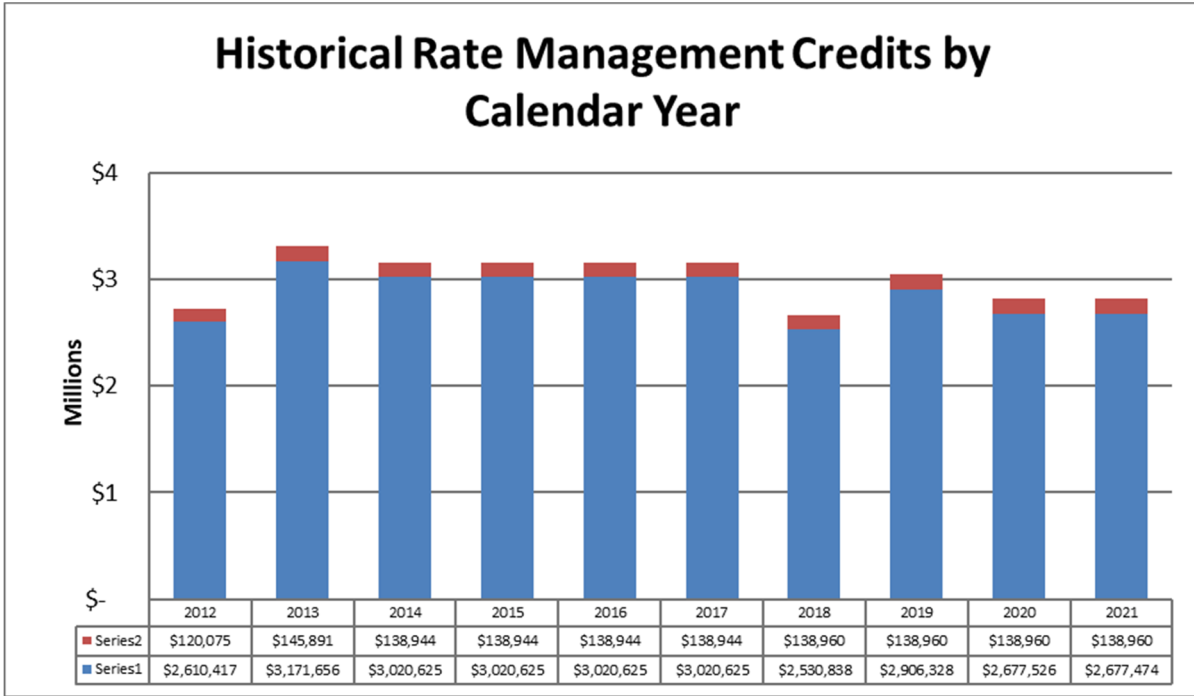
Rate Management Credits

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

Each year, DWR prepares a financial analysis to determine the revenues that are available to pay rate management credits.

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Pursuant to the Contract, the maximum amount of rate management credits in any one year does not exceed \$40.5 million to all Contractors.



It is anticipated that the revenues available for rate management credits in the future will be substantially more stable and therefore not subject to the volatility as has been the case in the past. For 2022 and beyond, CCWA is projecting DWR will continue to have revenues to pay rate management credits each year of approximately \$2.8 million.

Coastal Branch Extension-Transportation Capital Reach 37 and 38

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

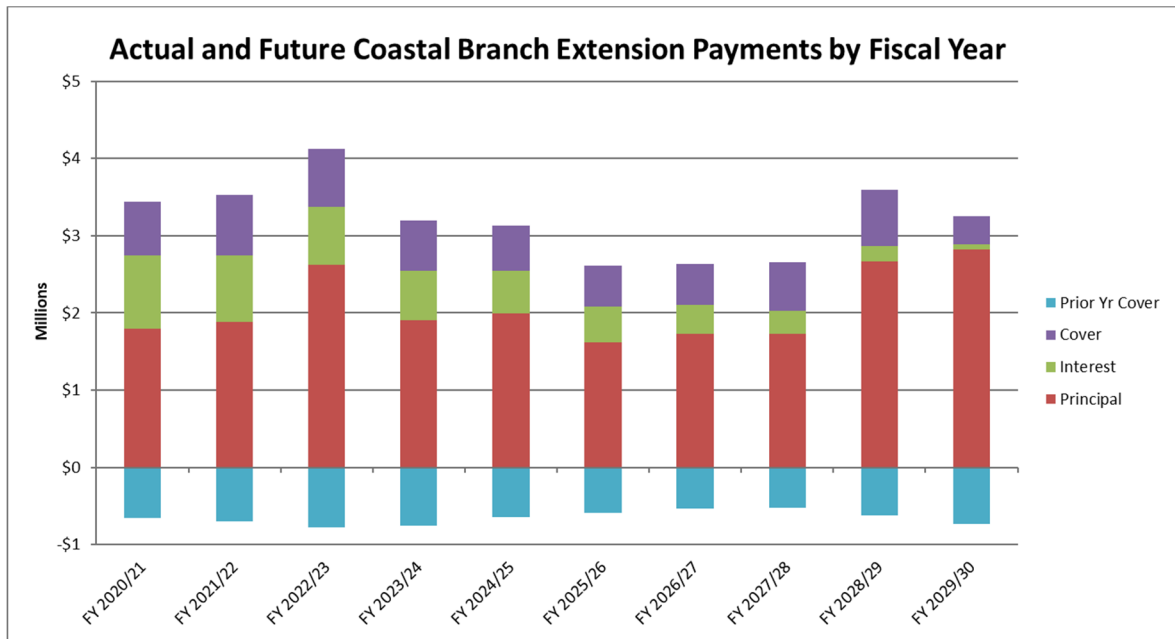
Coastal Branch Extension debt service payments for FY 2021/22 total \$2,602,748, which is \$32,413 higher than the prior year amount due to the following:

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Coastal Branch Extension Debt Service			
	FY 2020/21	FY 2021/22	Change
Principal Payments	\$ 1,789,404	\$ 1,880,463	\$ 91,059
Interest Payments	954,146	863,375	(90,771)
Bond Cover	697,270	778,722	81,452
Rate Management Credits	(162,457)	(162,454)	3
Return of Prior Year Cover	(653,554)	(697,270)	(43,716)
Prior year amount due (credit)	(54,474)	(60,088)	(5,614)
Total:	\$ 2,570,334	\$ 2,602,748	\$ 32,413

Principal, Interest and Bond Cover Changes

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



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

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Coastal Branch Extension Bond Allocation

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

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

The following tables show the allocation of the DWR Coastal Branch Extension debt service amounts for FY 2020/21.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	<i>Reach 37</i>				
	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	\$ -	\$ -	\$ -
Santa Maria	16,200	42.05%	767,824	(183,744)	584,081
Golden State Water Co.	500	1.30%	23,698	(5,671)	18,027
VAFB	5,500	14.28%	260,681	(62,382)	198,299
Buellton	578	1.50%	27,395	(6,556)	20,839
Santa Ynez (Solvang)	1,500	3.89%	71,095	(17,013)	54,082
Santa Ynez	500	1.30%	23,698	(5,671)	18,027
Goleta	4,500	11.68%	213,285	(51,040)	162,245
Morehart	200	0.52%	9,479	(2,268)	7,211
La Cumbre	1,000	2.60%	47,397	(11,342)	36,054
Raytheon	50	0.13%	2,370	(567)	1,803
Santa Barbara	3,000	7.79%	142,190	(34,027)	108,163
Montecito	3,000	7.79%	142,190	(34,027)	108,163
Carpinteria	2,000	5.19%	94,793	(22,684)	72,109
Total:	38,528	100.00%	\$ 1,826,095	\$ (436,993)	\$ 1,389,102

(1) Includes credits for the return of bond cover of \$680,510, Rate Management Funds Credits of \$162,454.

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Project Participant	Reach 38					FY 2021/2022	
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	FY 2020/21 (Credits) Due	Transportation Capital Charges
Guadalupe	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	-	584,081
Golden State Water Co.	-	0.00%	-	-	-	-	18,027
VAFB	5,500	25.20%	427,458	(102,293)	325,166	-	523,465
Buellton	578	2.65%	44,922	(10,750)	34,172	-	55,011
Santa Ynez (Solvang)	1,500	6.87%	116,579	(27,898)	88,682	-	142,763
Santa Ynez	500	2.29%	38,860	(9,299)	29,561	-	47,588
Goleta	4,500	20.62%	349,738	(83,694)	266,045	(28,464)	399,825
Morehart	200	0.92%	15,544	(3,720)	11,824	-	19,035
La Cumbre	1,000	4.58%	77,720	(18,599)	59,121	-	95,175
Raytheon	50	0.23%	3,886	(930)	2,956	-	4,759
Santa Barbara	3,000	13.74%	233,159	(55,796)	177,363	-	285,526
Montecito	3,000	13.74%	233,159	(55,796)	177,363	(18,960)	266,566
Carpinteria	2,000	9.16%	155,439	(37,197)	118,242	(12,664)	177,687
Total:	21,828	100.00%	\$ 1,696,465	\$ (405,971)	\$ 1,290,493	\$ (60,088)	\$ 2,619,508

(1) Includes credits for the return of bond cover of \$680,510, Rate Management Funds Credits of

Transportation Minimum OMP&R

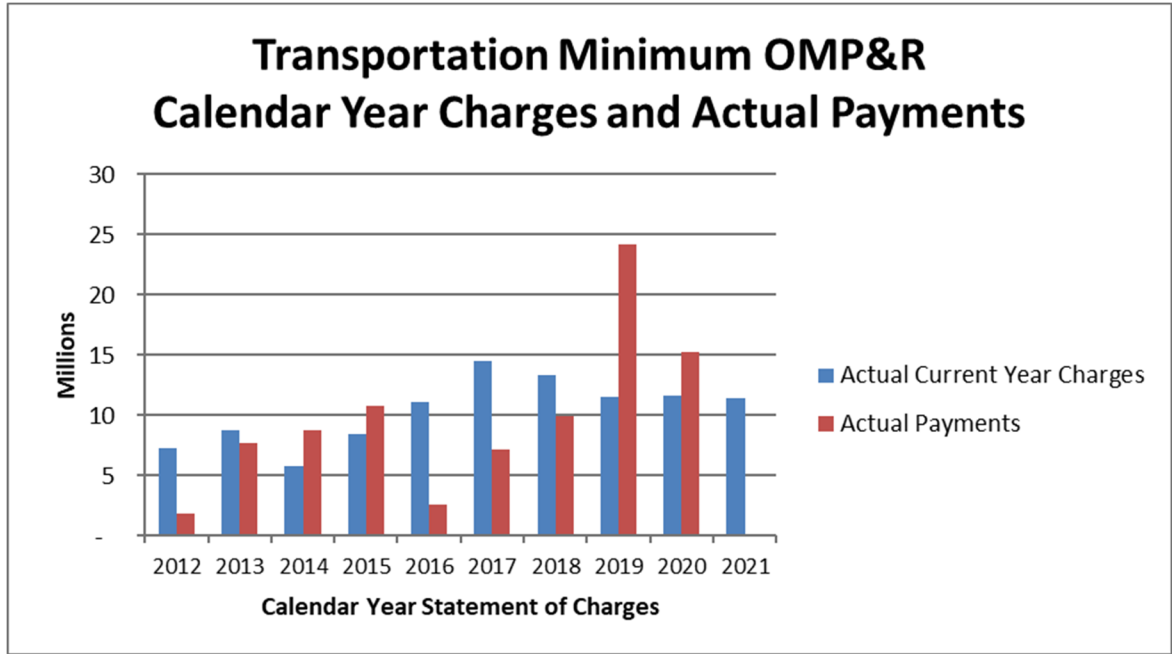
Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally do not depend on or vary with the quantities of water delivered to CCWA.

For FY 2021/22, total Transportation Minimum OMP&R charges are \$10,684,247 which is \$5,415,100 less than the prior year amount due to the following:

Transportation Minimum OMP&R			
	FY 2020/21	FY 2021/22	Change
Calculated Component	\$ 14,376,734	\$ 11,410,855	\$ (2,965,879)
Prior Year (Over)/Under Collection	1,701,987	(726,608)	(2,428,595)
Prior Year Amount Due (Credit)	20,626	-	(20,626)
Total:	\$ 16,099,347	\$ 10,684,247	\$ (5,415,100)

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

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The following table shows the allocation of the FY 2020/21 Transportation Minimum OMP&R charges to each of the CCWA project participants.

TRANSPORTATION MINIMUM OMP&R

Project Participant	Table A	Percentage	Calculated Component FY 2021/2022	Prior Year(s) Undercollections	FY 2020/21 Amount Due (Credit)	FY 2021/2022 Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 158,949	\$ (10,121)	\$ -	\$ 148,828
Santa Maria	16,200	41.46%	4,681,772	(298,121)	-	4,383,651
Golden State Water Co.	500	1.28%	144,499	(9,201)	-	135,298
VAFB	5,500	14.07%	1,589,490	(101,214)	-	1,488,277
Buellton	578	1.48%	167,041	(10,637)	-	156,404
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	423,175	(26,946)	-	396,228
Santa Ynez ⁽¹⁾	500	1.28%	154,822	(9,859)	-	144,963
Goleta	4,500	11.52%	1,300,492	(82,811)	-	1,217,681
Morehart	200	0.51%	57,800	(3,681)	-	54,119
La Cumbre	1,000	2.56%	288,998	(18,403)	-	270,596
Raytheon	50	0.13%	14,450	(920)	-	13,530
Santa Barbara	3,000	7.68%	866,995	(55,208)	-	811,787
Montecito	3,000	7.68%	866,995	(55,208)	-	811,787
Carpinteria	2,000	5.12%	577,996	(36,805)	-	541,191
Subtotal:	39,078	100.00%	\$ 11,293,473	\$ (719,134)	\$ -	\$ 10,574,340
Goleta Additional Table A	2,500	-	117,381	(7,474)	-	109,907
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 11,410,855	\$ (726,608)	\$ -	\$ 10,684,247

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

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Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2021/22, the WSRB is \$187,379 lower than the prior year amount.

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

WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	FY 2020/21 WSRB (Credits) Due	FY 2021/2022 WSRB Charges
Guadalupe	550	1.41%	\$ 42,306	\$ (23,670)	\$ -	\$ 18,636
Santa Maria	16,200	41.46%	1,246,113	(697,194)	-	548,919
Golden State Water Co.	500	1.28%	38,460	(21,518)	-	16,942
VAFB	5,500	14.07%	423,063	(236,702)	-	186,362
Buellton	578	1.48%	44,460	(24,875)	-	19,585
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	109,752	(61,406)	-	48,347
Santa Ynez ⁽¹⁾	500	1.28%	44,089	(24,668)	-	19,421
Goleta	4,500	11.52%	346,143	(193,665)	(215,126)	-
Morehart	200	0.51%	15,384	(8,607)	-	6,777
La Cumbre	1,000	2.56%	76,921	(43,037)	-	33,884
Raytheon	50	0.13%	3,846	(2,152)	-	1,694
Santa Barbara	3,000	7.68%	230,762	(129,110)	-	101,652
Montecito	3,000	7.68%	230,762	(129,110)	(141,264)	-
Carpinteria	2,000	5.12%	153,841	(86,073)	(91,162)	-
Subtotal	39,078	100.00%	\$ 3,005,903	\$ (1,681,787)	\$ (447,553)	\$ 1,002,218
Goleta Additional Table A	2,500	-	\$ 86,709	(48,517)	-	\$ 38,192
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 3,092,612	\$ (1,730,304)	\$ (447,553)	\$ 1,040,410

(1) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
 (2) WSRB return of bond cover for July 2020 and January 2021 payments.

Delta Water Charge

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

No Table A reductions are assumed for FY 2021/22.

The FY 2020/21 Delta Water Charge totals \$4,207,361, which is \$144,923 higher than the prior year amount for the following reasons.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2021/22 Budget

Delta Water Charge			
	FY 2020/21	FY 2021/22	Change
Rate per acre-foot	\$ 91.60	\$ 95.55	\$ 3.95
Delta Water Charge	4,166,640	4,346,321	179,681
Rate Management Credits	(138,960)	(138,960)	-
Replacement Deposits	-	-	-
Prior year amount due (credit)	34,758	-	(34,758)
Total:	\$ 4,062,438	\$ 4,207,361	\$ 144,923

As shown in the previous table, the FY 2021/22 rate per acre-foot totals \$95.55, which is \$3.95/AF higher than the prior year amount.

The FY 2021/22 rate includes an estimated \$20.00/AF increase for calendar year 2022 for potential other conservation and delta related facilities (\$10.00/AF on a fiscal year basis).

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

The following table shows the allocation of the FY 2021/22 Delta Water Charge to each of the CCWA project participants.

DELTA WATER CHARGE						
Project Participant	Table A		Gross Delta Water Charges	Rate Management Funds Credit	FY 2020/21 (Credits) Amount Due	FY 2021/2022 Delta Water Charges
	Including Drought Buffer	Percentage				
Guadalupe	605	1.41%	\$ 57,810	(1,842)	\$ -	\$ 55,968
Santa Maria	17,820	41.46%	1,702,753	(54,250)	-	1,648,503
Golden State Water Co.	550	1.28%	52,554	(1,674)	-	50,880
VAFB	6,050	14.07%	578,095	(18,418)	-	559,677
Buellton	636	1.48%	60,772	(1,936)	-	58,835
Santa Ynez (Solvang)	1,500	3.49%	143,329	(4,109)	-	139,221
Santa Ynez	700	1.63%	66,887	(3,047)	-	63,840
Goleta	4,950	11.52%	472,987	(15,069)	-	457,918
Morehart	220	0.51%	21,022	(670)	-	20,352
La Cumbre	1,100	2.56%	105,108	(3,349)	-	101,759
Raytheon	55	0.13%	5,255	(167)	-	5,088
Santa Barbara	3,300	7.68%	315,325	(10,046)	-	305,278
Montecito	3,300	7.68%	315,325	(10,046)	-	305,278
Carpinteria	2,200	5.12%	210,216	(6,698)	-	203,519
Subtotal	42,986	100.00%	\$ 4,107,438	\$ (131,322)	\$ -	\$ 3,976,116
Goleta Additional Table A	2,500	5.50%	\$ 238,882	(7,638)	-	\$ 231,244
TOTAL:	45,486	-	\$ 4,346,321	\$ (138,960)	\$ -	\$ 4,207,361

2021 COST PER AF:	\$ 85.5529
Increase for 2022 SOC per AF /2	\$ 10.0000
Estimated rate for FY 2021/22	\$ 95.5529

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2021/22 Budget

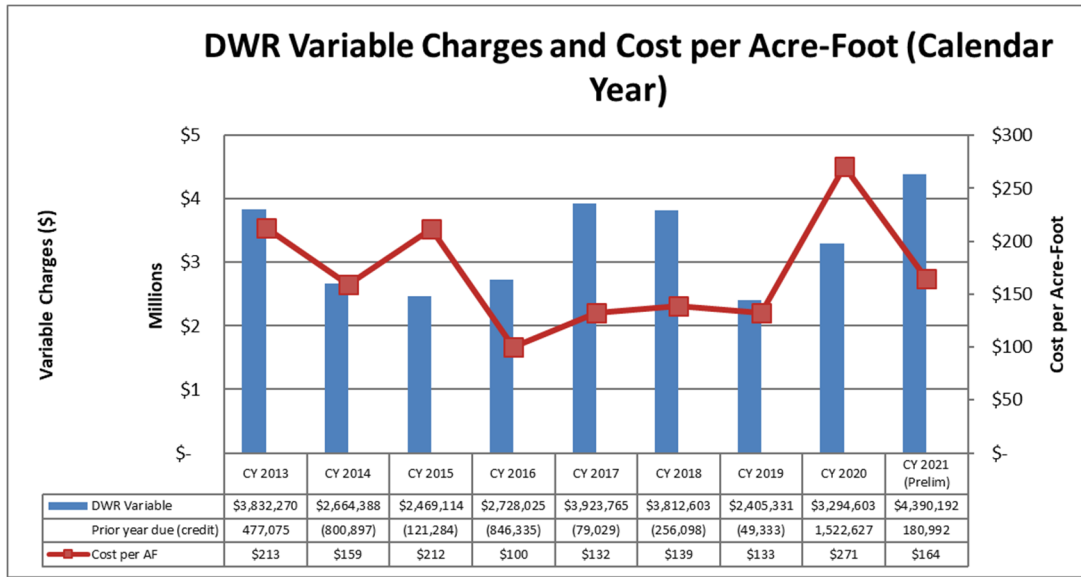
DWR VARIABLE COSTS

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

- Off-Aqueduct Charge
- Variable OMP&R

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

The DWR variable charges for FY 2021/22 total \$5,175,906, which is \$273,800 less than the budgeted FY 2020/21 variable payments.



Off-Aqueduct Charges

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

For FY 2021/22, the off-aqueduct charges total \$18,454, which is \$52,090 less than the prior year budget.

The following table shows the allocation of off-aqueduct charges for FY 2021/22.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2021/22 Budget

OFF-AQUEDUCT CHARGES

Project Participant	July 2021 to December 2021				January 2022 to June 2022				FY 2020/21 Charges ⁽⁴⁾	TOTAL FY 2021/2022 Off-Aqueduct
	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2021 Off-Aqueduct ^(1 & 2)	Half-Year 2021 Charges	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2022 Off-Aqueduct ⁽³⁾	Half-Year 2022 Charges		
Guadalupe	303	1.98%	\$ 773	\$ 386	303	2.40%	\$ 39	\$ 20	\$ (659)	\$ -
Santa Maria	6,479	42.38%	16,528	8,264	5,541	43.91%	716	358	3,307	11,929
Golden State Water Co.	295	1.93%	753	376	255	2.02%	33	16	(4,957)	-
VAFB	1,475	9.65%	3,763	1,881	1,126	8.92%	145	73	576	2,530
Buellton	202	1.32%	515	258	214	1.70%	28	14	(1,209)	-
Santa Ynez (Solvang) ⁽⁵⁾	519	3.39%	1,324	662	370	2.93%	48	24	1,768	2,454
Santa Ynez ⁽⁶⁾	392	2.56%	1,000	500	309	2.45%	40	20	(6,326)	-
Goleta	1,923	12.58%	4,906	2,453	363	2.88%	47	23	(5,627)	-
Morehart	31	0.20%	79	40	17	0.13%	2	1	16	56
La Cumbre	286	1.87%	730	365	313	2.48%	40	20	1,099	1,484
Raytheon	10	0.07%	26	13	12	0.10%	2	1	(764)	-
Santa Barbara	1,283	8.39%	3,273	1,636	1,423	11.28%	184	92	(2,211)	-
Montecito	1,283	8.39%	3,273	1,636	1,423	11.28%	184	92	(2,409)	-
Carpinteria	808	5.28%	2,061	1,031	949	7.52%	123	61	(1,305)	-
	15,289	100.00%	\$ 39,003	\$ 19,502	12,618	100.00%	\$ 1,630	\$ 815	\$ (18,702)	\$ 18,454

Variable OMP&R Charges

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

For FY 2021/22, the variable OMP&R charges total \$5,157,453 which is \$221,710 less than the prior year amount. The budget is based on estimated water deliveries of 27,907 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2021/22 is estimated to be \$209.67/AF and \$209.67/AF for the second half of the fiscal year.

The following table shows the allocation of the FY 2021/22 variable OMP&R costs.

VARIABLE OMP&R CHARGES

Project Participant	July 1, 2020 to Dec 31, 2020 ⁽¹⁾			\$209.67/AF ⁽²⁾	Jan 1, 2021 to June 30, 2021 ⁽³⁾			\$209.67/AF ⁽⁴⁾	FY 2020/21	TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2020 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2021 Var OMP&R	(Credits) Due ⁽⁵⁾	FY 2021/2022 Var. OMP&R
Guadalupe	303	-	303	\$ 63,529	303	-	303	\$ 63,529	\$ 3,870	\$ 130,929
Santa Maria	6,479	-	6,479	1,358,431	5,541	-	5,541	1,161,764	241,662	2,761,857
Golden State Water Co.	295	-	295	61,852	255	-	255	53,465	25,119	140,436
VAFB	1,475	-	1,475	309,259	1,126	-	1,126	236,085	181,585	726,929
Buellton	202	-	202	42,353	214	-	214	44,869	21,782	109,003
Santa Ynez (Solvang)	519	-	519	108,817	370	-	370	77,577	-	186,394
Santa Ynez ⁽⁶⁾	392	1,620	2,012	82,189	309	1,006	1,315	64,787	(107,550)	39,426
Goleta	1,923	(583)	1,340	403,189	363	(361)	2	76,109	(531,841)	-
Morehart	31	-	31	6,500	17	-	17	3,564	4,214	14,278
La Cumbre	286	-	286	59,965	313	-	313	65,626	-	125,590
Raytheon	10	-	10	2,097	12	-	12	2,516	667	5,279
Santa Barbara	1,283	(389)	894	269,003	1,423	(242)	1,181	298,356	-	567,358
Montecito	1,283	(389)	894	269,003	1,423	(242)	1,181	298,356	(556,219)	11,139
Carpinteria	808	(259)	549	169,411	949	(161)	788	198,974	(29,550)	338,834
Total	15,289	-	15,289	\$ 3,205,596	12,618	-	12,618	\$ 2,645,576	\$ (746,261)	\$ 5,157,453

- (1) 2021 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.
- (2) Source: 2021 IIR-Transportation Variable Plant Rates from DWR dated 2/10/21
- (3) 2022 Requested Deliveries based on a 100% delivery allocation.
- (4) Source: Estimate of invoice rate for 2022.
- (5) Credit or amount due for FY 2020/21 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.
- (6) Pursuant to the Exchange Agreement, Santa Ynez only pays Variable OMP&R charges on its entitlement deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Variable OMP&R charges for exchange water they accept.

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2021/22 Budget

CCWA Turnback Pool

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

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

Central Coast Water Authority
DWR Charges
Fiscal Year 2021/2022 Budget

Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES			DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable		
Guadalupe	\$ 290,470	\$ -	\$ -	\$ 148,828	\$ 18,636	\$ 55,968	\$ 513,902	\$ -	\$ 130,929	\$ 130,929	\$ -	\$ 644,830
Santa Maria	8,527,877	570,983	-	4,383,651	548,919	1,648,503	15,679,933	11,929	2,761,857	2,773,786	-	18,453,719
Golden State Water Co.	259,122	17,623	-	135,298	16,942	50,880	479,865	-	140,436	140,436	-	620,300
Vandenberg AFB	2,894,841	193,852	317,874	1,488,277	186,362	559,677	5,640,882	2,530	726,929	729,459	-	6,370,341
Buellton	304,906	20,372	33,406	156,404	19,585	58,835	593,509	-	109,003	109,003	-	702,512
Santa Ynez (Solvang)	768,995	52,869	86,693	396,228	48,347	139,221	1,492,353	2,454	186,394	188,848	-	1,681,201
Santa Ynez	272,513	17,623	28,898	144,963	19,421	63,840	547,258	-	39,426	39,426	-	586,684
Goleta	2,332,327	158,606	260,079	1,217,681	-	457,918	4,426,610	-	-	-	(51,594)	4,375,016
Morehart Land	103,646	7,049	11,559	54,119	6,777	20,352	203,502	56	14,278	14,334	-	217,836
La Cumbre	518,228	35,246	57,795	270,596	33,884	101,759	1,017,508	1,484	125,590	127,075	-	1,144,583
Raytheon	26,765	1,762	2,890	13,530	1,694	5,088	51,729	-	5,279	5,279	-	57,008
Santa Barbara	1,554,700	105,738	173,386	811,787	101,652	305,278	3,052,541	-	567,358	567,358	-	3,619,899
Montecito	1,554,700	105,738	173,386	811,787	-	305,278	2,950,889	-	11,139	11,139	(38,588)	2,923,440
Carpinteria	1,036,472	70,492	115,591	541,191	-	203,519	1,967,265	-	338,834	338,834	(20,846)	2,285,254
Goleta 2500 AF	44,784	-	-	109,907	38,192	231,244	424,128	-	-	-	-	424,128
Total	\$ 20,490,347	\$ 1,357,953	\$ 1,261,555	\$ 10,684,247	\$ 1,040,410	\$ 4,207,361	\$ 39,041,872	\$ 18,454	\$ 5,157,453	\$ 5,175,906	\$ (111,027)	\$ 44,106,752



*CCWA Board Tour of the Polonio Pass Water Treatment Plant
June 2019*

Operating Expenses

The Operating Expenses section of the FY 2021/22 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

Highlights

Summary Information

- **Total FY 2021/22 Operating Expenses \$ 12,003,969**
- Fixed expense increase \$ 382,506
- Variable expense increase \$ 1,535,573
- Increase over FY 2020/21 Budget \$ 1,918,078

- Percentage increase 19.02%

Significant Operating Expense Changes

- Variable electric costs are estimated to be \$2,017,428 more than the FY 2020/21 budget, an increase of 212.54%.
- Chemical costs are budgeted at \$35.93 an acre-foot (excluding Santa Ynez Pumping facility chemical costs), which is a 28.87% decrease over FY 2020/21 chemical budget.
- Budgeted employee benefits percentage for FY 2020/21: 42.04%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2021/22 Budget

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

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

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

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

The Operations and Maintenance staff comprise the bulk (25) of the 31 Authority employees. They are charged with the mission of providing San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water and the objectives of protecting the environment, cost effectively operating and maintaining all facilities and ensuring the water supply meets or exceeds health and safety standards.

Operating Expense Budget and Exchange Agreement Modifications

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2021/22. These expenses are billed to the project participants based on the individual Water Supply Agreements for each agency (*see the Revenues and Sources of Cash section of this document for further information on billings*).

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

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2021/22 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2021/22 budget are as follows:

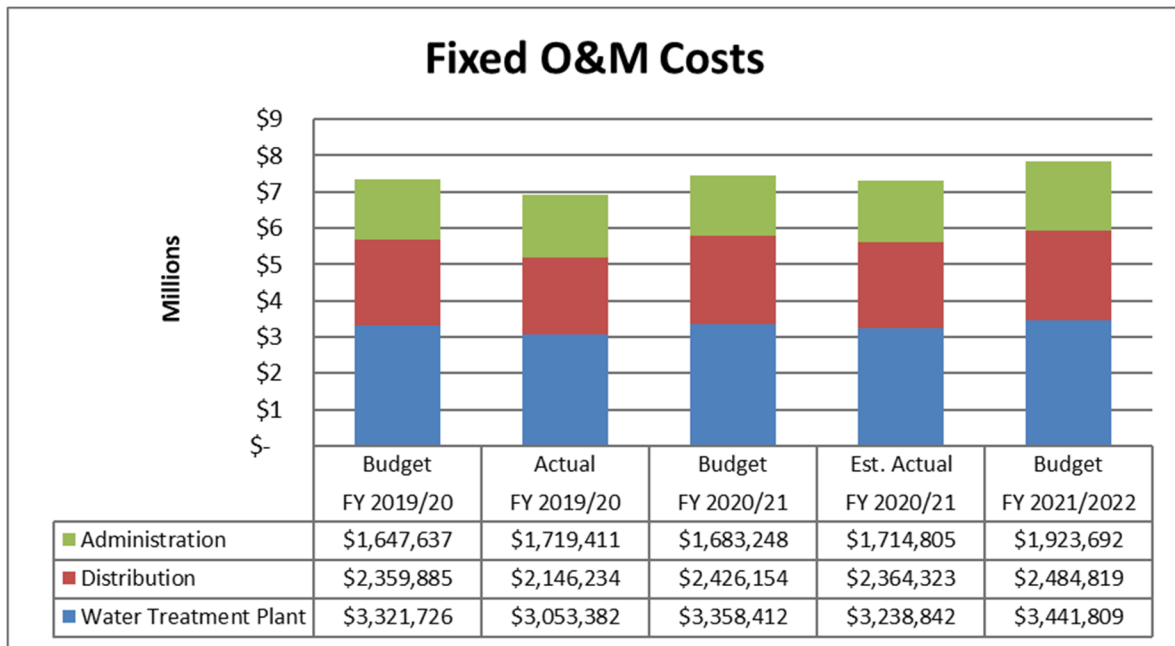
- Decrease in Warren Act and Trust Fund charges of \$104,085 (Warren Act and Trust Fund charges are not included in the Operating Expense budget and are treated as a pass-through expense).

Fixed and Variable Operating Expenses

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

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

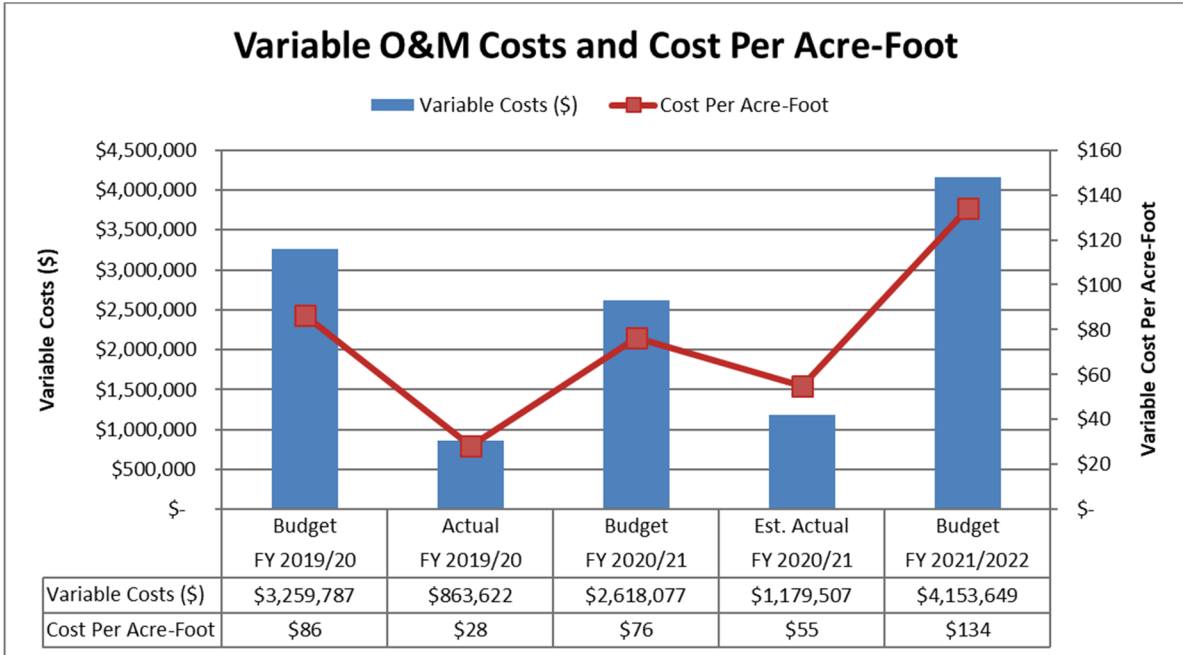
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2021/22 Budget

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

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



The Fiscal Year 2021/22 Consolidated Departmental Operating Expense Budget totals \$12,003,969 which is \$1,918,078 higher than the Fiscal Year 2020/21 Budget, a 19.02% increase. Explanations for the various changes within the budget are discussed below and are also included in the various departmental sections of this Budget document.

Personnel Expenses

Personnel expenses are increasing by about \$98,953 which includes the following changes from the prior year:

- The FY 2020/21 total salaries and wages budget for all departments is increasing \$82,685 as compared to the prior fiscal year budget, representing an increase of just 2.58%.
- CalPERS retirement expenses are increasing by approximately \$8,097. The combined CCWA paid employer, employee and unfunded actuarial liability contribution rates for the FY 2021/22 total 30.20% as compared to the prior year amount of 27.823%, for a combined increase of 2.377%.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2021/22 Budget

In FY 2017/18 CCWA employees began paying 50% of the increase in the “normal” PERS employer contribution. Additionally, CCWA now has 9 PEPRA employees.

- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by about \$26,851 due to; 1) The 2021 CalPERS health insurance plan with the lowest premiums increased by 5.62% over the 2020 premiums, as opposed to the increase of 5% budgeted for the calendar year 2021. The 2021 health allowances have remained at same levels used in 2020; 2) The FY 2021/22 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2022. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers’ Compensation costs are decreasing by \$19,135 due to an 11% reduction in the Experience modification rate for CCWA.
- The FY 2021/22 Budget includes a \$149,952 deposit into the Retiree Benefit Trust Program, a decrease of \$6,851 for FY 2021/22 over the FY 2020/21 budget amount of \$156,803. This decrease is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums for employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of CCWA service.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2021/22 Budget

Supplies and Equipment

Supplies and equipment are decreasing by \$470,400 based primarily on the reduced cost of chemicals needed. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality.

Monitoring Expenses

Monitoring expenses are only increasing by \$11,193 due to a need for additional lab supplies and equipment as identified by the Senior Chemist.

Repairs and Maintenance

Repairs and maintenance costs are decreasing nominally, by about \$950 due to reduced HVAC-related costs.

Professional Services

Professional Services are increasing by \$191,062 due primarily to an increase of \$25,000 budgeted for Santa Barbara County staff time regarding State water issues, and an increase of about \$150,000 for legal services.

General and Administrative

General and Administrative costs are decreasing by about \$15,250 due to decreased meetings and travel.

Utilities

Utility expenses are increasing by about \$2,033,777 largely due to PG&E rate increases and demand charges.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2021/22 Budget

Other Expenses

Other expenses are increasing by about \$69,193 due to increased insurance costs and computer expenses.

Approximately 44% of the operating expense budget represents personnel expenses. This is followed by 27% for utilities, and 6% for professional services, with the balance being comprised of other expenses.

The chart on page 79 provides a detailed breakdown of the components of the FY 2020/21 budget.

CCWA Employee Benefits Percentage

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

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

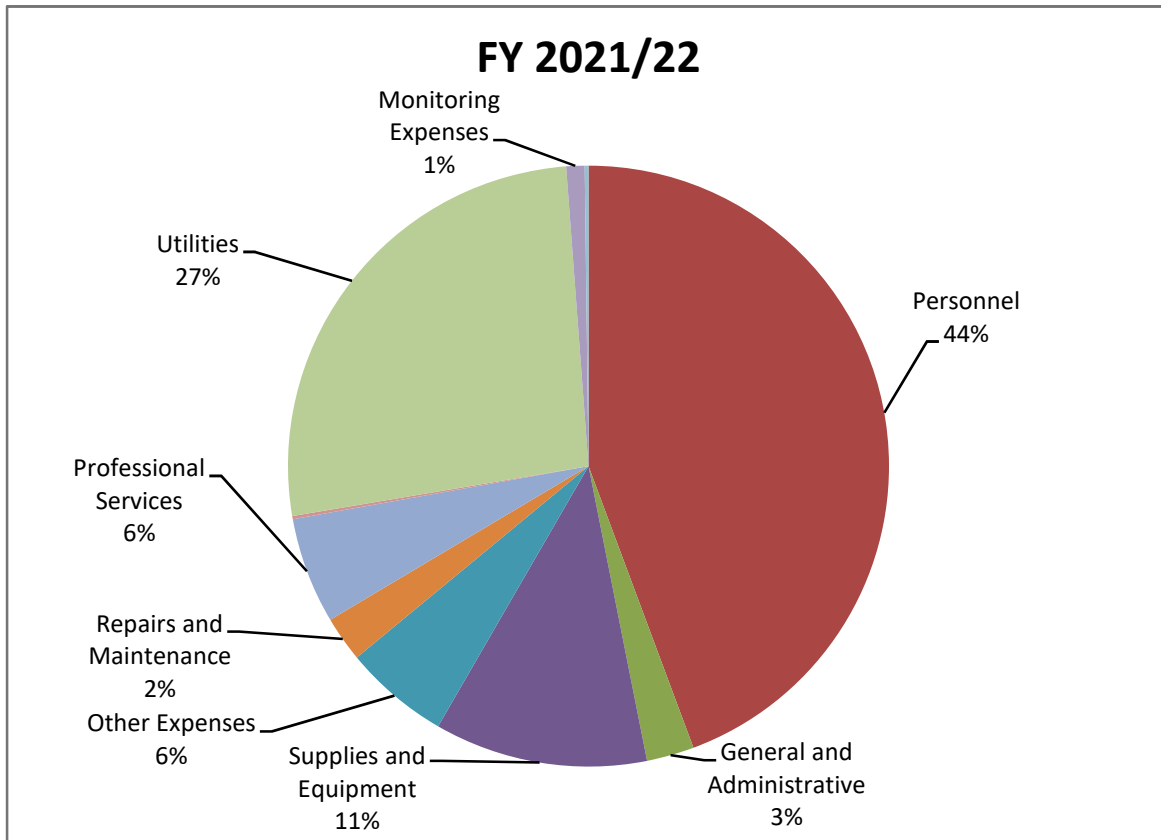
The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2019/20 through 2021/22.

	FY 2019/20	FY 2020/21	FY 2021/2022
	Actual	Est. Actual ⁽¹⁾	Budget ⁽¹⁾
Total Regular Salaries	\$ 3,049,859	\$ 3,150,706	\$ 3,283,379
Benefits			
PERS Retirement ⁽¹⁾	658,106	731,482	733,882
Health Insurance	381,086	469,432	433,206
Cafeteria Plan Benefits	124,220	109,777	100,652
Dental/Vision Plan	58,103	68,150	82,608
Long-Term Disability	15,281	15,805	16,696
Life Insurance	11,919	11,944	13,314
Total Benefits:	\$ 1,248,715	\$ 1,406,590	\$ 1,380,358
Employee Benefits Percentage	40.94%	44.64%	42.04%

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

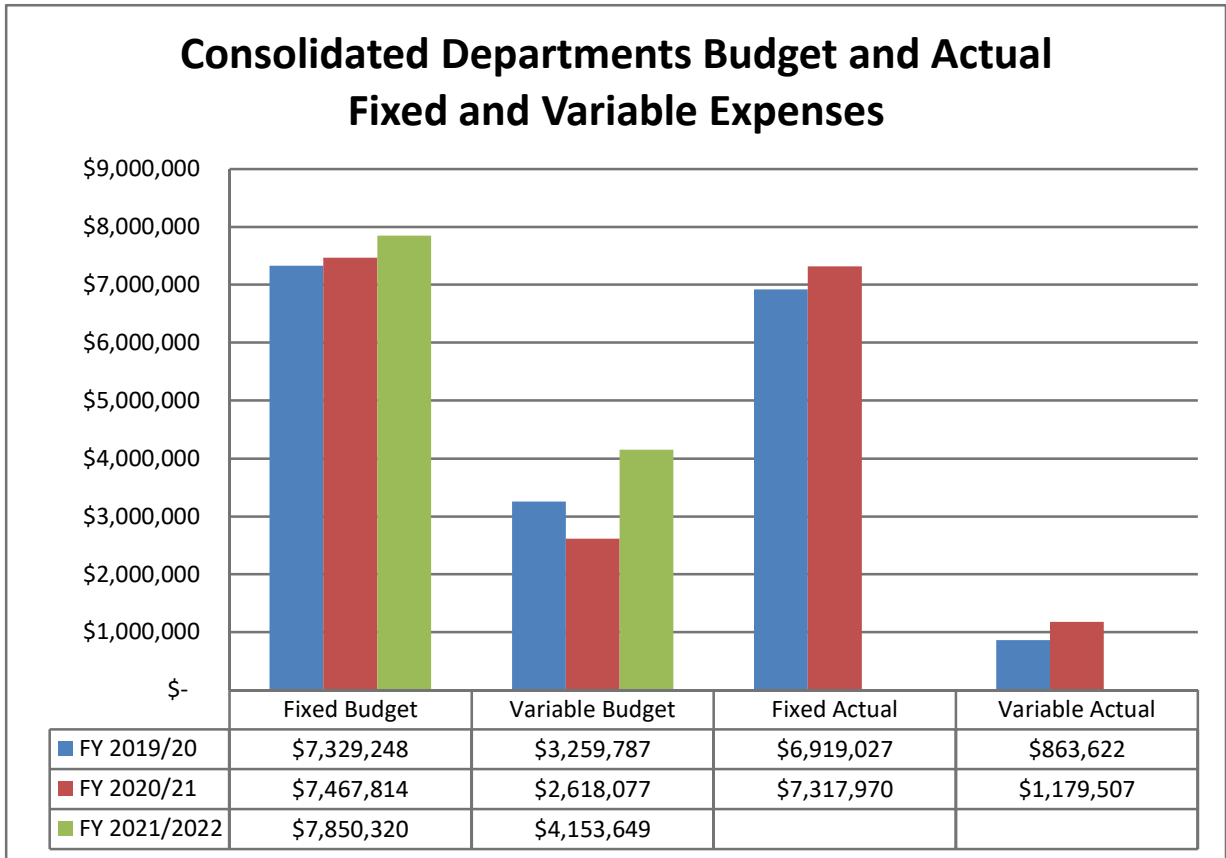
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2021/2022 Budget

Item	FY 2021/2022 Budget
Personnel	\$ 5,320,385
Office Expenses	21,300
Supplies and Equipment	1,375,311
Monitoring Expenses	117,408
Repairs and Maintenance	292,810
Professional Services	684,785
General and Administrative	307,162
Utilities	3,177,673
Other Expenses	681,991
Turnouts	25,144
TOTAL:	<u><u>\$ 12,003,969</u></u>



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2021/2022 Budget

Item	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget
Personnel	\$ 5,201,852	\$ 5,009,044	\$ 5,221,432	\$ 5,250,249	\$ 5,320,385
Office Expenses	20,500	16,571	21,300	20,985	21,300
Supplies and Equipment	2,297,803	805,517	1,845,711	902,211	1,375,311
Monitoring Expenses	105,604	97,187	106,215	103,252	117,408
Repairs and Maintenance	285,620	248,865	293,760	273,503	292,810
Professional Services	432,843	506,251	493,223	581,516	684,785
General and Administrative	309,710	190,760	322,412	232,609	307,162
Utilities	1,331,312	364,288	1,143,895	633,688	3,177,673
Other Expenses	578,647	487,854	612,798	473,088	681,991
Turnouts	25,144	56,312	25,144	26,375	25,144
Total:	\$ 10,589,036	\$ 7,782,650	\$ 10,085,891	\$ 8,497,477	\$ 12,003,969



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 3,162,241	\$ 3,032,959	\$ 3,200,695	\$ 3,150,706	\$ 3,283,379	\$ 82,685	2.58%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	146,627	191,143	150,669	195,027	154,456	3,787	2.51%
5000.40	Standby Pay	58,314	59,082	60,085	55,638	61,454	1,369	2.28%
5000.50	Shift Differential Pay	19,256	18,479	19,880	16,896	20,469	588	2.96%
5100.10	PERS Retirement	860,233	808,741	850,785	856,482	858,882	8,097	0.95%
5100.15	Medicare Taxes	50,539	49,531	51,414	51,398	52,496	1,082	2.10%
5100.20	Health/Dental/Vision Plans	608,820	560,975	589,615	647,359	616,466	26,851	4.55%
5100.25	Workers' Compensation	90,952	78,008	93,246	69,109	74,111	(19,135)	-20.52%
5100.30	Vehicle Expenses	9,000	8,654	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	156,800	166,213	156,803	161,515	149,952	(6,851)	-4.37%
5100.50	Long-Term Disability	16,067	15,199	16,267	15,805	16,696	429	2.63%
5100.55	Life Insurance	13,293	11,854	13,264	11,944	13,314	50	0.38%
5100.60	Employee Physicals	900	1,569	900	450	900	-	0.00%
5000.30	Temporary Services	-	2,743	-	-	-	-	N/A
5100.80	Employee Incentive Programs	6,560	550	6,560	5,480	6,560	-	0.00%
5100.65	Employee Education Reimbursement	2,250	250	2,250	1,000	2,250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	3,094	-	2,440	-	-	N/A
Total Personnel Expenses:		5,201,852	5,009,044	5,221,432	5,250,249	5,320,385	98,953	1.90%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	10,000	9,098	10,800	10,832	10,800	-	0.00%
5200.30	Misc. Office Expenses	10,500	7,473	10,500	10,153	10,500	-	0.00%
Total Office Expenses:		20,500	16,571	21,300	20,985	21,300	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	16,160	15,809	16,160	15,905	17,385	1,225	7.58%
5500.15	Minor Tools and Equipment	10,000	10,062	10,000	10,037	10,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,500	248	1,500	1,380	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	24	-	-	-	-	N/A
5500.31	Chemicals-Variable	2,117,953	677,023	1,668,861	740,342	1,187,006	(481,855)	-28.87%
5500.35	Maintenance Supplies/Hardware	33,000	18,291	28,000	27,155	28,000	-	0.00%
5500.40	Safety Supplies	14,000	11,873	14,000	13,684	14,000	-	0.00%
5500.45	Fuel and Lubricants	93,690	69,862	93,690	93,208	103,920	10,230	10.92%
5500.50	Seed/Erosion Control Supplies	11,000	2,211	13,000	-	13,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	114	500	500	500	-	0.00%
Total Supplies and Equipment:		2,297,803	805,517	1,845,711	902,211	1,375,311	(470,400)	-25.49%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	62,889	70,140	63,500	63,500	77,625	14,125	22.24%
5600.20	Lab Tools and Equipment	13,650	11,731	13,650	13,650	9,600	(4,050)	-29.67%
5600.30	Lab Testing	29,065	15,316	29,065	26,102	30,183	1,118	3.85%
Total Monitoring Expenses:		105,604	97,187	106,215	103,252	117,408	11,193	10.54%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	185,500	169,703	192,500	191,636	192,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	20,000	16,173	21,500	21,500	21,500	-	0.00%
5700.30	Building Maintenance	66,360	51,161	66,000	47,294	65,050	(950)	-1.44%
5700.40	Landscape Maintenance	13,760	11,829	13,760	13,073	13,760	-	0.00%
Total Repairs and Maintenance:		285,620	248,865	293,760	273,503	292,810	(950)	-0.32%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	157,203	87,038	146,403	103,895	191,665	45,262	30.92%
5400.20	Legal Services	100,000	259,239	160,000	302,256	310,000	150,000	93.75%
5400.30	Engineering Services	28,500	44,635	30,000	18,714	30,000	-	0.00%
5400.40	Permits	39,100	36,845	41,900	41,326	42,400	500	1.19%
5400.50	Non-Contractual Services	3,940	3,279	5,620	5,634	4,120	(1,500)	-26.69%
5400.60	Accounting Services	104,100	75,217	109,300	109,692	106,600	(2,700)	-2.47%
Total Professional Services:		432,843	506,251	493,223	581,516	684,785	191,562	38.84%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	63,000	30,424	70,100	343	60,000	(10,100)	-14.41%
5300.20	Mileage Reimbursement	1,650	683	1,650	-	1,650	-	0.00%
5300.30	Dues and Memberships	201,086	136,483	204,819	195,490	196,819	(8,000)	-3.91%
5300.40	Publications	3,250	1,853	3,000	3,491	3,000	-	0.00%
5300.50	Training	24,325	11,082	26,444	23,055	28,294	1,850	7.00%
5300.60	Advertising	5,500	2,361	5,500	-	5,500	-	0.00%
5300.70	Printing and Binding	2,000	955	2,000	1,851	2,000	-	0.00%
5300.80	Postage	8,900	6,921	8,900	8,380	9,900	1,000	11.24%
Total General and Administrative:		309,710	190,760	322,412	232,609	307,162	(15,250)	-4.73%
<u>UTILITIES</u>								
5800.20	Natural Gas	8,770	8,548	8,770	8,192	9,255	485	5.53%
5800.30	Electric-Fixed	152,080	141,134	155,445	151,834	167,954	12,509	8.05%
5800.35	Electric-Variable	1,141,834	186,599	949,216	439,165	2,966,643	2,017,428	212.54%
5800.40	Water	4,900	4,280	4,900	4,396	4,900	-	0.00%
5800.50	Telephone	11,883	13,537	12,600	18,205	15,590	2,990	23.73%
5800.60	Waste Disposal	11,845	10,190	12,965	11,896	13,330	365	2.82%
Total Utilities:		1,331,312	364,288	1,143,895	633,688	3,177,673	2,033,777	177.79%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	134,386	140,835	152,375	155,049	172,640	20,265	13.30%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	74,616	-	13,639	-	-	N/A
5900.40	Equipment Rental	47,540	40,723	46,680	44,303	46,680	-	0.00%
5900.50	Non-Capitalized Equipment	22,500	10,519	22,500	2,500	22,500	-	0.00%
5900.60	Computer Expenses	231,004	125,054	245,308	257,596	286,736	41,428	16.89%
5900.70	Appropriated Contingency	143,218	96,107	145,935	-	153,435	7,500	5.14%
Total Other Expenses:		578,647	487,854	612,798	473,088	681,991	69,193	11.29%
	Turnout Expenses	25,144	56,312	25,144	26,375	25,144	-	0.00%
TOTAL OPERATING EXPENSES		\$ 10,589,036	\$ 7,782,650	\$ 10,085,891	\$ 8,497,477	\$ 12,003,969	\$ 1,918,078	19.02%

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

Central Coast Water Authority
Operating, Maintenance and Project Expense Allocation by Department
 Fiscal Year 2021/2022 Budget

Project Participant	<u>Administration Department</u>			<u>Water Treatment Plant Department Fixed Costs</u>					Total Fixed WTP Costs	Turnout Costs
	Table A	Percentage	Administration Expenses	Table A	Percentage	WTP Fixed	WTP Fixed and Capital Retreatment	Exchange Fixed and Capital Adjustments		
Shandon	-	-	\$ -	100	0.23%	\$ 10,044	-	-	10,044	\$ 2,777
Chorro Valley	-	-	-	2,338	5.32%	234,827	-	-	234,827	2,900
Lopez	-	-	-	2,392	5.45%	240,251	-	-	240,251	2,654
Guadalupe	550	1.41%	28,363	550	1.25%	55,242	19,390	-	74,631	2,188
Santa Maria	16,200	41.46%	835,420	16,200	36.90%	1,627,115	571,116	-	2,198,231	2,556
Golden State Water Co.	500	1.28%	25,785	500	1.14%	50,220	17,627	-	67,847	4,327
VAFB	5,500	14.07%	283,630	5,500	12.53%	552,416	193,897	-	746,313	2,000
Buellton	578	1.48%	29,807	578	1.32%	58,054	20,377	-	78,431	2,338
Santa Ynez (Solvang)	1,500	3.84%	77,354	1,500	3.42%	150,659	52,881	-	203,540	1,903
Santa Ynez	500	1.28%	25,785	500	1.14%	50,220	110,204	448,148	608,572	1,500
Goleta	4,500	11.52%	232,061	4,500	10.25%	451,977	(315,031)	(161,101)	(24,156)	-
Morehart Land	200	0.51%	10,314	200	0.46%	20,088	(17,718)	-	2,370	-
La Cumbre	1,000	2.56%	51,569	1,000	2.28%	100,439	(88,591)	-	11,848	-
Raytheon (SBRC)	50	0.13%	2,578	50	0.11%	5,022	(4,430)	-	592	-
Santa Barbara	3,000	7.68%	154,707	3,000	6.83%	301,318	(209,873)	(107,685)	(16,241)	-
Montecito	3,000	7.68%	154,707	3,000	6.83%	301,318	(209,873)	(107,685)	(16,241)	-
Carpinteria	2,000	5.12%	103,138	2,000	4.55%	200,878	(139,975)	(71,676)	(10,773)	-
TOTAL:	39,078	100.00%	\$ 2,015,219	43,908	100.00%	\$ 4,410,086	\$ -	-	\$ 4,410,086	\$ 25,144

Project Participant	<u>Distribution Department Fixed Costs</u>									Total Fixed Distribution Costs	Total Fixed Operating & Project Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II			
Shandon	1,170	-	-	-	-	-	-	-	-	1,170	13,991
Chorro Valley	27,348	-	-	-	-	-	-	-	-	27,348	265,075
Lopez	27,980	14,333	-	-	-	-	-	-	-	42,313	285,218
Guadalupe	6,433	3,296	2,303	-	-	-	-	-	-	12,032	117,214
Santa Maria	189,496	97,069	67,832	29,497	-	-	-	-	-	383,894	3,420,102
Golden State Water Co.	5,849	2,996	2,094	910	-	-	-	-	-	11,849	109,807
VAFB	64,335	32,956	23,029	10,014	28,975	101,612	-	-	-	260,922	1,292,866
Buellton	6,761	3,463	2,420	1,052	3,045	10,679	19,034	-	-	46,454	157,030
Santa Ynez (Solvang)	17,546	8,988	6,281	2,731	7,902	27,712	49,395	-	-	120,556	403,352
Santa Ynez	5,849	2,996	2,094	910	2,634	9,237	16,465	-	-	40,185	676,042
Goleta	52,638	26,964	18,842	8,194	23,707	83,137	148,185	218,165	-	579,832	787,737
Morehart Land	2,339	1,198	837	364	1,054	3,695	6,586	9,696	-	25,770	38,454
La Cumbre	11,697	5,992	4,187	1,821	5,268	18,475	32,930	48,481	-	128,852	192,268
Raytheon (SBRC)	585	300	209	91	263	924	1,647	2,424	-	6,443	9,613
Santa Barbara	35,092	17,976	12,562	5,462	15,805	55,425	98,790	145,443	-	386,555	525,021
Montecito	35,092	17,976	12,562	5,462	15,805	55,425	98,790	145,443	-	386,555	525,021
Carpinteria	23,395	11,984	8,374	3,642	10,537	36,950	65,860	96,962	-	257,703	350,069
TOTAL:	513,604	248,485	163,626	70,152	114,995	403,272	537,681	666,615	-	2,718,431	\$ 9,168,880

Central Coast Water Authority
Operating, Maintenance and Project Expense Allocation by Department
 Fiscal Year 2021/2022 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs			Total WTP Variable Costs	Total Variable Operating Costs	Total Fixed, Variable & Project Costs	Summary of Total Costs	
	Santa Ynez II	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments					
Shandon	\$ -	\$ -			\$ -	\$ -	\$ 13,991	Fixed O&M Costs	
Chorro Valley	-	97,785			97,785	97,785	362,860	Administration	\$ 1,923,692
Lopez	-	38,271			38,271	38,271	323,489	Water Treatment Plant	3,441,809
Guadalupe	-	26,597	7,146		33,743	33,743	150,957	Distribution	2,484,819
Santa Maria	-	527,547	141,740		669,287	669,287	4,089,389	Total Fixed O&M Costs	7,850,320
Golden State Water Co.	-	24,139	6,486		30,625	30,625	140,432	Variable O&M Costs	
VAFB	-	114,156	30,671		144,827	144,827	1,437,692	Water Treatment Plant	1,360,869
Buellton	-	18,258	4,905		23,163	23,163	180,193	Distribution	2,792,780
Santa Ynez (Solvang)	-	39,017	10,483		49,501	49,501	452,853	Total Variable O&M Costs	4,153,649
Santa Ynez	-	30,766	39,232	115,253	185,251	185,251	861,293	Capital & Non-Capital Projects	1,322,060
Goleta	499,855	100,330	(43,074)	(41,431)	15,825	515,680	1,303,416	Total O&M and Project Costs:	
Morehart Land	17,879	2,107	(1,541)	-	566	18,445	56,898	\$ 13,326,029	
La Cumbre	223,110	26,290	(19,226)	-	7,063	230,173	422,441		
S.B. Research	8,194	966	(706)	-	259	8,454	18,067		
Santa Barbara	772,875	118,764	(66,601)	(27,694)	24,468	797,344	1,322,365		
Montecito	772,875	118,764	(66,601)	(27,694)	24,468	797,344	1,322,365		
Carpinteria	497,992	77,113	(42,914)	(18,433)	15,766	513,758	863,827		
TOTAL:	\$ 2,792,780	\$ 1,360,869	\$ 0	-	1,360,869	4,153,649	\$ 13,322,529		



Ray Stokes making a presentation to the Santa Barbara County Board of Supervisors

Administration Department

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

Highlights

Department Information

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

Budget Information

- Total FY 2021/22 O&M Budget \$ 1,923,692
- O&M Budget increase over FY 2020/21 \$ 240,444
- Percentage increase over FY 2020/21 14.28%

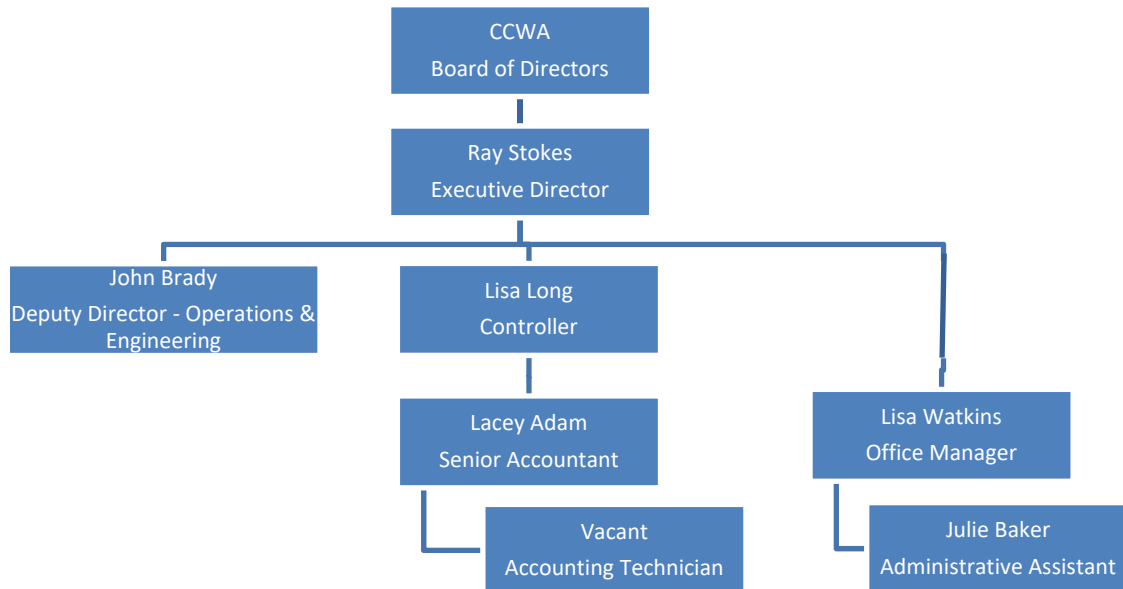
Significant Accomplishments during 2020/21

Significant Goals for FY 2021/22

Central Coast Water Authority
Administration Department
Fiscal Year 2021/22 Budget

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

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



EXECUTIVE DIRECTOR

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

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

Central Coast Water Authority
Administration Department
Fiscal Year 2021/22 Budget

DEPUTY DIRECTOR – Operations and Engineering

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

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

CONTROLLER

The Controller manages the finance department's daily finance/accounting activities including payroll and audits, preparation of the operating and capital budgets, preparation of the comprehensive annual financial reports, debt management, risk management, and cash management. The Controller provides oversight of the employee benefits program for the Authority. Additionally, the Controller monitors the general ledger and supervises staff in areas such as accounts payable and payroll.

SENIOR ACCOUNTANT

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

OFFICE MANAGER

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

Central Coast Water Authority
Administration Department
Fiscal Year 2021/22 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

The Administration Department operating expense budget for FY 2021/22 is increasing by about \$240,444 or 14.28% when compared to the FY 2020/21 Budget. The total FY 2021/22 budget is \$1,923,692 compared to the FY 2020/21 budget of \$1,683,248. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$30,261 due to the following:

- The FY 2021/22 total salaries and wages budget for the Administration Department increased by just \$17,108 when compared to the prior fiscal year budget.
- CalPERS retirement expenses are increasing by \$2,063 over the prior fiscal year. The CCWA employer paid portion for “Classic” members in FY 21/22 is 29.106% as compared to the prior year amount of 26.729%, for a 2.377% increase. CCWA “Classic” member employees began paying 50% of the increase in the “normal” PERS employer contribution in FY 2017/18. As of FY 2021/22 the Administration Department has 1 CalPERS PEPRA member employee. The PEPRA employer contribution rate in FY 2021/22 decreased from 8.706% in FY 2020/21 to 8.230% in FY 2021/22 for a decrease in employer paid PEPRA contribution rate of 0.476%. Currently, the Administration Department does not have any 2nd tier member employees.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by \$13,395. This is due to; 1) The 2021 CalPERS health insurance plan with the lowest premiums increased by 5.62% over the 2020 premiums, as opposed to the increase of 5% budgeted for the calendar year 2021. The 2021 health allowances have remained at same levels used in 2020; 2) The FY 2021/22 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2022. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers’ Compensation costs are decreasing by \$988 due to an 11% reduction in the Experience modification rate for CCWA.
- The FY 2020/21 Budget includes a \$33,522 deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums, based on employees

Central Coast Water Authority
Administration Department
Fiscal Year 2021/22 Budget

who are 62 years of age or older and retire from CCWA having completed at least 10 years of service with CCWA.

Professional/Legal Services Professional Services are increasing by \$191,062 due primarily to an increase of \$25,000 budgeted for Santa Barbara County staff time regarding State water issues, and an increase of about \$150,000 for legal services.

General and Administrative General and administrative expenses are decreasing in total by about \$9,600 due to a decrease in travel and meeting expenses.

Other Expenses Other expenses are increasing in total by about \$23,476 due to anticipated increase in insurance costs, and increased computer expenses.

Central Coast Water Authority
Personnel Services Summary
Administration Department
 Fiscal Year 2021/2022 Budget

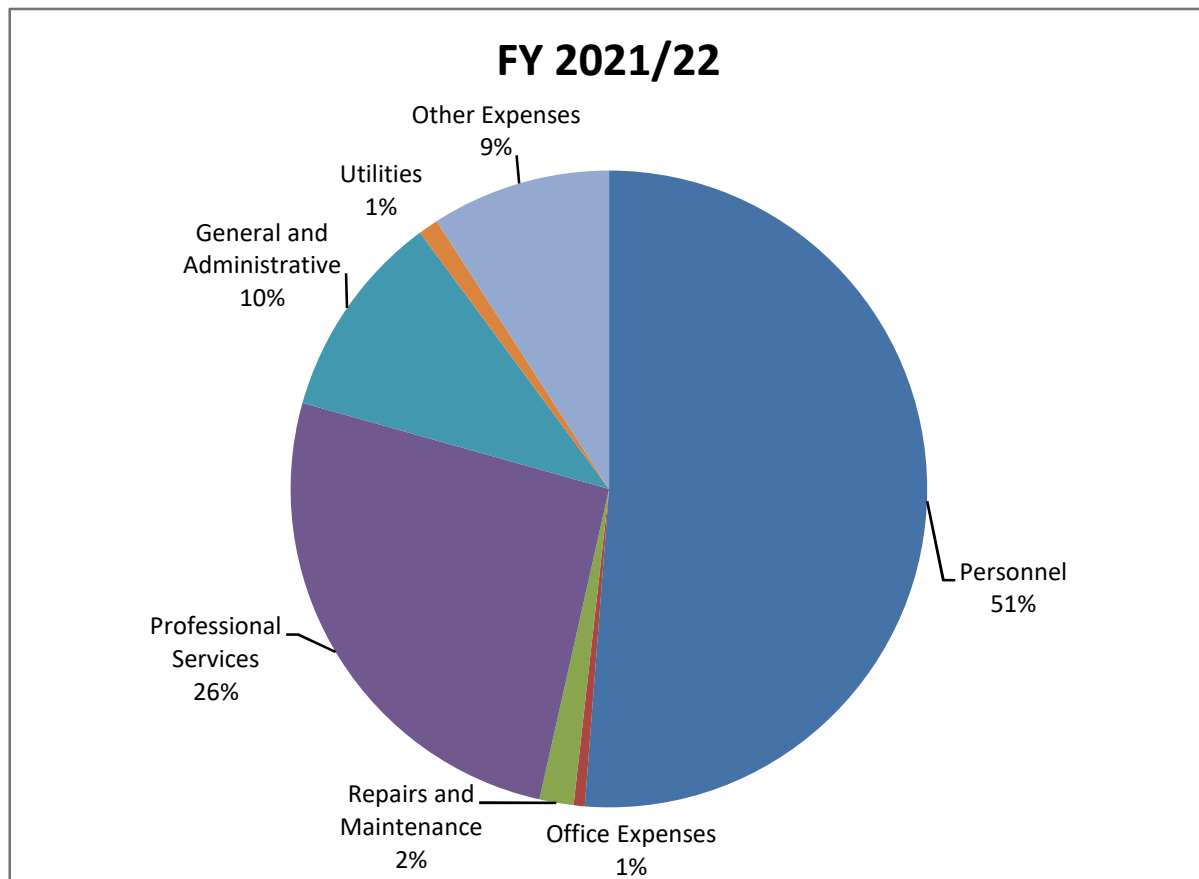
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2019/20	Number Auth. FY 2020/21	Number Requested FY 2021/2022	Change Over FY 2019/20	Change Over FY 2020/21
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director of Operations ⁽¹⁾	0.25	0.25	0.25	-	-
Controller	1.00	1.00	1.00	-	-
Deputy Controller	1.00	-	-	(1.00)	-
Senior Accountant	-	1.00	1.00	1.00	-
Office Manager	1.00	1.00	1.00	-	-
Accounting Technician	0.75	0.75	0.75	-	-
Administrative Assistant	0.75	0.75	0.75	-	-
TOTAL:	5.25	5.25	5.25	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2020/21 Total Annual Salary	Allocation to Admin Department
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 274,934	\$ 137,467
Deputy Director of Operations ⁽¹⁾	1	N/A	N/A	N/A	\$ 192,317	\$ 48,079
Controller	1	43	\$ 10,387	\$ 12,672	\$ 124,580	\$ 124,580
Deputy Controller	0	33	-	-	-	-
Senior Accountant	1	25	\$ 7,058	\$ 8,610	\$ 84,646	\$ 84,646
Office Manager	1	31	\$ 8,028	\$ 9,794	\$ 102,990	\$ 102,990
Accounting Technician	1	12	\$ 5,339	\$ 6,514	\$ 48,051	\$ 48,051
Administrative Assistant	1	11	\$ 5,226	\$ 6,375	\$ 56,555	\$ 56,555
FY 2020/21 Salary Pool						\$ 24,095
TOTAL:						\$ 626,463

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

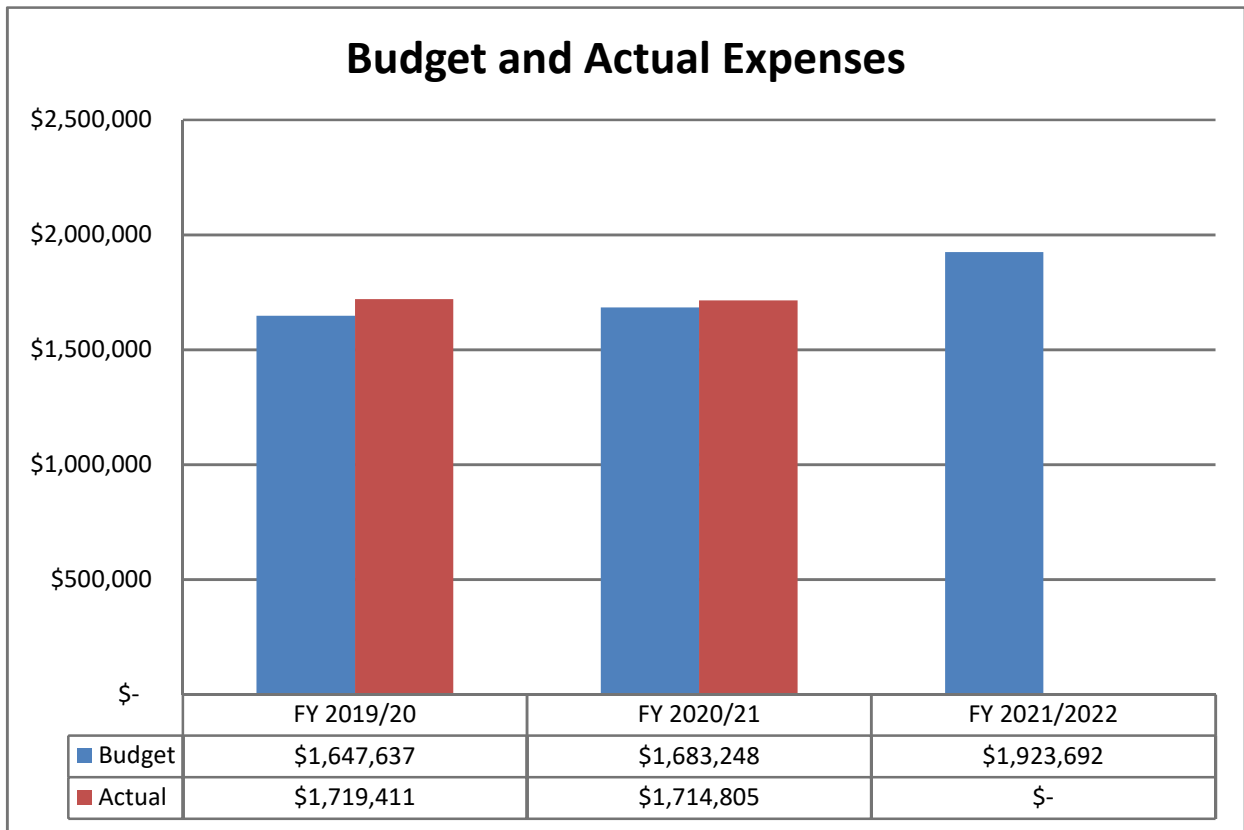
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2021/2022 Budget

Item	FY 2021/2022 Budget
Personnel	\$ 985,145
Office Expenses	10,800
Repairs and Maintenance	33,510
Professional Services	497,113
General and Administrative	202,562
Utilities	19,434
Other Expenses	175,128
TOTAL:	<u><u>\$ 1,923,692</u></u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2021/2022 Budget

Item	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget
Personnel	\$ 991,469	\$ 1,068,340	\$ 954,884	\$ 969,863	\$ 985,145
Office Expenses	10,500	9,465	10,800	10,244	10,800
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	29,935	30,905	29,960	27,726	33,510
Professional Services	254,171	345,434	306,051	381,187	497,113
General and Administration	202,460	145,251	212,162	171,911	202,562
Utilities	15,203	14,568	17,738	16,781	19,434
Other Expenses	143,899	105,449	151,652	137,093	175,128
TOTAL:	\$ 1,647,637	\$ 1,719,411	\$ 1,683,248	\$ 1,714,805	\$ 1,923,692



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 640,092	\$ 612,382	\$ 609,356	\$ 640,092	\$ 626,463	\$ 17,108	2.81%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	5,000	2,258	5,000	2,500	5,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	191,479	178,953	183,924	177,473	185,987	2,063	1.12%
5100.15	Medicare Taxes	9,782	11,483	9,300	9,568	9,396	96	1.03%
5100.20	Health/Dental/Vision Plans	88,842	77,968	91,473	84,822	104,867	13,395	14.64%
5100.25	Workers' Compensation	4,974	4,815	4,741	4,262	3,753	(988)	-20.84%
5100.30	Vehicle Expenses	9,000	8,654	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	35,052	162,170	35,053	36,107	33,522	(1,531)	-4.37%
5100.50	Long-Term Disability	3,328	3,154	3,169	2,933	3,258	89	2.81%
5100.55	Life Insurance	2,390	2,033	2,339	1,924	2,369	29	1.26%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	2,743	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,280	-	1,280	1,000	1,280	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	1,729	-	183	-	-	N/A
Total Personnel Expenses:		991,469	1,068,340	954,884	969,863	985,145	30,261	3.17%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	6,000	6,094	6,300	6,332	6,300	-	0.00%
5200.30	Miscellaneous Office Expenses	4,500	3,371	4,500	3,912	4,500	-	0.00%
Total Office Expenses:		10,500	9,465	10,800	10,244	10,800	-	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:		-	-	-	-	-	-	-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	5,500	10,779	5,500	5,925	5,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	20,175	16,363	20,200	17,926	23,750	3,550	17.57%
5700.40	Landscape Maintenance	4,260	3,763	4,260	3,875	4,260	-	0.00%
Total Repairs and Maintenance:		29,935	30,905	29,960	27,726	33,510	3,550	11.85%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	46,131	42,743	31,131	27,177	76,393	45,262	145.39%
5400.20	Legal Services	100,000	224,654	160,000	239,742	310,000	150,000	93.75%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,940	2,821	5,620	4,577	4,120	(1,500)	-26.69%
5400.60	Accounting Services	104,100	75,217	109,300	109,692	106,600	(2,700)	-2.47%
Total Professional Services:		254,171	345,434	306,051	381,187	497,113	191,062	62.43%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	25,000	12,400	31,100	-	21,500	(9,600)	-30.87%
5300.20	Mileage Reimbursement	1,000	660	1,000	-	1,000	-	0.00%
5300.30	Dues and Memberships	163,736	126,573	167,469	163,627	167,469	-	0.00%
5300.40	Publications	1,500	459	1,250	1,955	1,250	-	0.00%
5300.50	Training	3,425	1,307	3,544	2,096	3,544	-	0.00%
5300.60	Advertising	2,500	90	2,500	-	2,500	-	0.00%
5300.70	Printing and Binding	2,000	955	2,000	1,824	2,000	-	0.00%
5300.80	Postage	3,300	2,808	3,300	2,410	3,300	-	0.00%
Total General and Administrative:		202,460	145,251	212,162	171,911	202,562	(9,600)	-4.52%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	450	605	450	458	450	-	0.00%
5800.30	Electric-Fixed	7,668	5,225	7,668	7,379	8,944	1,276	16.64%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	2,400	2,209	2,400	2,406	2,400	-	0.00%
5800.50	Telephone	1,485	3,111	3,600	3,508	3,780	180	5.00%
5800.60	Waste Disposal	3,200	3,418	3,620	3,030	3,860	240	6.63%
Total Utilities:		15,203	14,568	17,738	16,781	19,434	1,696	9.56%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	19,395	19,643	19,913	23,643	23,098	3,185	16.00%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	3,140	-	6,866	-	-	N/A
5900.40	Equipment Rental	5,340	-	5,340	5,814	5,340	-	0.00%
5900.50	Non-Capitalized Equipment	2,500	4,982	2,500	2,500	2,500	-	0.00%
5900.60	Computer Expenses	84,357	-	90,894	98,269	106,470	15,576	17.14%
5900.70	Appropriated Contingency	32,307	77,685	33,005	-	37,719	4,715	14.28%
Total Other Expenses:		143,899	105,449	151,652	137,093	175,128	23,476	15.48%
TOTAL OPERATING EXPENSES		\$ 1,647,637	\$ 1,719,411	\$ 1,683,248	\$ 1,714,805	\$ 1,923,692	\$ 240,444	14.28%

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

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$24,095 for the FY 2021/22 salary pool.

FY 21/22 Requested Budget	626,463
FY 20/21 Estimated Actual	640,092
Increase (Decrease)	(13,629)

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

Description: Overtime expenses for non-exempt Administration employees.

FY 21/22 Requested Budget	5,000
FY 20/21 Estimated Actual	2,500
Increase (Decrease)	2,500

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

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

FY 21/22 Requested Budget	185,987
FY 20/21 Estimated Actual	177,473
Increase (Decrease)	8,514

Required Contributions	\$ 104,783	17.506%
UAL current fiscal year	52,672	11.600%
UAL additional payment	28,532	fixed
TOTAL	\$ 185,987	

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 21/22 Requested Budget	9,396
FY 20/21 Estimated Actual	9,568
Increase (Decrease)	(172)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

Description: Funds for employer paid portion of health insurance for Administration employees. Based on employee 2020 Caf  Plan elections and dependent status. Includes an estimated 5% increase in 2021 plan rates.

FY 21/22 Requested Budget	75,019
FY 20/21 Estimated Actual	55,743
Increase (Decrease)	19,276

	2021 Allowance		2022 Allowance Est
Family	\$ 20,729	\$	21,247
Emp + 1	15,586		15,976
Employee only	7,857		8,053

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 85% and economy of size rate of 90%. Based on a 3% premium increase over FY 2020/21

FY 21/22 Requested Budget	3,753
FY 20/21 Estimated Actual	4,262
Increase (Decrease)	(510)

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

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

FY 21/22 Requested Budget	9,000
FY 20/21 Estimated Actual	9,000
Increase (Decrease)	0

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

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

FY 21/22 Requested Budget	33,522
FY 20/21 Estimated Actual	36,107
Increase (Decrease)	(2,585)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

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

FY 21/22 Requested Budget	16,533
FY 20/21 Estimated Actual	17,251
Increase (Decrease)	(718)

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

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,738 per year per family for dental and vision expenses. Budgeted amount is \$2,803 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 21/22 Requested Budget	13,315
FY 20/21 Estimated Actual	11,828
Increase (Decrease)	1,487

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

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

FY 21/22 Requested Budget	3,258
FY 20/21 Estimated Actual	2,933
Increase (Decrease)	325

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 21/22 Requested Budget	2,369
FY 20/21 Estimated Actual	1,924
Increase (Decrease)	445

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

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

FY 21/22 Requested Budget	250
FY 20/21 Estimated Actual	-
Increase (Decrease)	250

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

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

FY 21/22 Requested Budget	1,280
FY 20/21 Estimated Actual	1,000
Increase (Decrease)	280

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

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

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

FY 21/22 Requested Budget	6,300
FY 20/21 Estimated Actual	6,332
Increase (Decrease)	(32)

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

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

FY 21/22 Requested Budget	4,500
FY 20/21 Estimated Actual	3,912
Increase (Decrease)	588

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

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

FY 21/22 Requested Budget	21,500
FY 20/21 Estimated Actual	-
Increase (Decrease)	21,500

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

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

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

FY 21/22 Requested Budget	1,000
FY 20/21 Estimated Actual	-
Increase (Decrease)	1,000

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

Description: Funds for professional dues.

FY 21/22 Requested Budget	167,469
FY 20/21 Estimated Actual	163,627
Increase (Decrease)	3,842

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

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

Description: Funds for publications received by CCWA

FY 21/22 Requested Budget	1,250
FY 20/21 Estimated Actual	1,955
Increase (Decrease)	(705)

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

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

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

FY 21/22 Requested Budget	3,544
FY 20/21 Estimated Actual	2,096
Increase (Decrease)	1,448

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

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

FY 21/22 Requested Budget	2,500
FY 20/21 Estimated Actual	-
Increase (Decrease)	2,500

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 21/22 Requested Budget	2,000
FY 20/21 Estimated Actual	1,824
Increase (Decrease)	176

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

Description: Funds for all postal and mail expenses.

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

FY 21/22 Requested Budget	3,300
FY 20/21 Estimated Actual	2,410
Increase (Decrease)	890

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

Description: Funds for miscellaneous consultants and other services.

FY 21/22 Requested Budget	76,393	\$	3,790	BAO office alarm system, DMV monitoring fee
FY 20/21 Estimated Actual	27,177		50,000	SB County staff costs for CCWA related work
Increase (Decrease)	49,217		2,603	Personnel Team Building
			20,000	PR Consultant
		\$	76,393	TOTAL

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

Description: Funds for CCWA legal services.

FY 21/22 Requested Budget	310,000	\$	300,000	Brownstein Hyatt Farber General Counsel
FY 20/21 Estimated Actual	239,742		10,000	Stradling Yocca Carlsen Personnel Counsel
Increase (Decrease)	70,258	\$	310,000	TOTAL

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

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

FY 21/22 Requested Budget	4,120	\$	1,620	IRC 125 Plan administration fees (\$135 per mo)
FY 20/21 Estimated Actual	4,577		1,500	Employee Assistance Program
Increase (Decrease)	(457)		1,000	Other miscellaneous
		\$	4,120	TOTAL

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

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

FY 21/22 Requested Budget	106,600	\$	25,000	Glenn Burdette - Annual Audit
FY 20/21 Estimated Actual	109,692		15,000	Ernst & Young - SWC SOC Audit
Increase (Decrease)	(3,092)		50,000	Ernst & Young - CCWA SOC Audit
			16,600	Bartel Assoc - Pension/OPEB Actuarial Reports
		\$	106,600	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

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

FY 21/22 Requested Budget	5,500	\$	4,500	Copier maintenance agreement
FY 20/21 Estimated Actual	5,925		1,000	Other misc. equipment repairs
Increase (Decrease)	(425)	\$	5,500	TOTAL

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

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

FY 21/22 Requested Budget	23,750	\$	1,250	Monthly Pest Control
FY 20/21 Estimated Actual	17,926		15,000	Janitorial services and supplies
Increase (Decrease)	5,824		6,000	Building repairs, maintenance
			1,500	HVAC quarterly maintenance
		\$	23,750	TOTAL

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

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

FY 21/22 Requested Budget	4,260	\$	2,640	Gardener (\$220 per month)
FY 20/21 Estimated Actual	3,875		1,320	Irrigation Water (\$110 per month)
Increase (Decrease)	385		300	Miscellaneous
		\$	4,260	TOTAL

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

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

FY 21/22 Requested Budget	450
FY 20/21 Estimated Actual	458
Increase (Decrease)	(8)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

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

FY 21/22 Requested Budget	8,944
FY 20/21 Estimated Actual	7,379
Increase (Decrease)	1,565

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

Description: Funds for water and sewer service for the Administration building (\$200 per month).

FY 21/22 Requested Budget	2,400
FY 20/21 Estimated Actual	2,406
Increase (Decrease)	(6)

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

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

FY 21/22 Requested Budget	3,780
FY 20/21 Estimated Actual	3,508
Increase (Decrease)	272

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

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

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

FY 21/22 Requested Budget	3,860
FY 20/21 Estimated Actual	3,030
Increase (Decrease)	830

\$	3,660	Waste Disposal service (\$305 per month)
	200	Hazardous Waste Disposal
\$	3,860	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

Description: Funds for insurance related expenses.

FY 21/22 Requested Budget	23,098	\$	1,833	Property and auto insurance based on
FY 20/21 Estimated Actual	23,643			allocation provided by JPIA
Increase (Decrease)	(545)	\$	17,065	General Liability and E&O apportioned by
				payroll percentages
		\$	4,200	Employee fidelity bond \$5 million limit
		\$	23,098	TOTAL

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

Description: Funds for rental of equipment.

FY 21/22 Requested Budget	5,340	\$	1,780	Postage meter (\$445 per quarter)
FY 20/21 Estimated Actual	5,814		3,060	Copier lease (\$255 per month)
Increase (Decrease)	(474)		500	Other
		\$	5,340	TOTAL

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

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

FY 21/22 Requested Budget	2,500
FY 20/21 Estimated Actual	2,500
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2021/2022 BUDGET**

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

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

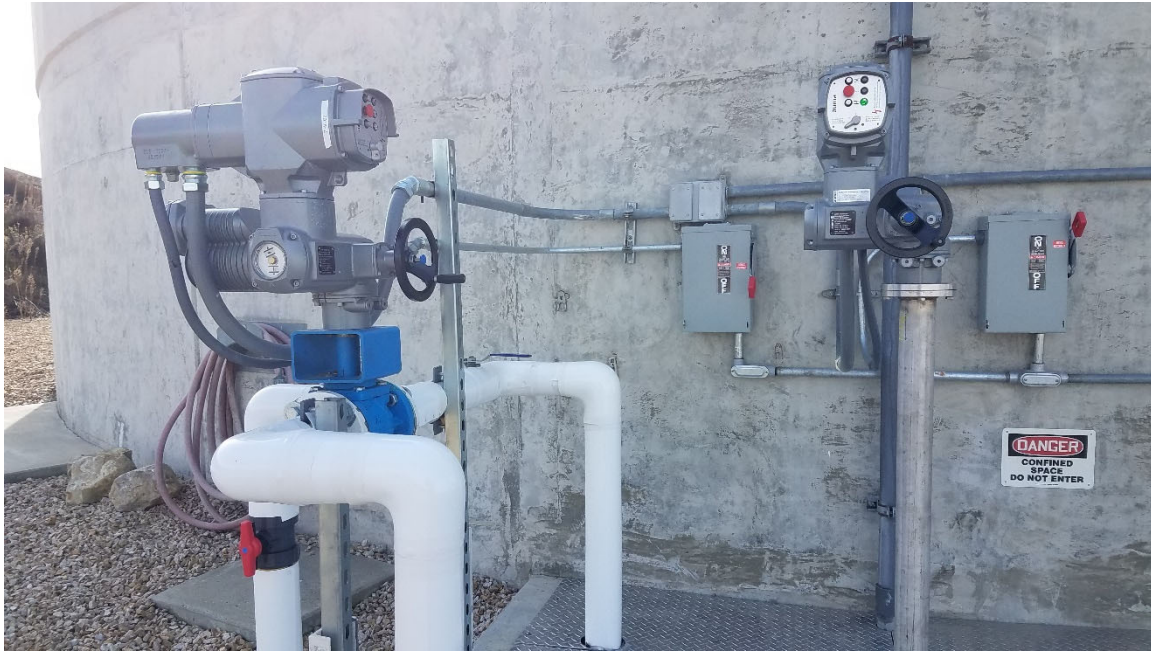
FY 21/22 Requested Budget	106,470
FY 20/21 Estimated Actual	98,269
Increase (Decrease)	8,202

\$	96,390	CompuVision, Annual Service Agreements and Software Subscriptions
\$	10,080	Software and other computer services
\$	106,470	TOTAL

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

Description: 2.0% of operating expenses

FY 21/22 Requested Budget	37,719
FY 20/21 Estimated Actual	-
Increase (Decrease)	37,719



Water Treatment Plant Clarifier Valve Replacement 2019

Water Treatment Plant Department

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

Highlights

Department Information

- Number of employees 14.80
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2021/22 requested water deliveries 31,007 acre-feet

Budget Information

- Total FY 2021/22 O&M Budget \$ 4,802,678
- O&M Budget decrease over FY 2020/21 \$ (362,384)
 - Fixed cost increase over FY 2020/21 \$ 83,396
 - Variable cost decrease over FY 2020/21 \$ (445,781)
- Percentage decrease (7.02%)
- Fixed O&M Expenses \$ 3,441,809
- Variable O&M Expenses \$ 1,360,869
- FY 2021/22 budgeted chemical cost \$ 35.93 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 35.25
 - Variable \$ 11.79
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 170.66
 - Variable \$ 43.89

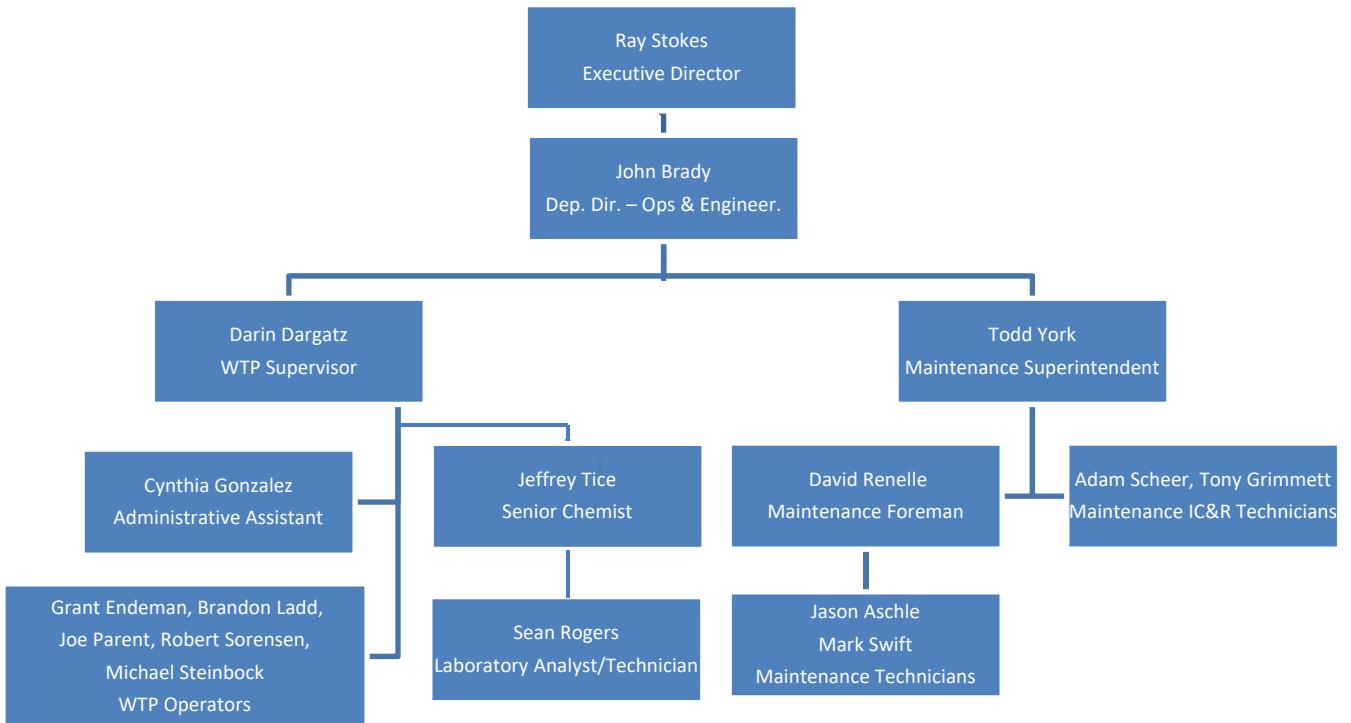
Significant Accomplishments during FY 2020/21

Significant Goals for FY 2021/22

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2021/22 Budget

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

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



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

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

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

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

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2021/22 Budget

sampling program, maintains all laboratory equipment, and trains Operations and Maintenance staff in laboratory safety and procedures.

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

The goals for the Water Treatment Plant Department will be discussed at an upcoming meeting of the CCWA Board of Directors.

WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

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

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

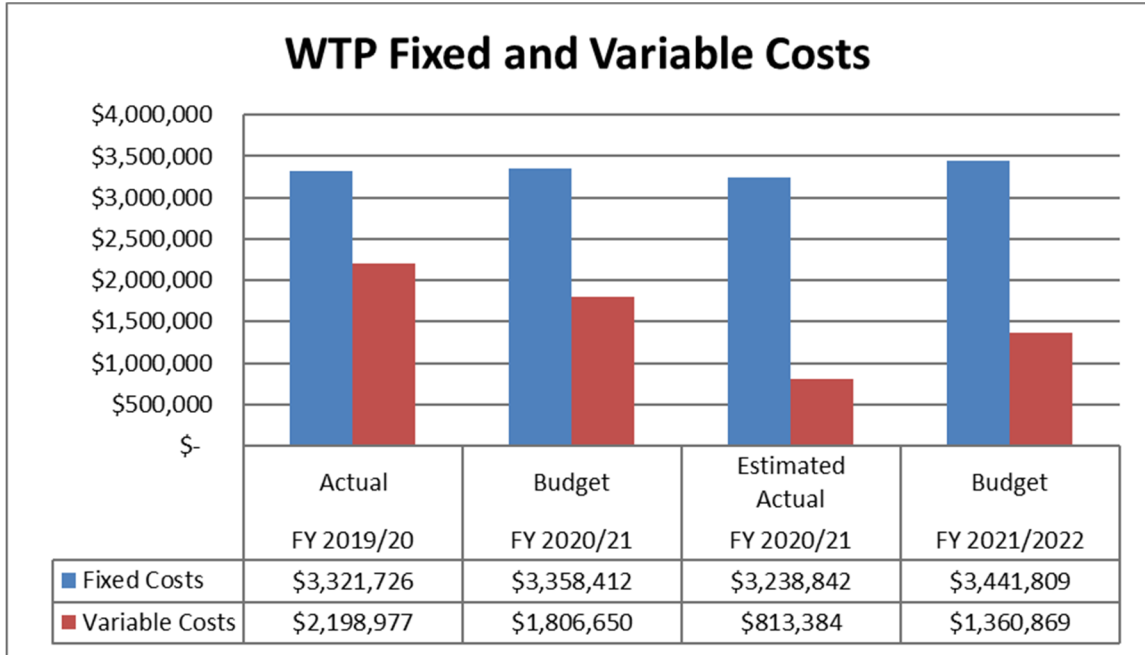
For FY 2021/22, the Water Treatment Plant fixed O&M costs total \$3,441,809 or \$83,396 more than the FY 2020/21 budget.

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

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2021/22 Budget

For FY 2021/22, the Water Treatment Plant variable O&M costs total \$1,360,869 which is a decrease of \$445,781 from the FY 2020/21 budget. The FY 2021/22 variable O&M budget is comprised of \$1,187,006 for chemical expenses and \$173,863 for electrical costs based on treatment and delivery of 31,007 acre-feet of water for the year.

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



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

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

Fiscal Year 2021/22 Operating Expense Budget

The FY 2021/22 Water Treatment Plant operating expense budget is \$4,802,678 which is \$362,384 less than the previous year's budget of \$5,165,062, a 7.02% decrease.

The personnel expense section of the Water Treatment Plant budget represents approximately 53% of the budget. Supplies and equipment comprise 26% 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 121 shows the allocation of the various components of the water treatment plant operating expense budget.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2021/22 Budget

Personnel Expenses Total personnel expenses are increasing by about \$40,292 when compared to the FY 2020/21 budget for the following reasons.

- The FY 2021/22 total salaries and wages budget for the Water Treatment Plant Department is held to an increase of just \$38,689 when compared to the prior fiscal year budget due to certain employees reaching the top of their salary range which caused actual salaries on July 1, 2020 to be lower than what was included in the budget for FY 2020/21.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by about \$8,042 This is due to; 1) The 2021 CalPERS health insurance plan with the lowest premiums increased by 5.62% over the 2020 premiums, as opposed to the increase of 5% budgeted for the calendar year 2021. The 2021 health allowances have remained at same levels used in 2020; 2) The FY 2021/22 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2022. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers' Compensation costs are decreasing by \$10,867 due to an 11% reduction in the Experience modification rate for CCWA.
- CalPERS retirement expenses are increasing by \$3,649 over the prior fiscal year. The CCWA employer paid portion for "Classic" members in FY 21/22 is 29.106% as compared to the prior year amount of 26.729%, for a 2.377% increase. CCWA "Classic" member employees began paying 50% of the increase in the "normal" PERS employer contribution in FY 2017/18. As of FY 2021/22 the WTP Department has 6 CalPERS PEPRA member employees. The PEPRA employer contribution rate in FY 2021/22 decreased from 8.706% in FY 2020/21 to 8.230% in FY 2021/22 for a decrease in employer paid PEPRA contribution rate of 0.476%. Currently, the WTP Department does not have any 2nd tier member employees.
- The FY 2020/21 Budget includes \$71,423 for deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums, based on employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of service with CCWA.

Supplies and Equipment Supplies and equipment are decreasing by about \$477,500 because of decreased cost of chemicals. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality, which is expected to be a challenge in FY 2021/22 due to the anticipated changing water conditions as seen in the preceding fiscal years.

Monitoring Expenses Monitoring expenses are increasing \$11,193 due to a need for additional lab supplies and equipment as identified by the Senior Chemist for FY 2021/22.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2021/22 Budget

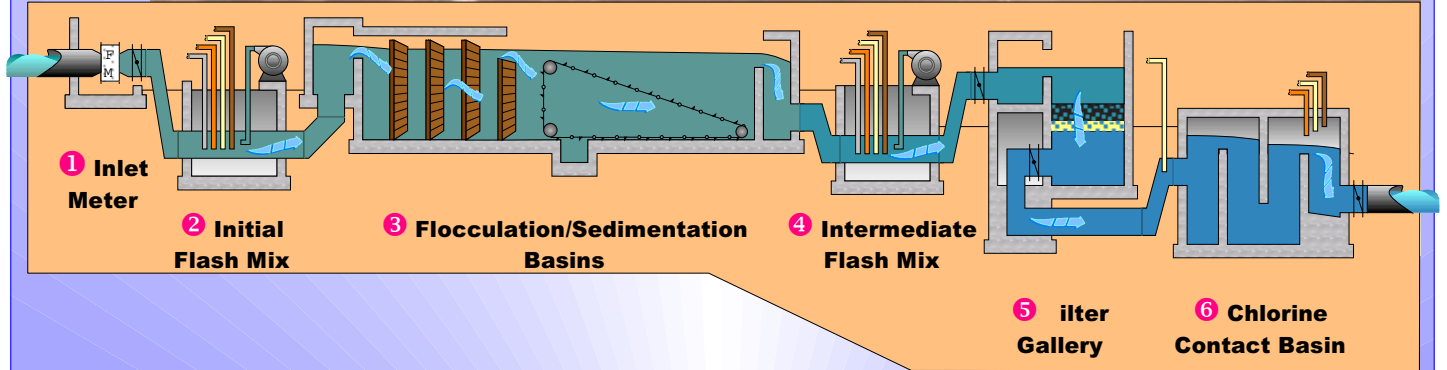
Repairs and Maintenance Repairs and Maintenance expenses are decreasing by \$1,500 over the prior year due to a decrease in anticipated HVAC expenses.

Professional Services Professional service expenses are remaining flat over the prior year.

General and Administrative General and administrative expenses decreased about \$5,650 due to decreased costs for dues and memberships.

Utilities Utility expenses are increasing by approximately \$47,693 due to PG&E rate increases as a result of California wildfires and resulting wildfire mitigation expenses.

Other Expenses Other expenses are increasing by approximately \$23,088 due to an increase in insurance costs and computer expenses.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2021/22 Budget

Regional Water Treatment Plant Allocation

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

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

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

In order to properly allocate the capital cost component of the water treatment plant for those project participants that did not participate in the bond financing (Santa Maria, Golden State Water Company, and Vandenberg Air Force Base), an imputed debt service schedule has been prepared which allocates treatment plant debt service as though all Santa Barbara County participants shared in the financing in proportion to their entitlement allocation. The current budgeted capital component of the Regional Water Treatment Plant Allocation and Credit is based on a remaining principal balance of \$10,095,000 for constructing the Polonio Pass Water Treatment Plant at an interest cost of 1.355% for 5 years. These terms match the terms of the Authority’s outstanding 2016A refunding revenue bonds.

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

The following tables show the calculation of the FY 2021/22 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2021/2022 Budget

Project Participant	Allocated Table A ⁽¹⁾				Unadjusted Fixed & Capital			Adjusted Fixed & Capital ⁽⁴⁾			Fixed & Capital Retreatment 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 Retreatment Adjustment	Fixed O&M Retreatment Adjustment	Total Adjusted Fixed & Capital	Allocated Table A % SB County	Fixed & Capital Retreatment Adjustments	Cost Per AF of Allocated Table A Amount
Guadalupe	550		550	1.25%	\$ 55,242	\$ 12,873	\$ 68,115	\$ 16,538	\$ 70,967	\$ 87,505	1.41%	19,390	\$ 35.25
Santa Maria	16,200		16,200	36.90%	1,627,115	379,182	2,006,298	487,121	2,090,292	2,577,414	41.46%	571,116	35.25
Golden State Water	500		500	1.14%	50,220	11,703	61,923	15,035	64,515	79,550	1.28%	17,627	35.25
VAFB	5,500		5,500	12.53%	552,416	128,735	681,151	165,381	709,667	875,048	14.07%	193,897	35.25
Buellton	578		578	1.32%	58,054	13,529	71,583	17,380	74,580	91,960	1.48%	20,377	35.25
Santa Ynez (Solvang)	1,500		1,500	3.42%	150,659	35,109	185,768	45,104	193,546	238,649	3.84%	52,881	35.25
Santa Ynez	500	2,626	3,126	7.12%	313,973	11,703	325,676	93,996	403,349	497,345	8.00%	110,204	35.25
Goleta	4,500	(944)	3,556	8.10%	357,162	105,328	462,490	106,926	458,832	565,758	9.10%	125,363	35.25
Morehart	200	-	200	0.46%	20,088	4,681	24,769	6,014	25,806	31,820	0.51%	7,051	35.25
La Cumbre	1,000	-	1,000	2.28%	100,439	23,406	123,846	30,069	129,030	159,100	2.56%	35,254	35.25
Raytheon	50	-	50	0.11%	5,022	1,170	6,192	1,503	6,452	7,955	0.13%	1,763	35.25
Santa Barbara	3,000	(631)	2,369	5.40%	237,941	70,219	308,160	71,234	305,673	376,907	6.06%	83,517	35.25
Montecito	3,000	(631)	2,369	5.40%	237,941	70,219	308,160	71,234	305,673	376,907	6.06%	83,517	35.25
Carpinteria	2,000	(420)	1,580	3.60%	158,694	46,813	205,507	47,509	203,868	251,377	4.04%	55,701	35.25
SB County Subtotal:	39,078	-	39,078	89.00%	3,924,964	914,672	4,839,636	1,175,044	5,042,250	6,217,294	100.00%	1,377,658	35.25
SLO County	4,830	-	4,830	11.00%	485,121	113,053	598,174	-	-	-	-	-	-
TOTAL:	43,908		43,908	100.00%	\$ 4,410,086	\$ 1,027,725	\$ 5,437,810	\$ 1,175,044	\$ 5,042,250	\$ 6,217,294	100.00%	1,377,658	

Fixed & Capital Retreatment Allocation Factor

Total South Coast Table A	11,124	Total Adjusted Fixed & Capital Costs (SB County)	\$ 6,217,294
Total SB County Table A	39,078	Total Unadjusted Fixed & Capital Costs (SB County)	4,839,636
Subtotal:	50,202	Fixed & Capital WTP Allocation Amount	<u>\$ 1,377,658</u>
South Coast Retreated %	1.28		

Project Participant	South Coast Fixed & Capital Retreatment 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	3,556	31.97%	(440,395)	(123.85)
Morehart	200	1.80%	(24,769)	(123.85)
La Cumbre	1,000	8.99%	(123,846)	(123.85)
Raytheon	50	0.45%	(6,192)	(123.85)
Santa Barbara	2,369	21.30%	(293,390)	(123.85)
Montecito	2,369	21.30%	(293,390)	(123.85)
Carpinteria	1,580	14.20%	(195,676)	(123.85)
SB County Subtotal:	11,124	100.00%	(1,377,658)	
SLO County	-	0.00%	-	
TOTAL:	11,124	100.00%	(1,377,658)	

- (1) Allocated Table A represents Table A contract amount, minus exchange deliveries for the South Coast project participants plus exchange deliveries for Santa Ynez ID#1.
- (2) Unadjusted Fixed Operating Costs represents the WTP fixed O&M costs allocated to all project participants in proportion to contract Table A amounts.
- (3) Imputed WTP Debt Service Costs represents the cost to repay the construction costs of the WTP based on an unpaid balance of \$14,808,507 at 1.355% interest for 5 years, which corresponds to the CCWA 2016A revenue bonds.
- (4) Adjusted Fixed and Capital amounts represents the unadjusted WTP fixed and capital costs times the Fixed and Capital Retreatment Allocation Factor.
- (5) Fixed and Capital Retreatment 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 Retreatment Credits represents the fixed and capital credits allocated to the South Coast agencies in proportion to the South Coast allocated Table A amounts.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2021/2022 Budget
Page 2

Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs				South Coast Variable Retreatment Credits				TOTAL	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Variable Retreatment Adjustment	Retreatment Variable Allocation	Retreatment Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retreatment	Fixed, Capital & Variable Credits
Guadalupe	606		606	\$ 26,597	33,743	7,146	11.79					\$ 26,536	
Santa Maria	12,020		12,020	527,547	669,287	141,740	11.79					712,856	
Golden State Water	550		550	24,139	30,625	6,486	11.79					24,113	
VAFB	2,601		2,601	114,156	144,827	30,671	11.79					224,568	
Buellton	416		416	18,258	23,163	4,905	11.79					25,282	
Santa Ynez (Solvang)	889		889	39,017	49,501	10,483	11.79					63,364	
Santa Ynez	701	2,626	3,327	146,019	185,251	39,232	11.79					149,436	
Goleta	2,286	(944)	1,342	58,899	74,724	15,825	11.79	1,342	17.90%	\$ (58,899)	(43.89)	141,188	\$ (499,294)
Morehart	48	-	48	2,107	2,673	566	11.79	48	0.64%	(2,107)	(43.89)	7,617	(26,876)
La Cumbre	599	-	599	26,290	33,353	7,063	11.79	599	7.99%	(26,290)	(43.89)	42,317	(150,135)
Raytheon	22	-	22	966	1,225	259	11.79	22	0.29%	(966)	(43.89)	2,022	(7,158)
Santa Barbara	2,706	(631)	2,075	91,070	115,538	24,468	11.79	2,075	27.67%	(91,070)	(43.89)	107,985	(384,460)
Montecito	2,706	(631)	2,075	91,070	115,538	24,468	11.79	2,075	27.67%	(91,070)	(43.89)	107,985	(384,460)
Carpinteria	1,757	(420)	1,337	58,680	74,446	15,766	11.79	1,337	17.83%	(58,680)	(43.89)	71,467	(254,356)
SB County Subtotal:	27,907	-	27,907	1,224,813	1,553,894	329,080	11.79	7,498	100.00%	(329,080)		1,706,738	(1,706,738)
SLO County	3,100		3,100	136,056	-			-	0.00%	-		-	-
TOTAL:	31,007	-	31,007	\$ 1,360,869	\$ 1,553,894	\$ 329,080		7,498	100.00%	\$ (329,080)		\$ 1,706,738	\$ (1,706,738)

Variable Retreatment Allocation Factor

Total South Coast Deliveries	7,498
Total SB County Deliveries	27,907
Subtotal:	35,405

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2021/22 Budget

Santa Ynez Exchange Agreement

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

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

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

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

The benefits of exchange are:

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

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

The following tables show the FY 2021/22 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2021/2022 Budget

CCWA Revenue Bond Service Debt - paid in full in October 2021

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Debt Service Per AF	WTP Capital Exchange Adjustments	
Guadalupe	550		1.25%	\$ 55,242	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Maria	16,200		36.90%	1,627,115	100	-	-	-	-	-
Golden State Water	500		1.14%	50,220	100	-	-	-	-	-
VAFB	5,500		12.53%	552,416	100	-	-	-	-	-
Buellton	578		1.32%	58,054	100	-	-	-	-	-
Santa Ynez (Solvang)	1,500		3.42%	150,659	100	-	-	-	-	-
Santa Ynez	500	2,626	1.14%	50,220	100	263,753	-	-	-	263,753
Goleta	4,500	(944)	10.25%	451,977	100	(94,815)	-	-	-	(94,815)
Morehart	200	-	0.46%	20,088	100	-	-	-	-	-
La Cumbre	1,000	-	2.28%	100,439	100	-	-	-	-	-
Raytheon	50	-	0.11%	5,022	100	-	-	-	-	-
Santa Barbara	3,000	(631)	6.83%	301,318	100	(63,377)	-	-	-	(63,377)
Montecito	3,000	(631)	6.83%	301,318	100	(63,377)	-	-	-	(63,377)
Carpinteria	2,000	(420)	4.55%	200,878	100	(42,184)	-	-	-	(42,184)
SB County Subtotal:	39,078	-	89.00%	3,924,964	-	-	-	-	-	-
SLO County	4,830	-	11.00%	485,121	-	-	-	-	-	-
TOTAL:	43,908	-	100.00%	\$ 4,410,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Project Participant	WTP Requested Water Deliveries			WTP Variable Exchange Modifications			Total Exchange Modifications	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	WTP Variable Costs Per Acre-Foot	Variable Exchange Modifications	TOTAL EXCHANGE MODIFICATIONS	Cost (Credit) Per Acre-Foot
Guadalupe	606		606	\$ 26,597	\$ 43.89	-	-	-
Santa Maria	12,020		12,020	527,547	43.89	-	-	-
Golden State Water	550		550	24,139	43.89	-	-	-
VAFB	2,601		2,601	114,156	43.89	-	-	-
Buellton	416		416	18,258	43.89	-	-	-
Santa Ynez (Solvang)	889		889	39,017	43.89	-	-	-
Santa Ynez	701	2,626	3,327	30,766	43.89	\$ 115,253	379,006	\$ 144
Goleta	2,286	(944)	1,342	100,330	43.89	(41,431)	(136,246)	\$ (144)
Morehart	48	-	48	2,107	43.89	-	-	-
La Cumbre	599	-	599	26,290	43.89	-	-	-
Raytheon	22	-	22	966	43.89	-	-	-
Santa Barbara	2,706	(631)	2,075	118,764	43.89	(27,694)	(91,071)	\$ (144)
Montecito	2,706	(631)	2,075	118,764	43.89	(27,694)	(91,071)	\$ (144)
Carpinteria	1,757	(420)	1,337	77,113	43.89	(18,433)	(60,618)	\$ (144)
SB County Subtotal:	27,907	-	27,907	1,224,813	-	-	-	-
SLO County	3,100	-	3,100	136,056	-	-	-	-
TOTAL:	31,007	-	31,007	\$ 1,360,869	\$ -	\$ -	\$ -	\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2021/2022 Budget

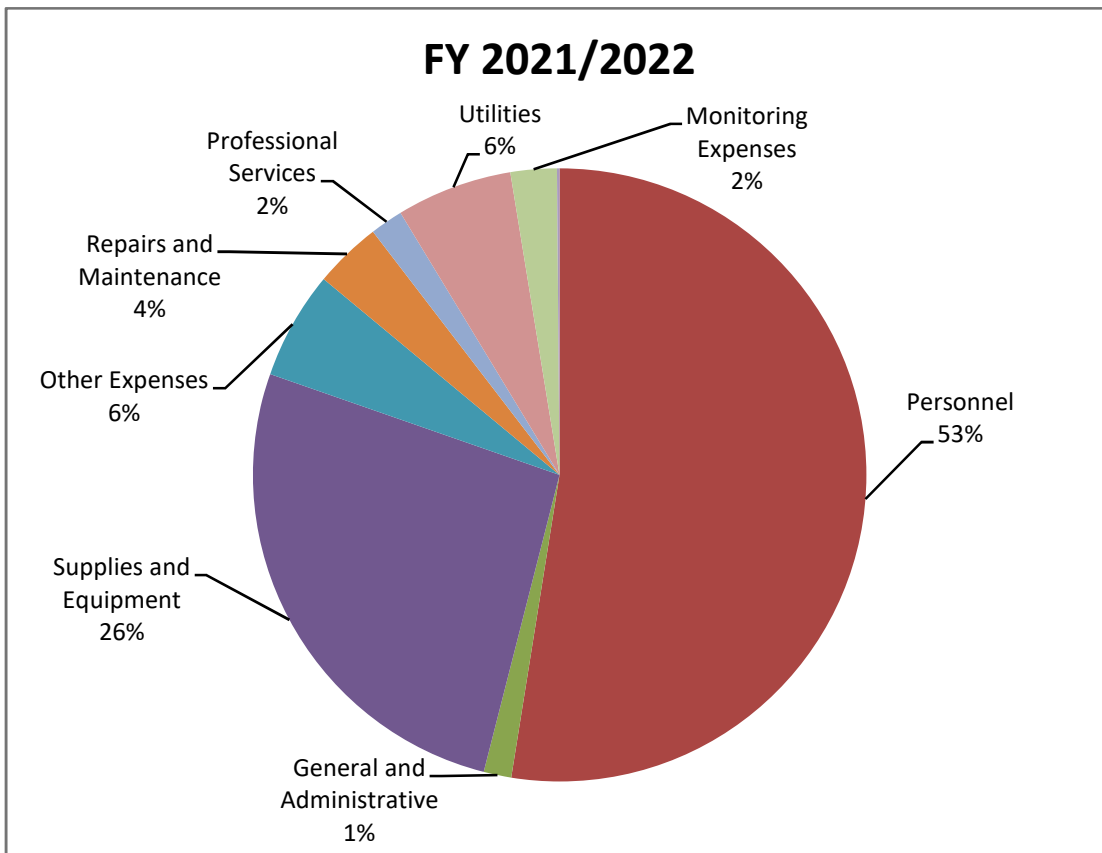
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2019/20	Number Auth. FY 2020/21	Number Requested FY 2021/2022	Change Over FY 2019/20	Change Over FY 2020/21
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽³⁾	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Safety & Environmental Specialist ⁽⁴⁾	0.25	0.25	0.25	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance, IC&R Techs ⁽⁵⁾	1.60	1.60	1.60	-	-
WTP Operators	5.00	5.00	5.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
Administrative Assistant	0.75	0.75	0.75	-	-
TOTAL:	14.80	14.80	14.80	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2020/21 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 274,934	\$ 68,734
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 192,317	\$ 67,311
WTP Supervisor	1	37	\$ 9,132	\$ 11,141	\$ 131,771	\$ 131,771
Maintenance Superintendent ⁽³⁾	1	35	\$ 8,748	\$ 10,672	\$ 121,680	\$ 73,008
Maintenance Foreman	1	26	\$ 7,211	\$ 8,797	\$ 104,055	\$ 104,055
Safety & Environmental Specialist ⁽⁴⁾	1	29	\$ 7,691	\$ 9,383	\$ 110,977	\$ 27,744
Senior Chemist	1	29	\$ 7,691	\$ 9,383	\$ 110,977	\$ 110,977
Maintenance Technicians	2	19	\$ 6,205	\$ 7,570	\$ 178,119	\$ 178,119
Maintenance, IC&R Technicians ⁽⁵⁾	2	26	\$ 7,211	\$ 8,797	\$ 182,092	\$ 145,674
WTP Operators	5	21	\$ 6,477	\$ 7,902	\$ 467,320	\$ 467,320
Laboratory Analyst	1	14	\$ 5,573	\$ 6,799	\$ 73,917	\$ 73,917
Administrative Assistant	1	11	\$ 5,226	\$ 6,375	\$ 49,954	\$ 49,954
FY 2020/21 Salary Pool						\$ 59,943
TOTAL:						\$ 1,558,525

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

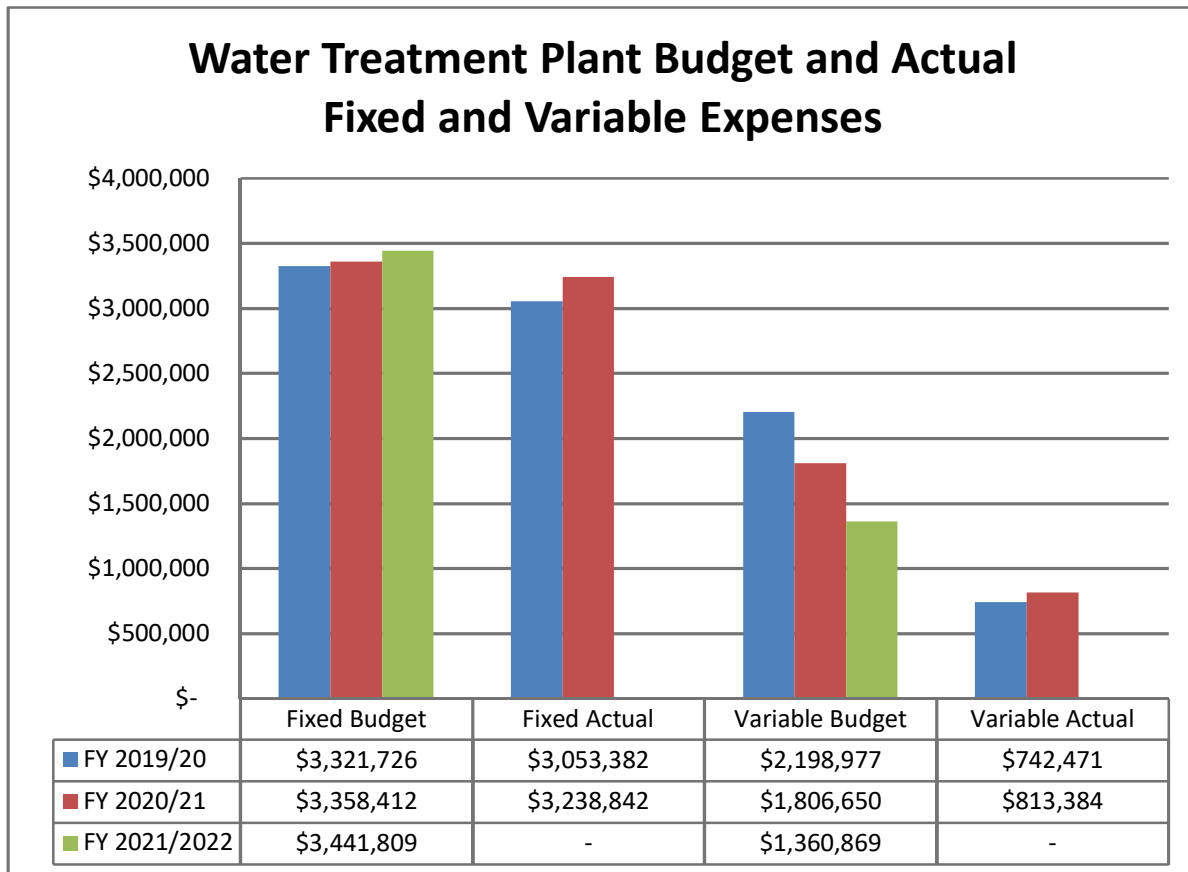
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2021/2022 Budget

Item	FY 2021/2022 Budget
Personnel	\$ 2,522,333
Office Expenses	6,500
Supplies and Equipment	1,265,300
Monitoring Expenses	117,408
Repairs and Maintenance	170,600
Professional Services	83,439
General and Administrative	70,350
Utilities	293,011
Other Expenses	273,738
TOTAL:	\$ 4,802,678



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2021/2022 Budget

Item	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget
Personnel	\$ 2,477,227	\$ 2,294,929	\$ 2,482,041	\$ 2,473,242	\$ 2,522,333
Office Expenses	6,000	4,832	6,500	6,500	6,500
Supplies and Equipment	2,194,892	724,851	1,742,800	807,870	1,265,300
Monitoring Expenses	105,604	97,187	106,215	103,252	117,408
Repairs and Maintenance	166,485	141,243	172,100	156,965	170,600
Professional Services	75,239	77,216	83,439	77,366	83,439
General and Administrative	73,000	30,836	76,000	49,597	70,350
Utilities	188,801	170,351	245,317	186,923	293,011
Other Expenses	233,455	254,409	250,650	190,512	273,738
Total:	\$5,520,703	\$3,795,853	\$5,165,062	\$4,052,226	\$4,802,678



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,483,503	\$ 1,420,933	\$ 1,519,836	\$ 1,471,967	\$ 1,558,525	\$ 38,689	2.55%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	74,175	92,043	75,992	93,340	77,926	1,934	2.55%
5000.40	Standby Pay	32,879	29,432	33,801	28,154	34,504	703	2.08%
5000.50	Shift Differential Pay	19,256	18,479	19,880	16,896	20,469	588	2.96%
5100.10	PERS Retirement	397,827	373,015	383,303	383,215	386,952	3,649	0.95%
5100.15	Medicare Taxes	23,841	22,395	24,600	24,185	25,195	594	2.42%
5100.20	Health/Dental/Vision Plans	301,447	275,600	278,704	319,784	286,746	8,042	2.89%
5100.25	Workers' Compensation	51,398	43,147	52,819	38,866	41,952	(10,867)	-20.57%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	74,685	3,757	74,686	76,931	71,423	(3,263)	-4.37%
5100.50	Long-Term Disability	7,635	7,279	7,825	8,080	8,030	205	2.62%
5100.55	Life Insurance	6,451	6,019	6,464	6,376	6,481	17	0.26%
5100.60	Employee Physicals	450	1,192	450	450	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,680	350	2,680	2,680	2,680	-	0.00%
5100.65	Employee Education Reimbursement	1,000	250	1,000	1,000	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	1,040	-	1,320	-	-	N/A
Total Personnel Expenses:		2,477,227	2,294,929	2,482,041	2,473,242	2,522,333	40,292	1.62%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	2,500	1,780	3,000	3,000	3,000	-	0.00%
5200.30	Miscellaneous Office Expenses	3,500	3,052	3,500	3,500	3,500	-	0.00%
Total Office Expenses:		6,000	4,832	6,500	6,500	6,500	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	8,739	9,642	8,739	8,611	9,844	1,105	12.64%
5500.15	Minor Tools and Equipment	5,000	5,493	5,000	5,000	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	500	-	500	500	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	2,117,953	677,023	1,668,861	740,342	1,187,006	(481,855)	-28.87%
5500.35	Maintenance Supplies/Hardware	23,000	10,253	18,000	17,180	18,000	-	0.00%
5500.40	Safety Supplies	7,000	5,199	7,000	6,952	7,000	-	0.00%
5500.45	Fuel and Lubricants	29,700	17,241	29,700	29,285	32,950	3,250	10.94%
5500.50	Seed/Erosion Control Supplies	3,000	-	5,000	-	5,000	-	0.00%
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		2,194,892	724,851	1,742,800	807,870	1,265,300	(477,500)	-27.40%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	62,889	70,140	63,500	63,500	77,625	14,125	22.24%
5600.20	Lab Tools and Equipment	13,650	11,731	13,650	13,650	9,600	(4,050)	-29.67%
5600.30	Lab Testing	29,065	15,316	29,065	26,102	30,183	1,118	3.85%
Total Monitoring Expenses:		105,604	97,187	106,215	103,252	117,408	11,193	10.54%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	125,000	105,239	132,000	130,710	132,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	5,000	4,393	6,500	6,500	6,500	-	0.00%
5700.30	Building Maintenance	31,485	27,445	28,600	15,356	27,100	(1,500)	-5.24%
5700.40	Landscape Maintenance	5,000	4,166	5,000	4,399	5,000	-	0.00%
Total Repairs and Maintenance:		166,485	141,243	172,100	156,965	170,600	(1,500)	-0.87%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	27,739	28,055	31,639	27,544	31,639	-	0.00%
5400.20	Legal Services	-	523	-	-	-	-	N/A
5400.30	Engineering Services	13,500	18,397	15,000	13,301	15,000	-	0.00%
5400.40	Permits	34,000	30,013	36,800	35,965	36,800	-	0.00%
5400.50	Non-Contractual Services	-	229	-	556	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		75,239	77,216	83,439	77,366	83,439	-	0.00%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	18,000	9,487	19,000	262	18,500	(500)	-2.63%
5300.20	Mileage Reimbursement	500	23	500	-	500	-	0.00%
5300.30	Dues and Memberships	34,850	7,395	34,850	29,363	26,850	(8,000)	-22.96%
5300.40	Publications	750	1,035	750	718	750	-	0.00%
5300.50	Training	12,400	7,806	14,400	13,506	16,250	1,850	12.85%
5300.60	Advertising	1,500	1,312	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	5,000	3,777	5,000	5,747	6,000	1,000	20.00%
Total General and Administrative:		73,000	30,836	76,000	49,597	70,350	(5,650)	-7.43%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	7,310	7,205	7,310	6,793	7,735	425	5.81%
5800.30	Electric-Fixed	90,874	90,876	90,874	93,780	101,282	10,409	11.45%
5800.31	Electric-Variable	81,024	65,448	137,789	73,042	173,863	36,075	26.18%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	4,348	3,395	3,500	7,607	4,285	785	22.43%
5800.60	Waste Disposal	5,245	3,426	5,845	5,700	5,845	-	0.00%
Total Utilities:		188,801	170,351	245,317	186,923	293,011	47,693	19.44%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	70,659	74,593	81,458	80,951	91,932	10,475	12.86%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	71,477	-	6,773	-	-	N/A
5900.40	Equipment Rental	18,200	19,124	17,240	17,240	17,240	-	0.00%
5900.50	Non-Capitalized Equipment	10,000	-	10,000	-	10,000	-	0.00%
5900.60	Computer Expenses	69,464	70,793	76,101	85,548	87,079	10,978	14.43%
5900.70	Appropriated Contingency	65,132	18,422	65,851	-	67,486	1,635	2.48%
Total Other Expenses:		233,455	254,409	250,650	190,512	273,738	23,088	9.21%
TOTAL OPERATING EXPENSES		\$ 5,520,703	\$ 3,795,853	\$ 5,165,062	\$ 4,052,226	\$ 4,802,678	\$ (362,384)	-7.02%

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$59,943 for the FY 2021/22 salary pool.

FY 21/22 Requested Budget	1,558,525
FY 20/21 Estimated Actual	1,471,967
Increase (Decrease)	86,558

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 21/22 Requested Budget	77,926
FY 20/21 Estimated Actual	93,340
Increase (Decrease)	(15,414)

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

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

FY 21/22 Requested Budget	34,504
FY 20/21 Estimated Actual	28,154
Increase (Decrease)	6,351

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

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

FY 21/22 Requested Budget	20,469
FY 20/21 Estimated Actual	16,896
Increase (Decrease)	3,573

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 21/22 Requested Budget	386,952
FY 20/21 Estimated Actual	383,215
Increase (Decrease)	3,737

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

Required Contributions	\$ 229,002	17.506%
UAL current fiscal year	103,006	11.600%
UAL additional payment	54,944	fixed
TOTAL \$	386,952	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 21/22 Requested Budget	25,195
FY 20/21 Estimated Actual	24,185
Increase (Decrease)	1,010

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

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 21/22 Requested Budget	198,411
FY 20/21 Estimated Actual	228,887
Increase (Decrease)	(30,476)

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

	2021 Allowance	2022 Allowance Est
Family	\$ 20,729	\$ 21,247
Emp + 1	15,586	15,976
Employee only	7,857	8,053

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

FY 21/22 Requested Budget	41,952
FY 20/21 Estimated Actual	38,866
Increase (Decrease)	3,086

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 85 and economy of size rate of 90%. Based on a 3% premium increase over FY 2020/21

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

FY 21/22 Requested Budget	71,423
FY 20/21 Estimated Actual	76,931
Increase (Decrease)	(5,508)

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

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

FY 21/22 Requested Budget	46,148
FY 20/21 Estimated Actual	57,554
Increase (Decrease)	(11,407)

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

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

FY 21/22 Requested Budget	42,188
FY 20/21 Estimated Actual	33,343
Increase (Decrease)	8,845

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,738 per year per family for dental and vision expenses. Budgeted amount is \$2,803 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 21/22 Requested Budget	8,030
FY 20/21 Estimated Actual	8,080
Increase (Decrease)	(50)

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

FY 21/22 Requested Budget	6,481
FY 20/21 Estimated Actual	6,376
Increase (Decrease)	105

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 21/22 Requested Budget	450
FY 20/21 Estimated Actual	450
Increase (Decrease)	-

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

\$ 450 3 physicals @ \$150 each

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

FY 21/22 Requested Budget	1,000
FY 20/21 Estimated Actual	1,000
Increase (Decrease)	-

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

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

FY 21/22 Requested Budget	2,680
FY 20/21 Estimated Actual	2,680
Increase (Decrease)	-

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

EAAP \$ 2,680

TOTAL: \$ 2,680

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 21/22 Requested Budget	-
FY 20/21 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

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

FY 21/22 Requested Budget	3,000
FY 20/21 Estimated Actual	3,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 21/22 Requested Budget	3,500
FY 20/21 Estimated Actual	3,500
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for WTP employee meetings
and travel expenses. Includes State Water Contractor travel
for Executive Director, Deputy Director, and Safety/Environmental
Specialist.

FY 21/22 Requested Budget	18,500
FY 20/21 Estimated Actual	262
Increase (Decrease)	18,238

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 21/22 Requested Budget	500
FY 20/21 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 21/22 Requested Budget	26,850
FY 20/21 Estimated Actual	29,363
Increase (Decrease)	(2,513)

\$ 400	AWWA dues
21,000	Water Research Foundation dues
1,200	Certification
3,250	Urban Water Consv Fee
1,000	CWEA
\$ 26,850	TOTAL

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 21/22 Requested Budget	750
FY 20/21 Estimated Actual	718
Increase (Decrease)	32

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 21/22 Requested Budget	16,250
FY 20/21 Estimated Actual	13,506
Increase (Decrease)	2,744

\$ 16,250	Employee training, including safety
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**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 21/22 Requested Budget	1,500
FY 20/21 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 21/22 Requested Budget	6,000
FY 20/21 Estimated Actual	5,747
Increase (Decrease)	253

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description: Outside professional services including:

FY 21/22 Requested Budget	31,639
FY 20/21 Estimated Actual	27,544
Increase (Decrease)	4,095

\$	4,000	Fire system/extinguisher inspection
	5,400	Security
	4,500	Crane inspection
	1,400	Oil, coolant and diesel analysis
	4,000	Emergency generator/forklift service
	5,000	Equipment Calibration
	7,339	Personnel Team Building
\$	31,639	TOTAL

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

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

FY 21/22 Requested Budget	15,000
FY 20/21 Estimated Actual	13,301
Increase (Decrease)	1,699

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required WTP permits.

FY 21/22 Requested Budget	36,800
FY 20/21 Estimated Actual	35,965
Increase (Decrease)	835

	2,500	RWQCB NPDES
	22,000	Drinking Water Program
	6,500	ELAP Lab Accreditation
	1,600	Emergency Generator Permit
	4,200	Hazardous Materials Fees
\$	36,800	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 21/22 Requested Budget	9,844
FY 20/21 Estimated Actual	8,611
Increase (Decrease)	1,233

\$ 6,144	Uniform Service (\$512 per month)
1,500	Blue jean pants (\$150/yr emp allowance)
1,750	Boots (\$175/yr employee allowance)
450	Misc. uniform requirements (jackets, etc.)
\$ 9,844	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 21/22 Requested Budget	5,000
FY 20/21 Estimated Actual	5,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

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

FY 21/22 Requested Budget	500
FY 20/21 Estimated Actual	500
Increase (Decrease)	-

\$ 500	Herbicide
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ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

FY 21/22 Requested Budget	1,187,006
FY 20/21 Estimated Actual	740,342
Increase (Decrease)	446,664

- (1) WTP Plant: \$35.93 per acre foot and 28,376 acre feet of requests
- (2) Santa Ynez Pumping Station: \$3.38/af for 4,867 AF pumped water
- (3) Tank 5 and 7 Chlorination at \$3.23/af for 12,100 AF

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

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 21/22 Requested Budget	18,000
FY 20/21 Estimated Actual	17,180
Increase (Decrease)	820

\$ 18,000 Maintenance Supplies/Hardware

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

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

FY 21/22 Requested Budget	7,000
FY 20/21 Estimated Actual	6,952
Increase (Decrease)	48

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 21/22 Requested Budget	5,000
FY 20/21 Estimated Actual	-
Increase (Decrease)	5,000

\$ 5,000 Erosion maintenance

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 21/22 Requested Budget	32,950
FY 20/21 Estimated Actual	29,285
Increase (Decrease)	3,665

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 21/22 Requested Budget	77,625
FY 20/21 Estimated Actual	63,500
Increase (Decrease)	14,125

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 21/22 Requested Budget	9,600
FY 20/21 Estimated Actual	13,650
Increase (Decrease)	(4,050)

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 21/22 Requested Budget	30,183
FY 20/21 Estimated Actual	26,102
Increase (Decrease)	4,081

\$	13,680	MIB and Microcystin Monitoring
	7,340	Annual Compliance Monitoring
	528	Monthly Compliance Monitoring
	3,200	DBP
	4,960	Cryptosporidium, Giardia and LR
	475	DI Water Testing
\$	30,183	TOTAL

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 21/22 Requested Budget	132,000
FY 20/21 Estimated Actual	130,710
Increase (Decrease)	1,290

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 21/22 Requested Budget	6,500
FY 20/21 Estimated Actual	6,500
Increase (Decrease)	-

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 21/22 Requested Budget	27,100
FY 20/21 Estimated Actual	15,356
Increase (Decrease)	11,744

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

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

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

FY 21/22 Requested Budget	5,000
FY 20/21 Estimated Actual	4,399
Increase (Decrease)	602

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for propane gas service to the WTP.

FY 21/22 Requested Budget	7,735
FY 20/21 Estimated Actual	6,793
Increase (Decrease)	942

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 21/22 Requested Budget	101,282
FY 20/21 Estimated Actual	93,780
Increase (Decrease)	7,502

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

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

FY 21/22 Requested Budget	173,863
FY 20/21 Estimated Actual	73,042
Increase (Decrease)	100,821

\$	5.61	\$/AF
	31,007	AF
\$	173,863	TOTAL

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 21/22 Requested Budget	-
FY 20/21 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 21/22 Requested Budget	4,285
FY 20/21 Estimated Actual	7,607
Increase (Decrease)	(3,322)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 21/22 Requested Budget	5,845
FY 20/21 Estimated Actual	5,700
Increase (Decrease)	145

\$	2,415	Garbage
	630	Bulk Dumpster
	2,200	Waste Oil/Solvent
	600	Light Bulbs
\$	5,845	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 21/22 Requested Budget	91,932
FY 20/21 Estimated Actual	80,951
Increase (Decrease)	10,981

\$	49,478	Property and auto coverage based on the apportionment provided by JPIA.
\$	42,455	General liability and E&O based on salary proportions.
\$	91,932	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 21/22 Requested Budget	17,240
FY 20/21 Estimated Actual	17,240
Increase (Decrease)	-

\$	2,940	Copier lease (\$245 per month)
	10,100	Motorized equipment
	4,200	Lagoon cleaning
\$	17,240	TOTAL

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

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

FY 21/22 Requested Budget	10,000
FY 20/21 Estimated Actual	-
Increase (Decrease)	10,000

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 21/22 Requested Budget	87,079
FY 20/21 Estimated Actual	85,548
Increase (Decrease)	1,531

\$	82,774	CompuVision, Annual Service Agreements and Software Subscriptions
\$	4,305	Software, New Computers and other computer services.
\$	87,079	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 21/22 Requested Budget	67,486
FY 20/21 Estimated Actual	-
Increase (Decrease)	67,486



*Bypass Pipeline Installation at Bradbury Dam
January 2020*

Distribution Department

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

Highlights

Department Information

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

Budget Information

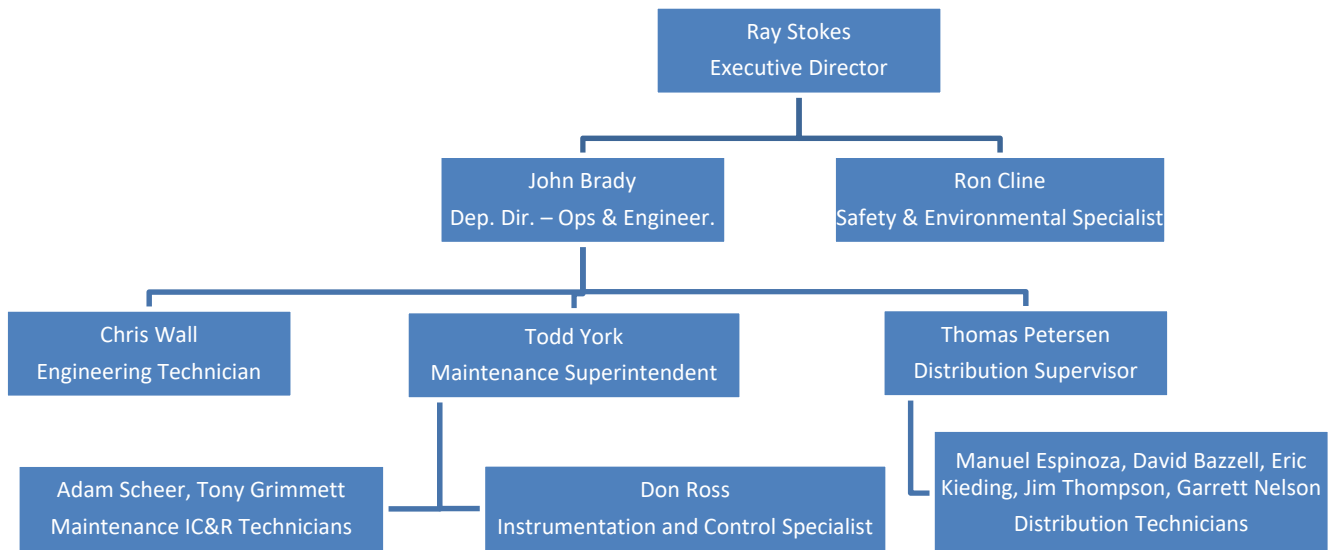
- Total FY 2021/22 O&M Budget \$ 5,277,599
- O&M Budget increase over FY 2020/21 \$ 2,040,018
 - Fixed cost increase over FY 2020/21 58,665
 - Variable cost increase over FY 2020/21 \$ 1,981,353
- Percentage increase 63.01%
- Fixed O&M expenses \$ 2,484,819
- Variable O&M expenses \$ 2,792,780
- FY 2021/22 budgeted electrical cost \$ 372.47 per acre-foot

Significant Accomplishments during FY 2020/21

Significant Goals for FY 2021/22

Central Coast Water Authority
Distribution Department
Fiscal Year 2021/22 Budget

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



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

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, rechloraminating and dechloraminating, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 130 miles of pipeline and operate and maintain seven storage tanks, ten turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

IT/Instrumentation and Control Specialist and Maintenance/Instrumentation and Control Technicians report to the Maintenance Superintendent and maintain all distribution electrical, electronic, fiber optic and instrumentation systems. They also assist the Maintenance Superintendent in maintaining plant electrical, electronic and fiber optic systems.

The Distribution Maintenance and Instrumentation and Control staff are supported by the Maintenance Superintendent and Deputy Director of Operations, who provide long term planning and establish priorities.

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

Central Coast Water Authority
Distribution Department
Fiscal Year 2021/22 Budget

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

DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

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

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

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

Central Coast Water Authority
Distribution Department
Fiscal Year 2021/22 Budget

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

DWR REACHES

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

CCWA (Authority) REACHES

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

The table and map on page 157 shows the participation by project participant and by financial reach for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

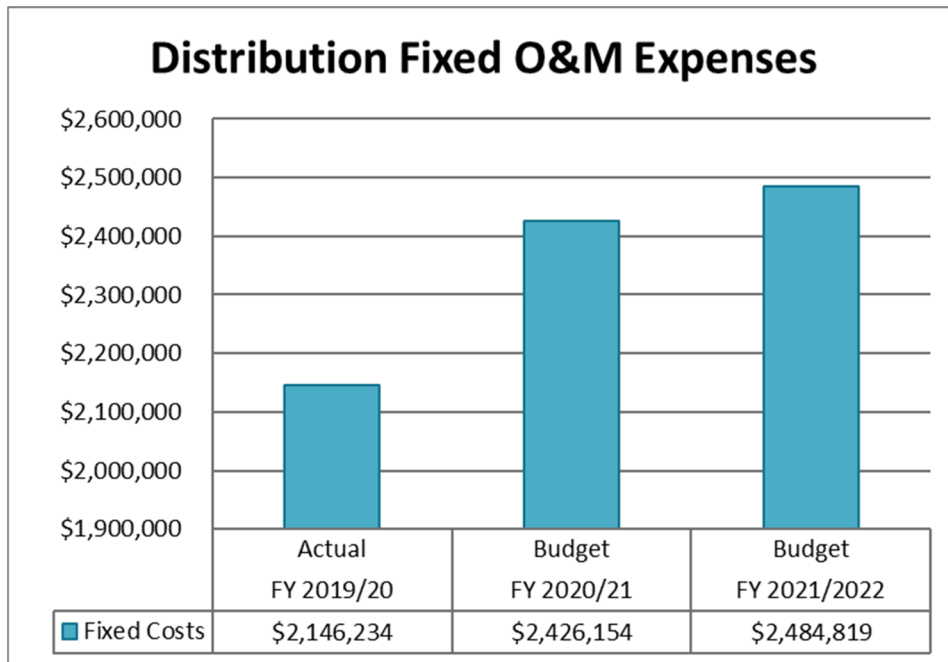
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2019/20 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2021/22 Budget

Distribution Department Financial Reach Allocation			
Financial Reach	FY 2021/2022 Allocation Percentage	FY 2020/21 Allocation Percentage	Increase (Decrease)
Reach 33B	18.92%	20.96%	-2.04%
Reach 34	9.48%	10.23%	-0.75%
Reach 35	5.55%	2.96%	2.59%
Reach 37	2.44%	2.85%	-0.41%
Reach 38	4.07%	3.79%	0.28%
Mission Hills II	12.63%	12.31%	0.32%
Santa Ynez I	18.24%	15.85%	2.39%
Santa Ynez II	28.68%	31.05%	-2.37%
TOTAL:	100.00%	100.00%	0.00%

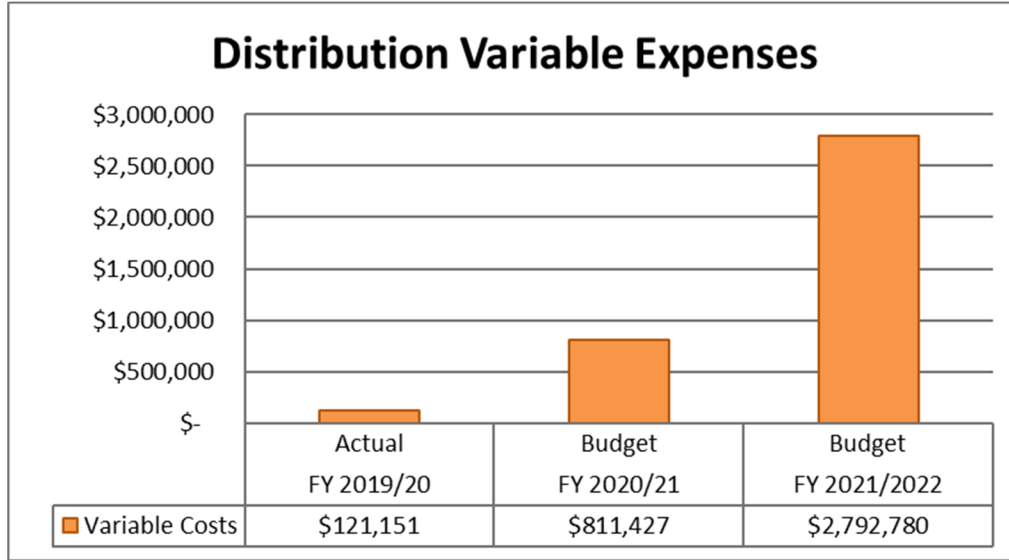
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

Fixed O&M Costs are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and repair and maintenance costs. The following graph shows the three-year trend for the Distribution Department Fixed O&M expenses. As the graph shows, the FY 2021/22 fixed O&M costs are \$58,665 higher than the prior year budget amount.



Central Coast Water Authority
Distribution Department
 Fiscal Year 2021/22 Budget

Variable O&M Costs are all costs that vary with the amount of water processed. The Distribution Department variable expenses are solely electrical costs to pump the South Coast project participant water into Lake Cachuma. The following graph shows the three-year trend for the Distribution Department variable O&M costs. As the graph shows, the FY 2021/22 variable O&M costs are \$1,981,353 higher than the prior year budget amounts.



The following table shows the allocation of the Distribution Department variable O&M costs (electrical costs) for the Fiscal Year 2021/22 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$372.47/AF
Goleta	1,342	\$ 499,855
Morehart	48	17,879
La Cumbre	599	223,110
Raytheon	22	8,194
Santa Barbara	2,075	772,875
Montecito	2,075	772,875
Carpinteria	1,337	497,992
Total South Coast:	7,498	\$ 2,792,780
(1) Excludes water deliveries exchanged with Santa Ynez ID#1.		

Central Coast Water Authority
Distribution Department
Fiscal Year 2021/22 Budget

Fiscal Year 2021/22 Operating Expense Budget

The Fiscal Year 2021/22 Distribution Department operating expense budget is \$5,277,599, which is \$2,040,018 higher than the previous year's budget of \$3,237,580, an increase of 63.01%. The personnel expense section of the Distribution Department budget represents approximately 34% of the budget. Utilities comprise 54%, with other expenses making up the balance of the budget. The chart on page 158 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 \$28,400 attributed to the following:

- The FY 2021/22 total Distribution Department salaries and wages budget is held to an increase of only \$26,888 when compared to the prior fiscal year budget due to certain employees reaching the top of their salary range which caused actual salaries on July 1, 2020 to be lower than what was included in the budget for FY 2020/21.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by \$5,414. This is due to; 1) The 2021 CalPERS health insurance plan with the lowest premiums increased by 5.62% over the 2020 premiums, as opposed to the increase of 5% budgeted for the calendar year 2021. The 2021 health allowances have remained at same levels used in 2020; 2) The FY 2021/22 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2022. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers' Compensation costs are decreasing by \$7,280 due to an 11% reduction in the Experience modification rate for CCWA.
- CalPERS retirement expenses are increasing by \$2,385 over the prior fiscal year. The CCWA employer paid portion for "Classic" members in FY 21/22 is 29.106% as compared to the prior year amount of 26.729%, for a 2.377% increase. CCWA "Classic" member employees began paying 50% of the increase in the "normal" PERS employer contribution in FY 2017/18. As of FY 2021/22 the Distribution Department has 5 CalPERS PEPRA member employees. The PEPRA employer contribution rate in FY 2021/22 decreased from 8.706% in FY 2020/21 to 8.230% in FY 2021/22 for a decrease in employer paid PEPRA contribution rate of 0.476%. Currently, the Distribution Department does not have any 2nd tier member employees.
- The FY 2020/21 Budget includes a \$45,007 deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums, based on employees who are 62 years of

Central Coast Water Authority
Distribution Department
Fiscal Year 2021/22 Budget

age or older and retire from CCWA having completed at least 10 years of service with CCWA.

Repairs and Maintenance Repairs and maintenance costs are decreasing by about \$3,000 because of a decrease in anticipated HVAC expenses.

Professional Services Professional Services costs are remaining nearly flat with only a \$500 increase in permit costs FY 2021/22.

General and Administrative General and Administrative costs are remaining flat with no increase for FY 2021/22.

Utility Expenses Utility expenses are increasing by \$1,984,388 largely due to PG&E rate increases and demand charges.

Other Expenses Other expenses are increasing by approximately \$22,630 due to anticipated increase in insurance costs, and increased computer expenses.

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

Central Coast Water Authority
Distribution Department
 Fiscal Year 2021/22 Budget

The following table shows the FY 2021/22 O&M budget for the various CCWA Turnouts.

TURNOUT EXPENSES							
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Computer Expenses	Other Expenses	Subtotal Operating Expenses	Capital Projects ⁽¹⁾	TOTAL
Guadalupe	\$ 688	\$ 1,000	\$ -	\$ 500	\$ 2,188	\$ -	\$ 2,188
Santa Maria	556	1,500	-	500	2,556	-	2,556
Golden State Water Co.	827	3,000	-	500	4,327	-	4,327
Vandenberg Air Force Base	-	1,500	-	500	2,000	-	2,000
Buellton	338	1,500	-	500	2,338	-	2,338
Santa Ynez (Solvang)	403	1,000	-	500	1,903	-	1,903
Santa Ynez	-	1,000	-	500	1,500	-	1,500
Shandon	1,277	1,000	-	500	2,777	-	2,777
Chorro Valley	-	1,500	900	500	2,900	-	2,900
Lopez	654	1,500	-	500	2,654	-	2,654
TOTAL:	\$ 4,744	\$ 14,500	\$ 900	\$ 5,000	\$ 25,144	\$ -	\$ 25,144

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

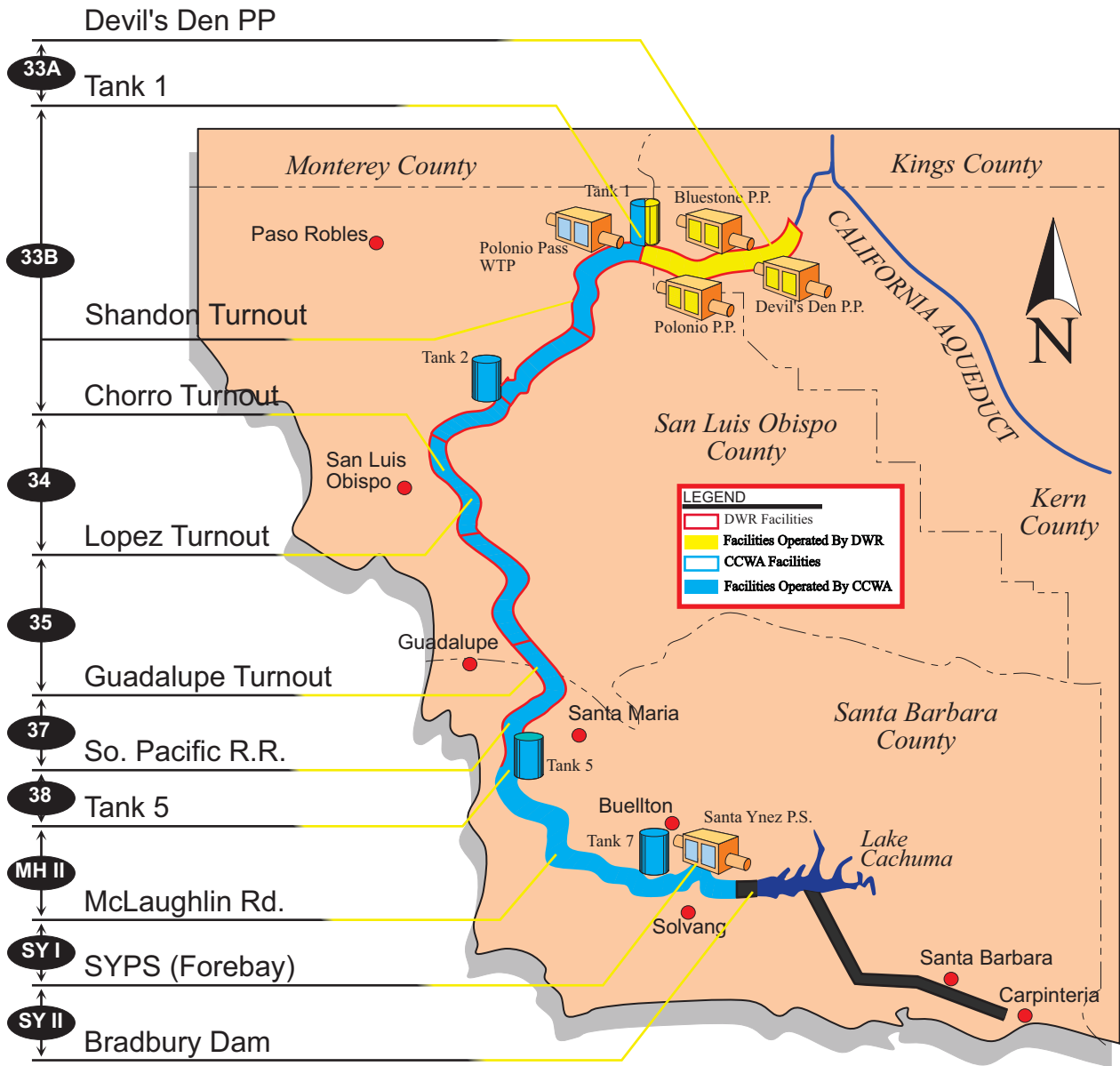
Central Coast Water Authority
Distribution Department
 Fiscal Year 2021/22 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2019/20	Auth. FY 2020/21	Requested FY 2021/2022	Over FY 2019/20	Over FY 2020/21
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.40	0.40	0.40	-	-
Safety & Environmental Specialist ⁽³⁾	0.75	0.75	0.75	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽⁴⁾	0.40	0.40	0.40	-	-
Maintenance/IC&R Technicians ⁽⁵⁾	0.40	0.40	0.40	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.20	10.20	10.20	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No.	Position Classification	Minimum	Maximum	FY 2020/21	Allocation
	of Emp.		Monthly Salary	Monthly Salary	Total Annual Salary	to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 274,934	\$ 68,734
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 192,317	\$ 76,927
Safety & Environmental Specialist ⁽³⁾	1	29	\$ 7,691	\$ 9,383	\$ 110,977	\$ 83,232
Distribution Supervisor	1	30	\$ 7,857	\$ 9,586	\$ 113,385	\$ 113,385
Engineering Technician	1	21	\$ 6,477	\$ 7,902	\$ 89,772	\$ 89,772
Instrumentation & Control Specialist	1	27	\$ 7,367	\$ 8,988	\$ 106,313	\$ 106,313
Maintenance Superintendent ⁽⁴⁾	1	35	\$ 8,748	\$ 10,672	\$ 121,680	\$ 48,672
Maintenance/IC&R Technicians ⁽⁵⁾	2	26	\$ 7,211	\$ 8,797	\$ 182,092	\$ 36,418
Distribution Technicians	5	19	\$ 6,205	\$ 7,570	\$ 432,692	\$ 432,692
FY 2021/22 Salary Pool						\$ 42,246
TOTAL:						\$ 1,098,391

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

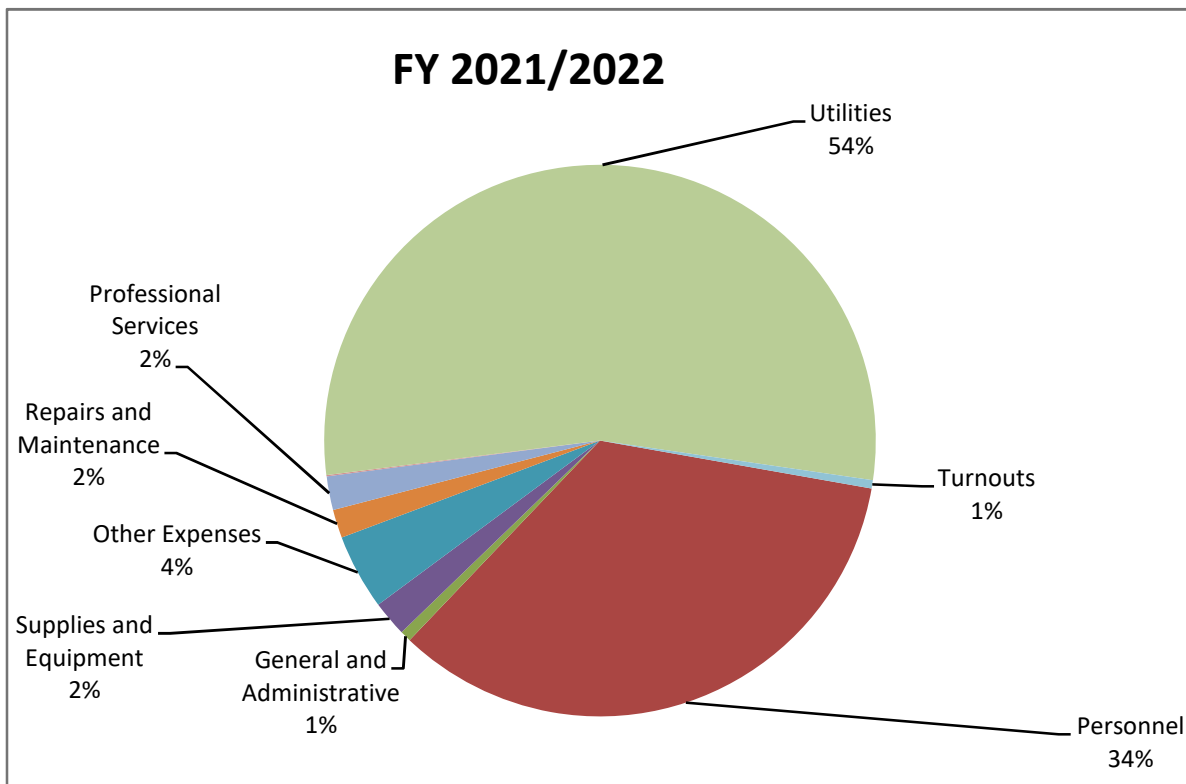
COASTAL BRANCH FINANCIAL REACHES



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	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Carpinteria	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
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

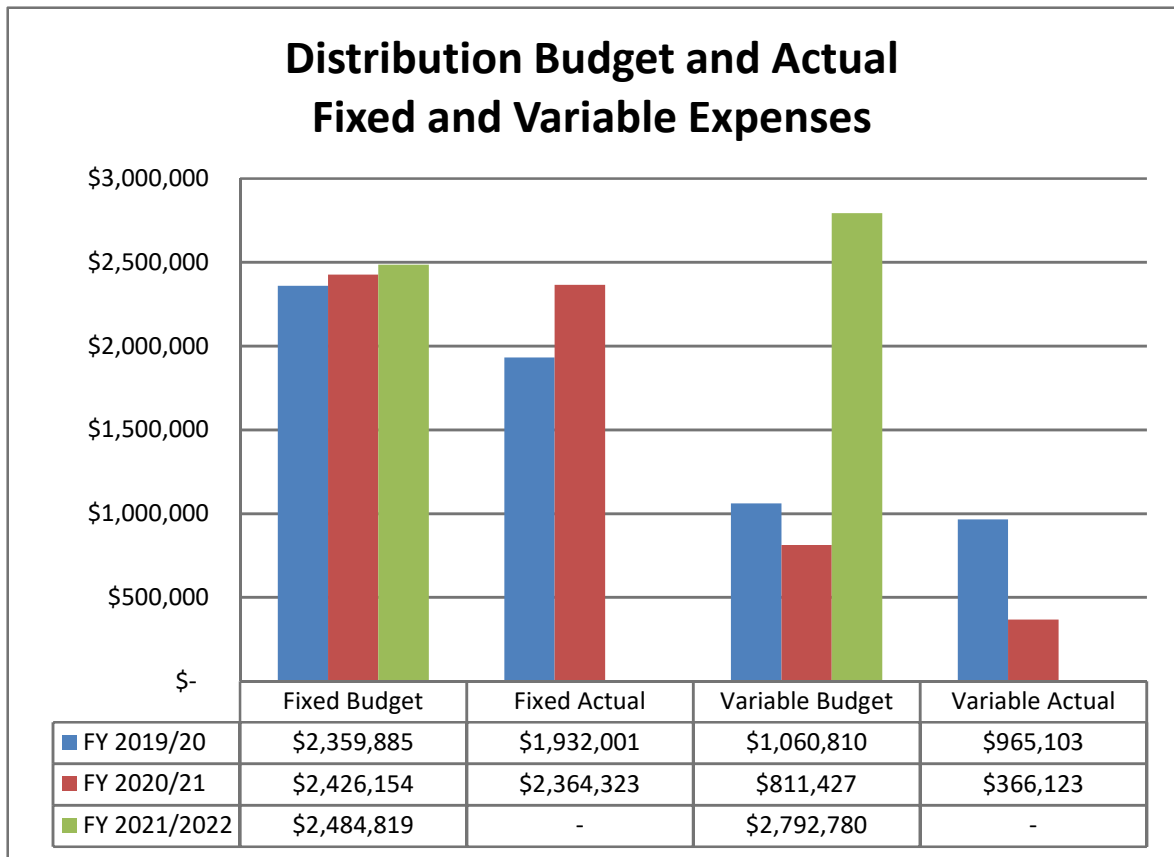
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2021/2022 Budget

Item	FY 2021/2022 Budget
Personnel	\$ 1,812,907
Office Expenses	4,000
Supplies and Equipment	110,011
Monitoring Expenses	-
Repairs and Maintenance	88,700
Professional Services	104,233
General and Administrative	34,250
Utilities	2,865,228
Other Expenses	233,126
Turnouts	25,144
TOTAL:	\$ 5,277,599



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2021/2022 Budget

Item	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget
Personnel	\$ 1,733,156	\$ 1,645,775	\$ 1,784,507	\$ 1,807,144	\$ 1,812,907
Office Expenses	4,000	2,274	4,000	4,241	4,000
Supplies and Equipment	102,911	80,665	102,911	94,341	110,011
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	89,200	76,718	91,700	88,812	88,700
Professional Services	103,433	83,601	103,733	122,964	104,233
General and Administrative	34,250	14,674	34,250	11,102	34,250
Utilities	1,127,308	179,370	880,839	429,984	2,865,228
Other Expenses	201,293	127,997	210,496	145,483	233,126
Turnouts	25,144	56,312	25,144	26,375	25,144
TOTAL:	\$ 3,420,696	\$ 2,267,385	\$ 3,237,580	\$ 2,730,446	\$ 5,277,599



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,038,647	\$ 999,645	\$ 1,071,503	\$ 1,038,647	\$ 1,098,391	\$ 26,888	2.51%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	67,452	96,843	69,677	99,187	71,529	1,852	2.66%
5000.40	Standby Pay	25,435	29,650	26,283	27,484	26,950	667	2.54%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	270,928	256,773	283,558	295,794	285,943	2,385	0.84%
5100.15	Medicare Taxes	16,916	15,652	17,514	17,645	17,905	391	2.23%
5100.20	Health/Dental/Vision Plans	218,531	207,408	219,439	242,753	224,853	5,414	2.47%
5100.25	Workers' Compensation	34,580	30,046	35,686	25,980	28,406	(7,280)	-20.40%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	47,063	286	47,063	48,478	45,007	(2,056)	-4.37%
5100.50	Long-Term Disability	5,103	4,767	5,274	4,792	5,408	135	2.55%
5100.55	Life Insurance	4,452	3,802	4,460	3,645	4,465	4	0.09%
5100.60	Employee Physicals	450	378	450	-	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	200	2,600	1,800	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	326	-	938	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
Total Personnel Expenses:		1,733,156	1,645,775	1,784,507	1,807,144	1,812,907	28,400	1.59%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	1,500	1,224	1,500	1,500	1,500	-	0.00%
5200.30	Miscellaneous Office Expenses	2,500	1,050	2,500	2,741	2,500	-	0.00%
Total Office Expenses:		4,000	2,274	4,000	4,241	4,000	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	7,421	6,167	7,421	7,294	7,541	120	1.62%
5500.15	Minor Tools and Equipment	5,000	4,568	5,000	5,037	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	248	1,000	880	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	24	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	8,039	10,000	9,975	10,000	-	0.00%
5500.40	Safety Supplies	7,000	6,674	7,000	6,732	7,000	-	0.00%
5500.45	Fuel and Lubricants	63,990	52,620	63,990	63,923	70,970	6,980	10.91%
5500.50	Seed/Erosion Control Supplies	8,000	2,211	8,000	-	8,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	114	500	500	500	-	0.00%
Total Supplies and Equipment:		102,911	80,665	102,911	94,341	110,011	7,100	6.90%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	N/A

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	55,000	53,685	55,000	55,000	55,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	15,000	11,780	15,000	15,000	15,000	-	0.00%
5700.30	Building Maintenance	14,700	7,353	17,200	14,012	14,200	(3,000)	-17.44%
5700.40	Landscape Maintenance	4,500	3,900	4,500	4,800	4,500	-	0.00%
Total Repairs and Maintenance:		89,200	76,718	91,700	88,812	88,700	(3,000)	-3.27%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	83,333	16,240	83,633	49,175	83,633	-	0.00%
5400.20	Legal Services	-	34,063	-	62,514	-	-	N/A
5400.30	Engineering Services	15,000	26,238	15,000	5,413	15,000	-	0.00%
5400.40	Permits	5,100	6,832	5,100	5,360	5,600	500	9.80%
5400.50	Non-Contractual Services	-	229	-	502	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		103,433	83,601	103,733	122,964	104,233	500	0.48%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	20,000	8,537	20,000	81	20,000	-	0.00%
5300.20	Mileage Reimbursement	150	-	150	-	150	-	0.00%
5300.30	Dues and Memberships	2,500	2,514	2,500	2,500	2,500	-	0.00%
5300.40	Publications	1,000	359	1,000	818	1,000	-	0.00%
5300.50	Training	8,500	1,969	8,500	7,452	8,500	-	0.00%
5300.60	Advertising	1,500	959	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	27	-	-	N/A
5300.80	Postage	600	337	600	223	600	-	0.00%
Total General and Administrative:		34,250	14,674	34,250	11,102	34,250	-	0.00%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2021/2022 Administration/O&M Budget

Account Number	Account Name	FY 2019/20 Budget	FY 2019/20 Actual	FY 2020/21 Budget	FY 2020/21 Estimated Actual	FY 2021/2022 Budget	Change from FY 2020/21 Budget	Percent Change FY 2020/21 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	1,010	738	1,010	941	1,070	60	5.94%
5800.30	Electric Fixed	53,538	45,034	56,903	50,675	57,728	825	1.45%
5800.31	Electric-Variable	1,060,810	121,151	811,427	366,123	2,792,780	1,981,353	244.18%
5800.40	Water	2,500	2,070	2,500	1,990	2,500	-	0.00%
5800.50	Telephone	6,049	7,031	5,500	7,090	7,525	2,025	36.82%
5800.60	Waste Disposal	3,400	3,347	3,500	3,166	3,625	125	3.57%
Total Utilities:		1,127,308	179,370	880,839	429,984	2,865,228	1,984,388	225.28%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	44,332	46,599	51,004	50,455	57,610	6,605	12.95%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	24,000	21,599	24,100	21,249	24,100	-	0.00%
5900.50	Non-Capitalized Equipment	10,000	5,538	10,000	-	10,000	-	0.00%
5900.60	Computer Expenses	77,182	54,261	78,313	73,780	93,187	14,874	18.99%
5900.70	Appropriated Contingency	45,779	-	47,079	-	48,229	1,150	2.44%
Total Other Expenses:		201,293	127,997	210,496	145,483	233,126	22,630	10.75%
	Turnouts	25,144	56,312	25,144	26,375	25,144	-	0.00%
TOTAL OPERATING EXPENSES		\$ 3,420,696	\$ 2,267,385	\$ 3,237,580	\$ 2,730,446	\$ 5,277,599	2,040,018	63.01%

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

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$42,246 for FY 2021/22 salary pool.

FY 21/22 Requested Budget	1,098,391
FY 20/21 Estimated Actual	1,038,647
Increase (Decrease)	59,744

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 21/22 Requested Budget	71,529
FY 20/21 Estimated Actual	99,187
Increase (Decrease)	(27,657)

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 21/22 Requested Budget	-
FY 20/21 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services:

FY 21/22 Requested Budget	-
FY 20/21 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 21/22 Requested Budget	26,950
FY 20/21 Estimated Actual	27,484
Increase (Decrease)	(535)

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by duty on a 24-hour basis. Based on 5% of their average hourly rate. Standby pay is \$2.28 per hour for a Distribution employee. Instrumentation and Control employee hourly rate is \$2.40 (1/3 allocated to Distribution Department and 2/3 allocated to the Water Treatment Plant Department).

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 21/22 Requested Budget	285,943
FY 20/21 Estimated Actual	295,794
Increase (Decrease)	(9,851)

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

Required Contributions	\$ 166,927	17.506%
UAL current fiscal year	77,492	11.600%
UAL additional payment	41,524	fixed amount
	\$ 285,943	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 21/22 Requested Budget	17,905
FY 20/21 Estimated Actual	17,645
Increase (Decrease)	260

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 21/22 Requested Budget	158,289
FY 20/21 Estimated Actual	184,802
Increase (Decrease)	(26,513)

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

	2021 Allowance		2022 Allowance Est	
Family	\$	20,729	\$	21,247
Emp + 1		15,586		15,976
Employee only		7,857		8,053

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 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 85% and an economy of size rate of 90%. Based on a 3% premium increase over FY 2020/21

FY 21/22 Requested Budget	28,406
FY 20/21 Estimated Actual	25,980
Increase (Decrease)	2,426

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

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

FY 21/22 Requested Budget	45,007
FY 20/21 Estimated Actual	48,478
Increase (Decrease)	(3,471)

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 21/22 Requested Budget	37,971
FY 20/21 Estimated Actual	34,971
Increase (Decrease)	3,000

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,738 per year per family for dental and vision expenses. Budgeted amount is \$2,803 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 21/22 Requested Budget	28,592
FY 20/21 Estimated Actual	22,980
Increase (Decrease)	5,613

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

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

FY 21/22 Requested Budget	5,408
FY 20/21 Estimated Actual	4,792
Increase (Decrease)	616

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 21/22 Requested Budget	4,465
FY 20/21 Estimated Actual	3,645
Increase (Decrease)	819

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 21/22 Requested Budget	450
FY 20/21 Estimated Actual	-
Increase (Decrease)	450

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 21/22 Requested Budget	1,000
FY 20/21 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

FY 21/22 Requested Budget	2,600
FY 20/21 Estimated Actual	1,800
Increase (Decrease)	800

\$ 2,600 EAAP

\$ 2,600 TOTAL

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 21/22 Requested Budget	-
FY 20/21 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 21/22 Requested Budget	1,500
FY 20/21 Estimated Actual	1,500
Increase (Decrease)	(0)

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 21/22 Requested Budget	2,500
FY 20/21 Estimated Actual	2,741
Increase (Decrease)	(241)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

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

FY 21/22 Requested Budget	20,000
FY 20/21 Estimated Actual	81
Increase (Decrease)	19,919

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 21/22 Requested Budget	150
FY 20/21 Estimated Actual	-
Increase (Decrease)	150

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

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

FY 21/22 Requested Budget	2,500
FY 20/21 Estimated Actual	2,500
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 21/22 Requested Budget	1,000
FY 20/21 Estimated Actual	818
Increase (Decrease)	182

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 21/22 Requested Budget	8,500
FY 20/21 Estimated Actual	7,452
Increase (Decrease)	1,048

\$ 8,500 Employee Training, including safety

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 21/22 Requested Budget	1,500
FY 20/21 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 21/22 Requested Budget	600
FY 20/21 Estimated Actual	223
Increase (Decrease)	377

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description: Environmental Services, Required by Reg Agency
Cathodic protection, Crane inspections
Emergency generator and forklift service
Hydraulic package oil analysis
Fire extinguisher and SCBA inspections
Personnel Team Building
Security
TOTAL

FY 21/22 Requested Budget	83,633
FY 20/21 Estimated Actual	49,175
Increase (Decrease)	34,458

\$ 83,633 TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 21/22 Requested Budget	-
FY 20/21 Estimated Actual	62,514
Increase (Decrease)	(62,514)

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 21/22 Requested Budget	15,000
FY 20/21 Estimated Actual	5,413
Increase (Decrease)	9,587

\$ 15,000 General Services (SCADA, GIS, etc)

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required permits for the Distribution Department.

FY 21/22 Requested Budget	5,600
FY 20/21 Estimated Actual	5,360
Increase (Decrease)	240

\$ 2,500 Low Threat Discharge Permit

1,300 Diesel Permit

1,800 SYPP, Tank 7 and 5 Business Plan

\$ 5,600 TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services. Not funded this year.

FY 21/22 Requested Budget	-
FY 20/21 Estimated Actual	502
Increase (Decrease)	(502)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 21/22 Requested Budget	7,541
FY 20/21 Estimated Actual	7,294
Increase (Decrease)	247

\$	3,696	Uniform Service (\$308 month)
	1,350	Blue jean pants (\$150/year employee allowance)
	1,575	Boots (\$175/year employee allowance)
	920	Misc. uniform requirements (jackets, etc.)
\$	7,541	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 21/22 Requested Budget	5,000
FY 20/21 Estimated Actual	5,037
Increase (Decrease)	(37)

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 21/22 Requested Budget	-
FY 20/21 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station.

FY 21/22 Requested Budget	1,000
FY 20/21 Estimated Actual	880
Increase (Decrease)	120

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 21/22 Requested Budget	-
FY 20/21 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 21/22 Requested Budget	10,000
FY 20/21 Estimated Actual	9,975
Increase (Decrease)	25

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 21/22 Requested Budget	7,000
FY 20/21 Estimated Actual	6,732
Increase (Decrease)	268

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 21/22 Requested Budget	70,970
FY 20/21 Estimated Actual	63,923
Increase (Decrease)	7,047

\$	61,865	Vehicles
	2,370	Emergency Generator Sets
	4,365	Lubricants
	2,370	Miscellaneous
\$	70,970	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 21/22 Requested Budget	8,000
FY 20/21 Estimated Actual	-
Increase (Decrease)	8,000

\$	1,000	Seed
	1,000	Plants and materials
	6,000	Erosion control
\$	8,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 21/22 Requested Budget	500
FY 20/21 Estimated Actual	500
Increase (Decrease)	-

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of Distribution Department equipment.

FY 21/22 Requested Budget	55,000
FY 20/21 Estimated Actual	55,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of Distribution Department vehicles.

FY 21/22 Requested Budget	15,000
FY 20/21 Estimated Actual	15,000
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

Description: Funds for the repair and maintenance of the Santa Ynez Pumping Facility.

FY 21/22 Requested Budget	14,200
FY 20/21 Estimated Actual	14,012
Increase (Decrease)	188

\$	3,500	Janitorial Service
	1,700	Pest Control
	4,000	HVAC, includes quarterly inspection
	5,000	Minor building repairs
\$	14,200	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 21/22 Requested Budget	4,500
FY 20/21 Estimated Actual	4,800
Increase (Decrease)	(300)

\$	4,500	SYPF (\$375 month avg)
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ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service for the Distribution Department.

FY 21/22 Requested Budget	1,070
FY 20/21 Estimated Actual	941
Increase (Decrease)	129

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 21/22 Requested Budget	57,728
FY 20/21 Estimated Actual	50,675
Increase (Decrease)	7,053

\$	17,236	Suite B & C	\$ 1,436/month
	1,614	ISO vaults (2)	\$ 135/month
	11,599	Tanks (3)	\$ 967/month
	3,164	Rectifiers (11)	\$ 264/month
	5,140	EDV	\$ 428/month
	18,973	SYPF	\$ 1,581/month
\$	57,728	TOTAL	

CENTRAL COAST WATER AUTHORITY DISTRIBUTION FY 2021/2022 BUDGET

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the Distribution Department.

FY 21/22 Requested Budget	2,792,780
FY 20/21 Estimated Actual	366,123
Increase (Decrease)	2,426,657

Acre feet pumped	7,498
Cost per acre foot	\$372.47
TOTAL	\$2,792,780

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to the Distribution Department.

FY 21/22 Requested Budget	2,500
FY 20/21 Estimated Actual	1,990
Increase (Decrease)	510

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 21/22 Requested Budget	7,525
FY 20/21 Estimated Actual	7,090
Increase (Decrease)	435

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 21/22 Requested Budget	3,625
FY 20/21 Estimated Actual	3,166
Increase (Decrease)	459

\$	2,700	Trash service
	925	Hazardous waste removal
\$	3,625	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 21/22 Requested Budget	57,610
FY 20/21 Estimated Actual	50,455
Increase (Decrease)	7,155

\$ 27,690	Property and Auto Insurance as apportioned by JPIA.
\$ 29,920	General liability and E&O insurance pro rated by salary percentages.
\$ 57,610	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects along the pipeline on facilities which are not owned by CCWA or do not qualify for capitalization under the CCWA capitalization policy. See the Capital and Non-Capital Projects in the "Projects" section of the budget for details on these projects which are now classified as non-operating expenses beginning in FY 2018/19.

FY 21/22 Requested Budget	-
FY 20/21 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the Distribution Department.

FY 21/22 Requested Budget	24,100
FY 20/21 Estimated Actual	21,249
Increase (Decrease)	2,851

\$ 4,000	Portable toilets (4) \$1,000/year each
7,500	General equipment rental
2,600	Mowing
10,000	Cachuma Lake bypass pipeline
\$ 24,100	TOTAL

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

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

FY 21/22 Requested Budget	10,000
FY 20/21 Estimated Actual	-
Increase (Decrease)	10,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2021/2022 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 21/22 Requested Budget	93,187
FY 20/21 Estimated Actual	73,780
Increase (Decrease)	19,407

\$ 86,677	CompuVision, Annual Service Agreements, and Software Subscriptions
\$ 6,510	Software, New Computers, DSL Allowance and other computer services.
\$ 93,187	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 21/22 Requested Budget	48,229
FY 20/21 Estimated Actual	-
Increase (Decrease)	48,229



*Facility Fencing Project prior to completion
September 2019*

Capital, Non-Capital & Extraordinary Projects

The Capital Improvements Projects (CIP) and Non-Capital Projects (NCP) is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset/equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority. The NCP budget includes expenditures for facility, equipment, maintenance and repairs. The Extraordinary Project Program (EPP) at the end of the project section of the budget provides a list of both CIP and NCP with a \$75,000 cost threshold over the next ten years.

Central Coast Water Authority
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The Capital Improvements Projects (CIP) and Non-Capital Projects (NCP) section is a component of the non-operating expense section of the budget. The budget for CIP includes expenditures for fixed asset/equipment purchases, the accumulation of expenditures associated with construction projects undertaken by the Authority. The NCP budget includes expenditures for facility, equipment, maintenance and repairs. The Extraordinary Project Program (EPP) at the end of this section provides a list of both Capital and Non-Capital Projects with a \$75,000 cost threshold and are anticipated occurring over the next ten years.

Total CIP and NCP budget for FY 2021/22 is \$1,322,060 and consists of 11 Capital Improvement Projects representing \$1,211,810 of the budget, and a budget of \$110,250 for 5 Non-Capital Projects.

Capitalization Criteria

The Authority capitalizes project expenditures and fixed asset purchases for those projects and assets that (1) are greater than \$10,000 and (2) have an estimated useful life longer than five years, with the exception of computer related equipment which is amortized over three years.

Principles used to determine what constitutes Capitalization:

- Fixing a defect or design flaw
- Creating an addition, physical enlargement or expansion
- Creating an increase in capacity, productivity or efficiency
- Rebuilding property after the end of its economic useful life
- Replacing a major component or structural part of the property
- Adapting property to a new or different use

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. Currently, it is not yet known if funds will need to be carried over from FY 2020/21 into FY 2021/22.

Funding of Capital Improvements (CIP) and Non-Capital Projects (NCP)

The FY 2021/22 CIP and NCP expenditures are entirely funded from Project Participant Assessments.

Central Coast Water Authority
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The following table shows the allocation of the FY 2021/22 Capital Improvements Projects and Non-Capital Projects by department and financial reach. Details for each of the proposed projects can also be found in this section.

FY 2021/2022 Capital Improvement Projects (CIP)							
Capital Projects	Specific		Water Treatment			Turnouts	Total
	Financial Reach	Administration	Plant	Distribution	Plant		
PLC Upgrade WTP - Phase 3 of 4	WTP	\$ -	\$ 315,000	\$ -	\$ -	\$ -	\$ 315,000
Technical Memorandum - Powdered Activated Carbon (PAC) System or Ozone System Evaluation	WTP	-	52,500	-	-	-	52,500
West Slope Erosion Repair Conceptual Design	WTP	-	52,500	-	-	-	52,500
WTP Heating Ventilation and Air Conditioning System	WTP	-	105,000	-	-	-	105,000
Granular Activated Carbon (GAC) Replacement for Filers #1, #3 and #5	WTP	-	420,000	-	-	-	420,000
Rectifier Replacement	DIST	-	-	28,350	-	-	28,350
Tank 5 Inlet Chemical Dosing Facility Design	MHII	-	-	73,500	-	-	73,500
Tank 7 Inlet Chemical Dosing Facility Design	SYI	-	-	73,500	-	-	73,500
Distribution Sample Truck - Replace D083	DIST	-	-	39,690	-	-	39,690
Distribution Crew - Replace D078	DIST	-	-	39,690	-	-	39,690
MS Dynamics SL Upgrade	ADM/DIST/ALLL	4,027	4,027	4,027	-	-	12,080
Total Capital Projects:		\$ 4,027	\$ 949,027	\$ 258,757	\$ -	\$ -	\$ 1,211,810
FY 2021/2022 Non-Capital Projects (NCP)							
Maintenance, Repairs & Equipment Projects	Financial Reach	ADM	WTP	DIST	Turnouts	Total	
Painting	WTP	\$ -	\$ 15,750	\$ -	\$ -	\$ -	\$ 15,750
Mobile Device Management	ADM/DIST/WTP	2,100	2,100	2,100	-	-	6,300
Endpoint Detection & Response	ADM/DIST/WTP	1,400	1,400	1,400	-	-	4,200
Water Management Strategies	ADM	52,500	-	-	-	-	52,500
Employee Salary Survey	ADM	31,500	-	-	-	-	31,500
Total Maintenance, Repair & Equipment Projects:		\$ 87,500	\$ 19,250	\$ 3,500	\$ -	\$ -	\$ 110,250
TOTAL CAPITAL and NON-CAPITAL PROJECTS:		\$ 91,527	\$ 968,277	\$ 262,257	\$ -	\$ -	\$ 1,322,060

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The following tables provide details for each of the Capital Improvement Projects.

Description:	PLC Upgrade WTP – Phase 3 of 4
Department:	WTP
Expanded Description	This is a continuation of a three phase project to update the legacy Process Logic Controllers (PLC) equipment throughout the Water Treatment Plant. The existing PLC system is no longer supported by the manufacturer and this project will upgrade the existing PLC systems to current technology. This phase will fund the completion of the design and the procurement of the long lead items. The testing and installation of the new PLC system is scheduled to occur in winter shutdown 2021 (FY 21/22).
Estimated Charge - Contractor	\$300,000
Contingency (5%)	<u>15,000</u>
Subtotal without CCWA Labor	\$315,000
CCWA Labor	<u>69,699</u>
Total Cost	\$384,699
Operating Budget Impact:	The PLC provides the heart and soul of the control functions for the WTP. Consequently, these units are important to keep in good functioning condition at all times. When the manufacturer advances the PLC equipment to a more advanced level, the technical support and repair parts from the manufacturer will eventually become unavailable. To avoid loss of continuous automated control of the WTP, migration to the advanced product is necessary. If postponed, the chances of extended outages of the PLC unit will increase due to fewer available repair parts and no technical support, which will translate to higher operational costs.

Description:	Technical Memorandum - Powdered Activated Carbon (PAC) System
Department:	WTP
Expanded Description	The purpose of this Technical Memorandum is to assess the current plan to construct a larger PAC system with associated storage and conveyance system or to consider ozone treatment as an alternative.
Estimated Charge - Contractor	\$50,000
Contingency (5%)	<u>2,500</u>
Subtotal without CCWA Labor	\$52,500
CCWA Labor	<u>3,266</u>
Total Cost	\$55,766
Operating Budget Impact:	The current PAC system was designed based on the highest algal taste and odor compound concentration observed prior to the date of installation, which was 42 ng/l of MIB. Since that time, the concentrations of algal taste and odor compound concentrations have increased by several orders of magnitude during algal blooms, with MIB detected as high as 2500 ng/l during the height of the drought. Further, algal toxins, such as anatoxin-a and microcystin LR, have been detected within the State Water Project conveyance system as well.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
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Description:	West Slope Erosion Repair Conceptual Design
Department:	WTP
Expanded Description	Storm water flow from the paved area surrounding the clear wells is conveyed from the paved area through a drop inlet and a corrugated metal (CMP) pipe directly down the western slope. The change in elevation is over 50 feet and the existing riprap lined ditch failed, resulting in a deep erosional ditch up to 10 feet deep and up to 15 feet wide. This project will develop a conceptual design for the repair of the erosional ditch and improvement to the storm water conveyance system.
Estimated Charge - Contractor	\$50,000
Contingency (5%)	<u>2,500</u>
Subtotal without CCWA Labor	\$52,500
CCWA Labor	<u>3,266</u>
Total Cost	\$55,766
Operating Budget Impact:	Although the annual precipitation at the Water Treatment Plant is low, the asphalt pavement around the WTP Clear wells does not allow for infiltration. Consequently, all rainfall in this area of the plant accumulates and is concentrated into one pipeline that drops over 50 feet in elevation and discharges into a soil ditch lined with riprap rock. Unfortunately, this design is ineffective due to the high energy of the storm water flow and the highly erodible soil beneath the riprap rock of the drainage ditch. The existing erosional ditch deepens with each major storm. Considering some of the potential solutions, this project will likely be subjected to environmental review pursuant to the California Environment Quality Act (CEQA). The purpose of this conceptual design is to begin project planning and be sufficient in detail to support an environmental review. As part of this phase of the project, a cost estimate for the remaining phases will be developed and will address environmental review, engineering and construction costs.

Description:	WTP Heating Ventilation and Air Conditioning System
Department:	WTP
Expanded Description	The Heating, Ventilation and Air Conditioning (HVAC) System at the Water Treatment Plant has been in place since original construction, although the controls have been replaced approximately ten years ago. Due to the design of the original system, the heating, cooling and ventilation throughout the Water Treatment Plant's Operations Building is not effective. Consequently, as part of an approved project, an engineering consultant reviewed the system design and physical installation and prepared a set of recommendations and design. This current project is to move forward with implementing the design changes recommended by the engineering consultant.
Estimated Charge - Contractor	\$100,000
Contingency (5%)	<u>5,000</u>
Subtotal without CCWA Labor	\$105,000
CCWA Labor	<u>7,373</u>
Total Cost	\$112,373
Operating Budget Impact:	The existing HVAC system is not effective and at the end of its service life. Through replacing this system following the recommendations by the engineering consultant, the efforts by CCWA staff to troubleshoot and repair the system will be significantly reduced

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Description:	Granular Activated Carbon (GAC) Replacement for Filers #1, #3 and #5
Department:	WTP
Expanded Description	The media used in all eight filters at the WTP consist of 16 inches of sand and 48 inches of GAC. Filters #1, #3 and #5 have been in place for 12 years and performance monitoring indicates the media is in need of replacement
Estimated Charge - Contractor	\$400,000
Contingency (5%)	<u>20,000</u>
Subtotal without CCWA Labor	\$420,000
CCWA Labor	<u>12,979</u>
Total Cost	\$432,979
Operating Budget Impact:	As a result of a special study, it was determined that filter media replacement every three years was not necessary for compliance with water quality regulations. It was concluded that the filter media should be replaced if its hydraulic characteristics began to degrade. Based on CCWA's on-going filter media monitoring program, it was determined that media in Filter #1, #3 and #5 requires replacement at this time.

Description:	Rectifier Replacement
Department:	DIST
Expanded Description	The CCWA pipeline is equipped with an impressed current cathodic protection (CP) system designed to prevent the exterior metallic components from corrosion. One element of this system is a rectifier, which is the device to convey electrical current to the pipeline. The CCWA CP system includes 15 rectifiers and 7 have been in place since original construction. This project will replace four existing rectifiers with new ones. The plan is to replace 4 rectifiers per year until all original rectifiers have been replaced.
Estimated Charge - Material	\$25,000
Tax (8%)	2,000
Contingency (5%)	<u>1,350</u>
Subtotal without CCWA Labor	\$28,350
CCWA Labor	<u>9,032</u>
Total Cost	\$37,382
Operating Budget Impact:	The existing rectifiers are reaching their anticipated service life. Through planning the replacement of these rectifier units through multiple phases, all rectifiers can be physically removed and installed with in-house staff. This reduces the overall replacement costs, as compared to retaining a contractor to complete the job.

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Description:	Tank 5 Inlet Chemical Dosing Facility Design
Department:	MHII
Expanded Description	This project will consist of designing a chemical dosing facility at the inlet of Tank 5. The design will include facilities for the storage of sodium hypochlorite and ammonium sulfate, chemical dosing systems and associated instrumentation and a shelter structure.
Estimated Charge - Contractor	\$70,000
Contingency (5%)	<u>3,500</u>
Subtotal without CCWA Labor	\$73,500
CCWA Labor	<u>2,019</u>
Total Cost	\$75,519
Operating Budget Impact:	One method for nitrification control is to increase the chloramine residual. This method was successfully implemented on a manual basis during a three month period in which the pipeline was operated at 50% of the minimum design flow rate (November 2020 to February 2021). By controlling nitrification through treatment, the need to pump water to Lake Cachuma as a control method will be reduced. In addition, through having permanent chemical dosing facilities, the amount of labor required to effect the treatment will be reduced to one staff, as opposed to a full crew.

Description:	Tank 7 Inlet Chemical Dosing Facility Design
Department:	SYI
Expanded Description	This project will consist of designing a remodeling of an existing chemical dosing facility at the inlet of Tank 7. The design will include facilities for the storage of sodium hypochlorite and ammonium sulfate, chemical dosing systems and associated instrumentation.
Estimated Charge - Contractor	\$70,000
Contingency (5%)	<u>3,500</u>
Subtotal without CCWA Labor	\$73,500
CCWA Labor	<u>2,019</u>
Total Cost	\$75,519
Operating Budget Impact:	One method for nitrification control is to increase the chloramine residual. This method was successfully implemented on a manual basis during a three month period in which the pipeline was operated at 50% of the minimum design flow rate (November 2020 to February 2021). By controlling nitrification through treatment, the need to pump water to Lake Cachuma as a control method will be reduced. In addition, through having permanent chemical dosing facilities, the amount of labor required to effect the treatment will be reduced to one staff, as opposed to a full crew.

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Description:	Distribution Sample Truck
Department:	DIST
Expanded Description	Replace Vehicle D083
Estimated Charge - Material	\$35,000
Tax (8%)	2,800
Contingency (5%)	<u>1,890</u>
Subtotal without CCWA Labor	\$39,690
CCWA Labor	<u>549</u>
Total Cost	\$40,239
Operating Budget Impact:	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 130,000 at start of FY 20/21

Description:	Distribution Crew Truck
Department:	DIST
Expanded Description	Replace Vehicle D078
Estimated Charge - Material	\$35,000
Tax (8%)	2,800
Contingency (5%)	<u>1,890</u>
Subtotal without CCWA Labor	\$39,690
CCWA Labor	<u>549</u>
Total Cost	\$40,239
Operating Budget Impact:	CCWA has extended the replacement frequency to 130,000 miles. This vehicle will have approximately 130,000 at start of FY 20/21

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Non-Capitalized Projects

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

The following tables provide details for each of the Non-Capital Projects.

Description:	Painting
Department:	WTP
Expanded Description	CCWA staff conducts an annual assessment of painted surfaces within the WTP to identify areas that have been degraded by the elements. This project will fund the painting of components of the WTP identified as requiring new paint.
Estimated Charge - Contractor	\$15,000
Contingency (5%)	750
Subtotal without CCWA Labor	\$15,750
CCWA Labor	1,214
Total Cost	\$16,964
Operating Budget Impact:	Paint is an important measure to reduce the effects of weather and corrosion in above ground piping and other structures. Through maintaining a painted surface, the underlying material is protected, which will result in an extended service life.

Description:	Mobile Device Management
Department:	ADM/DIST/WTP
Expanded Description	CompuVision recommends that CCWA implement a mobile device management solution (MDM) to better protect the IT infrastructure from cyber security hacks of mobile devices. MDM allows CCWA to remotely wipe device data in the case of loss or theft, to easily discover high risk devices, and to safeguard the network with role-based device usage permissions and customizable access to corporate accounts
Estimated Charge - Contractor	\$6,000
Contingency (5%)	300
Subtotal without CCWA Labor	\$6,300
CCWA Labor	1,143
Total Cost	\$7,443
Operating Budget Impact:	The use of smart phones, tablets and other Mobil devices have increased over the years, particularly during the pandemic. To ensure that these

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	devices are secure, a remote monitoring system is needed to prevent cyber hacking attempts as well as to provide the ability to remove sensitive infrastructure information from Mobil devices in the event of theft.

Description:	Endpoint Detection & Response
Department:	ADM/DIST/WTP
Expanded Description	Endpoint Detection and Response (EDR) is an integrated threat management software from SentinelOne. EDR enables devices to self-defend and heal themselves by stopping processes, establishing quarantine, fixing forward, and rolling back events to keep devices protected. EDR monitors multiple processes to recognize attacks as they develop and respond at machine speed.
Estimated Charge - Contractor	\$4,000
Contingency (5%)	<u>200</u>
Subtotal without CCWA Labor	\$4,200
CCWA Labor	<u>1,143</u>
Total Cost	\$5,343
Operating Budget Impact:	Given the increasing cyber security threat, a solution to enhance the existing virus surveillance system is needed. This solution enhances protection from cyber security threats through adding a number of valuable algorithms on individual devices.

Description:	Water Management Strategies
Department:	ADM
Expanded Description	The State Water Supply Agreement is currently being amended to include new water management rules related to water transfers and exchanges. This FY 20/21 project retained the services of Provost & Pritchard to review the new rules and other applicable rules to develop sound water management strategies to optimize the yield from the State Water Project. This phase of the project is to provide supplemental budget of \$50,000.
Estimated Charge - Contractor	\$50,000
Contingency (5%)	<u>2,500</u>
Subtotal without CCWA Labor	\$52,500
CCWA Labor	<u>5,249</u>
Total Cost	\$57,749
Operating Budget Impact:	Poor management of State Water Project water can lead to a loss of supply due to spill events or water not being available during times of drought. To avoid unnecessary loss of water and to ensure water is available during times of drought, an optimal water management strategy needs to be developed and actively implemented.

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Description:	Employee Salary Survey
Department:	ADM
Expanded Description	The current frequency of an employee salary survey is once every five years. The last survey was completed in February 2016. The purpose of the survey is to adjust the employee salary schedules to be consistent with the middle range of comparable agencies.
Estimated Charge - Contractor	\$30,000
Contingency (5%)	<u>1,500</u>
Subtotal without CCWA Labor	\$31,500
CCWA Labor	<u>14,214</u>
Total Cost	\$45,714
Operating Budget Impact:	By maintaining employee salaries consistent with comparable agencies through periodic review and adjustment, CCWA will be able to recruit and retain talented and competent employees. This is particularly important as many CCWA employees have approached retirement age. Therefore, it is important to both recruit new employees while encouraging existing employees to work past their retirement age.

State Water Project Construction Project

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities, which traverse the Santa Ynez Mountains.

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FORMAL EXTRAORDINARY PROJECT PROGRAM

CCWA staff and an experienced engineering consultant worked together to develop a formal Extraordinary Project Program (EPP). As the various facilities and systems that are operated and maintained by CCWA age, there will be a need for projects to replace, refurbish and improve those facilities and systems. Not only will the number of these kinds of projects increase but their magnitude in both costs and potential impact on operations will increase as well. In addition, the Board may find that the CCWA System can be improved or modified to provide additional benefits to CCWA Participants. Consequently, there is a need to carefully consider what specific projects are needed or desired by the Board and to plan and schedule their implementation. The project identification, planning, prioritization and scheduling steps were foundational in the preparation of the formal EPP.

Another important purpose of a formal EPP is that it provides a format in which to communicate to the Board a more comprehensive long range plan for the CCWA system operation and development. In the past, Staff presented projects to the Board through the annual budgeting process. All projects were funded on a current year basis and included in the Authority's draft budget, which was submitted to the Board of Directors for approval. Because this process did not provide a full view of multi-year projects nor provide a definitive long term plan, in Fiscal Year 2017/18 Staff developed the formal EPP to adequately communicate to the Board the current work of careful planning and prioritizing of projects.

As with all EPPs, the basic elements include the following:

- Identification of Projects. Since the purpose of a formal EPP is to communicate the long term development plans for the CCWA System, it is important to identify the size of the projects to bring to the Board's attention. For the purposes of initial evaluation, CCWA staff has used \$75,000 as the threshold level in which to include a project in the EPP. The Board may decide to increase or decrease this threshold level.

In terms of identifying projects, there are two kinds of projects: (1) projects identified through routine facility assessments and (2) projects that improve the CCWA system and provide additional benefits to CCWA Participants, such as expanding the water treatment plant.

- Identify Funding for Projects. For the CCWA operation, all funding of projects occurs through the annual budgeting process for the CCWA operation. However, for large projects, the Board may decide to direct staff to pursue grant funding opportunities. Since applying for grants is a project in itself and may require an extended timeframe to secure a grant, this may be the first step in developing a project.

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- **Budgeting Project.** A formal EPP allows the Board to fully consider the costs and schedule of a multi-year project. In addition, annual updates of the EPP will allow updates to project costs estimates and other important updates for the Board to consider. This is an improvement on the prior method of submitting projects on a current year budget basis only.

- **Implementing Projects.** A standard project management approach is utilized in organizing and implementing projects. Every project is described, in terms of cost and schedule, as a multi-phased project to include the phases shown below:
 - **Project initiation.** Once a project is identified, staff will need to prepare a description of the project as well as provide justification for the project. This is the very early stages of the project and is the basis for initial approval. If the project is approved, the next step will be implemented.

 - **Planning/Predesign.** For large projects, preliminary engineering is required to estimate the order of magnitude scope and cost of the project. Either staff or a consulting engineer can be utilized in developing these estimates. Following this step, the Board may want to provide additional review as to whether to approve the project for further development.

 - **Design.** Once a project has been approved by the Board, the project will be designed by a consulting engineering firm. If the design contract exceeds \$30,000, staff will request approval from the Board before awarding the contract, consistent with the CCWA Purchasing Policies. Generally, the design will be incorporated into a Request-For-Bids (RFB) document, using CCWA's standard contracts and front end specifications for public works projects.

 - **Construction Bid and Award.** Once the RFB is finalized, it will be advertised as required by public procurement regulations. The competitive bidding process will follow established public works project protocol. Once bids have been publically opened, the Bids will be reviewed to determine if the contractor is responsible and if the Bid was responsive to Bid Documents. Once this process is completed, the lowest responsible and responsive Bid will be presented to the Board for consideration for contract award.

 - **Construction.** The construction phase will include the efforts of CCWA staff and engineering inspectors to closely monitor the progress of the construction to ensure adherence to the requirements of the Contract Documents as well as identify potential changes to the work that may be to CCWA's benefit. Staff will provide periodic

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updates to the Board and may also potentially request modifications of the work underway.

- Post Construction. This step is critical in terms of releasing the contractor from the project through verifying work was completed as required by the Contract Documents, all releases from future contractor and subcontractor claims have been secured and that as built records are completed.

CCWA staff prepared the following table to show the current thinking of the long term projects over a ten year planning horizon. As indicated earlier, CCWA staff proposes to utilize the services of an experienced engineering consultant to assist with the development of a formal EPP. This process will likely include collaboration with participants to gain consensus with a long term plan for the CCWA System.

Conceptual Capital Improvement Program (Threshold = \$75,000)											
Major Facilities	Total Budget	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
Network											
PLC Upgrade WTP - 4 Phases, 2 remain	\$600,000	\$300,000	\$300,000								
SCADA Upgrade - 2Yr	\$400,000								\$200,000	\$200,000	
Distribution General											
Tank 5 Inlet Dosing Facility	\$250,000		\$250,000								
Air Vac Replacement - 4 Phase	\$225,000			\$225,000							
Pavement Overlays	\$150,000						\$150,000				
Tank 7 Access Road Overlay	\$130,000			\$130,000							
SYPP Surge Tank Pedestal	\$280,000			\$280,000							
Water Treatment Plant											
Granular Activated Carbon	\$800,000	\$400,000									\$400,000
HVAC System - Construction Phase	\$100,000	\$100,000									
Permanent Install of PAC System - 1 Yr	\$650,000				\$650,000						
West Slope Drainage Improvements - 2 Yr	\$425,000			\$75,000	\$350,000						
Sludge Collector System - 3 year	\$675,000					\$225,000	\$225,000	\$225,000			
Lining of Chlorine Contact Basin - 3 Yr	\$1,125,000		\$375,000	\$375,000	\$375,000						
Lining of Filters - 4 Yr	\$920,000					\$230,000	\$230,000	\$230,000	\$230,000		
Polymer Mixer Tank - 2 Phases	\$205,000			\$80,000	\$125,000						
Slurry Seal Access Road - 1 Yr	\$125,000					\$125,000					
Staff Office and Operator Sleeping Quarters	\$360,000		\$360,000								
Lagoon C French Drain	\$150,000			\$150,000							
EDV											
Hydraulic Package Refurbishment - 1 Yr	\$125,000		\$125,000								
Bradbury Dam											
Permanent Bypass Piping System - 2 Yr	\$150,000					\$150,000					
Estimated Yearly Totals		\$800,000	\$1,410,000	\$1,315,000	\$1,500,000	\$730,000	\$605,000	\$455,000	\$430,000	\$200,000	\$400,000



*Ammonia tank liner inspection / repairs at the Water Treatment Plant
March 2019*

CCWA Bond Debt

The CCWA Bond Debt section of the FY 2021/22 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, and the project participant debt payment schedule.

Highlights

2016A Revenue Bond Principal and Interest Due \$ 10,347,375

- FY 2021/22 Principal Payment \$ 10,095,000
- FY 2021/22 Interest Payments \$ 252,375

- Bond Trustee Expenses \$ 2,700

Bond Payment Funding Sources \$ 10,289,802

- Fixed Assessments from Project Participants \$ 10,292,502
- Debt Service Account Interest Credits \$ 57,573

2016 Revenue Bond Information

- Principal Payment Date October 1st
- Interest Payment Date October 1st
- Outstanding Principal Balance (6-30-21) \$ 10,095,000
- True Interest Cost (TIC) 1.355%
- Final maturity date October 1, 2021

Central Coast Water Authority

CCWA Bond Debt

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Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

In September 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 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

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CCWA Bond Debt

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Series 2016A Refunding Revenue Bonds

On June 28, 2016, the Authority issued Series 2016A refunding revenue bonds in the amount of \$45,470,000 which refunded the Authority's \$59,645,000 outstanding aggregate principal amount of Refunding Revenue Bonds (State Water Project Regional Facilities), Series 2006A. The 2016A refunding revenue bonds were issued for the purpose of reducing the Authority's total debt service payments over the next 5 years by \$5.6 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$5.4 million. The Authority also realized the benefits of lower interest rates, which were issued at a true interest cost of 1.355% compared to the 4.24% true interest costs of the 2006A bonds. The bond refunding transaction reduced the Authority's debt service payments by \$1.1 million per year through the final maturity of the bonds in 2021, and was completed at the close of escrow on July 21, 2016.

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments to the Authority with respect to the project. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated June 28, 2016 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "2016A Revenue Bond Debt Service Schedule" in this section*). The final principal and interest payment will be made October 1, 2021.

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

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CCWA Bond Debt

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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 each fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

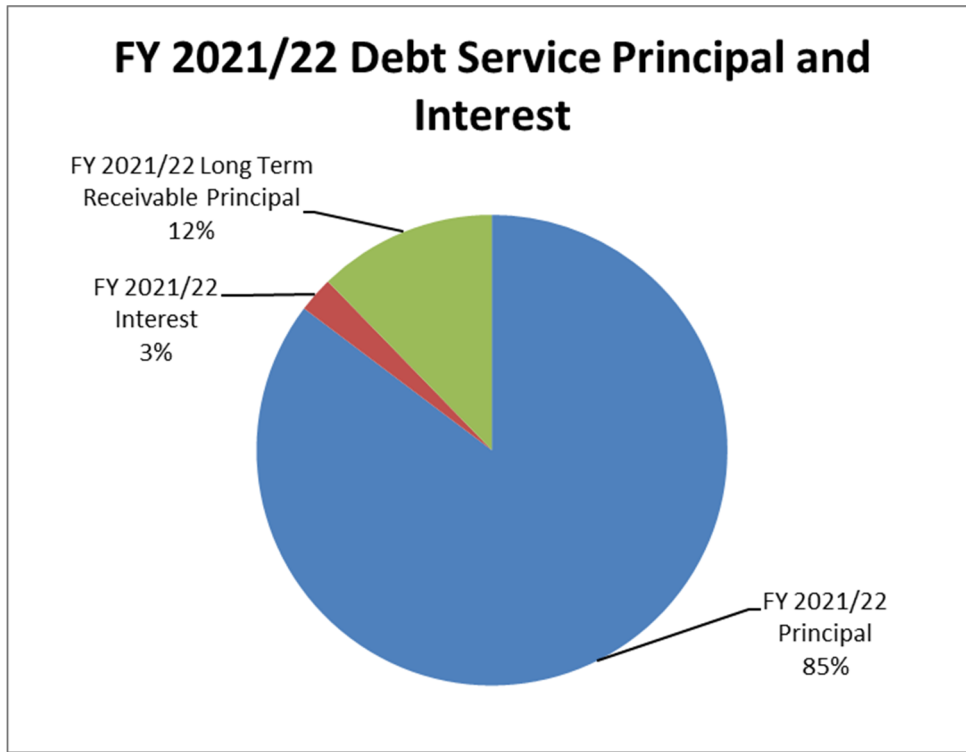
Fiscal Year 2021/22 Debt Service Budget

For FY 2021/22, total 2016A principal payments are \$ 10,095,000 and total interest payments due are \$252,375. Additionally, Bond Trustee fees in the amount of \$2,700 are included in the debt service assessment.

The following are adjustments to the CCWA 2016A revenue bond debt service payments:

- Debt Service Account Interest Income - Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the debt service payment dates on the bonds. Total estimated investment income is \$57,573.

The following chart shows the total principal and interest payments for the 2016A revenue bonds for FY 2021/22.



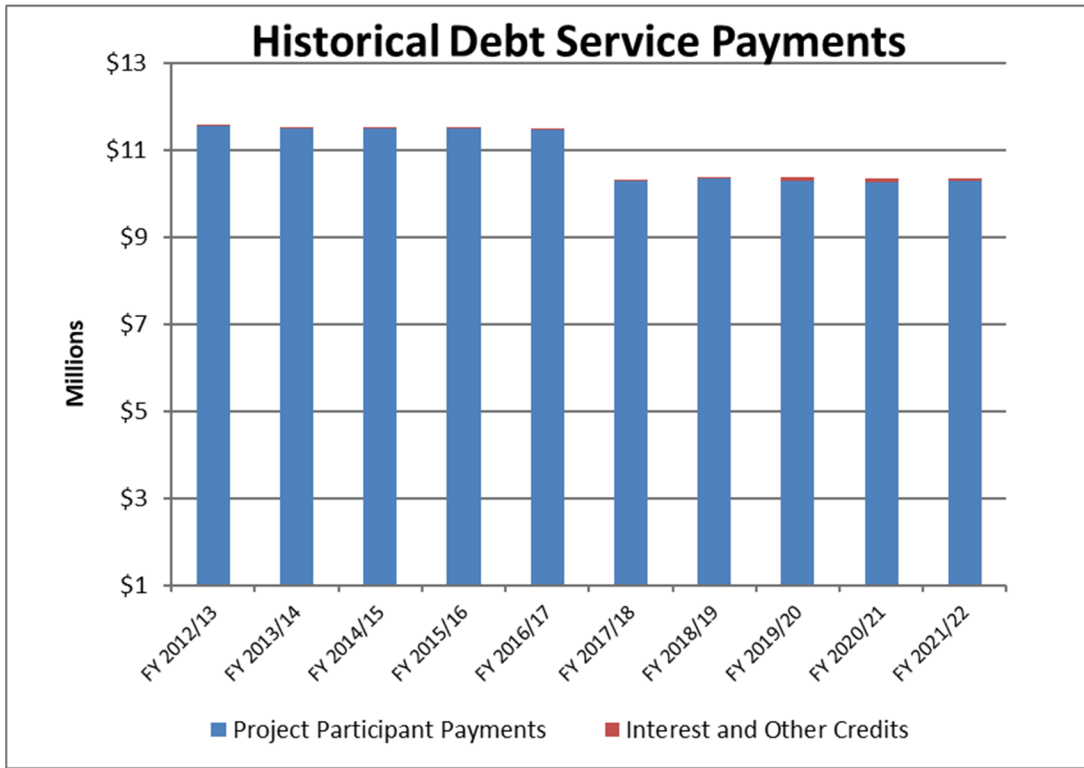
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CCWA Bond Debt

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Historical CCWA Revenue Bond Debt Service Payments

The following graph shows the composition of the source of funds for payment of the CCWA revenue bond debt service payments for the past 10 years.



Project Participant Financing of Local Facilities

When the Authority’s facilities were constructed and financed with the original 1992 Revenue bond proceeds, certain financing participants elected to finance local facilities and costs with proceeds from the CCWA revenue bond issue. Since CCWA does not own these facilities, the financed costs are shown as a long-term receivable on the CCWA financial statements.

A portion of each principal payment paid by the financing participants who financed local facilities reduces the long-term receivable balance of the local facilities, and repayment of the long-term receivable is in direct proportion to the annual payment of principal on the outstanding CCWA 2016A revenue bonds.

The following table shows the original long-term receivable balance, payments against the long-term receivable prior to FY 2021/22 and the portion of the FY 2021/22 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.

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CCWA Bond Debt

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Bond Principal Payment Allocated to Financed Local Facilities				
Financing Participant	Original Financed Local Facilities	Principal Payments Prior to FY 2021/2022	FY 2021/2022 Bond Principal Allocated to Local Facilities	Long Term Receivable Balance
Avila Beach	\$ 41,348	\$ (38,444)	\$ (2,904)	\$ -
California Men's Colony	915,568	(850,694)	(64,874)	-
County of SLO	976,433	(907,249)	(69,184)	-
Cuesta College	457,835	(425,395)	(32,441)	-
Morro Bay	7,036,800	(6,540,541)	(496,258)	-
Oceano	281,692	(261,905)	(19,787)	-
Pismo Beach	465,088	(432,419)	(32,669)	-
Shandon	33,276	(30,939)	(2,337)	-
Guadalupe	1,201,137	(1,116,765)	(84,372)	-
Buellton	195,505	(181,772)	(13,733)	-
Santa Ynez (Solvang)	446,517	(409,885)	(36,632)	-
Santa Ynez	192,758	(176,525)	(16,233)	-
Goleta	2,969,066	(2,760,509)	(208,558)	-
Morehart Land	12,390	(11,430)	(960)	-
La Cumbre	61,948	(57,147)	(4,801)	-
Raytheon	18,052	(16,784)	(1,268)	-
Santa Barbara	648,172	(602,642)	(45,530)	-
Montecito	934,625	(862,193)	(72,432)	-
Carpinteria	929,035	(863,776)	(65,259)	-
TOTAL:	\$ 17,817,245	\$(16,547,011)	\$ (1,270,233)	\$ -

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CCWA Bond Debt

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Financing Participant	Allocation Percentage	FY 2021/2022		Trustee Expenses	Debt Service		FY 2021/2022 Total Payments
		Series A (10/1/21) Principal Payment	Series A (10/1/21) Interest Payment		Account Interest & Credits ⁽¹⁾		
Avila Beach	0.11449%	\$ 11,558	\$ 289	\$ 3	\$ (69)	\$ 11,780	
California Men's Colony	1.00140%	101,091	2,527	27	(607)	103,039	
County of SLO	1.06675%	107,689	2,692	29	(646)	109,764	
Cuesta College	0.50074%	50,550	1,264	14	(303)	51,523	
Morro Bay	6.46135%	652,273	16,307	174	(3,914)	664,841	
Oceano	0.83707%	84,502	2,113	23	(507)	86,131	
Pismo Beach	1.38347%	139,661	3,492	37	(838)	142,352	
Shandon	0.11336%	11,443	286	3	(69)	11,664	
Guadalupe	1.42469%	143,823	3,596	38	(833)	146,624	
Buellton	2.52375%	254,773	6,369	68	(1,632)	259,578	
Santa Ynez (Solvang)	7.75040%	782,403	19,560	209	(4,342)	797,830	
Santa Ynez	2.91069%	293,834	7,346	79	(1,631)	299,628	
Goleta	24.42782%	2,465,988	61,650	660	(13,929)	2,514,368	
Morehart Land	1.12175%	113,241	2,831	30	(637)	115,465	
La Cumbre	5.37046%	542,148	13,554	145	(3,080)	552,767	
Raytheon	0.23482%	23,705	593	6	(138)	24,165	
Santa Barbara	15.01654%	1,515,920	37,898	405	(8,412)	1,545,811	
Montecito	17.65001%	1,781,769	44,544	477	(10,198)	1,816,592	
Carpinteria	10.09044%	1,018,630	25,466	272	(5,786)	1,038,582	
TOTAL:	100.00000%	\$ 10,095,000	\$ 252,375	\$ 2,700	\$ (57,573)	\$ 10,292,502	

(1) Represents interest on the financing participant debt service payments for FY 2020/21

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CCWA Bond Debt

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Central Coast Water Authority
Series 2016A Revenue Bond Debt Service Schedule
Dated July 21, 2016

Debt Service Date	Interest Rate	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Year Debt Service (Cash)
4/1/2017			1,578,819	45,470,000	1,578,819
10/1/2017	5.000%	7,880,000	1,136,750	37,590,000	
4/1/2018			939,750	37,590,000	9,956,500
10/1/2018	5.000%	8,720,000	939,750	28,870,000	
4/1/2019			721,750	28,870,000	10,381,500
10/1/2019	5.000%	9,160,000	721,750	19,710,000	
4/1/2020			492,750	19,710,000	10,374,500
10/1/2020	5.000%	9,615,000	492,750	10,095,000	
4/1/2021			252,375	10,095,000	10,360,125
10/1/2021	5.000%	10,095,000	252,375	-	10,347,375
					FY 2021/22
\$ 45,470,000			\$ 7,528,819	\$ -	\$ 52,998,819



Dewatering site below the Santa Ynez Mission prior to Winter Shutdown 2019

Reserves and Cash Management

The Reserves and Cash Management section of the 2021/22 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

FY 21/22 Total Reserve Balances

\$13,522,356

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 9,518,765
- DWR Reserve Fund \$ 2,003,591

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2021/22 Budget

This section of the Budget discusses the three cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund, and the DWR Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

Operations and Maintenance Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
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Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgments. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

Operations and Maintenance Reserve Fund

Project Participant	Table A Amount	% of Table A	Operating Reserve
City of Buellton	578	1.48%	\$ 29,582
Carpinteria Valley Water District	2,000	5.12%	102,359
Goleta Water District	4,500	11.52%	230,309
City of Guadalupe	550	1.41%	28,149
La Cumbre Mutual Water Company	1,000	2.56%	51,180
Montecito Water District	3,000	7.68%	153,539
Morehart Land Company	200	0.51%	10,236
City of Santa Barbara	3,000	7.68%	153,539
Raytheon Systems Company	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
Golden State Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
TOTAL	39,078	100.00%	\$ 2,000,000

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2021/22 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-days (60) of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor’s obligations until the subsequent July 1. For example to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund’s creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.

Withdrawal: A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2021/22 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. Rate Fund investment earnings shall be credited to the Contractors account within the Fund except to the extent the Contractor directs the Authority to credit said earnings to the Contractor’s payments obligations or as otherwise directed by the Contractor. Deposits and related earnings on deposits for each project participant will be accounted for on an individual project participant basis even if commingled for investment purposes. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the Rate Fund.

Use of Funds: Monies in the Rate Fund shall not be expended for any purpose, except upon approval of the Board of Directors (i) for emergency expenses, and (ii) to the extent necessary to supplement funds available from the O&M Reserve Fund provided that the Contractor submits written documentation to the Authority that it is in compliance with its WSA rate coverage obligations without considering the proposed expenditure from the fund.

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of December 31, 2020. Participation in the fund for FY 2020/21 is not yet known. Prior to June 30, 2021, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2020/21.

FY 2020/21 Rate Coverage Reserve Fund

Project Participant	FY 2020/21 Deposit
City of Buellton	\$ 275,538
Carpinteria Valley Water District	861,908
City of Guadalupe	191,484
La Cumbre Mutual Water Company	401,340
Montecito Water District	1,497,646
City of Santa Maria	5,179,365
Santa Ynez, RWCD, I.D. #1 (Solvang)	633,658
Santa Ynez, RWCD, I.D. #1	462,078
County of San Luis Obispo (Shandon)	15,748
TOTAL:	\$ 9,518,765

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DWR Reserve Fund Policy

During its March 28, 2019 regular meeting, the Board of Directors approved a “DWR Reserve Fund Policy” as follows:

Purpose: The DWR Reserve Fund is intended to provide a funding source for payments to the State of California Department of Water Resources (DWR) when there is a difference between estimates used to prepare the DWR portion of the annual CCWA budget and the actual amounts billed to the Authority by DWR.

Contributions: Contributions to the DWR Reserve Fund are voluntary. Project Participants wanting to participate in the DWR Reserve Fund shall notify the Authority of such intent. The Authority will in turn, notify the participating Project Participant of its “Target DWR Reserve Fund Amount” (Target Amount). The Target Amount will be equal to the participating Project Participant’s proportional share of a \$10 million allocation of DWR Transportation Minimum OMP&R charges as calculated in the most recent DWR Statement of Charges at the time the DWR Reserve Fund Policy is approved by the CCWA Board of Directors, and updated periodically.

Funding of each participating Project Participant’s share of the DWR Reserve Fund will come from a combination of (1) CCWA Operating Expense budget surpluses, if any (2) Interest earnings on funds held in all other accounts on behalf of the participating Project Participant and (3) excess amounts, if any, from any of the DWR Statement of Charges cost components.

After the participating Project Participant’s share of the DWR Reserve Fund has been fully funded up to the participating Project Participant’s Target Amount, the credits, interest earnings and excess DWR amounts will be returned to the participating Project Participant as a credit against future bills from the Authority.

If the balance of the participating Project Participant’s DWR Reserve Fund falls below the Target Amount, the Authority will retain the credits listed above until the balance once again equals the Target Amount.

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Withdrawal: A participating Project Participant may withdraw from the DWR Reserve Fund by notifying the Authority in writing of its request to withdraw its funds on deposit in the DWR Reserve Fund. Within 60 days, the Authority will either credit the funds on deposit against the participating Project Participant's next invoice from the Authority, or at the request of the participating Project Participant, issue a check for the refund of the deposit amount.

Administration: The Treasurer shall invest funds held in the DWR Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. DWR Reserve Fund investment earnings shall be redeposited into the DWR Reserve Fund for each participating Project Participant up to the Target Amount. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the DWR Reserve Fund.

Use of Fund: Monies held in the DWR Reserve Fund may be used by the Authority to fund the difference between the estimates used for billing purposes to the participating Project Participants for the annual DWR Statement of Charges (all fixed cost components) and the actual Statement of Charges received from DWR.

The following table shows the DWR Reserve funding target, fund balance as of June 30, 2020, the estimated transfer for FY 2020/21 and the balance remaining to fully fund the DWR Reserve Fund by project participant:

DWR Reserve Fund Target and Fund Balance

Project Participant	Table A Amount	% of Table A	DWR Reserve Fund Target ⁽¹⁾	DWR Reserve Fund Balance ⁽²⁾	Estimated Transfer for FY 2020/21	Remaining Funds to Meet Target
Guadalupe	550	1.41%	\$ 140,744	\$ 38,648	\$ 65,658	\$ 36,438
Santa Maria	16,200	41.46%	4,145,555	1,174,408	1,897,715	1,073,432
Golden State Water Co.	500	1.28%	127,949	45,143	2,082	80,724
Vandenberg AFB ⁽³⁾	5,500	14.07%	-	-	-	-
Buellton	578	1.48%	147,909	63,543	66,945	17,421
Santa Ynez (Solvang)	1,500	3.84%	383,848	147,316	13,462	223,069
Santa Ynez	500	1.28%	127,949	144,789	80,237	(97,076)
Goleta ⁽³⁾	4,500	11.52%	-	-	-	-
Morehart Land	200	0.51%	51,180	34,778	419	15,982
La Cumbre	1,000	2.56%	255,898	98,938	8,014	148,947
Raytheon	50	0.13%	12,795	9,177	5,977	(2,359)
Santa Barbara	3,000	7.68%	767,695	246,852	24,157	496,687
Montecito ⁽³⁾	3,000	7.68%	-	-	-	-
Carpinteria ⁽³⁾	2,000	5.12%	-	-	-	-
TOTAL	39,078	100.00%	\$ 6,161,523	2,003,591	\$ 2,164,667	\$ 1,993,265

(1) Participation in the DWR Reserve Fund is voluntary. The initial reserve fund target set \$10 million was reduced based on project participants opting out of the DWR Reserve.

(2) The table above shows credits as of June 30, 2020 transferred to the DWR Reserve Fund and the estimated amount to be transferred on June 30, 2021 from the following sources: CCWA O&M credits and interest earnings on all reserve and deposit accounts.

(3) Project participants opting out of participating in the DWR Reserve Fund.

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Cash Management

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants and any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

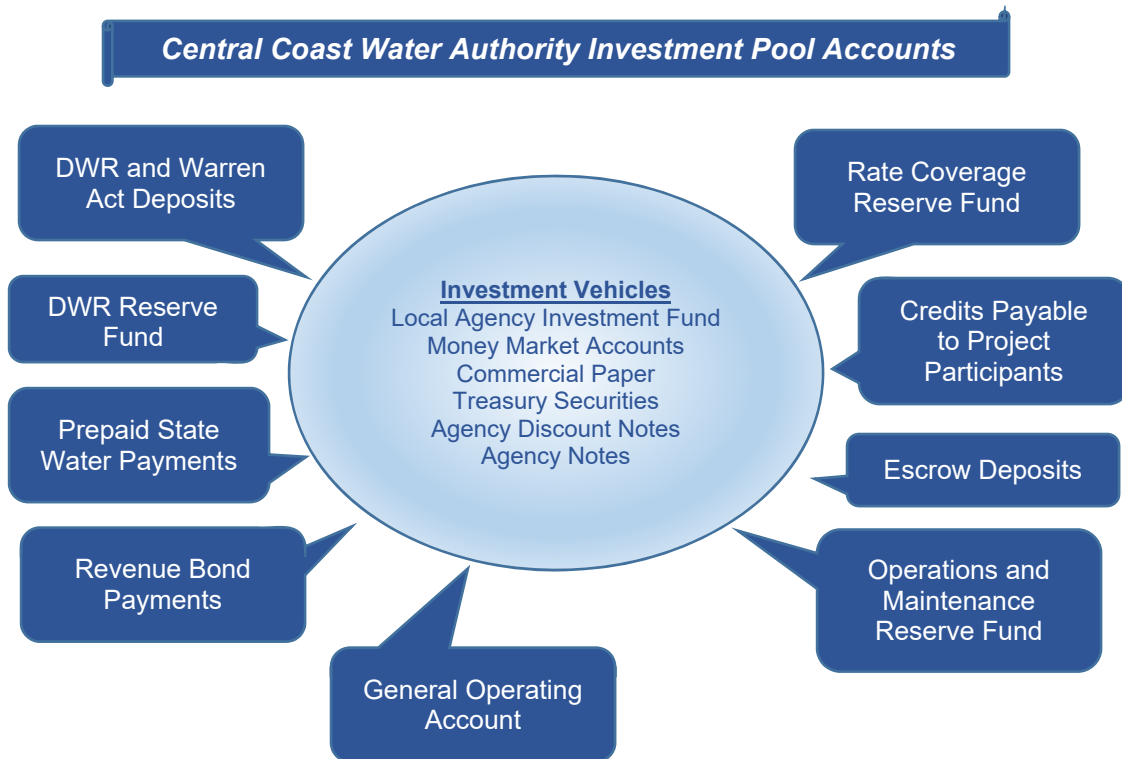
CCWA Investment Pool

All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy. All cash and investments other than those funds held by the Authority’s Revenue bond trustee are allocated and invested in an investment pool which is comprised of the various “types” of payments paid by the Authority’s project participants further broken down by individual project participants within each account.

Each account within the CCWA investment pool receives investment income based on the account’s proportional share of the average daily balance for the month.

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The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.



Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Department of Water Resources Reserve Fund – a voluntary fund in which certain Project Participants have various credits and earnings held to cover DWR Statement of Charges volatility [described in this section of the budget].

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- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account represent annual debt service payments on the outstanding revenue bonds [refer to the “CCWA Bond Debt” section of this budget].
- DWR and Warren Act Deposits – funds paid by the CCWA project participants for both fixed and variable DWR payments and payments to the US Bureau of Reclamation for Warren Act charges for delivery of State Water into Lake Cachuma [refer to the “DWR” section of this budget].
- Escrow Deposits – deposits received from certain “non-public agency” project participants as required under their individual water supply agreements. The deposits are approximately equal to one year’s State water payment.
- Credits payable to Project Participants– credits from many sources but primarily for O&M credits and interest income credits for under-expended O&M costs from the prior fiscal year.