

Central Coast Water Authority

FY 2018-19 Budget



A CALIFORNIA JOINT POWERS AUTHORITY

Central Coast Water Authority

A CALIFORNIA JOINT POWERS AUTHORITY

Fiscal Year
2018/19 Budget

Central Coast Water Authority

Mission:

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

Objectives:

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





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Coast Water Authority
California**

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morrill

Executive Director

Central Coast Water Authority
 Table of Contents
 Fiscal Year 2018/19 Budget

BUDGET FOREWORD

	Page
Budget Foreword.....	1
Reader’s Guide.....	3
Budget Transmittal Letter.....	4
Project Map	10
Organization Overview, Structure and Staffing	11
CCWA Organization Chart	16
Personnel Count Summary – All Departments.....	17
Budget Process	18
Budget Planning Schedule.....	20
Financial Reporting Basis.....	21
Budget Policy and Strategy	22

BUDGET SUMMARY

Budget Summary.....	28
Budget Summary Table.....	30
Total Expenditures Summary	31
Water Delivery Charts and Tables	32
Cost Per Acre-Foot Analysis	34

REVENUES AND SOURCES OF CASH

Revenues and Sources of Cash.....	38
Revenues and Sources of Cash Narrative Discussion	39

DEPARTMENT OF WATER RESOURCES

Department of Water Resources Charges.....	53
Department of Water Resources Charges Narrative Discussion	55
Transportation Capital Charges.....	57
Transportation Capital – Coastal Branch Extension.....	59
Transportation Capital – Minimum OMP&R.....	62
Water System Revenue Bond Surcharge.....	64
Delta Water Charge	65
Off-Aqueduct Charges.....	67
Variable OMP&R Charges.....	68
DWR Charges for Each Project Participant	71

Central Coast Water Authority
 Table of Contents
 Fiscal Year 2018/19 Budget

OPERATING EXPENSES

Operating Expenses	72
Operating Expense Overview	74
Consolidated Department Operating Expenses	81
Operating Expense Allocation by Department	88

ADMINISTRATION DEPARTMENT

Administration Department	90
Administration Department Narrative Discussion	92
Administration Department Personnel Services Summary	96
Administration Department Operating Expenses	99
Administration Department Operating Expense Detail	103

WATER TREATMENT PLANT DEPARTMENT

Water Treatment Plant Department	114
Water Treatment Plant Department Narrative Discussion	116
Water Treatment Plant Flow Diagram	121
Regional Water Treatment Plant Allocation	123
Santa Ynez Exchange Agreement	126
Water Treatment Plant Department Personnel Services Summary	127
Water Treatment Plant Department Operating Expenses	130
Water Treatment Plant Department Operating Expense Detail	134

DISTRIBUTION DEPARTMENT

Distribution Department	150
Distribution Department Narrative Discussion	152
Distribution Department Personnel Services Summary	160
Coastal Branch Financial Reaches and Contract Entitlement	161
Distribution Department Operating Expenses	164
Distribution Department Operating Expense Detail	168

CAPITAL, NON-CAPITAL & EXTRAORDINARY PROJECTS

Capital Improvements	183
Capital, Non-Capital and Extraordinary Projects Narrative Discussion	184
Capital Improvement Projects Detail	186
Non-Capital Improvement Projects Detail	196

Central Coast Water Authority
Table of Contents
Fiscal Year 2018/19 Budget

CCWA BOND DEBT

CCWA Bond Debt.....	213
CCWA Bond Debt Narrative Discussion.....	215
2016 Revenue Bond Series A Debt Service Payments.....	219
Series 2016A Revenue Bond Debt Service Schedule	221

RESERVES AND CASH MANAGEMENT

Reserves and Cash Management.....	222
Reserves and Cash Management Narrative Discussion	224

TEN YEAR FINANCIAL PLAN

Ten Year Financial Plan.....	231
Totals.....	233
City of Guadalupe	235
City of Santa Maria	237
Golden State Water Company.....	239
Vandenberg Air Force Base	241
City of Buellton.....	243
Santa Ynez Improvement District #1 (City of Solvang portion).....	245
Santa Ynez Improvement District #1	247
Goleta Water District.....	249
Morehart Land Company	251
La Cumbre Mutual Water Company	253
Raytheon Systems Company.....	255
City of Santa Barbara	257
Montecito Water District.....	259
Carpinteria Valley Water District.....	261
Chorro Valley Turnout	263
Lopez Turnout	265
Shandon.....	267
CCWA Fixed Costs	269
CCWA and DWR Variable Cost Projections.....	270
CCWA Bond Debt.....	271
DWR Transportation Capital Charges.....	272
DWR Coastal Branch Extension	273
DWR Water System Revenue Bond Surcharge	274
DWR Transportation Minimum OMP&R.....	275
DWR Delta Water Charge.....	276

Central Coast Water Authority
Table of Contents
Fiscal Year 2018/19 Budget

APPENDIX

Appendix277
Santa Barbara County Area Description278
Miscellaneous Statistical Information279
Glossary of Acronyms.....280
Glossary of Terms285
The State Water Project in Santa Barbara County293



*Bypass Piping Reinstallation at Bradbury Dam
March 2018*

Budget Foreword

The Budget Foreword section of the FY 2018/19 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 2018/19 Budget

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

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

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



April 26, 2018

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Submitted herewith is the Fiscal Year (FY) 2018/19 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2018/19.

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

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

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

For twenty-one consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2018/19 Budget for consideration of the GFOA budget award.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2017/18:

Water Deliveries

Total deliveries during FY 2017/18 by CCWA to the Santa Barbara and San Luis Obispo County project participants are estimated to be 31,325 acre-feet compared to the actual FY 2016/17 deliveries of 34,535 acre-feet. The graph on the following page shows water deliveries for the last ten fiscal years.

Jack Boysen
Chairman

Richard Shaikewitz
Vice Chairman

Ray Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

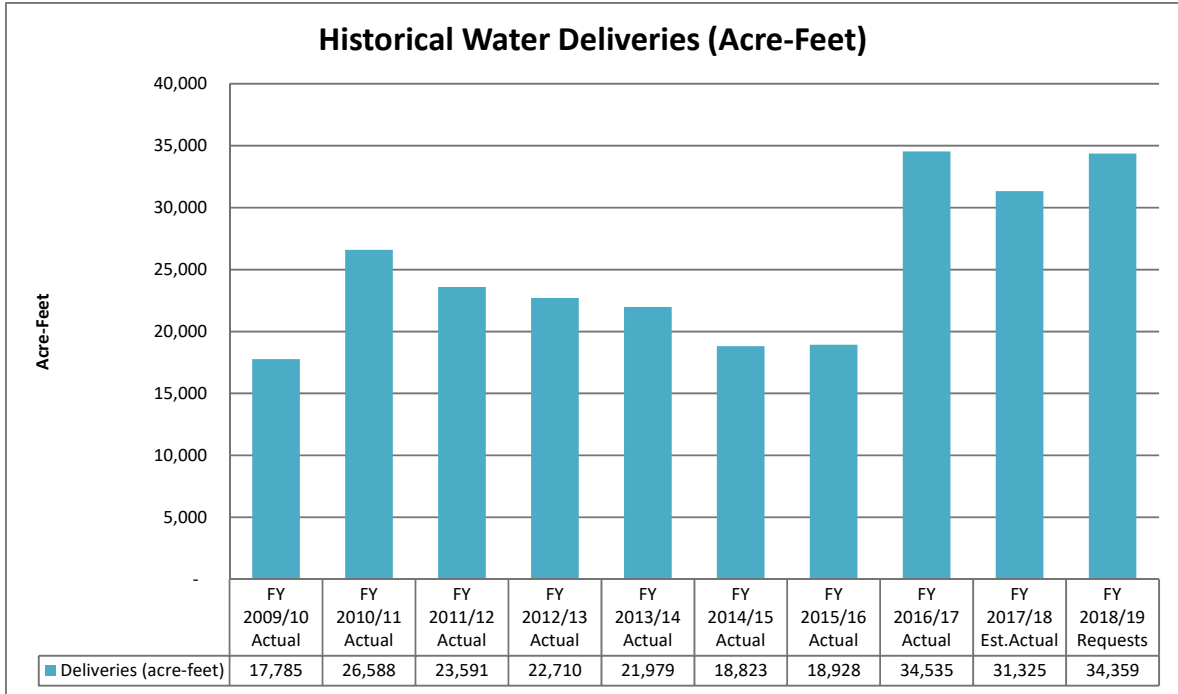
Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company



CCWA Supplemental Water Purchase Program

In response to the continued ongoing drought in California, the CCWA Board of Directors has authorized the development of a Supplemental Water Purchase Program (SWPP) for those CCWA project participants that need additional water supplies to help meet their demand which is not being met with other water supplies beginning in calendar year 2014 and extending through calendar year 2018.

In total, over the course of four years, CCWA has acquired a total of just over 27,000 acre-feet of water under the SWPP at a total cost of approximately \$12 million, or roughly \$443 per acre-foot.

Below is a summary of the total water purchased under the SWPP for calendar years 2014 through 2017.

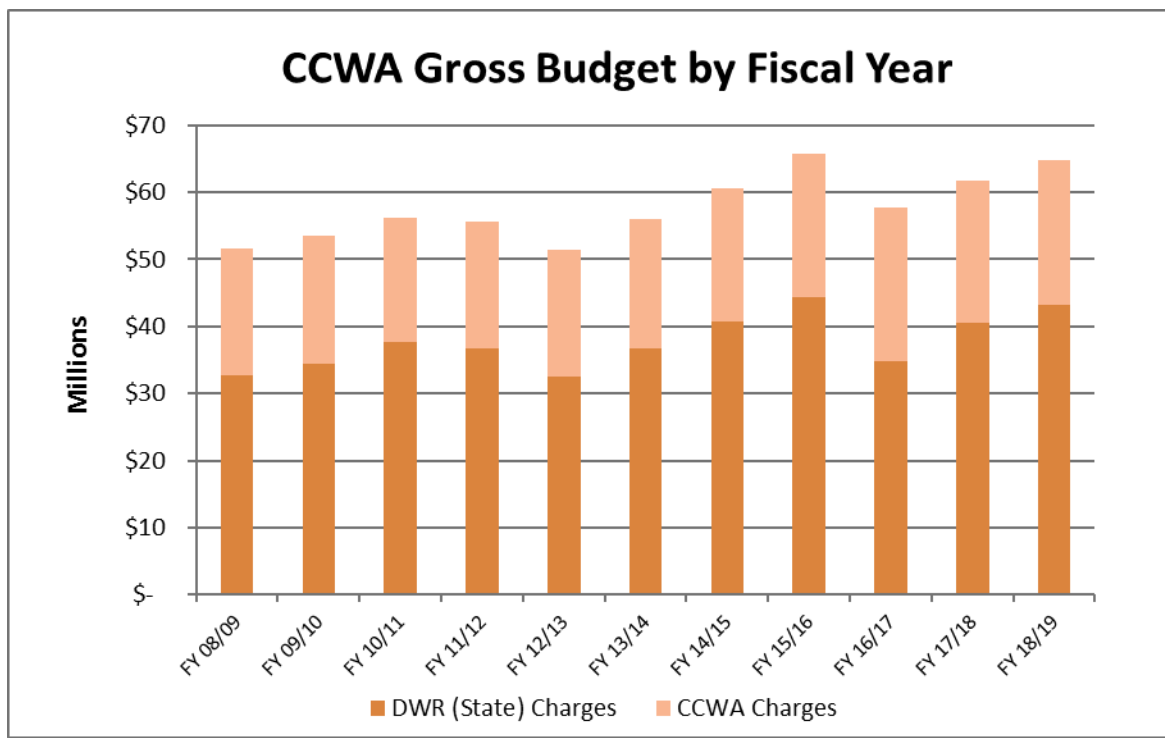
Project Participant	Water Purchased		Cost of Purchased Water
	2014-2017 (AF)		
City of Santa Barbara	11,278	\$	5,618,891
Montecito Water District	9,743		3,720,505
Carpinteria Valley Water District	1,000		250,187
Goleta Water District	4,000		1,626,046
Santa Ynez ID#1 (Solvang)	978		716,520
La Cumbre Mutual Water Co.	150		95,748
Total:	27,148	\$	12,027,897
Sources		(AF/Year)	
Antelope Valley East Kern WD			19,600
Castaic Lake Water Agency			1,500
Mojave Water Agency			1,000
Biggs/West Gridley			2,390
Vandenberg AFB			1,659
Other			999
TOTAL:			27,148

CCWA Credits

Actual CCWA operating expenses for FY 2017/18 are anticipated to be approximately \$0.9 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2018/19.

CCWA Budget History

The following graph shows the CCWA gross budget (total budget excluding CCWA credits and prepayments) broken down between CCWA costs and DWR costs from FY 2008/09 to FY 2018/19.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2017/18 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2016/17 Comprehensive Annual Financial Report.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2018 and 2019, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 34,359 and 34,359 acre-feet, respectively.

Department of Water Resources Activities and Related Costs

During FY 2018/19, CCWA staff will continue to work through the State Water Contractor (SWC) board and committees that interact with the Department of Water Resources

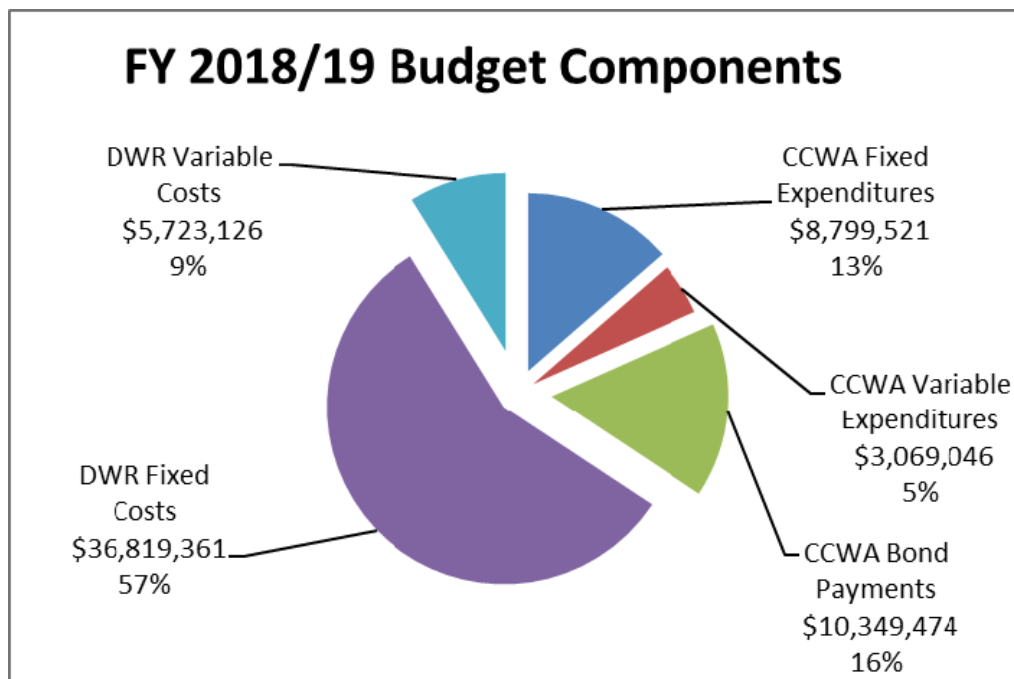
(DWR) which impact CCWA and the California water agencies as a whole. There are many significant issues on which DWR and the SWC are working which have water supply, operational, and fiscal impacts on CCWA. Some of these activities could potentially have a significant fiscal impact to CCWA in the current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

California Drought

While almost all of California received substantial rainfall this past year, we continue to feel the effects of the historic drought and the impacts will continue to be felt for the foreseeable future. For example, many of the CCWA project participants utilized their groundwater resources to help them meet demands during the drought. Therefore, it is anticipated they will need to allow their groundwater resources to recover and may therefore be more dependent on State water in the years ahead. As such, we anticipate there will be a continued need to ensure State water deliveries are maximized the greatest extent possible to meet the ongoing needs of our project participants.

FY 2018/19 BUDGET SUMMARY

The FY 2018/19 budget calls for total project participant payments of \$63.9 million compared to the FY 2017/18 budget of \$61.4 million, a \$2.5 million increase. These amounts include \$0.9 million in CCWA credits for FY 2018/19 and \$0.4 million for FY 2017/18. The following graph shows the breakout of the various cost components in the CCWA FY 2018/19 Budget:



The following table compares the total FY 2018/19 Budget and the FY 2017/18 Budget:

Budget Item	Final FY 2017/18 Budget	Final FY 2018/19 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses - Fixed	\$ 6,994,222	\$ 7,106,709	\$ 112,487
CCWA Operating Expenses - Variable	2,831,388	3,069,046	237,659
Revenue Bond Debt Service Payments	10,300,030	10,349,474	49,444
Capital/Non-Capital Projects	1,154,853	959,989	(194,864)
Total CCWA Expenses:	21,280,493	21,485,218	204,725
Pass-Through Expenses			
DWR Fixed Costs	34,861,511	36,819,361	1,957,850
DWR Variable Costs	4,882,292	5,723,126	840,834
Warren Act and Trust Fund Payments	750,994	732,824	(18,170)
Total Pass-Through Expenses:	40,494,796	43,275,310	2,780,514
Subtotal Gross Budget:	61,775,289	64,760,528	2,985,239
CCWA Credits	(418,358)	(906,997)	(488,639)
TOTAL:	\$ 61,356,931	\$ 63,853,531	\$ 2,496,600

CCWA Operating Expense Budget

The FY 2018/19 CCWA operating expense budget total is \$10.2 million, or approximately 18% of the total CCWA budget. This is \$0.4 million increase over the FY 2017/18 operating expense budget, a 3.56% increase.

The following table shows CCWA operating expenses by the expense type for FY 2018/19 and FY 2017/18 and the changes from the prior fiscal year budget along with the allocation between the fixed and variable expenses.

Account Name	FY 2017/18 Budget	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
Personnel Expenses	\$ 4,858,221	\$ 5,032,011	\$ 173,790	3.58%
Office Expenses	20,500	20,500	-	0.00%
Supplies and Equipment	1,926,747	2,115,202	188,456	9.78%
Monitoring Expenses	107,144	113,624	6,480	6.05%
Repairs and Maintenance	266,380	279,880	13,500	5.07%
Professional Services	392,580	425,520	32,940	8.39%
General and Administrative	267,836	275,985	8,150	3.04%
Utilities	1,259,193	1,302,775	43,583	3.46%
Other Expenses	702,533	559,448	(143,085)	-20.37%
Turnouts	24,478	50,809	26,332	107.58%
Total Operating Expenses	\$ 9,825,610	\$ 10,175,755	\$ 350,145	3.56%
Fixed Operating Expenses ⁽¹⁾	\$ 6,994,222	\$ 7,106,709	\$ 112,487	1.61%
Variable Operating Expenses	2,831,388	3,069,046	237,659	8.39%
Total Operating Expenses	\$ 9,825,610	\$ 10,175,755	\$ 350,145	3.56%

(1) Not inclusive of Capital and Non-Capital Projects.

The largest increases are in variable expenses for the treatment and delivery of water during drought related water conditions. Additional highlights and detailed explanations are available in the operating expenses and departmental sections of the budget.

CCWA Capital Improvement Projects

The FY 2018/19 Budget includes \$959,989 for capital improvement and non-capital projects, a \$194,864 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 "Project" section of this FY 2018/19 Budget for additional information on the budgeted capital improvement and non-capital projects.

CCWA 2016A Revenue Bond Debt Service

CCWA 2016A revenue bond debt service for FY 2018/19 totals \$10.3 million, which is \$0.5 more than the prior year amount.

Warren Act and Trust Fund Payments

The FY 2018/19 Budget includes \$732,824 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 12,635 acre feet of water to be delivered to Lake Cachuma.

CCWA Credits

The FY 2018/19 budget includes the following credits:

CCWA O&M Credits	\$	805,920
O&M Reserve Fund Interest Income		16,830
Rate Coverage Reserve Fund Interest		80,278
Prepayments and Other Credits		3,969
	\$	<u>906,997</u>

DWR Charges

The FY 2018/19 DWR fixed charges total \$37.0 million, which is \$2.0 million more than the FY 2017/18 Budget. The DWR variable charges total \$5.7 million, which is \$0.8 million more than the prior year amount.

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

CONCLUSION

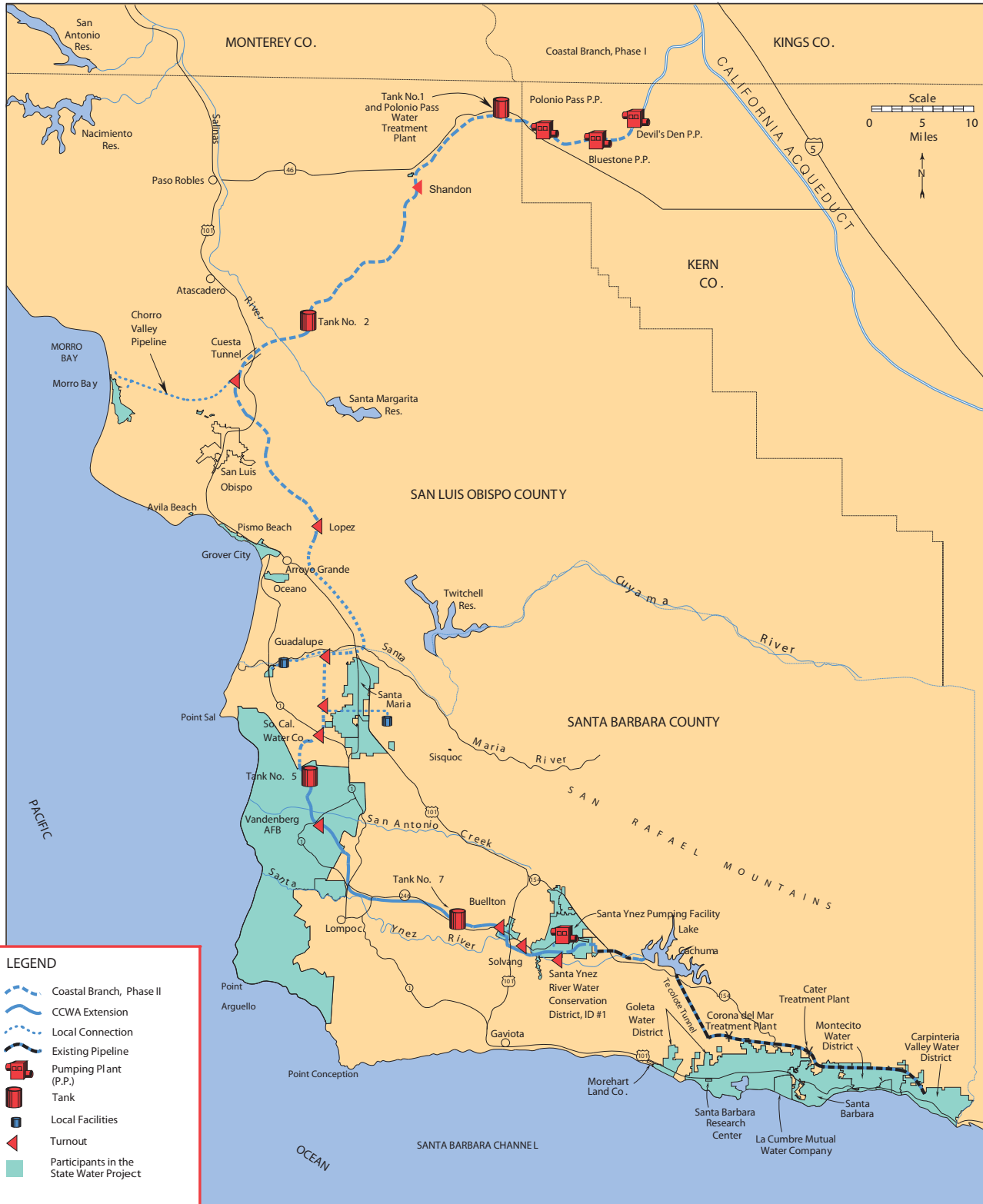
We are proud of the many accomplishments achieved during the past year through the combined efforts of CCWA staff and project participants. We look forward to successfully overcoming the challenges of the upcoming year.

Sincerely,



Ray Stokes
Executive Director

Project Map



Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2018/19 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 2018/19 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 2018/19 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.

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2018/19 Budget

Water Supply Agreements

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

Local Water Treatment Agreements

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

State Water Project

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

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

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2018/19 Budget

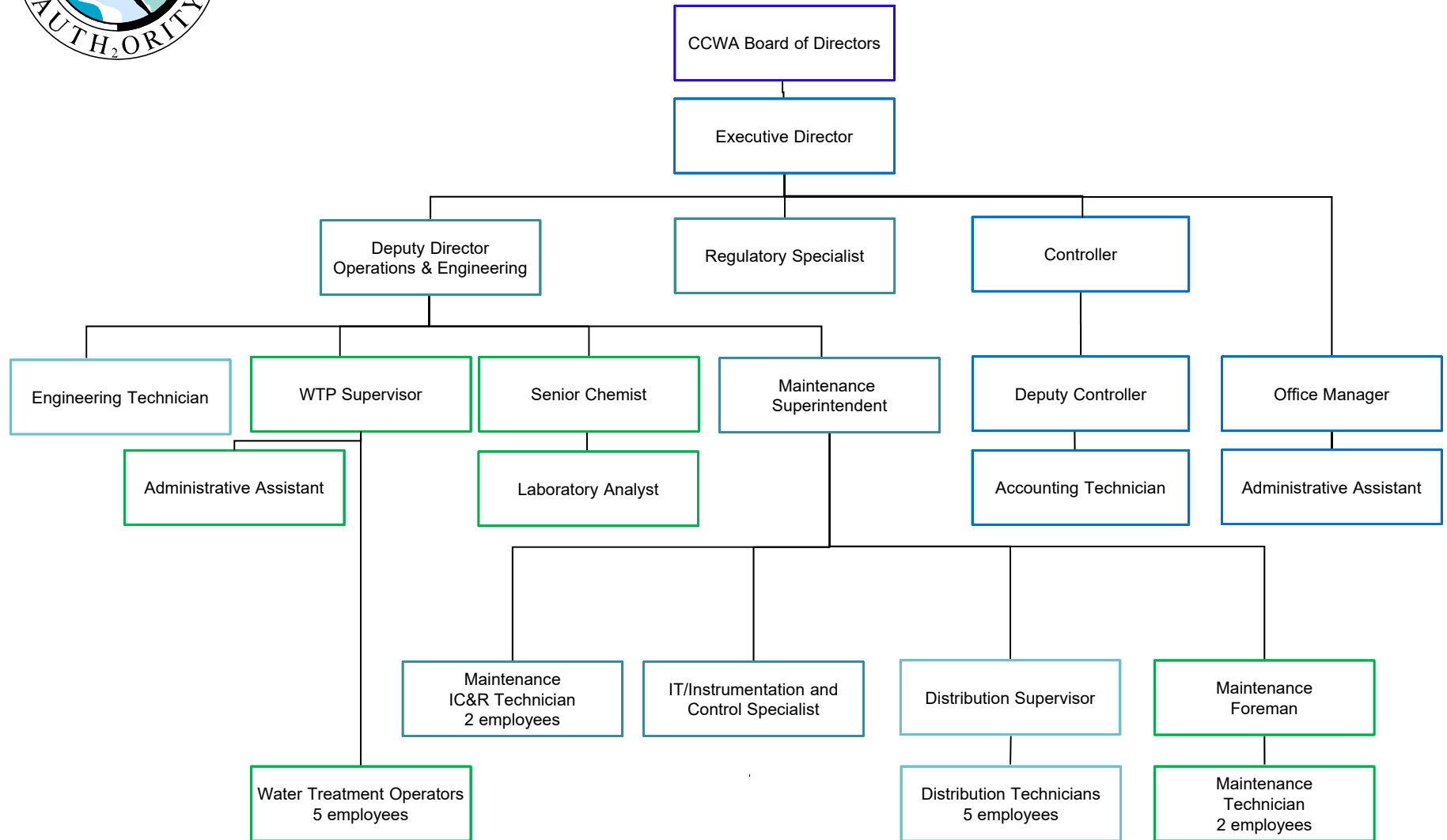
mountains to and through the County of San Luis Obispo to a terminus in northern Santa Barbara County. Its largest diameter is 57 inches between the Devils Den Pumping Plant and Tank 1 and its smallest diameter is 42 inches along the southerly-most 48 miles.

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.



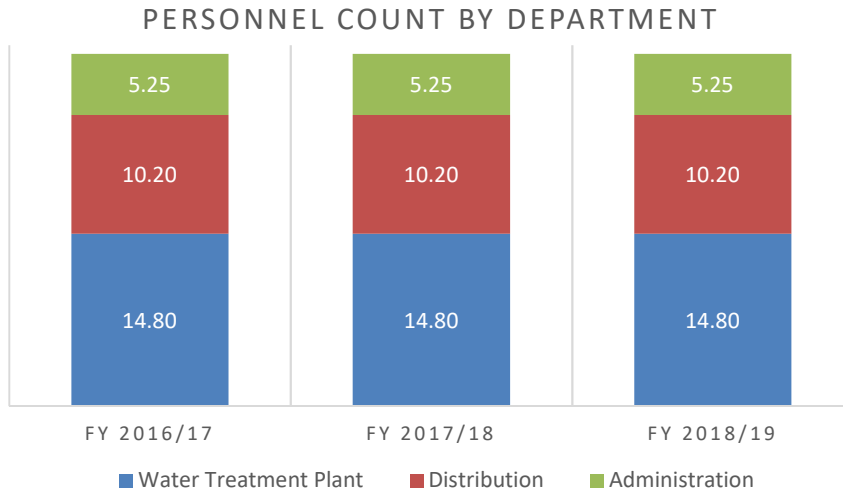
Central Coast Water Authority Organization Chart FY 2018/19



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2018/19 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2016/17	Authorized FY 2017/18	Requested FY 2018/19	Over FY 2016/17	Over FY 2017/18
Executive Director	1.00	1.00	1.00	-	-
Deputy Director of Operations	1.00	1.00	1.00	-	-
Finance Director ⁽¹⁾	1.00	-	-	(1.00)	-
Safety & Environmental Specialist ⁽²⁾	1.00	1.00	1.00	-	-
Controller	1.00	1.00	1.00	-	-
Deputy Controller ⁽¹⁾	-	1.00	1.00	1.00	-
Office Manager	1.00	1.00	1.00	-	-
Administrative Assistant	1.50	1.50	1.50	-	-
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 Manager	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	2.00	2.00	2.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	30.25	30.25	30.25	-	-

- (1) On September 22, 2016 the unfilled Finance Director position was changed to Deputy Controller.
 (2) Regulatory Specialist title was changed to Safety & Environmental Specialist



Central Coast Water Authority
Budget Process
Fiscal Year 2018/19 Budget

Fiscal Year Budget

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

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

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 2018/19 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.

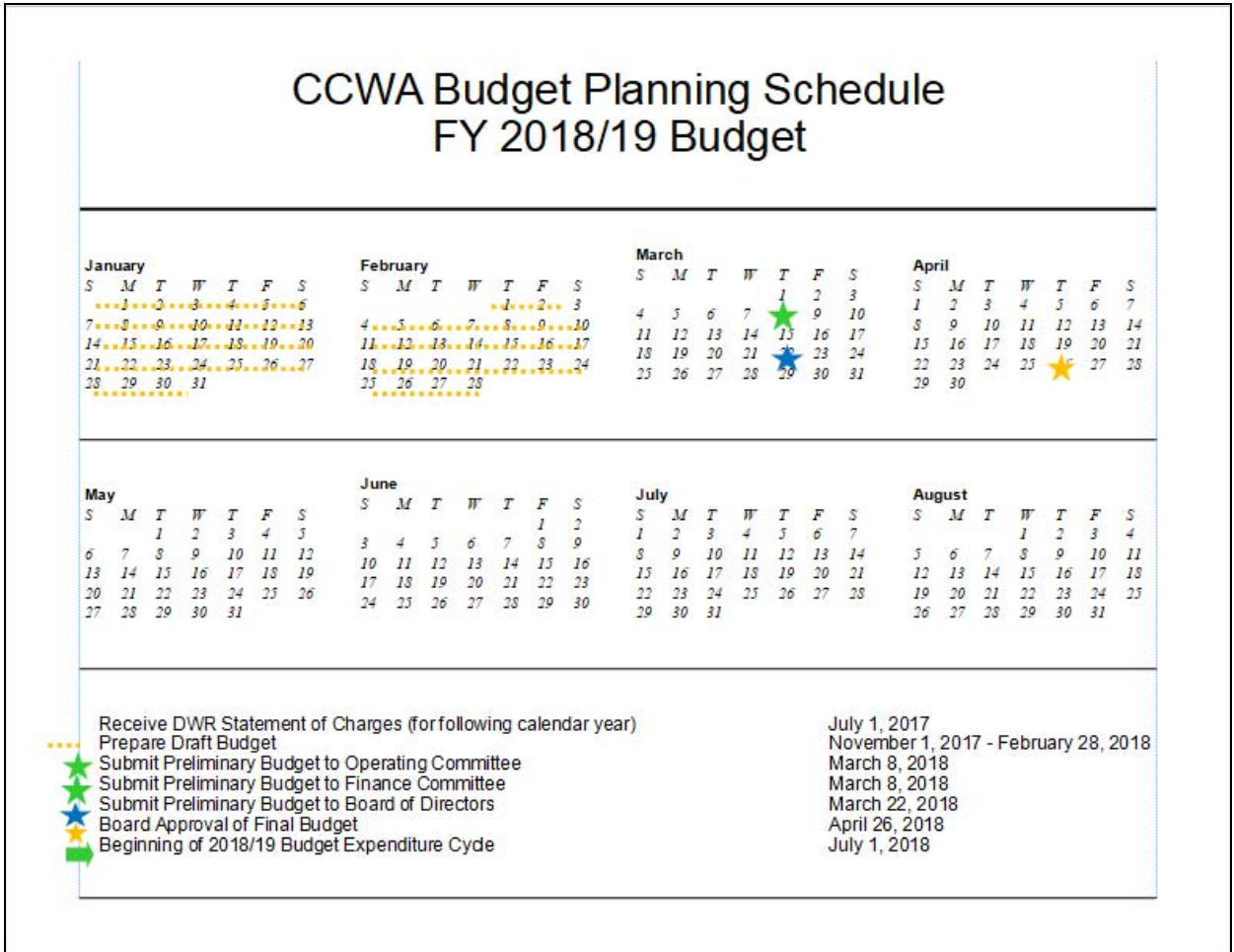
Budget Amendment Process

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 2018/19

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 2018/19 Budget



Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2018/19 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 balance sheet. Where appropriate, net total assets (i.e., fund equity) are segregated into contributed capital and retained earnings. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2018/19 Budget

The Fiscal Year 2018/19 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 2018/19 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 2018/19 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 change in the Los Angeles-Riverside-Orange, 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 2018/19 Budget

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

CAPITAL IMPROVEMENTS POLICY

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

DEBT POLICY

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2018/19 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 person rule which states: "...in investing...property for the benefit of another, a trustee shall exercise judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs...."
- The criteria for selecting investments and the order of priority:
 - (1) Safety, which refers to the potential loss of principal, interest or a combination of the two.
 - (2) Liquidity, which refers to the ability to "cash-in" at any moment in time with a minimal chance of losing some portion of principal or interest.
 - (3) Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2018/19 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 customer input prior to final adoption of the budget.
- Accounting System The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. The Authority will 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.



*Excavator Preparing for Fiber Optic Repair Work
March 2018*

Budget Summary

The Budget Summary section of the FY 2018/19 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 2018/19 Budget.

Highlights

Budget Summary

• FY 2018/19 Gross Budget	\$ 64,760,528
• FY 2017/18 Gross Budget	<u>\$ 61,775,289</u>
Increase:	\$ 2,985,239
• FY 2018/19 CCWA Credits	\$ 906,997
• FY 2017/18 CCWA Credits	<u>\$ 418,358</u>
Increase:	\$ 488,639
• FY 2018/19 Net Budget (After CCWA Credits)	\$ 63,853,531
• FY 2017/18 Net Budget (After CCWA Credits)	<u>\$ 61,356,931</u>
Increase:	\$ 2,496,600

Significant Budget Changes

- DWR Fixed cost increase of \$2.0 million due to an under collection by DWR in the Transportation Minimum OMP&R costs for prior years
- DWR Variable cost increase of \$0.8 million due to the large increase in the DWR Variable OMP&R unit rate, coupled with a decrease in actual deliveries in the prior calendar year as compared to requested deliveries creating an overcharge in the prior year DWR Variable OMP&R.
- CCWA Fixed O&M Expense budget increase of \$112,487
- CCWA Variable O&M Expense budget increase of \$237,659
- CCWA capital improvement projects and non-capital projects combined budget decrease of \$194,864
- Warren Act and Trust Fund budget decrease of \$18,170

Central Coast Water Authority
Budget Summary
Fiscal Year 2018/19 Budget

	FY 2016/17		FY 2017/18		Change from FY 2017/18 Budget	Change from FY 2017/18 Est. Actual
	Actual	Budget	Estimated Actual	Budget		
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
SOURCES OF CASH						
CCWA Operating Expenses ⁽¹⁾	8,651,406	9,825,610	9,825,610	10,175,755	350,145	350,145
Debt Service Payments	11,481,752	10,300,030	10,300,030	10,349,474	49,444	49,444
Capital/Non-Capital Projects	1,006,407	1,154,853	1,154,853	959,989	(194,864)	(194,864)
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	153,916	-	150,000	-	-	(150,000)
CCWA Credits	-	(418,358)	(418,358)	(906,997)	(488,639)	(488,639)
Subtotal Revenues	21,293,481	20,862,135	21,012,135	20,578,221	(283,914)	(433,914)
<u>Pass-Through Expenses</u>						
DWR Fixed Costs	32,311,818	34,861,511	35,840,035	36,819,361	1,957,850	979,326
DWR Variable Costs	805,040	4,882,292	4,433,898	5,723,126	840,834	1,289,228
Warren Act Charges	535,308	750,994	737,521	732,824	(18,170)	(4,698)
Subtotal Pass-Through Expenses	33,652,165	40,494,796	41,011,455	43,275,310	2,780,514	2,263,856
TOTAL SOURCES OF CASH	54,945,646	61,356,931	62,023,589	63,853,531	2,496,600	1,829,942
USES OF CASH						
<u>CCWA Operating Expenses</u>						
Personnel	4,440,677	4,858,221	4,753,682	5,032,011	173,790	278,329
Office Expenses	19,732	20,500	19,476	20,500	-	1,024
Supplies and Equipment	1,457,896	1,926,747	1,468,950	2,115,202	188,456	646,252
Monitoring Expenses	98,483	107,144	105,860	113,624	6,480	7,764
Repairs and Maintenance	236,048	266,380	269,383	279,880	13,500	10,497
Professional Services	282,612	392,580	354,876	425,520	32,940	70,644
General and Administrative	218,690	267,836	238,807	275,985	8,150	37,178
Utilities	1,199,766	1,259,193	1,131,081	1,302,775	43,583	171,694
Other Expenses	820,488	727,010	587,249	610,257	(116,753)	23,008
Total Operating Expenses	8,774,392	9,825,610	8,929,365	10,175,755	350,145	1,246,390
<u>Other Expenditures</u>						
Warren Act Charges	535,308	750,994	737,521	732,824	(18,170)	(4,698)
Capital/Non-Capital Projects ⁽¹⁾	254,360	1,154,853	1,154,853	959,989	(194,864)	(194,864)
CCWA Credits	-	(418,358)	(418,358)	(906,997)	(488,639)	(488,639)
2016 Revenue Bond Debt Service	11,481,752	10,300,030	10,300,030	10,349,474	49,444	49,444
Unexpended O&M Assessments	782,977	-	1,046,245	-	-	-
Total Other Expenditures	13,054,396	11,787,519	12,820,291	11,135,289	(652,229)	(638,757)
Total CCWA Expenditures	21,828,788	21,613,128	21,749,656	21,311,044	(302,084)	607,633
<u>DWR Charges</u>						
Fixed DWR Charges	32,311,818	34,861,511	35,840,035	36,819,361	1,957,850	979,326
Variable DWR Charges	805,040	4,882,292	4,433,898	5,723,126	840,834	1,289,228
Total DWR Charges	33,116,858	39,743,803	40,273,933	42,542,487	2,798,684	2,268,553
TOTAL USES OF CASH	54,945,646	61,356,931	62,023,590	63,853,531	2,496,600	2,876,186
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	-
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ -	\$ -	\$ -	\$ -		

(1) Includes carryover revenues from the prior year.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2018/19 Budget

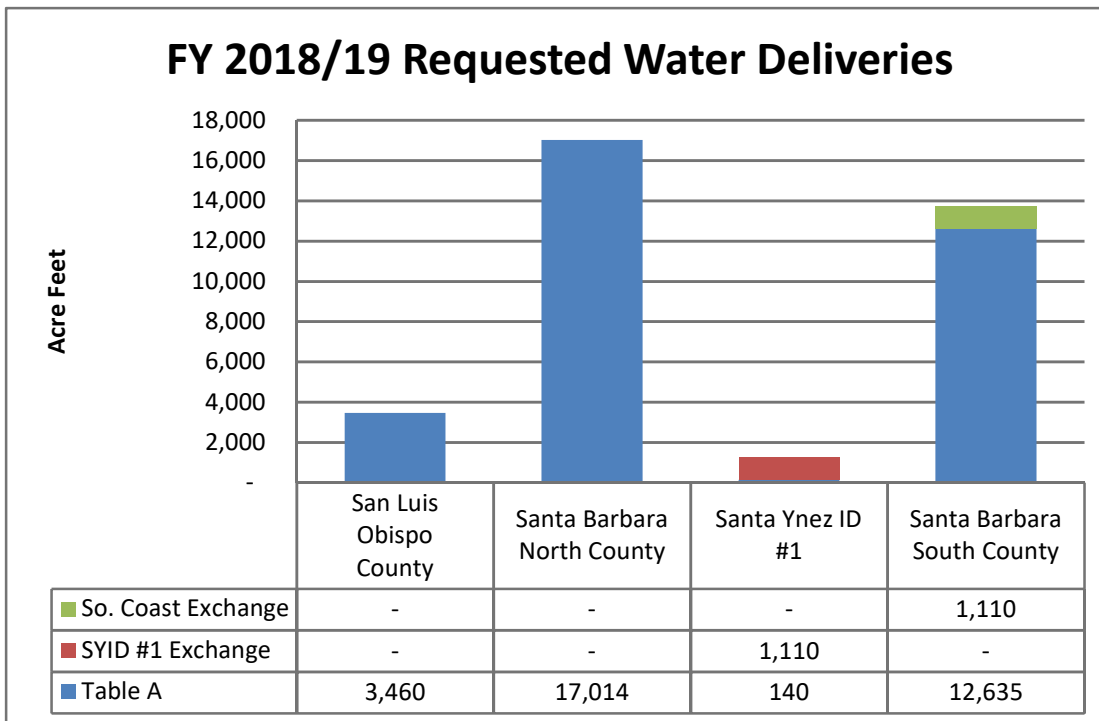
Project Participant	Unadjusted Fixed CCWA Operating Expense ⁽¹⁾	Unadjusted Variable CCWA Operating Expense	Exchange Agreement Cap. & Fixed	Exchange Agreement Variable	Regional WTP Allocation	Regional WTP Allocation Credit	Adjusted Charge	Warren Act Charges	2016A Revenue Bond Debt Service	Subtotal FY 2018/19 CCWA	Non-Annual Recurring Expenses	CCWA (Credits)/ Amount Due	Total FY 2018/19 CCWA
Guadalupe	\$ 82,288	\$ 31,000	\$ -	\$ -	\$ 39,781	\$ -	\$ 153,069	\$ -	\$ 147,451	\$ 300,520	\$ -	\$ (3,410)	\$ 297,111
Santa Maria	2,385,640	708,283	-	-	\$1,088,002	-	4,181,925	-	-	4,181,925	-	(317,035)	3,864,889
Golden State Water	82,445	19,706	-	-	\$32,699	-	134,850	-	134,850	134,850	-	(9,666)	125,184
Vandenberg AFB	917,389	152,586	-	-	\$333,448	-	1,403,422	-	-	1,403,422	-	-	1,403,422
Buellton	120,668	32,470	-	-	\$41,763	-	194,901	-	261,085	455,987	-	(11,799)	444,187
Santa Ynez (Solvang)	301,561	56,764	-	-	\$97,135	-	455,460	-	802,069	1,257,528	-	(32,994)	1,224,534
Santa Ynez	104,531	8,235	169,122	65,293	\$109,411	-	456,593	-	301,220	757,813	-	(448,890)	308,923
Goleta	1,172,709	619,231	(60,884)	(23,506)	\$303,154	(\$871,930)	1,138,774	243,726	2,528,216	3,910,716	-	(2,004)	3,908,712
Morehart Land	52,120	6,947	-	-	\$11,035	(\$33,355)	36,747	2,842	116,100	155,690	-	(3,538)	152,151
La Cumbre	260,602	122,770	-	-	\$70,113	(\$203,303)	250,181	50,228	555,829	856,239	-	(4,363)	851,875
Raytheon	13,030	4,537	-	-	\$3,234	(\$9,500)	11,300	1,856	24,292	37,448	-	(871)	36,577
Santa Barbara	781,806	420,949	(40,589)	(15,670)	\$203,482	(\$584,659)	765,317	165,809	1,554,249	2,485,376	-	(1,363)	2,484,013
Montecito	781,806	416,521	(40,589)	(15,670)	\$202,730	(\$582,822)	761,975	163,997	1,826,775	2,752,748	-	(15,386)	2,737,361
Carpinteria	521,204	265,541	(27,060)	(10,447)	\$133,094	(\$383,511)	498,821	104,365	1,044,360	1,647,547	-	(5,643)	1,641,903
Shandon	11,674	5,882	-	-	-	-	17,557	-	11,730	29,287	-	(355)	28,932
Chorro Valley	231,360	130,851	-	-	-	-	362,211	-	934,464	1,296,675	-	(25,174)	1,271,501
Lopez	245,864	66,775	-	-	-	-	312,640	-	241,633	554,273	-	(24,505)	529,768
TOTAL:	\$ 8,066,697	\$ 3,069,046	\$ -	\$ -	\$ 2,669,080	\$ (2,669,080)	\$ 11,135,744	\$ 732,824	\$ 10,349,474	\$ 22,218,042	\$ -	\$ (906,997)	\$ 21,311,044

(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	\$ 279,473	\$ -	\$ -	\$ 137,626	\$ 25,187	\$ 43,213	\$ 485,499	\$ 133	\$ 121,808	\$ 121,941	\$ (2,545)	\$ 604,895	\$ 902,006
Santa Maria	8,231,750	462,340	-	4,053,712	740,797	1,280,807	14,769,406	17,421	2,376,006	2,393,427	(78,307)	17,084,525	20,949,415
Golden State Water	254,066	14,270	-	125,115	22,834	39,284	455,570	-	43,433	43,433	(2,539)	496,463	621,647
Vandenberg AFB	2,794,730	156,967	257,391	1,376,260	251,589	432,129	5,269,066	-	530,118	530,118	-	5,799,183	7,202,606
Buellton	293,701	16,496	27,049	144,632	26,466	45,427	553,772	-	105,451	105,451	(3,511)	655,712	1,099,899
Santa Ynez (Solvang)	754,825	42,809	70,197	364,779	66,183	107,735	1,406,528	1,313	159,392	160,705	(7,818)	1,559,414	2,783,948
Santa Ynez	261,441	14,270	23,399	135,680	25,090	49,082	508,962	-	-	-	(3,267)	505,695	814,618
Goleta	2,286,845	128,428	210,592	1,126,031	203,642	353,939	4,309,476	11,283	731,992	743,275	(28,130)	5,024,622	8,933,334
Morehart Land	101,627	5,708	9,360	50,046	9,267	15,714	191,721	-	-	-	(1,120)	190,602	342,753
La Cumbre	508,133	28,539	46,798	250,229	45,737	78,569	958,006	1,428	155,342	156,770	(5,580)	1,109,196	1,961,071
Raytheon	25,407	1,427	2,340	12,511	2,283	3,928	47,896	-	5,017	5,017	(367)	52,546	89,123
Santa Barbara	1,524,398	85,618	140,395	750,687	137,278	237,188	2,875,565	5,351	565,179	570,530	(16,702)	3,429,392	5,913,405
Montecito	1,524,398	85,618	140,395	750,687	137,278	237,188	2,875,565	5,475	556,856	562,331	(17,073)	3,420,823	6,158,184
Carpinteria	1,016,265	57,079	93,597	500,458	90,752	157,138	1,915,289	3,405	326,723	330,129	(11,233)	2,234,184	3,876,088
Goleta 2500 AF	30,258	-	-	131,816	34,622	178,539	375,235	-	-	-	-	375,235	375,235
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	28,932
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,271,501
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	529,768
TOTAL:	\$ 19,887,316	\$ 1,099,569	\$ 1,021,513	\$ 9,910,270	\$ 1,819,005	\$ 3,259,881	\$ 36,997,554	\$ 45,810	\$ 5,677,316	\$ 5,723,126	\$ (178,193)	\$ 42,542,487	\$ 63,853,531

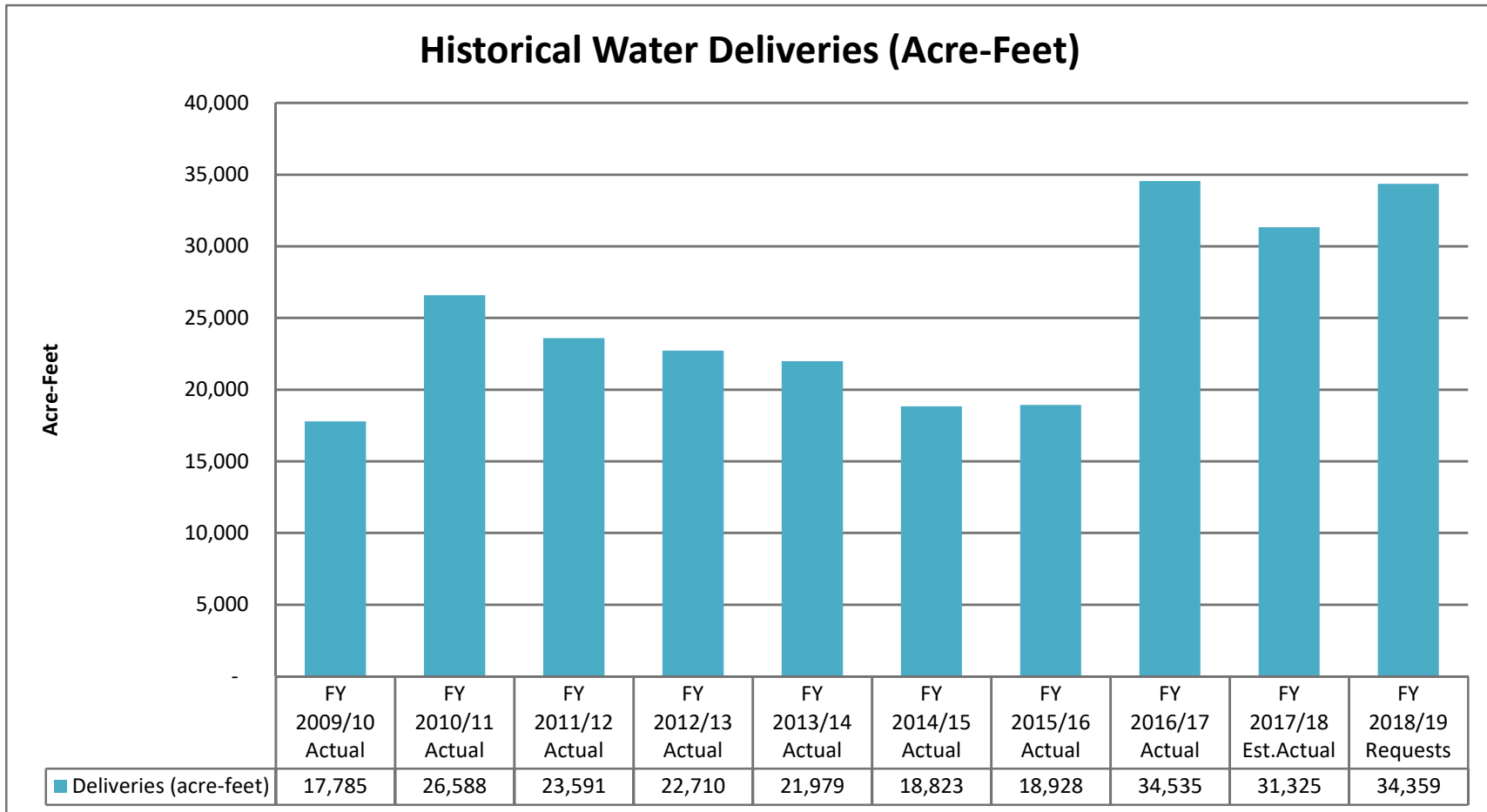
Central Coast Water Authority
FY 2018/19 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	100	-	100
Lopez	1,135	-	1,135
Chorro Valley	2,225	-	2,225
Guadalupe	527	-	527
Santa Maria	12,041	-	12,041
Golden State Water	335	-	335
VAFB	2,594	-	2,594
Buellton	552	-	552
Solvang	965	-	965
Santa Ynez	140	1,110	1,250
Goleta	4,602	(400)	4,202
Morehart	49	-	49
La Cumbre	866	-	866
Raytheon	32	-	32
Santa Barbara	3,125	(266)	2,859
Montecito	3,094	(266)	2,828
Carpinteria	1,977	(178)	1,799
TOTAL:	34,359	-	34,359



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 2018/19 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 2018/19 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	\$ 739,539	\$ 1,344.62
Santa Maria	16,200	17,879,318	1,103.66
Golden State Water Co.	500	560,388	1,120.78
VAFB	5,500	6,459,015	1,174.37
Buellton	578	960,676	1,662.07
Santa Ynez (Solvang)	1,500	2,577,289	1,718.19
Santa Ynez ⁽¹⁾	500	994,131	1,878.85
Goleta	4,500	7,738,827	1,719.74
Morehart	200	341,099	1,705.50
La Cumbre	1,000	1,715,879	1,715.88
Raytheon	50	81,570	1,631.40
Santa Barbara	3,000	5,035,787	1,678.60
Montecito	3,000	5,306,332	1,768.78
Carpinteria	2,000	3,357,423	1,678.71
TOTAL:	39,078	\$ 53,747,272	

(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 2018/19 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 2018/19 Budget

FY 2018/19 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 2018/19 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 SYPF Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	550	527	-	527	\$ 31,000		\$ 12,676		\$ 96,456		\$ 140,132	\$ 265.90
Santa Maria	16,200	12,041	-	12,041	708,283		289,625		2,203,849		3,201,756	265.90
Golden State Water Co.	500	335	-	335	19,706		8,058		61,315		89,078	265.90
VAFB	5,500	2,594	-	2,594	152,586		62,394		474,776		689,756	265.90
Buellton	578	552	-	552	32,470		13,277		101,032		146,779	265.90
Santa Ynez (Solvang)	1,500	965	-	965	56,764		23,211		176,623		256,598	265.90
Santa Ynez ⁽¹⁾	500	140	1,110	1,250	8,235		30,066		25,624		63,926	265.90
Goleta	4,500	4,602	(400)	4,202	270,688	348,543	101,076	(247,182)	842,256	243,726	1,559,106	348.03
Morehart	200	49	-	49	2,882	4,064	1,179	(2,882)	8,968	2,842	17,053	348.03
La Cumbre	1,000	866	-	866	50,940	71,829	20,830	(50,940)	158,503	50,228	301,390	348.03
Raytheon	50	32	-	32	1,882	2,654	770	(1,882)	5,857	1,856	11,137	348.03
Santa Barbara	3,000	3,125	(266)	2,859	183,831	237,118	68,763	(168,161)	571,998	165,809	1,059,358	348.03
Montecito	3,000	3,094	(266)	2,828	181,994	234,527	68,011	(166,323)	566,280	163,997	1,048,487	348.03
Carpinteria	2,000	1,977	(178)	1,799	116,292	149,249	43,281	(105,845)	361,848	104,365	669,190	348.03
TOTAL:	39,078	30,899	-	30,899	\$ 1,817,553	\$ 1,047,985	\$ 743,217	\$ (743,217)	\$ 5,655,384	\$ 732,624	\$ 9,253,746	

(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 2018/19 Budget

FY 2018/19 Exchange Variable Cost Per Acre-Foot

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

Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES						
Project Participant	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	1,110	\$ 65,293	\$ 169,122	\$ -	\$ 234,416	\$ 211.19
Goleta	(400)			73,138	73,138	183.03
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(266)			48,759	48,759	183.03
Montecito	(266)			48,759	48,759	183.03
Carpinteria	(178)			32,506	32,506	183.03
TOTAL:	-	\$ 65,293	\$ 169,122	\$ 203,162	\$ 437,577	

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.



*Instrumentation staff performing repair of fiber optic cable break in I&C trailer.
April 2018*

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2018/19 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 2018/19 Budget

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

Assumptions for Revenue Projections

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

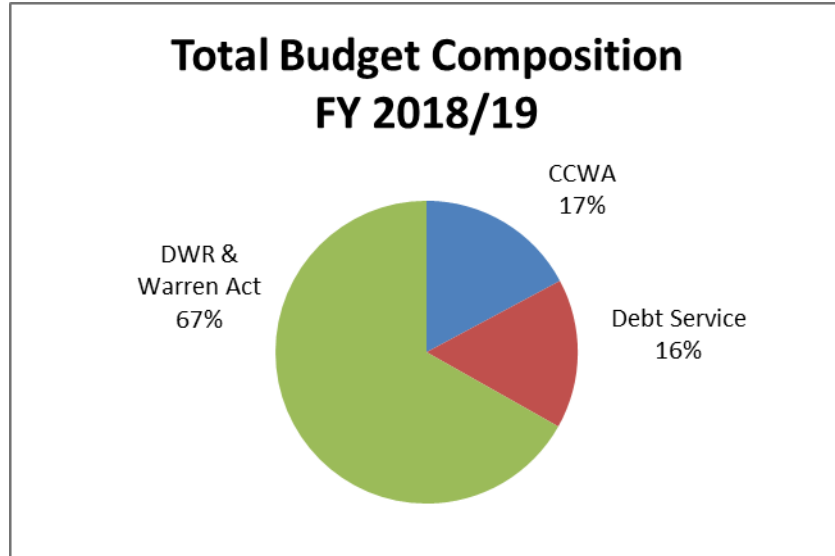
Revenues and Other Sources of Cash

Revenues	FY 2016/17	FY 2017/18	
	Actual	Estimated Actual	FY 2018/19 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 8,651,406	\$ 9,825,610	\$ 10,175,755
Debt Service Payments	11,481,752	10,300,030	10,349,474
Capital Improvement Projects (CIP)	1,006,407	1,154,853	959,989
Investment Income	153,916	150,000	-
Subtotal Revenues	21,293,481	21,430,493	21,485,218
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	32,325,380	35,840,035	36,997,554
DWR Variable Costs	805,040	4,433,898	5,723,126
DWR Account Interest	(13,562)	-	(178,193)
Warren Act Charges ⁽¹⁾	535,308	737,521	732,824
Subtotal Pass Through Expenses	33,652,165	41,011,455	43,275,310
Gross Budget Before Credits	54,945,646	62,441,947	64,760,528
Credits and Prepayments	-	(418,358)	(906,997)
TOTAL SOURCES OF CASH	\$ 54,945,646	\$ 62,023,589	\$ 63,853,531

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2018/19 Budget

Revenues and Other Sources of Cash



FY 2017/18 Actual Cash Receipts

The actual cash receipts for FY 2017/18 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 2016/17, (2) interest income for FY 2016/17, 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 2018/19 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 2018/19 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	\$ 82,288	\$ 31,000	\$ 39,781	\$ -	\$ -	\$ -	\$ 153,069
Santa Maria	2,385,640	708,283	1,088,002	-	-	-	4,181,925
Golden State Water Co.	82,445	19,706	32,699	-	-	-	134,850
Vandenberg AFB	917,389	152,586	333,448	-	-	-	1,403,422
Buellton	120,668	32,470	41,763	-	-	-	194,901
Santa Ynez (Solvang)	301,561	56,764	97,135	-	-	-	455,460
Santa Ynez	104,531	8,235	109,411	-	169,122	65,293	456,593
Goleta	1,172,709	619,231	303,154	(871,930)	(60,884)	(23,506)	1,138,774
Morehart Land	52,120	6,947	11,035	(33,355)	-	-	36,747
La Cumbre	260,602	122,770	70,113	(203,303)	-	-	250,181
Raytheon	13,030	4,537	3,234	(9,500)	-	-	11,300
Santa Barbara	781,806	420,949	203,482	(584,659)	(40,589)	(15,670)	765,317
Montecito	781,806	416,521	202,730	(582,822)	(40,589)	(15,670)	761,975
Carpinteria	521,204	265,541	133,094	(383,511)	(27,060)	(10,447)	498,821
Shandon	11,674	5,882	-	-	-	-	17,557
Chorro Valley	231,360	130,851	-	-	-	-	362,211
Lopez	245,864	66,775	-	-	-	-	312,640
TOTAL:	\$ 8,066,697	\$ 3,069,046	\$ 2,669,080	\$(2,669,080)	\$ -	\$ -	\$ 11,135,744

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2018/19, are **\$11,135,744**.

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 2018/19 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 2018/19, total net revenue for debt service payments will be \$9,252,254 or about \$56,000 less than the FY 2017/18 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 2018/19 Debt Service Payments ⁽¹⁾	Local Project Debt Service Payments ⁽²⁾	FY 2018/19 Net Debt Service Revenue
Avila Beach	\$ 11,847	\$ (2,509)	\$ 9,339
California Men's Colony	103,627	(56,038)	47,589
County of SLO	110,389	(59,761)	50,628
Cuesta College	51,817	(28,022)	23,795
Morro Bay	668,631	(428,665)	239,966
Oceano	86,622	(17,092)	69,530
Pismo Beach	143,164	(28,220)	114,944
Shandon	11,730	(2,019)	9,711
Guadalupe	147,451	(72,880)	74,571
Buellton	261,085	(11,862)	249,223
Santa Ynez (Solvang)	802,069	(31,643)	770,426
Santa Ynez	301,220	(14,022)	287,197
Goleta	2,528,216	(180,151)	2,348,065
Morehart Land	116,100	(829)	115,271
La Cumbre	555,829	(4,147)	551,682
Raytheon	24,292	(1,095)	23,196
Santa Barbara	1,554,249	(39,328)	1,514,921
Montecito	1,826,775	(62,567)	1,764,209
Carpinteria	1,044,360	(56,370)	987,990
TOTAL:	\$ 10,349,474	\$ (1,097,220)	\$ 9,252,254
(1) 2016A revenue bond principal and interest, minus FY 2017/18 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 2018/19 Budget

FY 2018/19 CCWA Credits

The following table shows a summary of the FY 2018/19 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits (Due)	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits (Due)
Guadalupe	\$ 2,049	\$ 276	\$ 1,085	\$ -	\$ 3,410
Santa Maria	259,935	8,120	48,980	-	317,035
Golden State Water Co.	9,415	251	-	-	9,666
Vandenberg AFB	-	-	-	-	-
Buellton	8,819	290	2,691	-	11,799
Santa Ynez (Solvang)	28,718	752	3,525	-	32,994
Santa Ynez	445,984	251	2,655	-	448,890
Goleta	(252)	2,256	-	-	2,004
Morehart Land	204	100	-	3,234	3,538
La Cumbre	1,588	501	2,274	-	4,363
Raytheon	111	25	-	735	871
Santa Barbara	(141)	1,504	-	-	1,363
Montecito	-	1,504	13,883	-	15,386
Carpinteria	(105)	1,002	4,745	-	5,643
Shandon	(83)	-	439	-	355
Oceano CSD	-	-	-	-	-
Avila Beach CSD	-	-	-	-	-
Pismo Beach	-	-	-	-	-
Avila Valley Water Co.	-	-	-	-	-
San Miguelito Water Co	-	-	-	-	-
San Luis School	-	-	-	-	-
Chorro Valley	25,174	-	-	-	25,174
Lopez	24,505	-	-	-	24,505
TOTAL:	\$ 805,920	\$ 16,830	\$ 80,278	\$ 3,969	\$ 906,997

Investment Income and Cash Management

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

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

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2018/19 Budget

Bank Account Cash Balances

The Authority has two demand deposit bank accounts, one general account at the California Local Agency Investment Fund (LAIF) and one money market account. 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 payment to DWR are held in a separate account and invested in accordance with CCWA's investment policy with investment maturities corresponding to the anticipated payment dates to DWR. Investment income in this account is allocated to the various project participants based on their proportional amount initially paid. Investment income associated with the DWR payments is not treated as investment income for the Authority but is instead recorded as a liability to the project participants until paid to them.

CCWA Operating Expense Revenue

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

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2018/19 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 2018/19.

Project Participant	Total FY 2018/19 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	4,202	\$ 243,726
Morehart Land Co.	49	2,842
LaCumbre	866	50,228
Raytheon	32	1,856
Santa Barbara	2,859	165,809
Montecito	2,828	163,997
Carpinteria	1,799	104,365
TOTAL:	12,635	\$ 732,824

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2018/19 Budget

The following table represents the Fiscal Year 2018/19 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 2018/19 DWR Fixed Charges	FY 2018/19 DWR Variable Charges	FY 2018/19 Interest Income	FY 2018/19 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$ 485,499	\$ 121,941	\$ (2,545)	\$ -	\$ 604,895
Santa Maria	14,769,406	2,393,427	(78,307)	-	17,084,525
Golden State Water Co.	455,570	43,433	(2,539)	-	496,463
Vandenberg AFB	5,269,066	530,118	-	-	5,799,183
Buellton	553,772	105,451	(3,511)	-	655,712
Santa Ynez (Solvang)	1,406,528	160,705	(7,818)	-	1,559,414
Santa Ynez	508,962	-	(3,267)	-	505,695
Goleta	4,684,711	743,275	(28,130)	243,726	5,643,582
Morehart Land	191,721	-	(1,120)	2,842	193,444
LaCumbre	958,006	156,770	(5,580)	50,228	1,159,424
Raytheon	47,896	5,017	(367)	1,856	54,402
Santa Barbara	2,875,565	570,530	(16,702)	165,809	3,595,201
Montecito	2,875,565	562,331	(17,073)	163,997	3,584,820
Carpinteria	1,915,289	330,129	(11,233)	104,365	2,338,550
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$ 36,997,554	\$ 5,723,126	\$ (178,193)	\$ 732,824	\$ 43,275,310

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2018/19 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:

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2018/19 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 \$35/AF for 2018) and one-quarter the delta water rate (about \$17/ for 2019) 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.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2018/19 Budget

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

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

The 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.

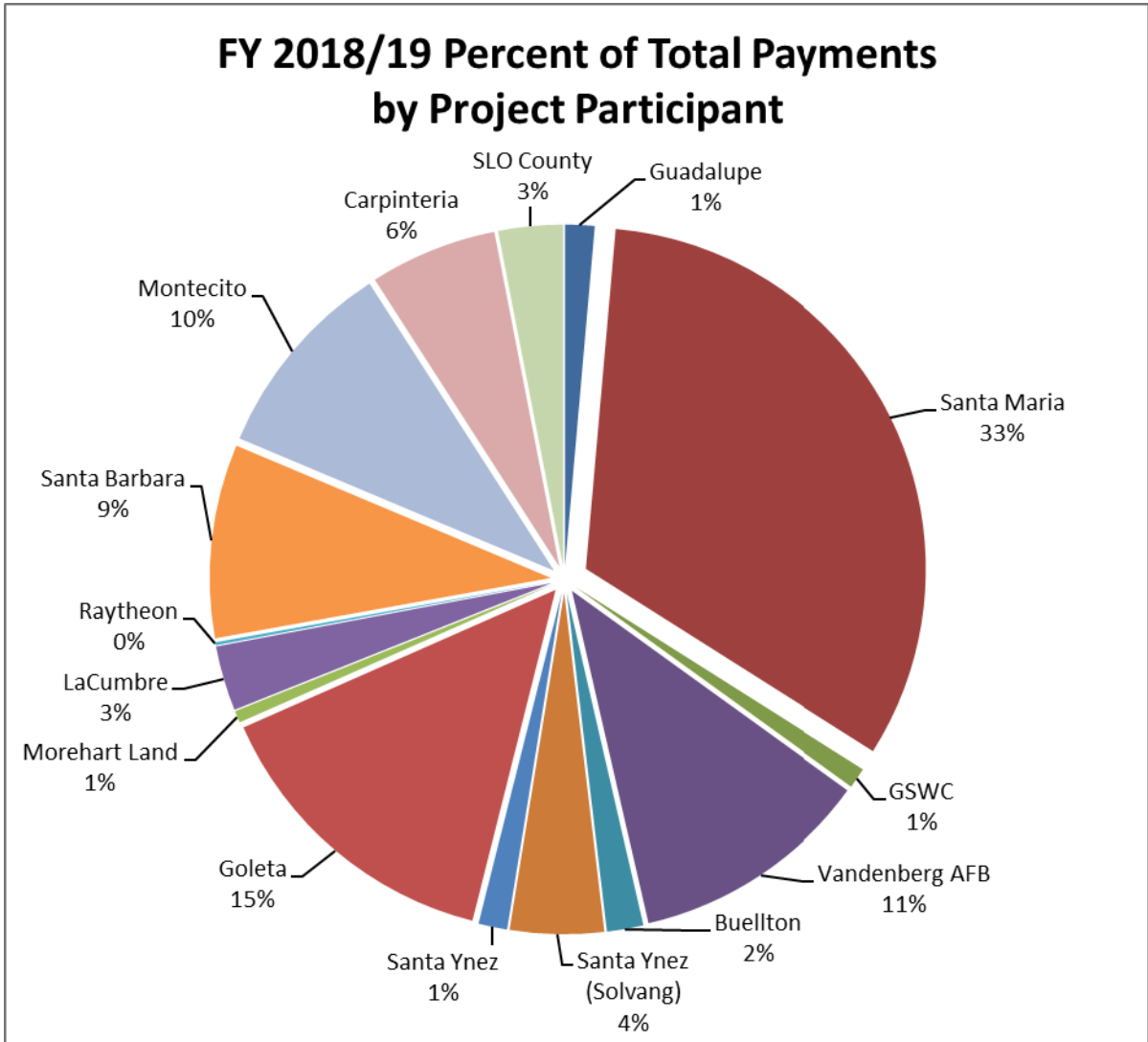
At the end of each fiscal year, a true-up and reconciliation of the entire fiscal year budget is performed. This reconciliation calculates the difference between the amounts billed to each project participant based on the budget and the actual costs incurred for the year. The result, either a credit 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 2018/19 Budget

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2018/19 for each project participant.

Project Participant	FY 2018/19 Operating Expenses ⁽¹⁾	FY 2018/19 Debt Service Payments	FY 2018/19 DWR Costs	FY 2018/19 Warren Act Charges ⁽²⁾	FY 2018/19 CCWA Credits	FY 2018/19 Total Payments
Guadalupe	\$ 153,069	\$ 147,451	\$ 604,895	\$ -	\$ (3,410)	\$ 902,006
Santa Maria	4,181,925	-	17,084,525	-	(317,035)	20,949,415
Golden State Water Co.	134,850	-	496,463	-	(9,666)	621,647
Vandenberg AFB	1,403,422	-	5,799,183	-	-	7,202,606
Buellton	194,901	261,085	655,712	-	(11,799)	1,099,899
Santa Ynez (Solvang)	455,460	802,069	1,559,414	-	(32,994)	2,783,948
Santa Ynez	456,593	301,220	505,695	-	(448,890)	814,618
Goleta	1,138,774	2,528,216	5,399,856	243,726	(2,004)	9,308,569
Morehart Land	36,747	116,100	190,602	2,842	(3,538)	342,753
La Cumbre	250,181	555,829	1,109,196	50,228	(4,363)	1,961,071
Raytheon	11,300	24,292	52,546	1,856	(871)	89,123
Santa Barbara	765,317	1,554,249	3,429,392	165,809	(1,363)	5,913,405
Montecito	761,975	1,826,775	3,420,823	163,997	(15,386)	6,158,184
Carpinteria	498,821	1,044,360	2,234,184	104,365	(5,643)	3,876,088
Shandon	17,557	11,730	N/A	-	(355)	28,932
Chorro Valley	362,211	934,464	N/A	-	(25,174)	1,271,501
Lopez	312,640	241,633	N/A	-	(24,505)	529,768
TOTAL:	\$ 11,135,744	\$ 10,349,474	\$ 42,542,487	\$ 732,824	\$ (906,997)	\$ 63,853,531
(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 2018/19 Budget



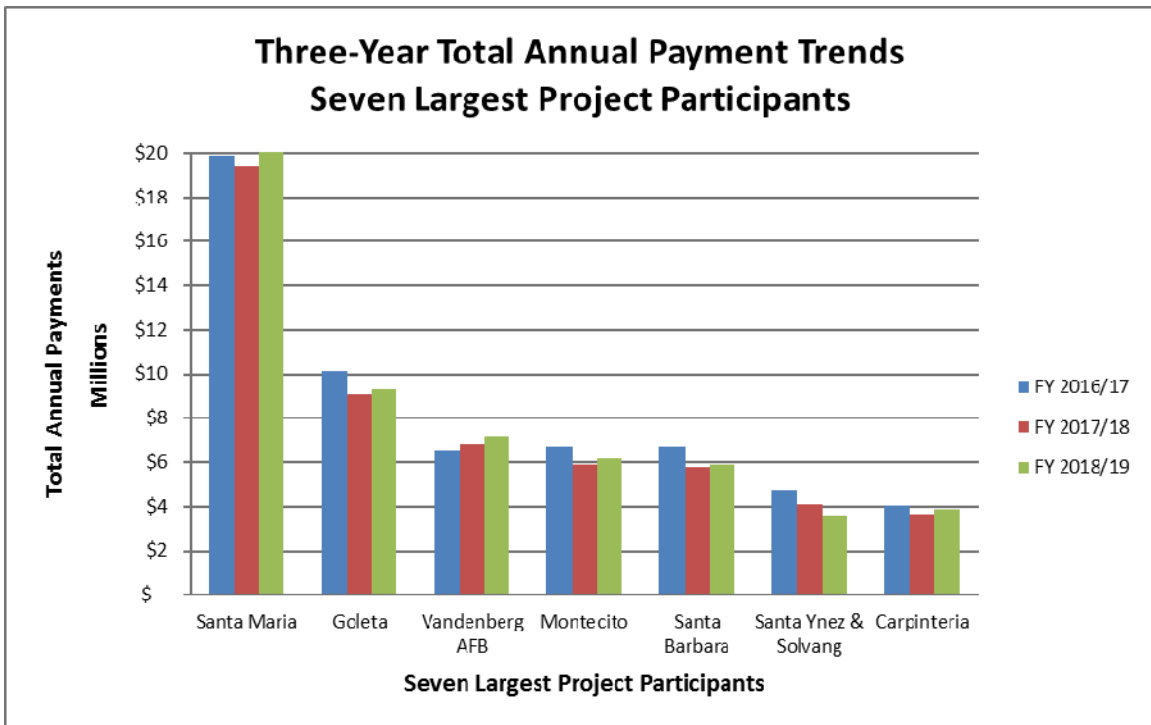
Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2018/19 Budget

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

Three-Year Total Payments History by Project Participant

Project Participant	Total Payments FY 2016/17	Total Payments FY 2017/18	Total Payments FY 2018/19	Change FY 2016/17 to FY 2017/18	Change FY 2017/18 to FY 2018/19
Guadalupe	\$ 748,672	\$ 813,842	\$ 902,006	\$ 65,170	\$ 88,164
Santa Maria	19,880,935	19,404,361	20,949,415	(476,574)	1,545,054
Golden State Water Co.	547,277	596,013	621,647	48,736	25,634
Vandenberg AFB	6,553,062	6,862,060	7,202,606	308,998	340,546
Buellton	1,075,811	1,000,133	1,099,899	(75,678)	99,766
Santa Ynez (Solvang)	2,979,459	2,692,253	2,783,948	(287,206)	91,695
Santa Ynez	1,731,905	1,385,566	814,618	(346,339)	(570,948)
Goleta	10,115,326	9,078,465	9,308,569	(1,036,861)	230,104
Morehart Land	345,634	330,244	342,753	(15,390)	12,509
La Cumbre	2,105,125	1,900,921	1,961,071	(204,204)	60,150
Raytheon	89,813	86,469	89,123	(3,344)	2,654
Santa Barbara	6,713,580	5,797,827	5,913,405	(915,753)	115,578
Montecito	6,704,114	5,866,356	6,158,184	(837,758)	291,828
Carpinteria	4,028,222	3,651,058	3,876,088	(377,164)	225,030
Shandon	21,623	34,302	28,932	12,679	(5,370)
Chorro Valley	1,362,297	1,289,989	1,271,501	(72,308)	(18,488)
Lopez	560,327	567,072	529,768	6,745	(37,304)
TOTAL:	\$65,563,182	\$ 61,356,931	\$ 63,853,531	\$ (4,206,251)	\$ 2,496,600

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





*Workers bore a series of holes to contain the explosives for the next round of controlled blasts to break up the original concrete slab of the upper chute of the Lake Oroville main spillway on May 21, 2018.
(Photo courtesy DWR)*

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2018/19 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 2018/19 DWR charges.

Highlights

Total FY 2018/19 DWR Charges **\$ 42,542,487**

- DWR Fixed Charges \$ 36,997,554
- DWR Variable Charges \$ 5,723,126
- Interest credits \$ (178,193)

Fixed Charge Highlights

- Total fixed charge increase over FY 2017/18 of \$2,001,185.
- DWR Fixed cost increase of \$2.0 million due to a \$2.4 million under collection by DWR in the Transportation Minimum OMP&R costs for prior years, a decrease of \$1.0 million in Coastal Branch costs over prior year, along with a combined increase of \$0.6 million in all other fixed cost components.

Variable Charge Highlights

- DWR Variable cost increase of \$0.8 million over FY 2017/18 due to an increase of the DWR Variable OMP&R unit rate, coupled with decrease in actual deliveries in the prior calendar year as compared to requested deliveries creating an overcharge in the prior year DWR Variable OMP&R.
- Estimated Variable OMP&R unit rate for 2018: \$181.34; 2019: \$181.34

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2018/19 Budget

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

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

DWR Billing Procedures

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

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

Summary of FY 2018/19 DWR Charges

The DWR charges for the first half of FY 2018/19 are based on the 2018 Statement of Charges. The DWR charges for the second half of FY 2018/19 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 71 shows fixed and variable DWR costs for each project participant.

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

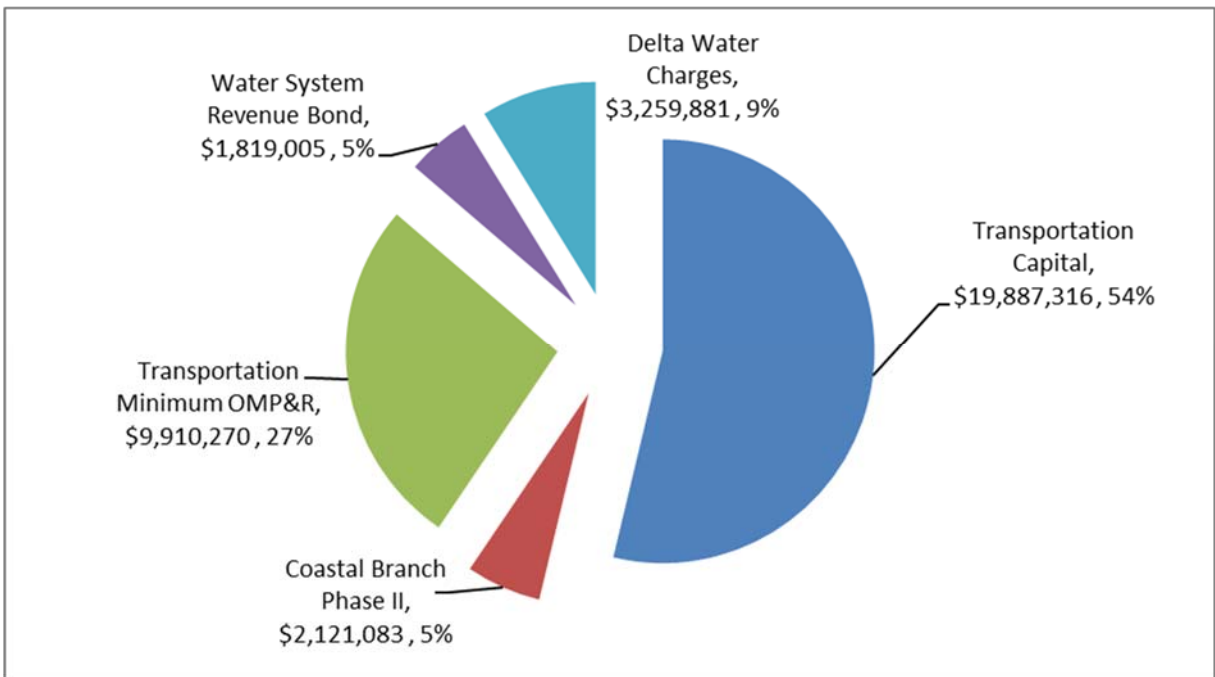
The following table provides a comparison of the FY 2016/17 through the FY 2018/19 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Est. Actual ⁽¹⁾	FY 2018/19 Budget	FY 2018/19 Budget to FY 2017/18 Budget Increase (Decrease)
Transportation Capital	\$ 19,049,148	\$ 19,284,405	\$ 19,316,925	\$ 19,887,316	\$ 602,911
Coastal Branch Phase II	3,413,133	3,124,356	3,122,629	2,121,083	(1,003,274)
Transportation Minimum OMP&R	5,001,964	7,558,589	8,700,720	9,910,270	2,351,680
Water System Revenue Bond	1,714,644	1,807,613	1,692,285	1,819,005	11,392
Delta Water Charges	3,054,099	3,221,405	3,007,476	3,259,881	38,476
Subtotal Fixed DWR Charges	32,232,988	34,996,369	35,840,035	36,997,554	2,001,185
Off-Aqueduct Charges	(76,650)	-	23,046	45,810	45,810
Variable OMP&R	3,433,637	4,882,292	4,410,852	5,677,316	795,024
Subtotal Variable DWR Charges	3,356,987	4,882,292	4,433,898	5,723,126	840,834
DWR Account Investment Income	(132,110)	(134,859)	-	(178,193)	(43,335)
Total DWR Charges	\$ 35,457,865	\$ 39,743,803	\$ 40,273,933	\$ 42,542,487	\$ 2,798,684

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

DWR FIXED COSTS

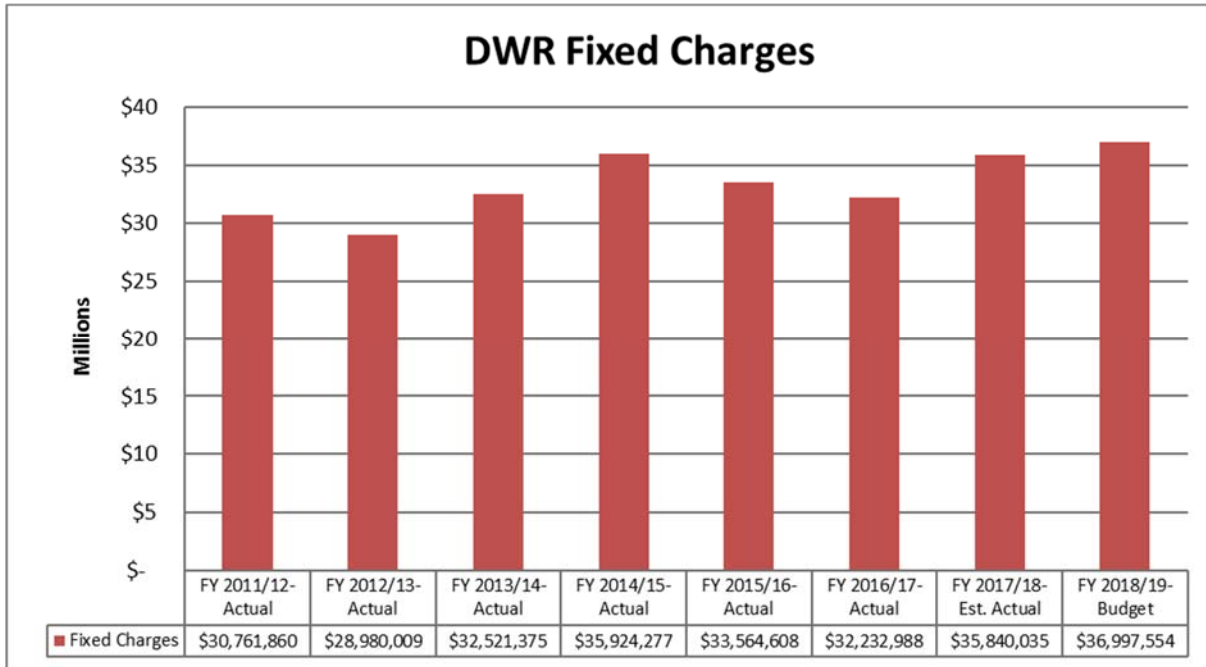
The DWR fixed costs are comprised of the following cost components:



Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

The FY 2018/19 DWR fixed charges total \$36,997,554, which is \$2,001,185 higher than the FY 2017/18 Budget. The reasons for the cost component variances are described later in this section.

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



Transportation Capital

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

The following table shows the allocation of the FY 2018/19 Transportation Capital charges to each of the CCWA project participants:

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2018/19 Budget

TRANSPORTATION CAPITAL CHARGES

Project Participant	Table A	Percentage	Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Rate Management Funds Credit	Prior Year DWR Credits for Overpayments ⁽²⁾	FY 2017/18 Amount Due (Credit)	FY 2018/19 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 321,483	\$ (107)	\$ (33,428)	\$ (10,946)	\$ 2,471	\$ 279,473
Santa Maria	16,200	41.46%	9,469,128	(3,150)	(984,608)	(322,412)	72,793	8,231,750
Golden State Water Co.	500	1.28%	292,257	(97)	(30,389)	(9,951)	2,247	254,066
VAFB	5,500	14.07%	3,214,827	(1,070)	(334,281)	(109,461)	24,714	2,794,730
Buellton	578	1.48%	337,849	(112)	(35,130)	(11,503)	2,597	293,701
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	868,551	(292)	(90,537)	(29,573)	6,676	754,825
Santa Ynez ⁽³⁾	500	1.28%	300,478	(97)	(31,019)	(10,231)	2,311	261,441
Goleta	4,500	11.52%	2,630,313	(875)	(273,502)	(89,559)	20,468	2,286,845
Morehart	200	0.51%	116,903	(39)	(12,156)	(3,980)	899	101,627
La Cumbre	1,000	2.56%	584,514	(194)	(60,778)	(19,902)	4,493	508,133
Raytheon	50	0.13%	29,226	(10)	(3,039)	(995)	225	25,407
Santa Barbara	3,000	7.68%	1,753,542	(583)	(182,335)	(59,706)	13,480	1,524,398
Montecito	3,000	7.68%	1,753,542	(583)	(182,335)	(59,706)	13,480	1,524,398
Carpinteria	2,000	5.12%	1,169,028	(389)	(121,557)	(39,804)	8,987	1,016,265
Subtotal:	39,078	100.00%	\$ 22,841,640	\$ (7,600)	\$ (2,375,094)	\$ (777,728)	\$ 175,840	\$ 19,857,058
Goleta Additional Table A	2,500	5.50%	33,589	-	(2,187)	(1,144)	-	30,258
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-
TOTAL:	45,486		\$ 22,875,229	\$ (7,600)	\$ (2,377,281)	\$ (778,872)	\$ 175,840	\$ 19,887,316

(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 2018/19 Transportation capital charges are increasing by \$602,911 due to the following:

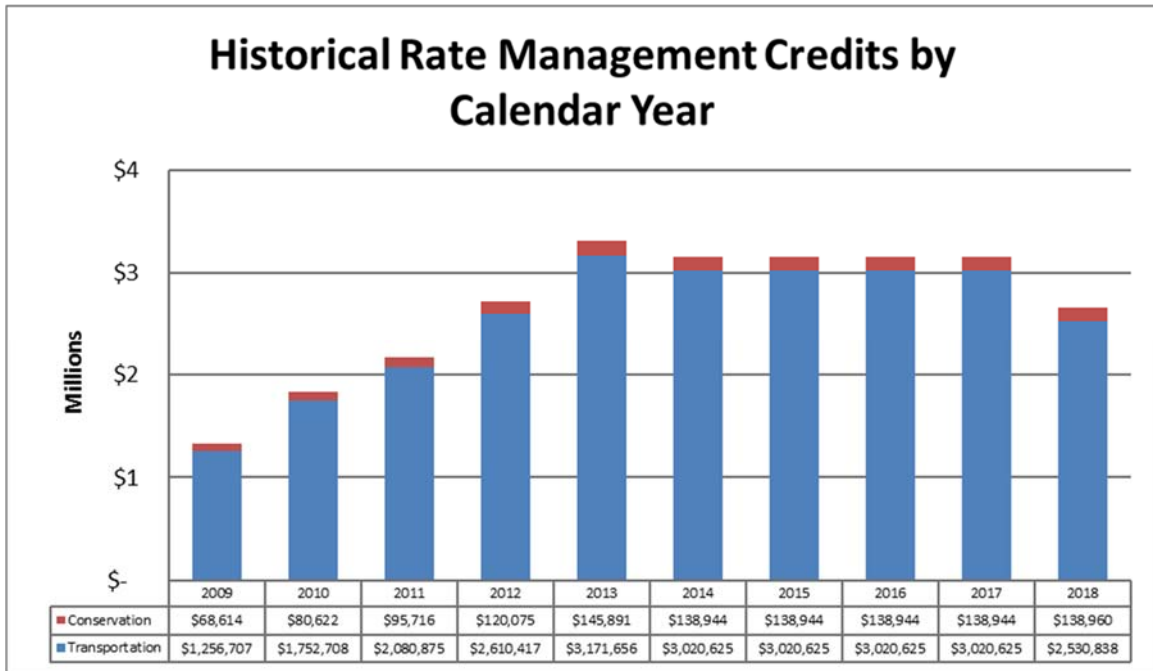
Transportation Capital Budget-to-Budget Changes			
	FY 2017/18	FY 2018/19	Change
Calculated Component	\$ 22,894,435	\$ 22,875,229	\$ (19,206)
Rate Management Credits	(2,837,351)	(2,377,281)	460,070
Prior Year amount due	(1,879)	175,840	177,719
Prior Year Overcollection Credit	(768,203)	(778,872)	(10,669)
Other Adjustments	(2,598)	(7,600)	(5,002)
Total:	\$ 19,284,405	\$ 19,887,316	\$ 602,911

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.

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

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



It is anticipated that the revenues available for rate management credits in the future will be substantially more stable and therefore not subject to the volatility as has been the case in the past. For 2018 and beyond, CCWA is projecting DWR will continue to have revenues to pay full rate management credits each year of approximately \$2.5 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.

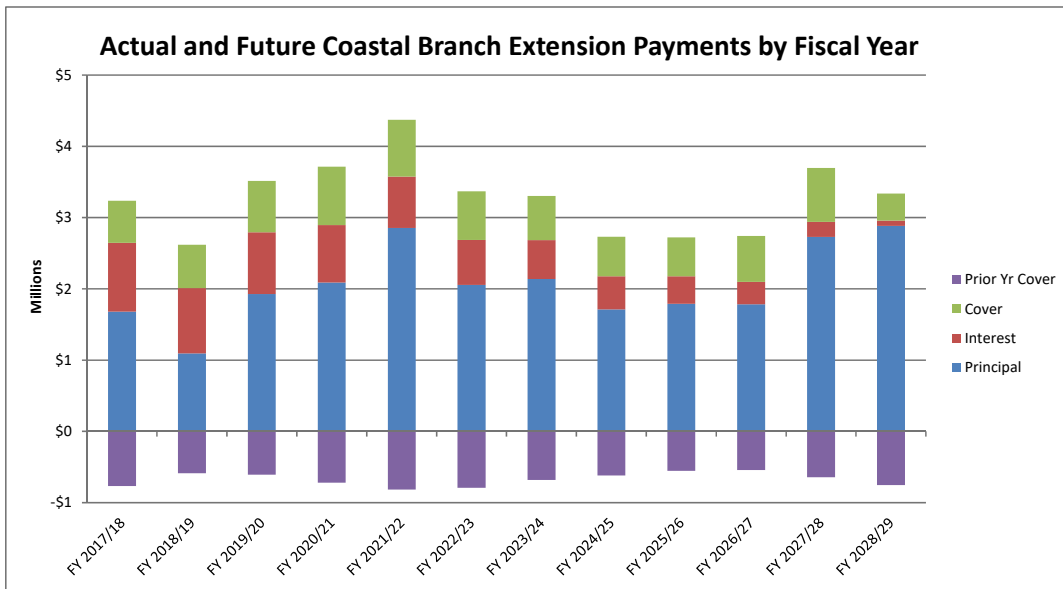
Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

Coastal Branch Extension debt service payments for FY 2018/19 total \$2,121,083, which is \$1,003,274 lower than the prior year amount due to the following:

Coastal Branch Extension Debt Service			
	FY 2017/18	FY 2018/19	Change
Principal Payments	\$ 2,400,429	\$ 1,680,036	\$ (720,393)
Interest Payments	1,036,447	966,408	(70,040)
Bond Cover	769,170	588,314	(180,856)
Rate Management Credits	(183,274)	(153,557)	29,718
Return of Prior Year Cover	(894,052)	(769,622)	124,430
Prior year amount due (credit)	(4,363)	(190,496)	(186,133)
Total:	\$ 3,124,356	\$ 2,121,083	\$ (1,003,274)

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.

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

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 2018/19.

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%	705,091	(201,228)	503,863
Golden State Water Co.	500	1.30%	21,762	(6,211)	15,551
VAFB	5,500	14.28%	239,383	(68,318)	171,065
Buellton	578	1.50%	25,157	(7,180)	17,977
Santa Ynez (Solvang)	1,500	3.89%	65,286	(18,632)	46,654
Santa Ynez	500	1.30%	21,762	(6,211)	15,551
Goleta	4,500	11.68%	195,859	(55,897)	139,962
Morehart	200	0.52%	8,705	(2,484)	6,221
La Cumbre	1,000	2.60%	43,524	(12,422)	31,103
Raytheon	50	0.13%	2,176	(621)	1,555
Santa Barbara	3,000	7.79%	130,572	(37,265)	93,308
Montecito	3,000	7.79%	130,572	(37,265)	93,308
Carpinteria	2,000	5.19%	87,048	(24,843)	62,205
Total:	38,528	100.00%	\$ 1,676,898	\$ (478,576)	\$ 1,198,322

(1) Includes credits for the return of bond cover of \$769,622, Rate Management Funds Credits of \$153,557.

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

Project Participant	Reach 38					FY 2017/18	FY 2018/19
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	(Credits) Due	Transportation Capital Charges
Guadalupe	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	(41,557)	462,306
Golden State Water Co.	-	0.00%	-	-	-	(1,294)	14,257
VAFB	5,500	25.20%	392,534	(112,027)	280,507	(37,192)	414,380
Buellton	578	2.65%	41,252	(11,773)	29,479	(3,924)	43,532
Santa Ynez (Solvang)	1,500	6.87%	107,055	(30,553)	76,502	(10,139)	113,017
Santa Ynez	500	2.29%	35,685	(10,184)	25,501	(3,364)	37,688
Goleta	4,500	20.62%	321,164	(91,658)	229,506	(30,463)	339,005
Morehart	200	0.92%	14,274	(4,074)	10,200	(1,355)	15,066
La Cumbre	1,000	4.58%	71,370	(20,368)	51,001	(6,775)	75,329
Raytheon	50	0.23%	3,568	(1,018)	2,550	(327)	3,778
Santa Barbara	3,000	13.74%	214,109	(61,105)	153,004	(20,278)	226,034
Montecito	3,000	13.74%	214,109	(61,105)	153,004	(20,278)	226,034
Carpinteria	2,000	9.16%	142,740	(40,737)	102,003	(13,549)	150,659
Total:	21,828	100.00%	\$ 1,557,859	\$ (444,603)	\$ 1,113,256	\$ (190,496)	\$ 2,121,083

(1) Includes credits for the return of bond cover of \$769,622, Rate Management Funds Credits of \$153,557.

Transportation Minimum OMP&R

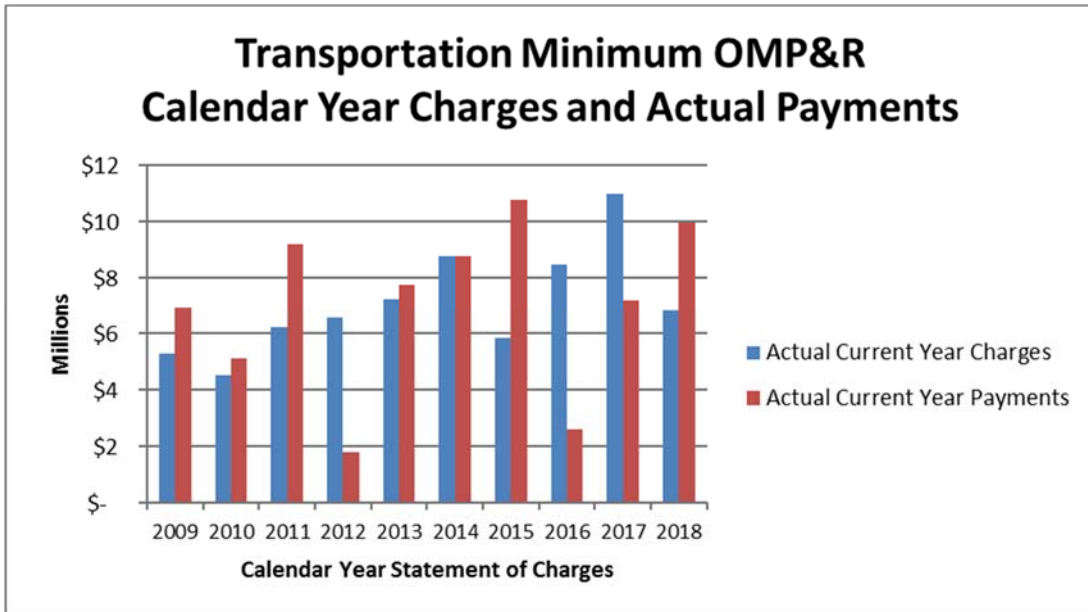
Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally do not depend on or vary with the quantities of water delivered to CCWA.

For FY 2018/19, total Transportation Minimum OMP&R charges are \$9,910,270 which is \$2,351,681 more than the prior year amount due to the following:

Transportation Minimum OMP&R			
	FY 2017/18	FY 2018/19	Change
Calculated Component	\$ 8,504,840	\$ 8,660,511	\$ 155,671
Prior Year (Over)/Under Collection	(302,443)	1,249,759	1,552,202
Prior Year Amount Due (Credit)	(643,808)	-	643,808
Total:	\$ 7,558,589	\$ 9,910,270	\$ 2,351,681

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.

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget



Bay Delta Conservation Plan Supplemental Funding Agreement

CCWA, along with many other State and Federal water contractors, participated in a funding agreement for a total of \$140 million for initial planning and design work for an alternative conveyance facility and habitat plan in the Sacramento San Joaquin delta referred to as the “Bay Delta Conservation Plan” (BDCP). CCWA’s share of the initial \$140 million was \$744,261.

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

The City of Santa Maria agreed to pay the BDCP costs for the City of Santa Barbara, Carpinteria Valley Water District, Montecito Water District and the Goleta Valley Water District.

In total, CCWA has paid \$1,443,725 for the BDCP/DHCCP costs, as shown in the following table by calendar year.

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

Calendar Year	BDCP Costs paid by CCWA
2008	\$ 38,233
2009	311,342
2010	379,630
2011	57,651
2012	267,916
2013	340,984
2014	47,969
Total:	<u>\$ 1,443,725</u>

The following table shows the allocation of the FY 2018/19 Transportation Minimum OMP&R charges to each of the CCWA project participants.

TRANSPORTATION MINIMUM OMP&R

Project Participant	Table A	Percentage	Calculated		FY 2018/19
			Component FY 2018/19	Prior Year(s) Undercollections	Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 120,270	\$ 17,356	\$ 137,626
Santa Maria	16,200	41.46%	3,542,509	511,203	4,053,712
Golden State Water Co.	500	1.28%	109,337	15,778	125,115
VAFB	5,500	14.07%	1,202,704	173,557	1,376,260
Buellton	578	1.48%	126,393	18,239	144,632
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	318,777	46,001	364,779
Santa Ynez ⁽¹⁾	500	1.28%	118,569	17,110	135,680
Goleta	4,500	11.52%	984,030	142,001	1,126,031
Morehart	200	0.51%	43,735	6,311	50,046
La Cumbre	1,000	2.56%	218,673	31,556	250,229
Raytheon	50	0.13%	10,934	1,578	12,511
Santa Barbara	3,000	7.68%	656,020	94,667	750,687
Montecito	3,000	7.68%	656,020	94,667	750,687
Carpinteria	2,000	5.12%	437,347	63,111	500,458
Subtotal:	39,078	100.00%	\$ 8,545,318	\$ 1,233,136	\$ 9,778,453
Goleta Additional Table A	2,500	-	115,193	16,623	\$ 131,816
CCWA Drought Buffer	3,908	-	-	-	-
TOTAL:	45,486		\$ 8,660,511	\$ 1,249,759	\$ 9,910,270

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

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 2018/19, the WSRB is \$11,392 higher than the prior year amount.

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

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 2017/18 WSRB (Credits) Due	FY 2018/19 WSRB Charges
Guadalupe	550	1.41%	\$ 43,719	\$ (18,361)	\$ (171)	25,187
Santa Maria	16,200	41.46%	1,287,717	(540,808)	(6,112)	740,797
Golden State Water Co.	500	1.28%	39,744	(16,692)	(218)	22,834
VAFB	5,500	14.07%	437,188	(183,608)	(1,992)	251,589
Buellton	578	1.48%	45,944	(19,296)	(183)	26,466
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	115,061	(48,317)	(562)	66,183
Santa Ynez ⁽¹⁾	500	1.28%	43,916	(18,450)	(376)	25,090
Goleta	4,500	11.52%	357,699	(150,225)	(3,833)	203,642
Morehart	200	0.51%	15,898	(6,677)	46	9,267
La Cumbre	1,000	2.56%	79,489	(33,383)	(368)	45,737
Raytheon	50	0.13%	3,974	(1,669)	(23)	2,283
Santa Barbara	3,000	7.68%	238,466	(100,150)	(1,038)	137,278
Montecito	3,000	7.68%	238,466	(100,150)	(1,038)	137,278
Carpinteria	2,000	5.12%	158,977	(66,766)	(1,459)	90,752
Subtotal	39,078	100.00%	\$ 3,106,260	\$ (1,304,550)	\$ (17,327)	\$ 1,784,383
Goleta Additional Table A	2,500	-	\$ 59,882	(25,260)		\$ 34,622
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 3,166,142	\$ (1,329,810)	\$ (17,327)	\$ 1,819,005

(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 2017 and January 2018 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 2018/19.

The FY 2018/19 Delta Water Charge totals \$3,259,881, which is \$38,476 higher than the prior year amount for the following reasons.

Delta Water Charge			
	FY 2017/18	FY 2018/19	Change
Rate per acre-foot	\$ 73.88	\$ 74.47	\$ 0.59
Delta Water Charge	3,360,349	3,387,364	27,015
Rate Management Credits	(138,944)	(138,952)	(8)
Prior year amount due (credit)	-	11,469.00	11,469
Total:	\$ 3,221,405	\$ 3,259,881	\$ 38,476

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

As shown in the previous table, the FY 2018/19 rate per acre-foot totals \$74.47, which is \$0.59/AF higher than the prior year amount.

The FY 2018/19 rate includes an estimated \$10.00/AF increase for calendar year 2019 for potential other conservation and delta related facilities (\$5.00/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 2018/19 Delta Water Charge to each of the CCWA project participants.

Project Participant	Table A		Gross Delta Water Charges	Rate Management Funds Credit	FY 2017/18 (Credits) Amount Due	FY 2018/19 Delta Water Charges
	Including Drought Buffer	Percentage				
Guadalupe	605	1.41%	\$ 45,055	(1,842)	\$ (0)	\$ 43,213
Santa Maria	17,820	41.46%	1,327,064	(54,247)	7,990	1,280,807
Golden State Water Co.	550	1.28%	40,959	(1,674)	0	39,284
VAFB	6,050	14.07%	450,546	(18,417)	0	432,129
Buellton	636	1.48%	47,363	(1,936)	(0)	45,427
Santa Ynez (Solvang)	1,500	3.49%	111,706	(4,108)	138	107,735
Santa Ynez	700	1.63%	52,129	(3,047)	0	49,082
Goleta	4,950	11.52%	368,629	(15,069)	379	353,939
Morehart	220	0.51%	16,384	(670)	0	15,714
La Cumbre	1,100	2.56%	81,918	(3,349)	0	78,569
Raytheon	55	0.13%	4,096	(167)	(0)	3,928
Santa Barbara	3,300	7.68%	245,753	(10,046)	1,481	237,188
Montecito	3,300	7.68%	245,753	(10,046)	1,481	237,188
Carpinteria	2,200	5.12%	163,835	(6,697)	(0)	157,138
Subtotal	42,986	100.00%	\$ 3,201,188	\$ (131,314)	\$ 11,469	\$ 3,081,342
Goleta Additional Table A	2,500	5.50%	\$ 186,176	(7,638)	-	\$ 178,539
TOTAL:	45,486	-	\$ 3,387,364	\$ (138,952)	\$ 11,469	\$ 3,259,881

2018 COST PER AF:	\$ 69.4705
Increase for 2019 SOC per AF /2	\$ 5.0000
Estimated rate for FY 2018/19	\$ 74.4705

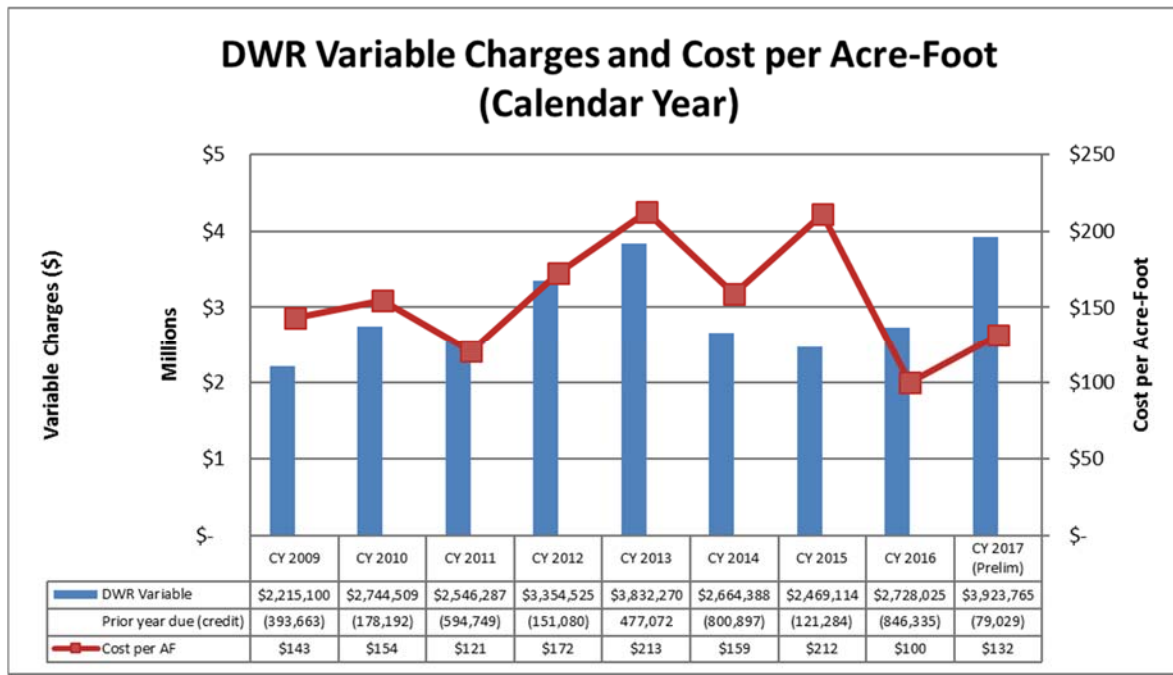
Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

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 2018/19 total \$5,723,126, which is \$840,834 more than the budgeted FY 2017/18 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 2018/19, the off-aqueduct charges total \$45,810, which is \$45,810 more than the prior year budget which was zero.

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

The following table shows the allocation of off-aqueduct charges for FY 2018/19.

Project Participant	OFF-AQUEDUCT CHARGES				FY 2017/18 Charges ⁽⁴⁾	TOTAL FY 2018/19 Off-Aqueduct
	July 2018 to December 2018		January 2019 to June 2019			
	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2018 Off-Aqueduct ^(1 & 2)	2018 Half-Year Charges		
Guadalupe	224	1.43%	\$ 322	\$ 161		\$ 133
Santa Maria	6,417	40.90%	9,230	4,615	(2,372)	17,421
Golden State Water Co.	181	1.15%	260	130	(5,985)	-
VAFB	1,410	8.99%	2,028	1,014	(4,872)	-
Buellton	255	1.63%	367	183	(2,383)	-
Santa Ynez (Solvang) ⁽⁵⁾	540	3.44%	777	388	(222)	1,313
Santa Ynez ⁽⁶⁾	80	0.51%	115	58	(2,474)	-
Goleta	2,179	13.89%	3,134	1,567	3,178	11,283
Morehart	32	0.20%	46	23	(131)	-
La Cumbre	434	2.77%	624	312	(49)	1,428
Raytheon	16	0.10%	23	12	(883)	-
Santa Barbara	1,510	9.63%	2,172	1,086	(94)	5,351
Montecito	1,510	9.63%	2,172	1,086	115	5,475
Carpinteria	900	5.74%	1,295	647	(148)	3,405
	15,688	100.00%	\$ 22,565	\$ 11,283	\$ (17,167)	\$ 45,810

- (1) Off-aqueduct charges are billed to the project participants based on requested deliveries. South coast deliveries include exchange deliveries with Santa Ynez ID#1.
- (2) Source: DWR invoice dated July 1, 2017 for Calendar Year 2018 Statement of Charges.
- (3) Source: Attachment #3, July 1, 2017 DWR Invoice for calendar year 2018.
- (4) Credits and charges for reconciliations of 2015, 2016 and 2017 off-aqueduct charges.
- (5) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
- (6) Pursuant to the Exchange Agreement, Santa Ynez only pays Off-Aqueduct charges on its Table A deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Off-Aqueduct charges for exchange water they accept.

Variable OMP&R Charges

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

For FY 2018/19, the variable OMP&R charges total \$5,677,316 which is \$795,024 more than the prior year amount. The budget is based on estimated water deliveries of 34,359 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2018/19 is estimated to be \$181.34/AF and \$181.34/AF for the second half of the fiscal year.

The following table shows the allocation of the FY 2018/19 variable OMP&R costs.

Central Coast Water Authority
 Department of Water Resources Charges
 Fiscal Year 2018/19 Budget

VARIABLE OMP&R CHARGES

Project Participant	July 1, 2018 to Dec 31, 2018 ⁽¹⁾			\$181/AF ⁽²⁾	Jan 1, 2019 to June 30, 2019 ⁽³⁾			\$181/AF ⁽⁴⁾		TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2018 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2019 Var OMP&R	FY 2017/18 (Credits) Due ⁽⁵⁾	FY 2018/19 Var. OMP&R
Guadalupe	224	-	224	\$ 40,619	303	-	303	\$ 54,945	\$ 26,245	\$ 121,808
Santa Maria	6,417	-	6,417	1,163,627	5,624	-	5,624	1,019,828	192,550	2,376,006
Golden State Water Co.	181	-	181	32,822	154	-	154	27,926	(17,315)	43,433
VAFB	1,410	-	1,410	255,682	1,184	-	1,184	214,701	59,734	530,118
Buellton	255	-	255	46,240	297	-	297	53,857	5,354	105,451
Santa Ynez (Solvang)	540	-	540	97,921	425	-	425	77,067	(15,597)	159,392
Santa Ynez ⁽⁶⁾	80	630	710	14,507	60	480	540	10,880	(50,482)	-
Goleta	2,179	(227)	1,952	395,129	2,423	(173)	2,250	439,333	(102,470)	731,992
Morehart	32	-	32	5,803	17	-	17	3,083	(12,957)	-
La Cumbre	434	-	434	78,699	432	-	432	78,337	(1,695)	155,342
Raytheon	16	-	16	2,901	16	-	16	2,901	(786)	5,017
Santa Barbara	1,510	(151)	1,359	273,816	1,615	(115)	1,500	292,889	(1,526)	565,179
Montecito	1,510	(151)	1,359	273,816	1,584	(115)	1,469	287,224	(4,185)	556,856
Carpinteria	900	(101)	799	163,202	1,077	(77)	1,000	195,298	(31,776)	326,723
Total	15,688	-	15,688	\$ 2,844,785	15,211	-	15,211	\$ 2,758,268	\$ 45,097	\$ 5,677,316

- (1) 2018 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.
 (2) Source: July 1, 2017 Statement of Charges for calendar year 2018.
 (3) 2018 Requested Deliveries based on a 100% delivery allocation.
 (4) Source: Estimate of invoice rate for 2019.
 (5) Credit or amount due for FY 2017/18 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 2018/19 Budget

Other DWR Charges and Credits

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their Table A allocation. This election eliminates the Delta Water Charge associated with the amount of State water Table A that has been reduced. No Table A reductions are assumed for calendar years 2018 or 2019.

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

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

CCWA Turnback Pool

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

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

Central Coast Water Authority
DWR Charges
 Fiscal Year 2018/19 Budget

Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES			DWR Account Interest	Total DWR Charges
	Transportation Capital	Transportation Capital	Transportation Capital	Transportation Capital	Water System	Delta Water	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable		
	Through Reach 35	Reach 37	Reach 38	Minimum OMP&R	Revenue Bond	Charges						
Guadalupe	\$ 279,473	\$ -	\$ -	\$ 137,626	\$ 25,187	\$ 43,213	\$ 485,499	\$ 133	\$ 121,808	\$ 121,941	\$ (2,545)	\$ 604,895
Santa Maria	8,231,750	462,340	-	4,053,712	740,797	1,280,807	14,769,406	17,421	2,376,006	2,393,427	(78,307)	17,084,525
Golden State Water Co.	254,066	14,270	-	125,115	22,834	39,284	455,570	-	43,433	43,433	(2,539)	496,463
Vandenberg AFB	2,794,730	156,967	257,391	1,376,260	251,589	432,129	5,269,066	-	530,118	530,118	-	5,799,183
Buellton	293,701	16,496	27,049	144,632	26,466	45,427	553,772	-	105,451	105,451	(3,511)	655,712
Santa Ynez (Solvang)	754,825	42,809	70,197	364,779	66,183	107,735	1,406,528	1,313	159,392	160,705	(7,818)	1,559,414
Santa Ynez	261,441	14,270	23,399	135,680	25,090	49,082	508,962	-	-	-	(3,267)	505,695
Goleta	2,286,845	128,428	210,592	1,126,031	203,642	353,939	4,309,476	11,283	731,992	743,275	(28,130)	5,024,622
Morehart Land	101,627	5,708	9,360	50,046	9,267	15,714	191,721	-	-	-	(1,120)	190,602
La Cumbre	508,133	28,539	46,798	250,229	45,737	78,569	958,006	1,428	155,342	156,770	(5,580)	1,109,196
Raytheon	25,407	1,427	2,340	12,511	2,283	3,928	47,896	-	5,017	5,017	(367)	52,546
Santa Barbara	1,524,398	85,618	140,395	750,687	137,278	237,188	2,875,565	5,351	565,179	570,530	(16,702)	3,429,392
Montecito	1,524,398	85,618	140,395	750,687	137,278	237,188	2,875,565	5,475	556,856	562,331	(17,073)	3,420,823
Carpinteria	1,016,265	57,079	93,597	500,458	90,752	157,138	1,915,289	3,405	326,723	330,129	(11,233)	2,234,184
Goleta 2500 AF	30,258	-	-	131,816	34,622	178,539	375,235	-	-	-	-	375,235
Total	\$ 19,887,316	\$ 1,099,569	\$ 1,021,513	\$ 9,910,270	\$ 1,819,005	\$ 3,259,881	\$ 36,997,554	\$ 45,810	\$ 5,677,316	\$ 5,723,126	\$ (178,193)	\$ 42,542,487



Solar powered repeater unit at Bradbury Dam

Operating Expenses

The Operating Expenses section of the FY 2018/19 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 2018/19 Operating Expenses \$ 10,175,755**
- Fixed expense increase \$ 112,487
- Variable expense increase \$ 237,658
- Increase over FY 2017/18 Budget \$ 350,145
- Percentage increase 3.56%

Significant Operating Expense Changes

- Includes a salary pool for FY 2018/19 of \$117,887, equivalent to a 4.0% increase.
- Variable electric costs are estimated to be \$36,523 more than the FY 2017/18 budget, an increase of 3.36%.
- Chemical costs are budgeted at \$54.02 an acre-foot (excluding Santa Ynez Pumping facility chemical costs), which is an 11.52% increase over FY 2017/18 chemical budget.
- Budgeted employee benefits percentage for FY 2018/19: 43.66%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2018/19 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 2018/19. 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 2018/19 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2018/19 budget are as follows:

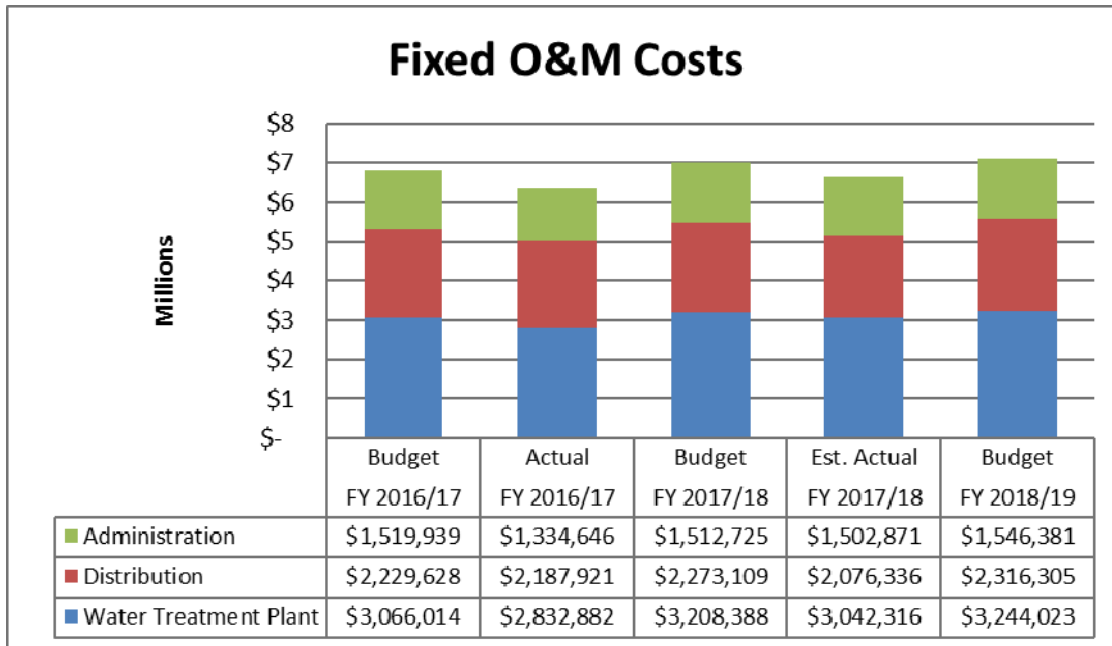
- Decrease in Warren Act and Trust Fund charges of \$18,170 (Warren Act and Trust Fund charges are not included in the Operating Expense budget and are treated as a pass-through expense).

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.

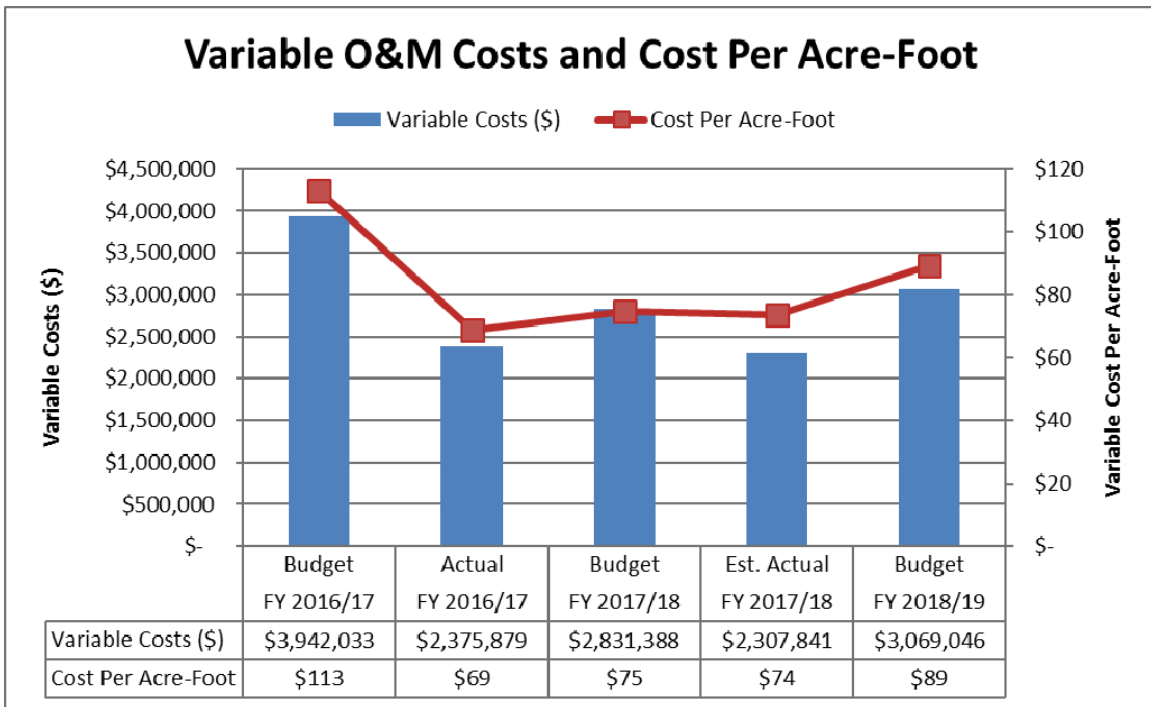
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
 Operating Expense Overview
 Fiscal Year 2018/19 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 2018/19 Consolidated Departmental Operating Expense Budget totals \$10,175,755 which is \$350,145 higher than the Fiscal Year 2017/18 Budget, a 3.56% 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 \$174,000 which includes the following changes from the prior year:

- The FY 2018/19 Budget includes the \$117,887 salary pool amount for employee salary increases representing an increase of \$3,201 over the FY 2017/18 budgeted amount of \$114,686. The salary pool percentage for FY 2018/19 is a flat 4% of salaries.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2018/19 Budget

On April 27, 2017, the Board of Directors approved that beginning FY 2017/18 CCWA's Salary Pool calculation be changed from being comprised of a 3% merit component plus the change in the consumer price index, to being based solely on either a flat 4% of salaries, or the actual change in the consumer price index, whichever is higher. This percentage is then applied to the current salaries as of July 1st to create the salary pool for the current fiscal year budget. The newly approved salary pool formula will be automatically included in the budget each year to provide a pool of money for the Executive Director to award salary increases to employees based entirely on performance.

The FY 2018/19 total salaries and wages budget for all departments is held to an increase of \$83,227 as compared to the prior fiscal year budget due to certain employees reaching the top of their salary range causing actual total salaries on July 1, 2017 to be lower than what was included in the budget for FY 2017/18.

- CalPERS retirement expenses are decreasing by approximately \$5,000 because of a reduction in the employer percentage for employee paid portions of the Classic, PEPRA and 2nd Tier Member rates. The combined CCWA paid employer, employee and unfunded actuarial liability contribution rates for the FY 2018/19 total 24.285% as compared to the prior year amount of 23.028%, for a combined increase of 1.257%. In FY 2017/18 CCWA employees began paying 50% of the increase in the "normal" PERS employer contribution. Additionally, CCWA now has 3 PEPRA employees, and is expecting to hire the first 2nd Tier employee sometime in FY 2017/18.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$18,000 over FY 2017/18 due primarily to the following realignment of employee benefits: 1) Effective January 1, 2018, the CCWA cafeteria plan allowance was based on the lowest cost plan available to all CCWA employees, instead of the mid-range PPO in 2017; and 2) In calendar year 2018, CCWA employees began paying 50% of the increase in the cost of dependent portion of healthcare premiums. The 2018 health insurance premiums increased by 3.56%, as opposed to the budgeted increase of 5% for calendar year 2018. The Budget also includes an estimated 5% increase in health insurance premiums effective January 1, 2019.
- The FY 2018/19 Budget includes \$152,227 for deposit into the Retiree Benefit Trust Program which represents a \$99,902 increase in the estimated FY 2018/19 amount over the FY 2017/18 budgeted amount of \$52,325 for the annually required minimum contribution under PEMHCA for the CCWA retiree medical benefit. The increase is due to changes in actuarial assumptions and the estimated additional

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2018/19 Budget

contribution for a vested portion of the retiree only premiums, based on employees who are at least 62 years of age and who retire from CCWA having completed at least 10 years of service with CCWA.

Supplies and Equipment

Supplies and equipment are increasing by about \$189,000 based entirely on the increased cost of chemicals needed due to reduced flows in the California Aqueduct resulting in lesser water quality. 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 2018/19 due to the anticipated drought related water conditions as seen in the preceding fiscal years.

Monitoring Expenses

Monitoring expenses are increasing by about \$7,000 for lab supplies and lab testing due to estimated drought related water quality monitoring.

Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$14,000 because of an increase in age related equipment and building repairs and maintenance.

Professional Services

Professional Services are increasing by a total of about \$33,000 for the following reasons: An increase of \$18,000 in engineering services for seismic joint survey, SCADA and cathodic protection; a \$3,000 increase in professional services due to switchgear maintenance needs; \$4,000 for additional accounting services for actuarial services for Governmental Accounting Standards Board (GASB) reporting of pension and other post-employment benefits (OPEB) and a \$8,500 increase in permits for the drinking water program.

General and Administrative

General and Administrative costs are increasing by about \$8,000 mostly due to the \$6,000 increase in State Water Contractors dues, coupled with a \$1,400 increase for employee training, and a slight increase for advertising.

Utilities

Utility expenses are increasing by about \$44,000 primarily due to an increase in the estimated cost of electricity, which is partially offset by a slight decrease in requested water deliveries to Cachuma Lake of 313 AF when compared to the prior fiscal year.

Other Expenses

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2018/19 Budget

Other expenses are decreasing by about \$143,000 due entirely to the reclassification of non-capitalized projects as a non-operating expense.

Approximately 49% of the operating expense budget represents personnel expenses. This is followed by 21% for supplies and equipment, and 13% for utilities and the balance is comprised of other expenses.

The chart on page 81 provides a detailed breakdown of the components of the FY 2018/19 budget.

Central Coast Water Authority
 Operating Expense Overview
 Fiscal Year 2018/19 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.

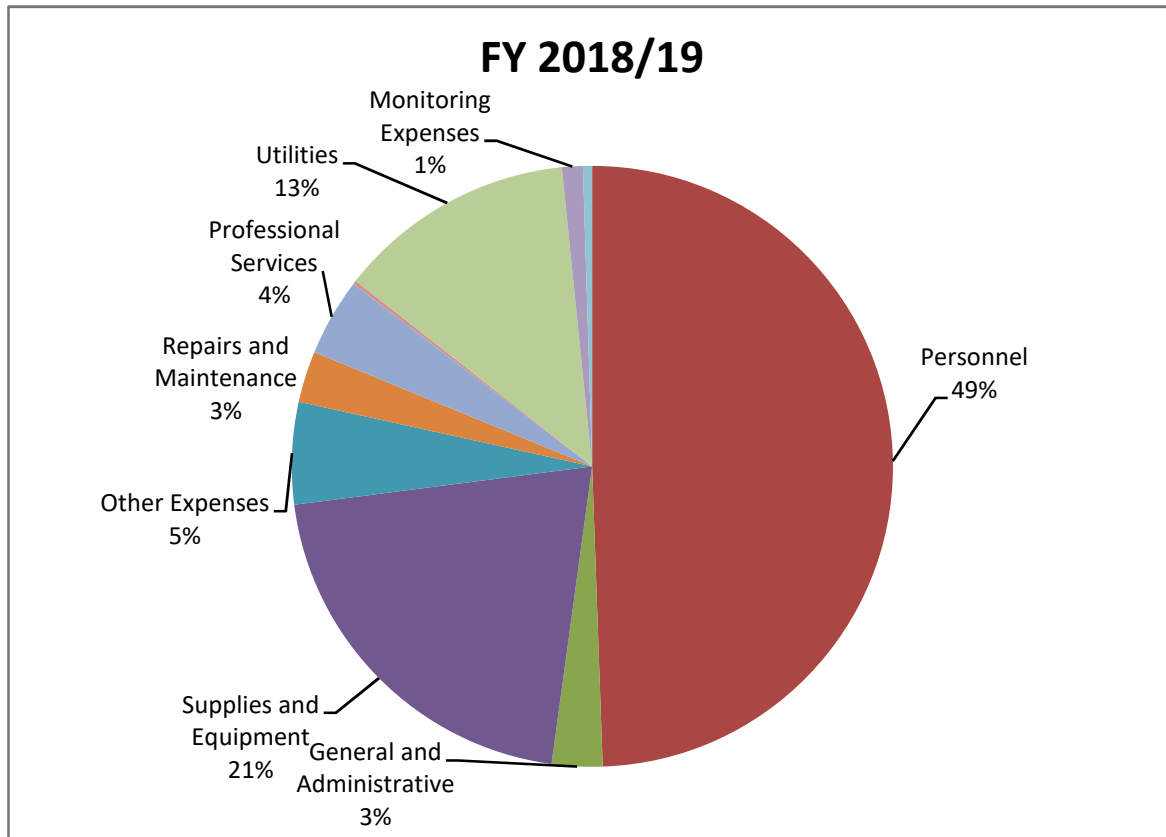
The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2016/17 through 2018/19.

	FY 2016/17	FY 2017/18	FY 2018/19
	Actual	Est. Actual ⁽¹⁾	Budget ⁽¹⁾
Total Regular Salaries	\$ 2,898,015	\$ 2,851,144	\$ 3,065,063
<u>Benefits</u>			
PERS Retirement ⁽¹⁾	615,459	619,395	681,994
Health Insurance	519,678	510,803	522,247
Cafeteria Plan Benefits	46,545	69,539	27,136
Dental/Vision Plan	55,447	63,954	77,979
Long-Term Disability	14,137	15,222	15,566
Life Insurance	11,693	12,178	13,238
Total Benefits:	\$ 1,262,959	\$ 1,291,091	\$ 1,338,160
Employee Benefits Percent:	43.58%	45.28%	43.66%

(1) The PERS Retirement for FY 2016/17 thru FY 2018/19 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.

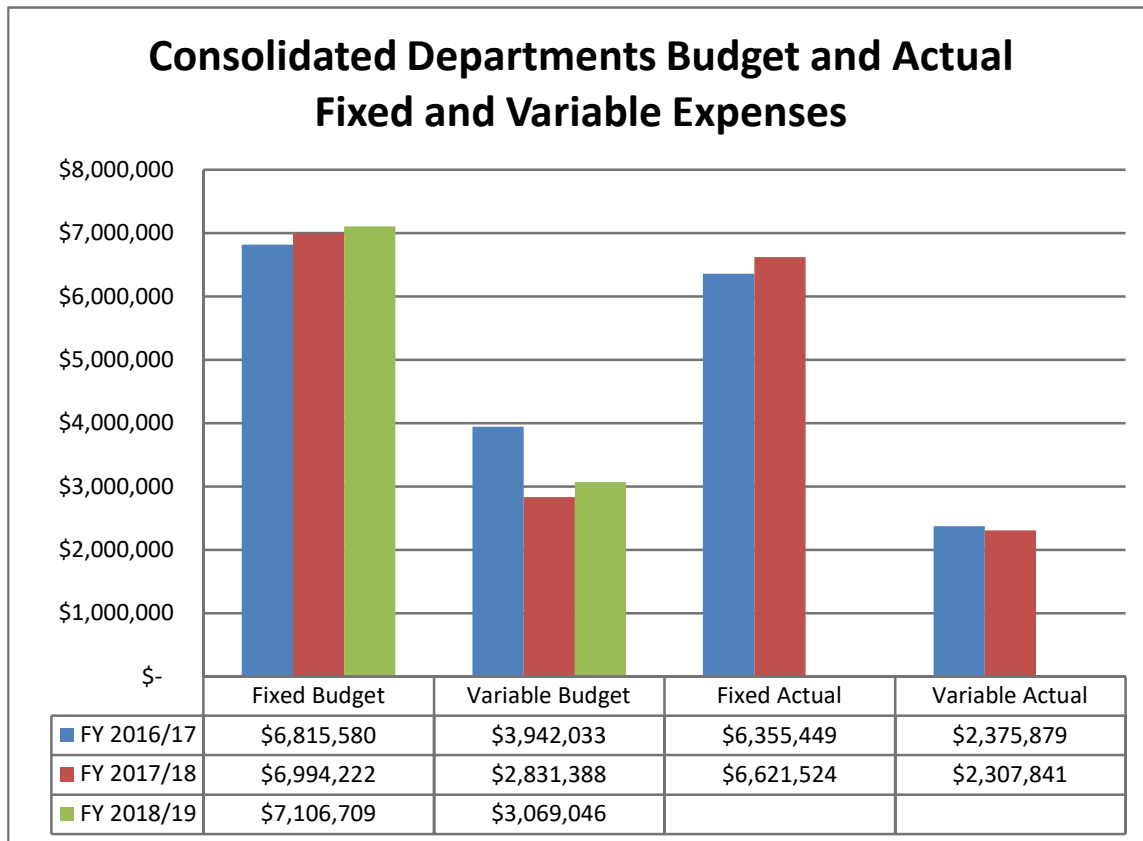
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2018/19 Budget

Item	FY 2018/19 Budget
Personnel	\$ 5,032,011
Office Expenses	20,500
Supplies and Equipment	2,115,202
Monitoring Expenses	113,624
Repairs and Maintenance	279,880
Professional Services	425,520
General and Administrative	275,985
Utilities	1,302,775
Other Expenses	559,448
Turnouts	50,809
TOTAL:	<u><u>\$ 10,175,755</u></u>



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2018/19 Budget

Item	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget
Personnel	\$ 4,801,491	\$ 4,466,004	\$ 4,858,221	\$ 4,753,682	\$ 5,032,011
Office Expenses	19,700	19,732	20,500	19,476	20,500
Supplies and Equipment	2,485,483	1,457,896	1,926,747	1,468,950	2,115,202
Monitoring Expenses	113,784	98,483	107,144	105,860	113,624
Repairs and Maintenance	255,022	236,048	266,380	269,383	279,880
Professional Services	377,735	282,612	392,580	354,876	425,520
General and Administrative	271,169	218,690	267,836	238,807	275,985
Utilities	1,793,036	1,209,119	1,259,193	1,131,081	1,302,775
Other Expenses	618,451	652,040	702,533	578,728	559,448
Turnouts	21,742	90,705	24,478	8,522	50,809
Total:	\$ 10,757,612	\$ 8,731,328	\$ 9,825,610	\$ 8,929,365	\$ 10,175,755



Central Coast Water Authority
Consolidated Department Operating Expenses
Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 2,938,263	\$ 2,733,403	\$ 2,981,836	\$ 2,851,144	\$ 3,065,063	\$ 83,227	2.79%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	135,789	127,980	139,163	136,391	142,673	3,510	2.52%
5000.40	Standby Pay	55,190	53,389	55,768	52,337	57,262	1,494	2.68%
5000.50	Shift Differential Pay	17,594	17,561	18,226	14,976	18,585	359	1.97%
5100.10	PERS Retirement	773,783	716,892	811,898	744,395	806,994	(4,904)	-0.60%
5100.15	Medicare Taxes	45,920	42,252	47,159	45,379	48,005	846	1.79%
5100.20	Health Insurance	582,646	492,982	512,314	510,803	522,247	9,933	1.94%
5100.25	Workers' Compensation	64,961	53,952	59,880	60,820	66,325	6,445	10.76%
5100.30	Vehicle Expenses	9,000	8,654	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	46,500	54,169	52,325	147,765	152,227	99,902	190.93%
5100.40	Cafeteria Plan Benefits	20,090	46,545	57,347	69,539	27,136	(30,211)	-52.68%
5100.45	Dental/Vision Plan	73,806	55,447	75,253	63,954	77,979	2,726	3.62%
5100.50	Long-Term Disability	14,934	13,505	15,145	15,222	15,566	421	2.78%
5100.55	Life Insurance	13,306	11,164	13,196	12,178	13,238	42	0.32%
5100.60	Employee Physicals	900	1,005	900	220	900	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	6,560	3,104	6,560	4,400	6,560	-	0.00%
5100.65	Employee Education Reimbursement	2,250	390	2,250	-	2,250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	33,611	-	15,159	-	-	N/A
Total Personnel Expenses:		4,801,491	4,466,004	4,858,221	4,753,682	5,032,011	173,790	3.58%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	9,700	10,152	10,000	10,967	10,000	-	0.00%
5200.30	Misc. Office Expenses	10,000	9,580	10,500	8,508	10,500	-	0.00%
Total Office Expenses:		19,700	19,732	20,500	19,476	20,500	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	15,210	16,435	15,660	15,419	15,660	-	0.00%
5500.15	Minor Tools and Equipment	10,000	9,423	10,000	10,000	10,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,500	325	1,500	1,063	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	2,317,823	1,333,039	1,745,407	1,335,268	1,946,542	201,136	11.52%
5500.35	Maintenance Supplies/Hardware	26,000	24,428	30,400	29,956	26,000	(4,400)	-14.47%
5500.40	Safety Supplies	12,000	9,898	14,000	11,347	14,000	-	0.00%
5500.45	Fuel and Lubricants	91,450	62,604	98,280	65,896	90,000	(8,280)	-8.42%
5500.50	Seed/Erosion Control Supplies	11,000	1,636	11,000	-	11,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	108	500	-	500	-	0.00%
Total Supplies and Equipment:		2,485,483	1,457,896	1,926,747	1,468,950	2,115,202	188,456	9.78%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	65,969	64,822	66,559	61,116	66,559	-	0.00%
5600.20	Lab Tools and Equipment	11,380	7,247	11,520	24,074	18,000	6,480	56.25%
5600.30	Lab Testing	36,435	26,414	29,065	20,670	29,065	-	0.00%
Total Monitoring Expenses:		113,784	98,483	107,144	105,860	113,624	6,480	6.05%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	163,000	148,328	167,000	182,001	180,500	13,500	8.08%
5700.20	Vehicle Repairs and Maintenance	17,500	23,759	17,500	17,603	17,500	-	0.00%
5700.30	Building Maintenance	61,602	52,678	68,360	57,771	68,360	-	0.00%
5700.40	Landscape Maintenance	12,920	11,284	13,520	12,009	13,520	-	0.00%
Total Repairs and Maintenance:		255,022	236,048	266,380	269,383	279,880	13,500	5.07%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	140,775	76,298	171,775	116,487	174,375	2,600	1.51%
5400.20	Legal Services	160,000	116,973	100,000	159,992	100,000	-	0.00%
5400.30	Engineering Services	10,500	21,808	21,500	16,325	39,500	18,000	83.72%
5400.40	Permits	22,900	26,118	22,900	27,216	31,500	8,600	37.55%
5400.50	Non-Contractual Services	4,260	2,689	4,260	2,733	3,700	(560)	-13.15%
5400.60	Accounting Services	39,300	38,727	72,145	32,124	76,445	4,300	5.96%
Total Professional Services:		377,735	282,612	392,580	354,876	425,520	32,940	8.39%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	59,000	56,575	62,000	58,291	62,000	-	0.00%
5300.20	Mileage Reimbursement	1,650	698	1,650	663	1,650	-	0.00%
5300.30	Dues and Memberships	151,619	132,456	166,536	149,494	172,535	6,000	3.60%
5300.40	Publications	3,000	2,206	3,250	1,143	3,250	-	0.00%
5300.50	Training	17,500	12,789	18,750	19,116	20,150	1,400	7.47%
5300.60	Advertising	25,000	3,346	4,750	730	5,500	750	15.79%
5300.70	Printing and Binding	3,500	1,770	2,000	1,503	2,000	-	0.00%
5300.80	Postage	9,900	8,850	8,900	7,867	8,900	-	0.00%
Total General and Administrative:		271,169	218,690	267,836	238,807	275,985	8,150	3.04%
<u>UTILITIES</u>								
5800.20	Natural Gas	8,190	11,972	8,770	3,817	8,770	-	0.00%
5800.30	Electric-Fixed	132,825	130,041	135,387	133,979	142,446	7,060	5.21%
5800.35	Electric-Variable	1,624,210	1,042,840	1,085,981	972,573	1,122,504	36,523	3.36%
5800.40	Water	3,200	3,649	4,420	4,073	4,420	-	0.00%
5800.50	Telephone	15,026	12,313	15,026	9,069	15,026	-	0.00%
5800.60	Waste Disposal	9,585	8,304	9,609	7,570	9,609	-	0.00%
Total Utilities:		1,793,036	1,209,119	1,259,193	1,131,081	1,302,775	43,583	3.46%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	140,212	136,937	144,787	138,385	140,867	(3,920)	-2.71%
5900.30	Non-Capitalized Projects ⁽¹⁾	91,509	237,848	150,108	156,629	-	(150,108)	-100.00%
5900.40	Equipment Rental	38,540	23,236	42,040	45,089	47,040	5,000	11.89%
5900.50	Non-Capitalized Equipment	14,500	10,413	22,500	20,897	22,500	-	0.00%
5900.60	Computer Expenses	200,478	151,971	206,436	195,300	210,690	4,254	2.06%
5900.70	Appropriated Contingency	133,213	91,635	136,662	22,428	138,351	1,689	1.24%
Total Other Expenses:		618,451	652,040	702,533	578,728	559,448	(143,085)	-20.37%
Turnout Expenses		21,742	90,705	24,478	8,522	50,809	26,332	107.58%
TOTAL OPERATING EXPENSES		\$ 10,757,612	\$ 8,731,328	\$ 9,825,610	\$ 8,929,365	\$ 10,175,755	\$ 350,145	3.56%

(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 2018/19 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%	\$ 8,214	-	-	8,214	\$ 2,057
Chorro Valley	-	-	-	2,338	5.32%	192,052	-	-	192,052	6,500
Lopez	-	-	-	2,392	5.45%	196,487	-	-	196,487	2,536
Guadalupe	550	1.41%	22,932	550	1.25%	45,179	27,105	-	72,284	2,214
Santa Maria	16,200	41.46%	675,463	16,200	36.90%	1,330,726	798,377	-	2,129,103	2,572
Golden State Water Co.	500	1.28%	20,848	500	1.14%	41,072	24,641	-	65,713	8,894
VAFB	5,500	14.07%	229,324	5,500	12.53%	451,790	271,054	-	722,844	6,631
Buellton	578	1.48%	24,100	578	1.32%	47,479	28,485	-	75,964	6,917
Santa Ynez (Solvang)	1,500	3.84%	62,543	1,500	3.42%	123,215	73,924	-	197,139	6,359
Santa Ynez	500	1.28%	20,848	500	1.14%	41,072	79,345	169,122	289,539	6,131
Goleta	4,500	11.52%	187,629	4,500	10.25%	369,646	(422,669)	(60,884)	(113,907)	-
Morehart Land	200	0.51%	8,339	200	0.46%	16,429	(20,616)	-	(4,187)	-
La Cumbre	1,000	2.56%	41,695	1,000	2.28%	82,144	(103,080)	-	(20,936)	-
Raytheon (SBRC)	50	0.13%	2,085	50	0.11%	4,107	(5,154)	-	(1,047)	-
Santa Barbara	3,000	7.68%	125,086	3,000	6.83%	246,431	(281,780)	(40,589)	(75,938)	-
Montecito	3,000	7.68%	125,086	3,000	6.83%	246,431	(281,780)	(40,589)	(75,938)	-
Carpinteria	2,000	5.12%	83,391	2,000	4.55%	164,287	(187,853)	(27,060)	(50,625)	-
TOTAL:	39,078	100.00%	\$ 1,629,368	43,908	100.00%	\$ 3,606,761	\$ -	-	\$ 3,606,761	\$ 50,809

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	1,403	-	-	-	-	-	-	-	-	1,403	11,674
Chorro Valley	32,808	-	-	-	-	-	-	-	-	32,808	231,360
Lopez	33,566	13,275	-	-	-	-	-	-	-	46,841	245,864
Guadalupe	7,718	3,052	1,192	-	-	-	-	-	-	11,963	109,394
Santa Maria	227,329	89,907	35,117	24,527	-	-	-	-	-	376,879	3,184,017
Golden State Water Co.	7,016	2,775	1,084	757	-	-	-	-	-	11,632	107,086
VAFB	77,179	30,524	11,922	8,327	23,800	77,892	-	-	-	229,644	1,188,443
Buellton	8,111	3,208	1,253	875	2,501	8,186	18,039	-	-	42,172	149,154
Santa Ynez (Solvang)	21,049	8,325	3,252	2,271	6,491	21,243	46,813	-	-	109,443	375,484
Santa Ynez	7,016	2,775	1,084	757	2,164	7,081	15,604	-	-	36,481	352,998
Goleta	63,147	24,974	9,755	6,813	19,472	63,730	140,439	287,104	-	615,434	689,155
Morehart Land	2,807	1,110	434	303	865	2,832	6,242	12,760	-	27,353	31,504
La Cumbre	14,033	5,550	2,168	1,514	4,327	14,162	31,209	63,801	-	136,763	157,522
Raytheon (SBRC)	702	277	108	76	216	708	1,560	3,190	-	6,838	7,876
Santa Barbara	42,098	16,649	6,503	4,542	12,982	42,487	93,626	191,403	-	410,289	459,437
Montecito	42,098	16,649	6,503	4,542	12,982	42,487	93,626	191,403	-	410,289	459,437
Carpinteria	28,065	11,100	4,335	3,028	8,654	28,324	62,417	127,602	-	273,526	306,291
TOTAL:	616,145	230,151	84,709	58,331	94,454	309,132	509,575	877,262	-	2,779,759	\$ 8,066,697

Central Coast Water Authority
Operating, Maintenance and Project Expense Allocation by Department
 Fiscal Year 2018/19 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs				Total Variable Operating Costs	Total Fixed, Variable & Project Costs	Summary of Total Costs
	Santa Ynez II	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs			
Shandon	\$ -	\$ 5,882			\$ 5,882	\$ 5,882	\$ 17,557	Fixed O&M Costs
Chorro Valley	-	130,851			130,851	130,851	362,211	Administration \$ 1,546,381
Lopez	-	66,775			66,775	66,775	312,640	Water Treatment Plant 3,244,023
Guadalupe	-	31,000	12,676		43,676	43,676	153,069	Distribution 2,316,305
Santa Maria	-	708,283	289,625		997,907	997,907	4,181,925	Total Fixed O&M Costs 7,106,709
Golden State Water Co.	-	19,706	8,058		27,763	27,763	134,850	
VAFB	-	152,586	62,394		214,980	214,980	1,403,422	Variable O&M Costs
Buellton	-	32,470	13,277		45,747	45,747	194,901	Water Treatment Plant 2,021,062
Santa Ynez (Solvang)	-	56,764	23,211		79,975	79,975	455,460	Distribution 1,047,985
Santa Ynez	-	8,235	30,066	65,293	103,595	103,595	456,593	Total Variable O&M Costs 3,069,046
Goleta	348,543	270,688	(146,107)	(23,506)	101,076	449,619	1,138,774	
Morehart Land	4,064	2,882	(1,704)	-	1,179	5,243	36,747	Capital & Non-Capital Projects 959,989
La Cumbre	71,829	50,940	(30,110)	-	20,830	92,659	250,181	
S.B. Research	2,654	1,882	(1,113)	-	770	3,424	11,300	Total O&M and Project Costs: \$ 11,135,744
Santa Barbara	237,118	183,831	(99,398)	(15,670)	68,763	305,881	765,317	
Montecito	234,527	181,994	(98,312)	(15,670)	68,011	302,538	761,975	
Carpinteria	149,249	116,292	(62,564)	(10,447)	43,281	192,530	498,821	
TOTAL:	\$ 1,047,985	\$ 2,021,062	\$ 0	-	2,021,062	3,069,046	\$ 11,135,744	



Staff presentation of FY2016/17 Accomplishments July 2017

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 2018/19 O&M Budget \$ 1,546,381
- O&M Budget increase over FY 2017/18 \$ 33,656
- Percentage increase over FY 2017/18 2.22%

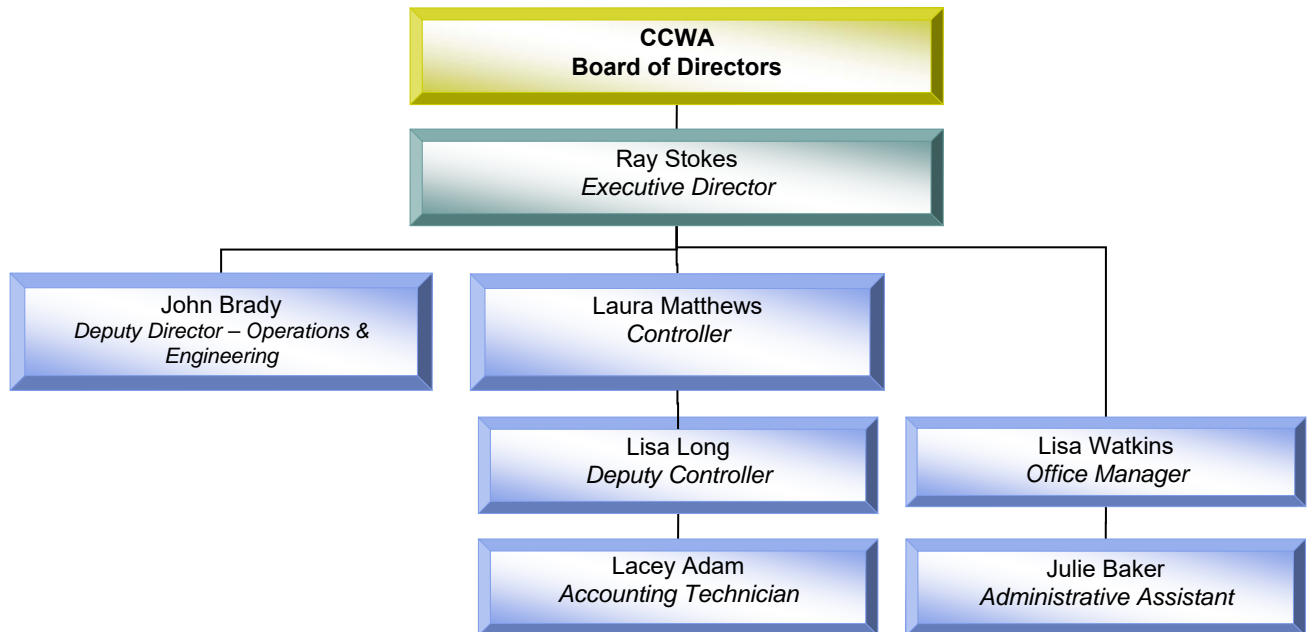
Significant Goals for FY 2018/19

- Obtain approval from DWR and Santa Barbara County for assignment of the State Water Project Contract to CCWA.
- Reacquire the 12,214 AF of Santa Barbara County suspended Table A water
- Actively participate in negotiations regarding a State Water Project contract amendment to provide for enhanced water management provisions and possible cost and water allocations associated with California WaterFix.
- Explore groundwater banking opportunities both outside Santa Barbara County (short-term) and within Santa Barbara County (long-term).
- Obtain approval and execution of the recently negotiated State Water Project Contract extension and amendment.
- Analyze the potential benefits of California WaterFix to determine a CCWA position on the proposed project.
- Develop a formal long-term capital improvements program including development of a CCWA facilities assessment program.

Central Coast Water Authority
Administration Department
Fiscal Year 2018/19 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 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 2018/19 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 payrolls and audits, preparation of the operating and capital budgets, preparation of the comprehensive annual financial reports, debt management, risk management, and cash management. The Controller provides oversight of the employee benefits program for the Authority.

DEPUTY CONTROLLER

The Deputy Controller assists the Controller in planning, organizing, directing, coordinating and performing accounting and fiscal activities of CCWA, including preparation of the monthly financial and investment reports for the Board of Directors, and preparation of the CCWA fiscal year budget and long term budget plans. The Deputy Controller also monitors the general ledger and supervises staff in areas such as accounting 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 2018/19 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 2018/19 is increasing by about \$30,000 or 2.22% when compared to the FY 2017/18 Budget. The total FY 2018/19 budget is \$1,546,381 compared to the FY 2017/18 budget of \$1,512,725. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$50,000 due to the following:

- The FY 2018/19 Administration Department Budget includes a \$23,669 salary pool for employee salary increases which represents an increase of \$791 in FY 2018/19 salary pool amount over the FY 2017/18 budgeted amount of \$22,878. The salary pool percentage for FY 2018/19 is a flat 4% of salaries.

On April 27, 2017, the Board of Directors approved that beginning FY 2017/18 CCWA's Salary Pool calculation be changed from being comprised of a 3% merit component plus the change in the consumer price index, to being based solely on either a flat 4% of salaries, or the actual change in the consumer price index, whichever is higher. This is then applied to the current salaries as of July 1st to create the salary pool for the current fiscal year budget. This approved salary pool formula will be automatically included in the budget each year to provide a pool of money for the Executive Director to award salary increases to employees based solely on performance.

The FY 2018/19 total salaries and wages budget for the Administration Department increased by \$20,554 when compared to the prior fiscal year budget due to certain employees reaching the top of their salary range.

- CalPERS retirement expenses are increasing by about \$10,000 due to the combined change in the CCWA paid CalPERS employer, employee and unfunded accrued liability contribution rates. The CCWA paid portion for FY 2018/19 is 24.285% as compared to the prior year amount of 23.028%, or a 1.257% increase. CCWA employees began paying 50% of the increase in the "normal" PERS employer contribution in FY 2017/18. The Administration Department currently does not have any CalPERS PEPPRA or 2nd Tier member employees.
- Health insurance expenses and cafeteria plan benefit expenses combined are decreasing by about \$2,000 due large in part to the following realignment of employee benefits: 1) Effective January 1, 2018, the

Central Coast Water Authority
Administration Department
Fiscal Year 2018/19 Budget

CCWA cafeteria plan allowance is based on the lowest cost plan available to all CCWA employees, instead of the mid-range PPO in 2017; 2) Beginning with calendar year 2018, CCWA employees pay 50% of the increase in the cost of dependent portion of healthcare premiums. The 2018 health insurance premiums increased by 3.56%, as opposed to the budgeted increase of 5% for calendar year 2018. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2019.

- The FY 2018/19 Budget includes an estimated \$34,030 for deposit into the Retiree Benefit Trust Program which represents a \$21,802 increase in the estimated FY 2018/19 amount over the FY 2017/18 budgeted amount of \$12,229 for the annually required minimum contribution under PEMHCA for the CCWA retiree medical benefit. The increase is because of changes in actuarial assumptions and the estimated additional contribution for a vested portion of the 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 CCWA service.

Professional/Legal Services Professional Services are decreasing by about \$21,000 due primarily to a reduction of \$25,000 in professional services for public relations work regarding California Water Fix and the State Water Contract Extension as compared to the budget last fiscal year; accounting services are increasing by about \$4,000 for actuarial services for Governmental Accounting Standards Board (GASB) reporting of pension and other post-employment benefits (OPEB).

General and Administrative General and administrative expenses are increasing in total by \$6,600 due to the increase in State Water Project Contractors Authority membership dues.

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2018/19 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2016/17	Number Auth. FY 2017/18	Number Requested FY 2018/19	Change Over FY 2016/17	Change Over FY 2017/18
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director of Operations ⁽¹⁾	0.25	0.25	0.25	-	-
Finance Director ⁽²⁾	1.00	-	-	(1.00)	-
Controller	1.00	1.00	1.00	-	-
Deputy Controller ⁽²⁾	-	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 ⁽³⁾ Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2017/18 Total Annual Salary	Allocation to Admin Department
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 256,669	\$ 128,334
Deputy Director of Operations ⁽¹⁾	1	N/A	N/A	N/A	\$ 179,541	\$ 44,885
Controller	1	43	\$ 9,632	\$ 11,751	\$ 126,678	\$ 126,678
Deputy Controller ⁽²⁾	1	33	\$ 7,771	\$ 9,480	\$ 97,131	\$ 97,131
Office Manager	1	31	\$ 7,444	\$ 9,082	\$ 91,122	\$ 91,122
Accounting Technician	1	12	\$ 4,951	\$ 6,040	\$ 52,117	\$ 52,117
Administrative Assistant	1	11	\$ 4,846	\$ 5,912	\$ 51,452	\$ 51,452
FY 2018/19 Salary Pool						\$ 23,669
TOTAL:						\$ 615,389

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

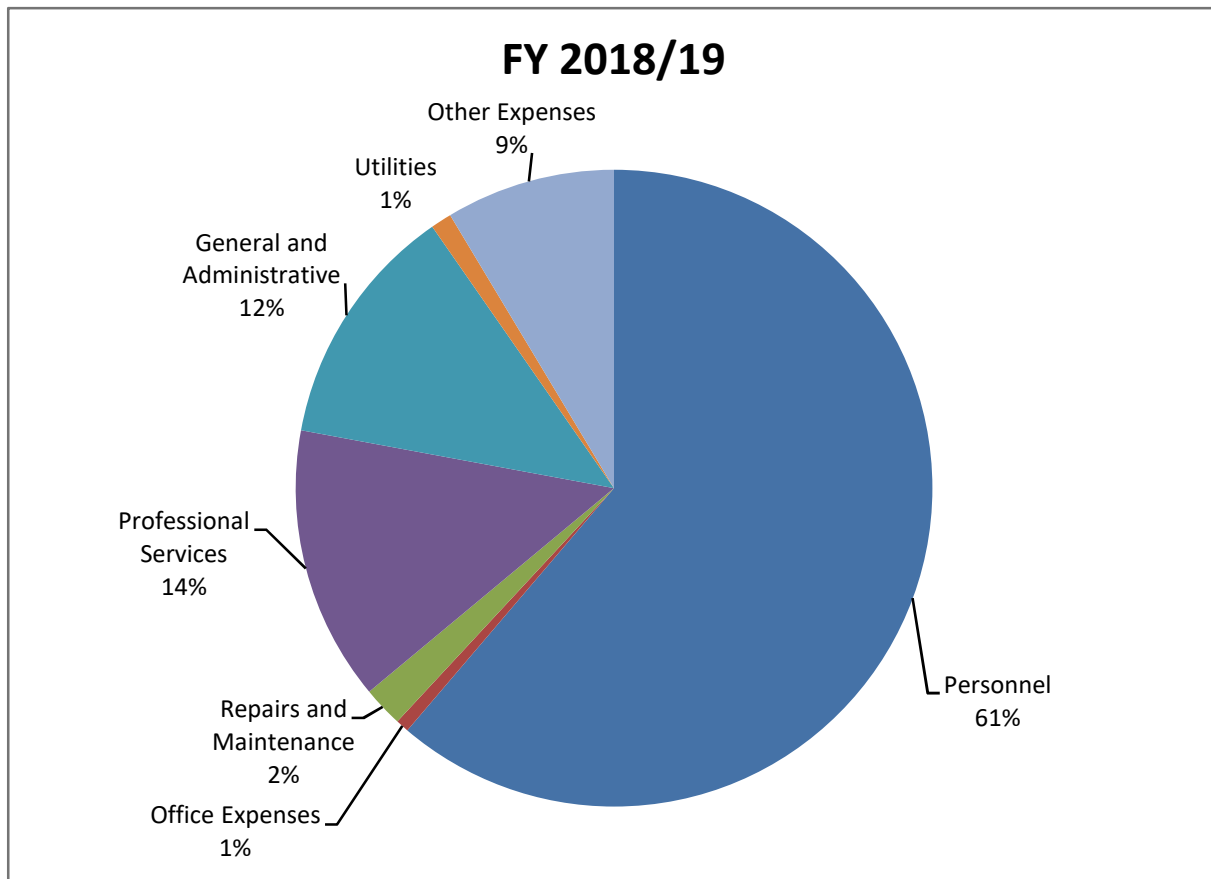
The Deputy Director of Operations is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

(2) On September 22, 2016 the unfilled Finance Director position was changed to Deputy Controller.

(3) Based on the approved recommendations from the 2016 Compensation Study, the total number of position classification ranges were increased from 30 to 60, and the percentage between ranges was decreased from approximately 5.0% to 2.17%.

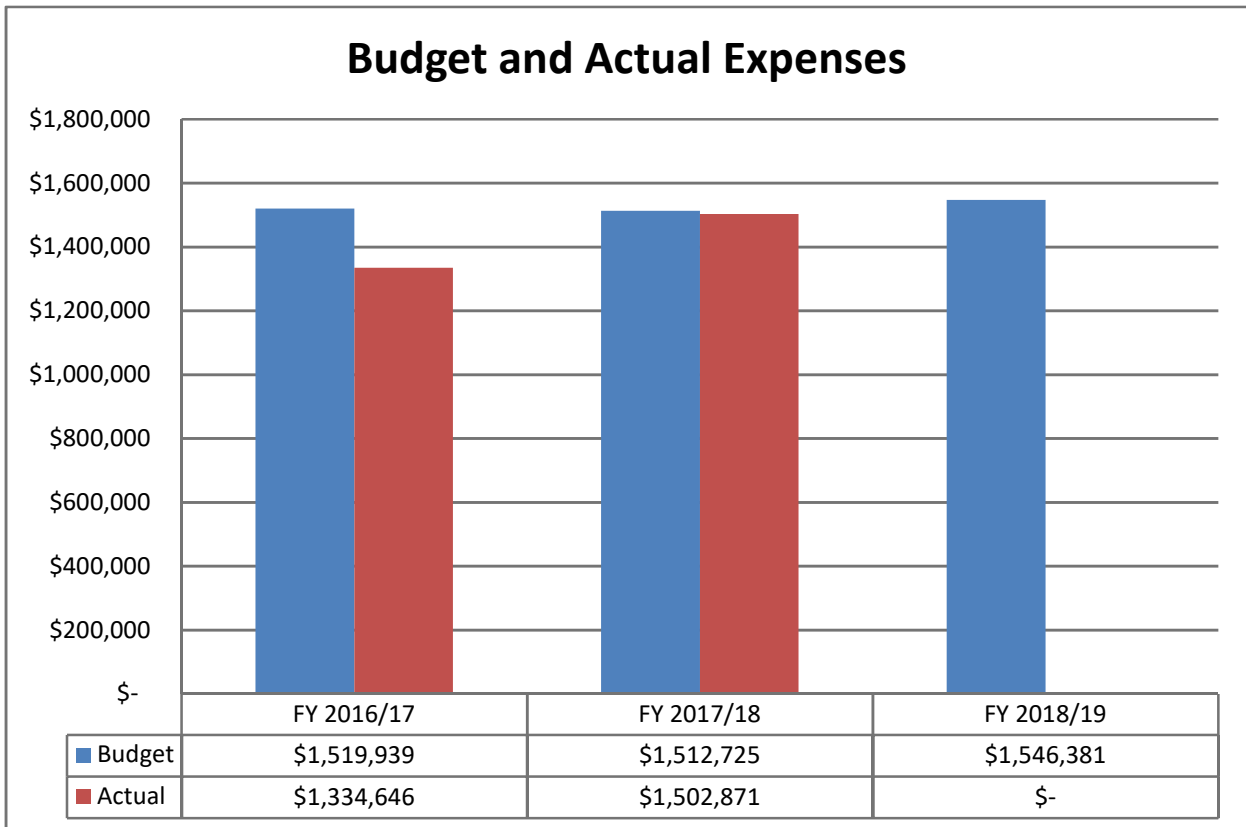
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2018/19 Budget

Item	FY 2018/19 Budget
Personnel	\$ 946,918
Office Expenses	10,500
Repairs and Maintenance	31,695
Professional Services	215,748
General and Administrative	192,185
Utilities	16,316
Other Expenses	133,018
TOTAL:	<u>\$ 1,546,381</u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2018/19 Budget

Item	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget
Personnel	\$ 918,756	\$ 840,180	\$ 895,394	\$ 940,721	\$ 946,918
Office Expenses	10,500	11,020	10,500	12,119	10,500
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	31,095	24,600	31,695	25,977	31,695
Professional Services	213,603	172,206	236,448	234,274	215,748
General and Administration	193,019	162,046	185,636	163,102	192,185
Utilities	15,684	13,405	16,243	13,360	16,316
Other Expenses	137,282	111,189	136,809	113,318	133,018
TOTAL:	\$ 1,519,939	\$ 1,334,646	\$ 1,512,725	\$ 1,502,871	\$ 1,546,381



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 608,304	\$ 544,413	\$ 594,835	\$ 614,829	\$ 615,389	\$ 20,554	3.46%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	5,000	5,284	5,000	3,760	5,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	160,195	149,996	161,962	157,048	172,469	10,506	6.49%
5100.15	Medicare Taxes	9,060	9,235	8,967	10,615	9,246	279	3.11%
5100.20	Health Insurance	84,752	67,330	62,798	69,012	61,510	(1,288)	-2.05%
5100.25	Workers' Compensation	3,588	4,105	3,177	4,227	3,586	409	12.87%
5100.30	Vehicle Expenses	9,000	8,654	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	8,625	11,588	12,229	33,033	34,030	21,802	178.28%
5100.40	Cafeteria Plan Benefits	11,517	15,755	18,545	19,437	17,251	(1,294)	-6.98%
5100.45	Dental/Vision Plan	11,686	9,264	11,915	13,550	12,347	432	3.62%
5100.50	Long-Term Disability	3,163	2,638	3,093	3,165	3,200	107	3.46%
5100.55	Life Insurance	2,335	2,078	2,344	2,444	2,360	17	0.72%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,280	770	1,280	600	1,280	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	9,070	-	-	-	-	N/A
Total Personnel Expenses:		918,756	840,180	895,394	940,721	946,918	51,524	5.75%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	6,000	5,583	6,000	8,238	6,000	-	0.00%
5200.30	Miscellaneous Office Expenses	4,500	5,436	4,500	3,881	4,500	-	0.00%
Total Office Expenses:		10,500	11,020	10,500	12,119	10,500	-	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 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	5,500	3,489	5,500	4,632	5,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	22,175	17,712	22,175	17,797	22,175	-	0.00%
5700.40	Landscape Maintenance	3,420	3,399	4,020	3,549	4,020	-	0.00%
Total Repairs and Maintenance:		31,095	24,600	31,695	25,977	31,695	-	0.00%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	10,603	7,950	60,603	39,426	35,603	(25,000)	-41.25%
5400.20	Legal Services	160,000	116,093	100,000	159,992	100,000	-	0.00%
5400.30	Engineering Services	-	6,748	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,700	2,689	3,700	2,733	3,700	-	0.00%
5400.60	Accounting Services	39,300	38,727	72,145	32,124	76,445	4,300	5.96%
Total Professional Services:		213,603	172,206	236,448	234,274	215,748	(20,700)	-8.75%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	24,000	23,373	24,000	23,127	24,000	-	0.00%
5300.20	Mileage Reimbursement	1,000	698	1,000	663	1,000	-	0.00%
5300.30	Dues and Memberships	134,219	129,118	148,836	132,103	154,635	5,800	3.90%
5300.40	Publications	1,500	579	1,500	322	1,500	-	0.00%
5300.50	Training	2,500	2,475	2,500	2,651	3,250	750	30.00%
5300.60	Advertising	23,000	1,358	2,500	-	2,500	-	0.00%
5300.70	Printing and Binding	3,500	1,742	2,000	1,503	2,000	-	0.00%
5300.80	Postage	3,300	2,702	3,300	2,734	3,300	-	0.00%
Total General and Administrative:		193,019	162,046	185,636	163,102	192,185	6,550	3.53%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	450	349	450	422	450	-	0.00%
5800.30	Electric-Fixed	7,750	5,899	7,565	5,815	7,638	74	0.98%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	1,200	1,608	1,920	1,978	1,920	-	0.00%
5800.50	Telephone	3,744	3,192	3,744	2,927	3,744	-	0.00%
5800.60	Waste Disposal	2,540	2,359	2,564	2,217	2,564	-	0.00%
Total Utilities:		15,684	13,405	16,243	13,360	16,316	74	0.46%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	20,783	20,028	21,198	20,633	20,674	(524)	-2.47%
5900.30	Non-Capitalized Projects ⁽¹⁾	3,675	22,367	2,646	8,559	-	(2,646)	-100.00%
5900.40	Equipment Rental	5,340	5,299	5,340	5,051	5,340	-	0.00%
5900.50	Non-Capitalized Equipment	2,500	279	2,500	2,500	2,500	-	0.00%
5900.60	Computer Expenses	75,181	63,216	75,464	76,575	74,183	(1,281)	-1.70%
5900.70	Appropriated Contingency	29,803	-	29,661	-	30,321	660	2.22%
Total Other Expenses:		137,282	111,189	136,809	113,318	133,018	(3,791)	-2.77%
TOTAL OPERATING EXPENSES		\$ 1,519,939	\$ 1,334,646	\$ 1,512,725	\$ 1,502,871	\$ 1,546,381	\$ 33,656	2.22%

(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 2018/19 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$23,669 for the FY 2018/19 salary pool.

FY 18/19 Requested Budget	615,389
FY 17/18 Estimated Actual	614,829
Increase (Decrease)	560

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

Description: Overtime expenses for non-exempt Administration employees.

FY 18/19 Requested Budget	5,000
FY 17/18 Estimated Actual	3,760
Increase (Decrease)	1,240

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

Description: Temporary Services:

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

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

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 24.285% contribution rate for FY 2018/19, which includes the required Unfunded Accrued Liability (UAL) payment.

FY 18/19 Requested Budget	172,469
FY 17/18 Estimated Actual	157,048
Increase (Decrease)	15,421

Required Contributions	\$	103,724	16.855%
UAL current fiscal year		41,062	7.430%
UAL additional payment		27,683	fixed
TOTAL		\$	172,469

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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

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

FY 18/19 Requested Budget	9,246
FY 17/18 Estimated Actual	10,615
Increase (Decrease)	(1,369)

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

Description: Funds for employer paid portion of health insurance for Administration employees. Based on employee 2018 Café Plan elections and dependent status. Includes an estimated 5% increase of the lowest available 2018 plan rates for the 2019 allowance.

FY 18/19 Requested Budget	61,510
FY 17/18 Estimated Actual	69,012
Increase (Decrease)	(7,502)

	<i>2018 Allowance</i>		<i>2019 Allowance Est.</i>	
Family	\$	20,224	\$	20,931
Emp + 1		15,586		16,175
Employee only		7,857		8,250

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 72%. Based on a 3% premium increase over FY 2017/18.

FY 18/19 Requested Budget	3,586
FY 17/18 Estimated Actual	4,227
Increase (Decrease)	(641)

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

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

FY 18/19 Requested Budget	9,000
FY 17/18 Estimated Actual	9,000
Increase (Decrease)	0

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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 18/19 Requested Budget	34,030
FY 17/18 Estimated Actual	33,033
Increase (Decrease)	997

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 18/19 Requested Budget	17,251
FY 17/18 Estimated Actual	19,437
Increase (Decrease)	(2,186)

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

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,466 per year per family for dental and vision expenses. Budgeted amount is \$2,599 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 18/19 Requested Budget	12,347
FY 17/18 Estimated Actual	13,550
Increase (Decrease)	(1,204)

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 18/19 Requested Budget	3,200
FY 17/18 Estimated Actual	3,165
Increase (Decrease)	35

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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

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

FY 18/19 Requested Budget	2,360
FY 17/18 Estimated Actual	2,444
Increase (Decrease)	(84)

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

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

FY 18/19 Requested Budget	250
FY 17/18 Estimated Actual	-
Increase (Decrease)	250

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

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

FY 18/19 Requested Budget	1,280
FY 17/18 Estimated Actual	600
Increase (Decrease)	680

Safety Program	\$	680
EAAP		600
TOTAL:	\$	1,280

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

Description: Funds for Office supplies for the Administration Department. Based on \$500 per month in office supply expenses.

FY 18/19 Requested Budget	6,000
FY 17/18 Estimated Actual	8,238
Increase (Decrease)	(2,238)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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

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

FY 18/19 Requested Budget	4,500
FY 17/18 Estimated Actual	3,881
Increase (Decrease)	619

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 18/19 Requested Budget	24,000
FY 17/18 Estimated Actual	23,127
Increase (Decrease)	873

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

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

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

FY 18/19 Requested Budget	1,000
FY 17/18 Estimated Actual	663
Increase (Decrease)	337

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

Description: Funds for professional dues.

FY 18/19 Requested Budget	154,635
FY 17/18 Estimated Actual	132,103
Increase (Decrease)	22,532

\$	100,330	SWC Dues
	16,825	SWPCA/SFCWA JPA Dues & Delta Specific
	20,431	ACWA
	5,000	SWPCA MWQI charges
	2,250	Support various water education programs
	4,800	Employee Professional Dues and Misc.
	5,000	IRWMP participation
\$	154,635	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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

Description: Funds for publications received by CCWA
\$ 750 Personnel related subscriptions

FY 18/19 Requested Budget	1,500	500	<u>Employee professional publications</u>
FY 17/18 Estimated Actual	322	250	<u>Other Publications - General</u>
Increase (Decrease)	1,178	\$ 1,500	<u>TOTAL</u>

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

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

FY 18/19 Requested Budget	3,250
FY 17/18 Estimated Actual	2,651
Increase (Decrease)	600

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

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

FY 18/19 Requested Budget	2,500
FY 17/18 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 18/19 Requested Budget	2,000
FY 17/18 Estimated Actual	1,503
Increase (Decrease)	497

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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 18/19 Requested Budget 3,300
FY 17/18 Estimated Actual 2,734
Increase (Decrease) 566

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

Description: Funds for miscellaneous consultants and other services.
 \$ 3,000 BAO office alarm system, DMV monitoring fee
 25,000 PR Firm (Contract Extension, CalWater Fix)
 2,603 Personnel Team Building Consultant
 5,000 SB County staff costs for CCWA related work
 \$ 35,603 TOTAL

FY 18/19 Requested Budget 35,603
FY 17/18 Estimated Actual 39,426
Increase (Decrease) (3,822)

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

Description: Funds for CCWA legal services.
 \$ 90,000 Brownstein Hyatt Farber General Counsel
 10,000 Stradling Yocca Carlsen Personnel Counsel
 \$ 100,000 TOTAL

FY 18/19 Requested Budget 100,000
FY 17/18 Estimated Actual 159,992
Increase (Decrease) (59,992)

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

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

FY 18/19 Requested Budget -
FY 17/18 Estimated Actual -
Increase (Decrease) -

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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

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

FY 18/19 Requested Budget	3,700
FY 17/18 Estimated Actual	2,733
Increase (Decrease)	968

\$	1,500	IRC 125 Plan administration fees (\$125 per mo)
	1,200	Employee Assistance Program
	1,000	Other miscellaneous
\$	3,700	TOTAL

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

Description: Funds for the annual audit of the FY 2017/18 Financial Statements and DWR Statement of Charges.

FY 18/19 Requested Budget	76,445
FY 17/18 Estimated Actual	73,374
Increase (Decrease)	3,071

\$	25,000	Nasiff, Hicks & Company
	14,495	Ernst & Young, LLP
	30,000	Ernst & Young - DWR Statement of Charges
	6,950	Bartel Assoc - Pension/OPEB Actuarial Reports
\$	76,445	TOTAL

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

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

FY 18/19 Requested Budget	5,500
FY 17/18 Estimated Actual	4,632
Increase (Decrease)	868

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

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

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

FY 18/19 Requested Budget	22,175
FY 17/18 Estimated Actual	17,797
Increase (Decrease)	4,378

\$	1,200	Monthly Pest Control
	14,975	Janitorial services and supplies
	4,500	Building repairs (includes \$2,000 for HVAC)
	1,500	HVAC quarterly maintenance
\$	22,175	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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

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

FY 18/19 Requested Budget	4,020
FY 17/18 Estimated Actual	3,549
Increase (Decrease)	471

\$	2,640	Gardener (\$220 per month)
	1,080	Irrigation Water (\$90 per month)
	300	Miscellaneous
\$	4,020	TOTAL

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

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

FY 18/19 Requested Budget	450
FY 17/18 Estimated Actual	422
Increase (Decrease)	28

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

Description: Funds for electrical service to the Administration building (\$630 per month).

FY 18/19 Requested Budget	7,638
FY 17/18 Estimated Actual	5,815
Increase (Decrease)	1,823

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

Description: Funds for water and sewer service for the Administration building (\$160 per month).

FY 18/19 Requested Budget	1,920
FY 17/18 Estimated Actual	1,978
Increase (Decrease)	(58)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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

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

FY 18/19 Requested Budget	3,744	\$	180	Long distance and 800# (\$15 per month)
FY 17/18 Estimated Actual	2,927		1,860	Local long distance (\$155 per month)
Increase (Decrease)	817		804	Cell phones and airtime (\$67 per month)
			900	Conference calls (\$75 per month)
		\$	3,744	TOTAL

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

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

FY 18/19 Requested Budget	2,564	\$	2,364	Waste Disposal service (\$197 per month)
FY 17/18 Estimated Actual	2,217		200	Hazardous Waste Disposal
Increase (Decrease)	347	\$	2,564	TOTAL

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

Description: Funds for insurance related expenses.

FY 18/19 Requested Budget	20,674	\$	1,342	Property and auto insurance based on allocation provided by JPIA
FY 17/18 Estimated Actual	20,633			
Increase (Decrease)	41	\$	15,998	General Liability and E&O apportioned by payroll percentages
		\$	3,334	Employee fidelity bond \$5 million limit
		\$	20,674	TOTAL

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

Description: Funds for projects around the Buellton Administrative Offices which are not eligible for capitalization because the facilities are not owned by CCWA or do not meet the capitalization criteria. 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 effective FY 2018/19.

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2018/19 BUDGET**

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

Description: Funds for rental of equipment.

FY 18/19 Requested Budget	5,340	\$	1,780	Postage meter (\$445 per quarter)
FY 17/18 Estimated Actual	5,051		3,060	Copier lease (\$255 per month)
Increase (Decrease)	289		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 18/19 Requested Budget	2,500
FY 17/18 Estimated Actual	2,500
Increase (Decrease)	-

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

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

FY 18/19 Requested Budget	74,183			
FY 17/18 Estimated Actual	76,575	\$	71,033	CompuVision, Annual Service Agreements and Software Subscriptions
Increase (Decrease)	(2,392)	\$	3,150	Software and other computer services
		\$	74,183	TOTAL

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

Description: 2.0% of operating expenses

FY 18/19 Requested Budget	30,321
FY 17/18 Estimated Actual	-
Increase (Decrease)	30,321



Distribution staff assisting in flow meter replacements at Water Treatment Plant inlet area during Winter Shutdown (November 2017)

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 2018/19 requested water deliveries 34,359-feet

Budget Information

- Total FY 2018/19 O&M Budget \$ 5,265,085
- O&M Budget increase over FY 2017/18 \$ 224,840
 - Fixed cost increase over FY 2017/18 \$ 35,635
 - Variable cost increase over FY 2017/18 \$ 189,205
- Percentage increase 4.46%
- Fixed O&M Expenses \$ 3,244,023
- Variable O&M Expenses \$ 2,021,062
- FY 2018/19 budgeted chemical cost \$ 54.02 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 49.28
 - Variable \$ 24.05
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 152.36
 - Variable \$ 58.82

Significant Accomplishments During FY 2017/18

- After over 20 years of service, a new protective coating was applied to the internal metal portions of the WTP Clarifier. CCWA staff disassembled the main metal components of the WTP Clarifier and mounted the components on custom-made racks to facilitate sand blasting and subsequent application of the protective coating.
- WTP staff renovated the chlorination system through replacement of many of the major system elements, including the chlorine injectors and associated piping, chlorinators and associated piping, the chlorine switchover/high pressure relief valve as well as a new drip leg heater element
- WTP staff continued the Chemical Tank Inspection Program through inspecting the Aluminum Sulfate Tank and Sulfuric Acid Tank. All work was completed while the WTP was fully operational, so the work sequence required a high level of coordination.

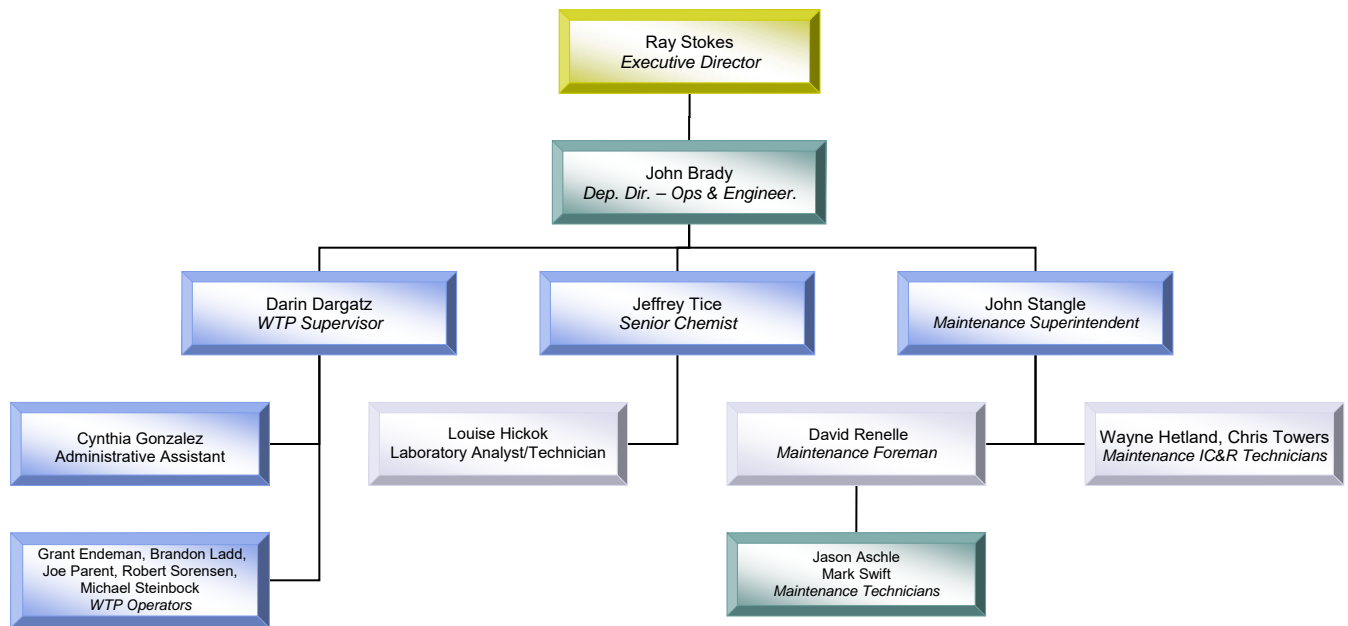
Significant Goals for FY 2018/19

- To continue monitoring the WTP's filter media to evaluate potential degradation of the media's hydraulic characteristics and to utilize the monitoring data in the long term planning for the filter media replacement.
- To complete research and development of a proper course of action with regards to upgrading the WTP Process Logic Controller Upgrade Project. Prepare a Request For Bid document for a turn-key project to provide equipment, configuration, programming and installation work to be completed by a qualified contractor within the timeframe of the 2019 Winter Shutdown.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2018/19 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

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2018/19 Budget

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

The Maintenance Instrumentation Calibration and Repair 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.

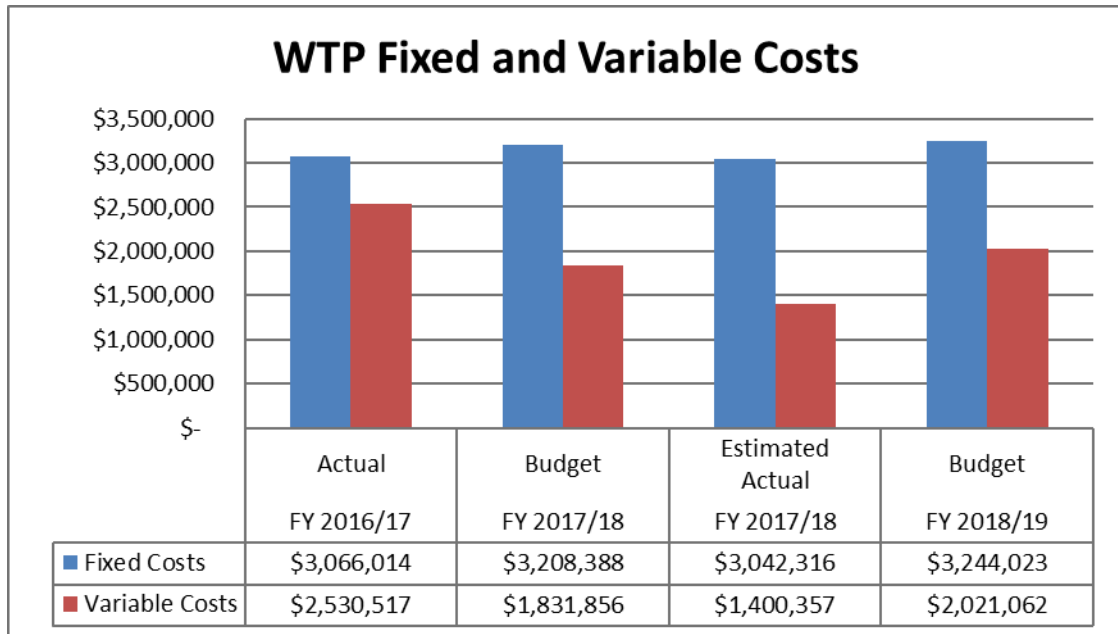
For FY 2018/19, the Water Treatment Plant fixed O&M costs total \$3,244,023 or \$35,635 more than the FY 2017/18 budget.

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 2018/19 Budget

For FY 2018/19, the Water Treatment Plant variable O&M costs total \$2,021,062 which is an increase of \$189,205 from the FY 2017/18 budget. The FY 2018/19 variable O&M budget is comprised of \$1,946,542 for chemical expenses and \$74,520 for electrical costs based on treatment and delivery of 34,359 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 2018/19 Operating Expense Budget

The FY 2018/19 Water Treatment Plant operating expense budget is \$5,265,085 which is \$224,840 more than the previous year's budget of \$5,040,244, a 4.09% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 46% of the budget. Supplies and equipment comprise 38% 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 128 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 2018/19 Budget

Personnel Expenses Total personnel expenses are increasing by about \$78,000 when compared to the FY 2017/18 budget for the following reasons.

- The FY 2018/19 Water Treatment Plant Department Budget includes a \$55,345 salary pool amount for employee salary increases representing an increase of \$1,405 over the FY 2017/18 budgeted amount of \$53,940. The salary pool percentage for FY 2018/19 is a flat 4% of salaries.

On April 27, 2017, the Board of Directors approved that beginning FY 2017/18 CCWA's Salary Pool calculation change from being comprised of a 3% merit component plus the change in the consumer price index, to being based solely on either a flat 4% of salaries, or the actual change in the consumer price index, whichever is higher. This percentage is then applied to the current salaries as of July 1st to create the salary pool for the current fiscal year budget. The approved salary pool formula is automatically included in the budget each year to provide a pool of money for the Executive Director to award salary increases to employees based entirely on performance.

The FY 2018/19 total salaries and wages budget for the Water Treatment Plant Department increase is \$36,545 when compared to the prior fiscal year budget. This increase is less than the salary pool due to certain employees reaching the top of their salary range, causing actual salaries on July 1, 2017 to be lower than the amount included in the FY 2017/18 budget.

- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$9,000 due to the following realignment of employee benefits: 1) Effective January 1, 2018, the CCWA cafeteria plan allowance is based on the lowest cost plan available to all CCWA employees, instead of the mid-range PPO in 2017; 2) Beginning with calendar year 2018, CCWA employees pay 50% of the increase in the cost of dependent portion of healthcare premiums. The 2018 health insurance premiums increased by 3.56%, as opposed to the budgeted increase of 5% for calendar year 2018. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2019.
- CalPERS retirement expenses are decreasing by about \$5,000 over the prior fiscal year due to increased employee contributions as a result of pension reform and the hiring of 2 new CalPERS PEPRA member employees, combined with CCWA "Classic" employees paying 50% of the increase in the "normal" PERS employer contribution. The decrease is partially offset by the increase in the CCWA paid CalPERS employer, employee and unfunded accrued liability contribution rates. The CCWA paid portion for FY 2018/19 is 24.285% as compared to the prior year amount of 23.028%, an increase of 1.257%.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2018/19 Budget

- The FY 2018/19 Budget includes \$48,483 for deposit into the Retiree Benefit Trust Program which represents a \$23,687 increase in the estimated FY 2018/19 amount over the FY 2017/18 budgeted amount of \$24,796 for the annually required minimum contribution under PEMHCA for the CCWA retiree medical benefit. The increase is due to the estimated additional contribution for a vested portion of the 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 increasing by about \$190,000 because of increased cost of chemicals needed due to reduced flows in the California Aqueduct resulting in lesser water quality. 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 2018/19 due to the anticipated drought related water conditions as seen in the preceding fiscal years.

Monitoring Expenses Monitoring expenses are increasing by about \$6,000 for lab supplies and lab testing due to an estimated increase in drought related water quality monitoring over what occurred last fiscal year.

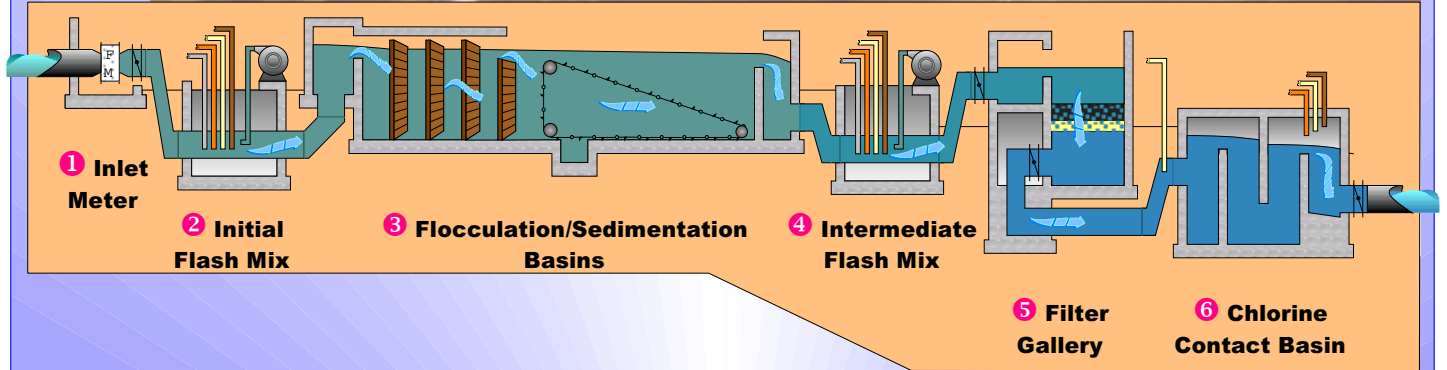
Repairs and Maintenance Repairs and maintenance costs are increasing by about \$10,000 primarily for age related equipment maintenance.

Professional Services Professional service expenses are increasing by about \$42,000 over the prior year for the following reasons: \$30,000 was added to professional services for switchgear maintenance; a \$6,000 increase in engineering services for SCADA and cathodic protection; permits increased by \$8,500 for the drinking water program.

General and Administrative General and administrative expenses increased just slightly for additional employee training.

Utilities Utility expenses are decreasing by approximately \$9,000 due to a reduction in delivery requests producing reduced electrical expenses.

Other Expenses Other expenses are decreasing by approximately \$97,000 primarily due to a \$103,000 decrease in non-capitalized projects that have been reclassified as a non-operating expense, there was an increase of \$8,000 in computer expenses, and the associated increase in appropriated contingency.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2018/19 Budget

Regional Water Treatment Plant Allocation

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

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

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

In order to properly allocate the capital cost component of the water treatment plant for those project participants that did not participate in the bond financing (Santa Maria, Golden State Water Company, and Vandenberg Air Force Base), an imputed debt service schedule has been prepared which allocates treatment plant debt service as though all Santa Barbara County participants shared in the financing in proportion to their entitlement allocation. The current budgeted capital component of the Regional Water Treatment Plant Allocation and Credit is based on a remaining principal balance of \$14,808,507 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 2018/19 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2018/19 Budget

Project Participant	Allocated Table A ⁽¹⁾				Unadjusted Fixed & Capital			Adjusted Fixed & Capital ⁽⁴⁾			Fixed & Capital Retirement Charge ⁽⁵⁾		
	Table A Amount	Exchange Deliveries	Allocated Table A	Allocated Table A Percentage	WTP Fixed Operating Costs ⁽²⁾	Imputed WTP Debt Service Costs ⁽³⁾	Total Unadjusted Fixed & Cap.	Capital Retirement Adjustment	Fixed O&M Retirement Adjustment	Total Adjusted Fixed & Capital	Allocated Table A %	Fixed & Capital Retirement Adjustments	Cost Per AF of Allocated Table A Amount
Guadalupe	550		550	1.25%	\$ 45,179	\$ 38,620	\$ 83,799	\$ 51,112	\$ 59,792	\$ 110,905	1.41%	27,105	\$ 49.28
Santa Maria	16,200		16,200	36.90%	1,330,726	1,137,547	2,468,274	1,505,494	1,761,157	3,266,651	41.46%	798,377	49.28
Golden State Water	500		500	1.14%	41,072	35,109	76,181	46,466	54,357	100,823	1.28%	24,641	49.28
VAFB	5,500		5,500	12.53%	451,790	386,204	837,994	511,124	597,924	1,109,048	14.07%	271,054	49.28
Buellton	578		578	1.32%	47,479	40,587	88,066	53,715	62,836	116,551	1.48%	28,485	49.28
Santa Ynez (Solvang)	1,500		1,500	3.42%	123,215	105,328	228,544	139,398	163,070	302,468	3.84%	73,924	49.28
Santa Ynez	500	1,110	1,610	3.67%	132,251	35,109	167,361	149,620	175,029	324,649	4.12%	79,345	49.28
Goleta	4,500	(400)	4,100	9.34%	336,822	315,985	652,807	381,057	445,768	826,826	10.49%	202,078	49.28
Morehart	200	-	200	0.46%	16,429	14,044	30,473	18,586	21,743	40,329	0.51%	9,857	49.28
La Cumbre	1,000	-	1,000	2.28%	82,144	70,219	152,363	92,932	108,713	201,645	2.56%	49,283	49.28
Raytheon	50	-	50	0.11%	4,107	3,511	7,618	4,647	5,436	10,082	0.13%	2,464	49.28
Santa Barbara	3,000	(266)	2,734	6.23%	224,548	210,657	435,205	254,038	297,179	551,217	7.00%	134,719	49.28
Montecito	3,000	(266)	2,734	6.23%	224,548	210,657	435,205	254,038	297,179	551,217	7.00%	134,719	49.28
Carpinteria	2,000	(178)	1,822	4.15%	149,698	140,438	290,136	169,359	198,119	367,478	4.66%	89,812	49.28
SB County Subtotal:	39,078	-	39,078	89.00%	3,210,008	2,744,017	5,954,025	3,631,585	4,248,303	7,879,888	100.00%	1,925,863	
SLO County	4,830	-	4,830	11.00%	396,754	339,158	735,911	-	-	-	-	-	-
TOTAL:	43,908		43,908	100.00%	\$ 3,606,761	\$ 3,083,175	\$ 6,689,936	\$ 3,631,585	\$ 4,248,303	\$ 7,879,888	100.00%	1,925,863	

Fixed & Capital Retirement Allocation Factor

Total South Coast Table A	12,640
Total SB County Table A	39,078
Subtotal:	51,718
South Coast Retreated %	1.32

Total Adjusted Fixed & Capital Costs (SB County)	\$ 7,879,888
Total Unadjusted Fixed & Capital Costs (SB County)	5,954,025
Fixed & Capital WTP Allocation Amount	\$ 1,925,863

Project Participant	South Coast Fixed & Capital Retirement Credits ⁽⁶⁾			
	South Coast Allocated Table A	South Coast Allocated Table A %	South Coast Fixed & Cap. Credit	Credit/AF On Allocated Table A
Guadalupe				
Santa Maria				
Golden State Water				
VAFB				
Buellton				
Santa Ynez (Solvang)				
Santa Ynez				
Goleta	4,100	32.44%	(624,748)	(152.36)
Morehart	200	1.58%	(30,473)	(152.36)
La Cumbre	1,000	7.91%	(152,363)	(152.36)
Raytheon	50	0.40%	(7,618)	(152.36)
Santa Barbara	2,734	21.63%	(416,498)	(152.36)
Montecito	2,734	21.63%	(416,498)	(152.36)
Carpinteria	1,822	14.42%	(277,666)	(152.36)
SB County Subtotal:	12,640	100.00%	(1,925,863)	
SLO County	-	0.00%	-	
TOTAL:	12,640	100.00%	(1,925,863)	

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

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2018/19 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	527		527.00	\$ 31,000	43,676	12,676	24.05					\$ 39,781	
Santa Maria	12,041		12,041.00	708,283	997,907	289,625	24.05					1,088,002	
Golden State Water	335		335.00	19,706	27,763	8,058	24.05					32,699	
VAFB	2,594		2,594.00	152,586	214,980	62,394	24.05					333,448	
Buellton	552		552.00	32,470	45,747	13,277	24.05					41,763	
Santa Ynez (Solvang)	965		965.00	56,764	79,975	23,211	24.05					97,135	
Santa Ynez	140	1,110	1,250.00	73,528	103,595	30,066	24.05					109,411	
Goleta	4,602	(400)	4,202.17	247,182	348,258	101,076	24.05	4,202	33.26%	\$ (247,182)	(58.82)	303,154	\$ (871,930)
Morehart	49	-	49.00	2,882	4,061	1,179	24.05	49	0.39%	(2,882)	(58.82)	11,035	(33,355)
La Cumbre	866	-	866.00	50,940	71,770	20,830	24.05	866	6.85%	(50,940)	(58.82)	70,113	(203,303)
Raytheon	32	-	32.00	1,882	2,652	770	24.05	32	0.25%	(1,882)	(58.82)	3,234	(9,500)
Santa Barbara	3,125	(266)	2,858.78	168,161	236,924	68,763	24.05	2,859	22.63%	(168,161)	(58.82)	203,482	(584,659)
Montecito	3,094	(266)	2,827.54	166,323	234,335	68,011	24.05	2,828	22.38%	(166,323)	(58.82)	202,730	(582,822)
Carpinteria	1,977	(178)	1,799.40	105,845	149,127	43,281	24.05	1,799	14.24%	(105,845)	(58.82)	133,094	(383,511)
SB County Subtotal:	30,899	-	30,899	1,817,553	2,560,770	743,217	24.05	12,635	100.00%	(743,217)		2,669,080	(2,669,080)
SLO County	3,460		3,459.70	203,509	-			-	0.00%	-		-	-
TOTAL:	34,359	-	34,358.59	\$ 2,021,062	\$ 2,560,770	\$ 743,217		12,635	100.00%	\$ (743,217)		\$ 2,669,080	\$ (2,669,080)

Variable Retreatment Allocation Factor

Total South Coast Deliveries	12,635	-
Total SB County Deliveries	<u>30,899</u>	-
Subtotal:	<u>43,534</u>	-

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2018/19 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 2018/19 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2018/19 Budget

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Debt Service Per AF	WTP Capital Exchange Adjustments	
Guadalupe	550		1.25%	\$ 45,179	\$ 82	\$ -	\$ 38,620	\$ 70	\$ -	\$ -
Santa Maria	16,200		36.90%	1,330,726	82	-	1,137,547	70	-	-
Golden State Water	500		1.14%	41,072	82	-	35,109	70	-	-
VAFB	5,500		12.53%	451,790	82	-	386,204	70	-	-
Buellton	578		1.32%	47,479	82	-	40,587	70	-	-
Santa Ynez (Solvang)	1,500		3.42%	123,215	82	-	105,328	70	-	-
Santa Ynez	500	1,110	1.14%	41,072	82	91,179	35,109	70	77,943	169,122
Goleta	4,500	(400)	10.25%	369,646	82	(32,825)	315,985	70	(28,060)	(60,884)
Morehart	200	-	0.46%	16,429	82	-	14,044	70	-	-
La Cumbre	1,000	-	2.28%	82,144	82	-	70,219	70	-	-
Raytheon	50	-	0.11%	4,107	82	-	3,511	70	-	-
Santa Barbara	3,000	(266)	6.83%	246,431	82	(21,883)	210,657	70	(18,706)	(40,589)
Montecito	3,000	(266)	6.83%	246,431	82	(21,883)	210,657	70	(18,706)	(40,589)
Carpinteria	2,000	(178)	4.55%	164,287	82	(14,589)	140,438	70	(12,471)	(27,060)
SB County Subtotal:	39,078	-	89.00%	3,210,008		-	2,744,017		-	-
SLO County	4,830	-	11.00%	396,754			339,158			
TOTAL:	43,908		100.00%	\$ 3,606,761		\$ -	\$ 3,083,175			\$ -

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	527		527	\$ 31,000	\$ 58.82	-	-	
Santa Maria	12,041		12,041	708,283	58.82	-	-	
Golden State Water	335		335	19,706	58.82	-	-	
VAFB	2,594		2,594	152,586	58.82	-	-	
Buellton	552		552	32,470	58.82	-	-	
Santa Ynez (Solvang)	965		965	56,764	58.82	-	-	
Santa Ynez	140	1,110	1,250	8,235	58.82	\$ 65,293	234,416	\$ 211
Goleta	4,602	(400)	4,202	270,688	58.82	(23,506)	(84,390)	(211)
Morehart	49	-	49	2,882	58.82	-	-	-
La Cumbre	866	-	866	50,940	58.82	-	-	-
Raytheon	32	-	32	1,882	58.82	-	-	-
Santa Barbara	3,125	(266)	2,859	183,831	58.82	(15,670)	(56,260)	(211)
Montecito	3,094	(266)	2,828	181,994	58.82	(15,670)	(56,260)	(211)
Carpinteria	1,977	(178)	1,799	116,292	58.82	(10,447)	(37,506)	(211)
SB County Subtotal:	30,899	-	30,899	1,817,553		-		
SLO County	3,460		3,460	203,509		-		
TOTAL:	34,359	-	34,359	\$ 2,021,062		\$ -		\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2018/19 Budget

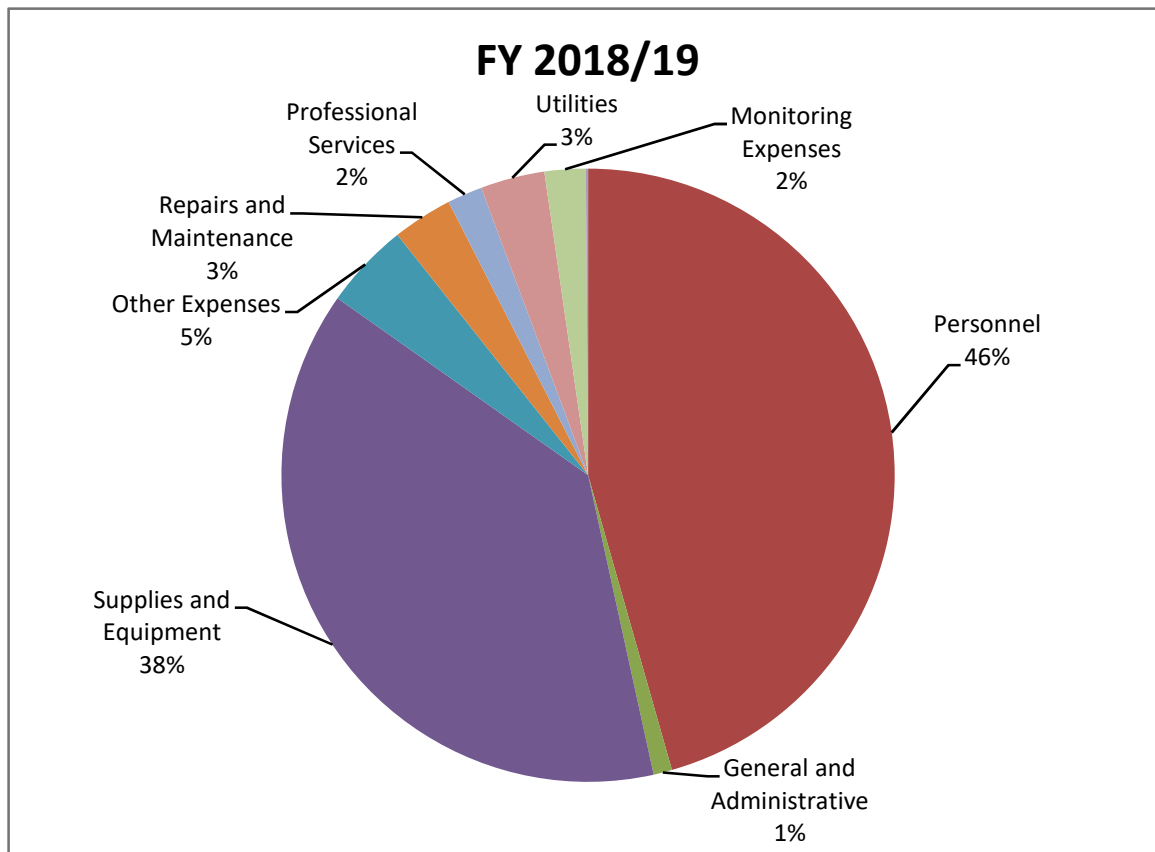
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2016/17	Number Auth. FY 2017/18	Number Requested FY 2018/19	Change Over FY 2016/17	Change Over FY 2017/18
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance 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 ⁽⁶⁾ Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2017/18 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 256,669	\$ 64,167
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 179,541	\$ 62,839
WTP Supervisor	1	37	\$ 8,468	\$ 10,330	\$ 119,647	\$ 119,647
Maintenance Superintendent ⁽³⁾	1	35	\$ 8,112	\$ 9,896	\$ 114,618	\$ 68,771
Maintenance Foreman	1	26	\$ 6,687	\$ 8,158	\$ 94,481	\$ 94,481
Safety & Environmental Specialist ⁽⁴⁾	1	29	\$ 7,131	\$ 8,700	\$ 100,766	\$ 25,191
Senior Chemist	1	29	\$ 7,131	\$ 8,700	\$ 100,766	\$ 100,766
Maintenance Technicians	2	19	\$ 5,754	\$ 7,019	\$ 159,139	\$ 159,139
Maintenance, IC&R Technicians ⁽⁵⁾	2	26	\$ 6,687	\$ 8,158	\$ 183,599	\$ 146,879
WTP Operators	5	21	\$ 6,006	\$ 7,327	\$ 424,323	\$ 424,323
Laboratory Analyst	1	14	\$ 5,168	\$ 6,305	\$ 73,023	\$ 73,023
Administrative Assistant	1	11	\$ 4,846	\$ 5,912	\$ 44,405	\$ 44,405
FY 2018/19 Salary Pool						\$ 55,345
TOTAL:						\$ 1,438,976

- (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%).
- (6) Based on the approved recommendations from the 2016 Compensation Study, the total number of position classification ranges were increased from 30 to 60, and the percentage between ranges was decreased from approximately 5.0% to 2.17%.

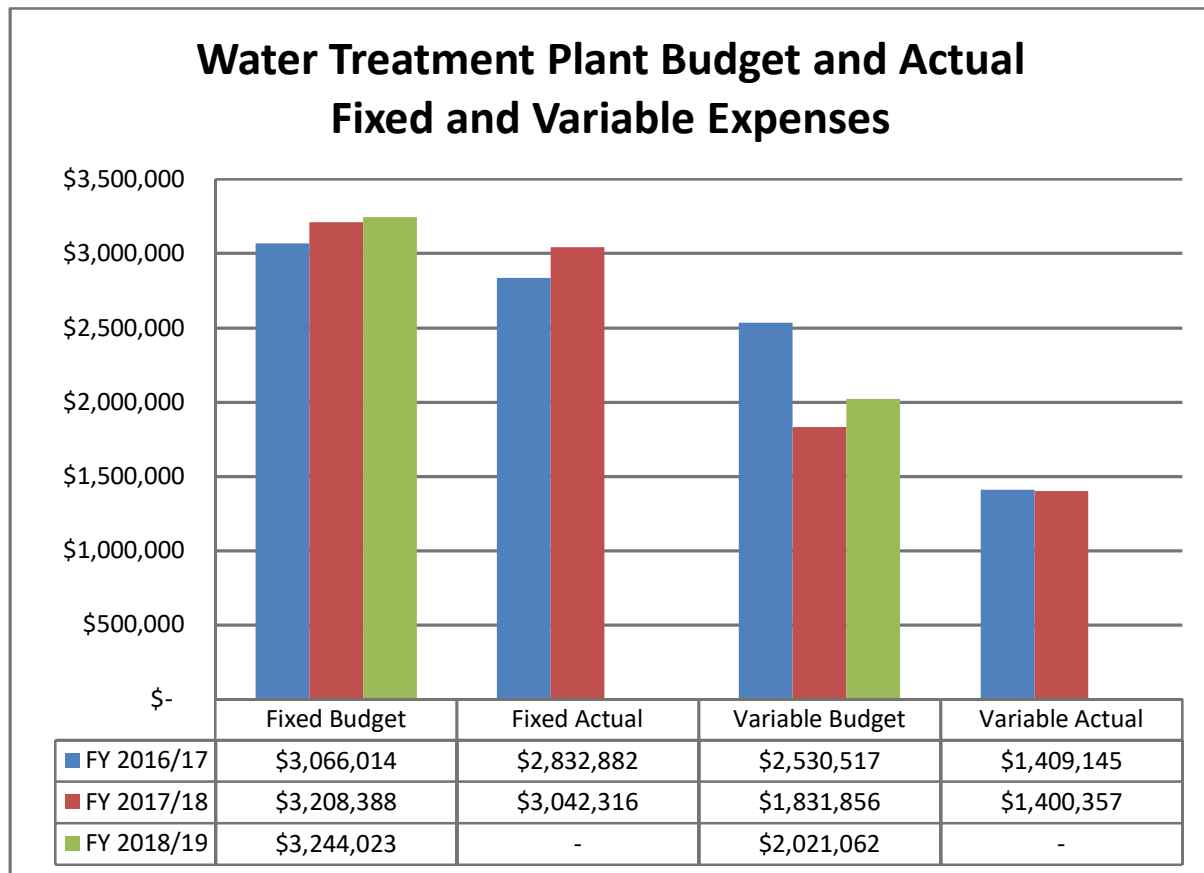
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2018/19 Budget

Item	FY 2018/19 Budget
Personnel	\$ 2,399,833
Office Expenses	6,000
Supplies and Equipment	2,012,791
Monitoring Expenses	113,624
Repairs and Maintenance	166,485
Professional Services	96,739
General and Administrative	51,550
Utilities	178,809
Other Expenses	239,253
TOTAL:	\$ 5,265,085



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2018/19 Budget

Item	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget
Personnel	\$ 2,266,438	\$ 2,126,729	\$ 2,321,959	\$ 2,242,140	\$ 2,399,833
Office Expenses	6,000	5,083	6,000	3,873	6,000
Supplies and Equipment	2,382,062	1,390,285	1,818,446	1,399,116	2,012,791
Monitoring Expenses	113,784	98,483	107,144	105,860	113,624
Repairs and Maintenance	154,727	137,187	156,485	153,428	166,485
Professional Services	54,599	52,580	55,099	56,584	96,739
General and Administrative	48,900	27,301	50,900	48,621	51,550
Utilities	311,823	178,856	188,171	159,192	178,809
Other Expenses	258,197	225,522	336,041	273,859	239,253
Total:	\$ 5,596,530	\$ 4,242,027	\$ 5,040,244	\$ 4,442,673	\$ 5,265,085



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<i>PERSONNEL EXPENSES</i>								
5000.10	Full-Time Regular Wages	\$ 1,366,365	\$ 1,288,856	\$ 1,402,432	\$ 1,311,226	\$ 1,438,976	\$ 36,545	2.61%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	68,318	45,892	70,122	69,853	71,949	1,827	2.61%
5000.40	Standby Pay	24,409	29,969	31,404	30,260	32,218	814	2.59%
5000.50	Shift Differential Pay	17,594	17,561	18,226	14,976	18,585	359	1.97%
5100.10	PERS Retirement	359,828	338,995	381,856	345,952	377,224	(4,632)	-1.21%
5100.15	Medicare Taxes	21,472	19,975	22,619	20,632	22,785	166	0.73%
5100.20	Health Insurance	290,515	257,432	243,411	244,374	261,447	18,036	7.41%
5100.25	Workers' Compensation	36,541	29,880	33,841	33,544	37,436	3,595	10.62%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	22,575	25,528	24,796	70,381	72,506	47,711	192.41%
5100.40	Cafeteria Plan Benefits	4,140	29,094	37,742	50,102	9,620	(28,122)	-74.51%
5100.45	Dental/Vision Plan	37,026	24,175	37,752	30,235	39,120	1,367	3.62%
5100.50	Long-Term Disability	7,035	6,855	7,219	7,471	7,406	187	2.59%
5100.55	Life Insurance	6,489	5,759	6,409	5,930	6,430	21	0.33%
5100.60	Employee Physicals	450	780	450	220	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,680	867	2,680	2,000	2,680	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	5,112	-	4,985	-	-	N/A
Total Personnel Expenses:		2,266,438	2,126,729	2,321,959	2,242,140	2,399,833	77,875	3.35%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	2,500	2,510	2,500	1,277	2,500	-	0.00%
5200.30	Miscellaneous Office Expenses	3,500	2,573	3,500	2,596	3,500	-	0.00%
Total Office Expenses:		6,000	5,083	6,000	3,873	6,000	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	8,289	10,261	8,739	9,253	8,739	-	0.00%
5500.15	Minor Tools and Equipment	5,000	4,192	5,000	5,000	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	500	15	500	322	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	2,317,823	1,333,039	1,745,407	1,335,268	1,946,542	201,136	11.52%
5500.35	Maintenance Supplies/Hardware	16,000	16,652	20,400	19,987	16,000	(4,400)	-21.57%
5500.40	Safety Supplies	5,000	5,109	7,000	5,926	7,000	-	0.00%
5500.45	Fuel and Lubricants	26,450	21,017	28,400	23,360	26,010	(2,390)	-8.42%
5500.50	Seed/Erosion Control Supplies	3,000	-	3,000	-	3,000	-	0.00%
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		2,382,062	1,390,285	1,818,446	1,399,116	2,012,791	194,346	10.69%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	65,969	64,822	66,559	61,116	66,559	-	0.00%
5600.20	Lab Tools and Equipment	11,380	7,247	11,520	24,074	18,000	6,480	56.25%
5600.30	Lab Testing	36,435	26,414	29,065	20,670	29,065	-	0.00%
Total Monitoring Expenses:		113,784	98,483	107,144	105,860	113,624	6,480	6.05%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	115,000	99,138	115,000	115,000	125,000	10,000	8.70%
5700.20	Vehicle Repairs and Maintenance	5,000	5,353	5,000	5,444	5,000	-	0.00%
5700.30	Building Maintenance	29,727	29,236	31,485	29,024	31,485	-	0.00%
5700.40	Landscape Maintenance	5,000	3,460	5,000	3,960	5,000	-	0.00%
Total Repairs and Maintenance:		154,727	137,187	156,485	153,428	166,485	10,000	6.39%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	28,339	15,403	28,839	18,295	56,439	27,600	95.70%
5400.20	Legal Services	-	-	-	-	-	-	N/A
5400.30	Engineering Services	7,500	13,550	7,500	13,500	13,500	6,000	80.00%
5400.40	Permits	18,200	23,627	18,200	24,789	26,800	8,600	47.25%
5400.50	Non-Contractual Services	560	-	560	-	-	(560)	-100.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		54,599	52,580	55,099	56,584	96,739	41,640	75.57%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	15,000	16,388	18,000	18,851	18,000	-	0.00%
5300.20	Mileage Reimbursement	500	-	500	-	500	-	0.00%
5300.30	Dues and Memberships	15,400	1,495	15,400	15,137	15,400	-	0.00%
5300.40	Publications	500	932	750	31	750	-	0.00%
5300.50	Training	10,000	2,273	9,750	9,966	10,400	650	6.67%
5300.60	Advertising	1,500	441	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	6,000	5,771	5,000	4,637	5,000	-	0.00%
Total General and Administrative:		48,900	27,301	50,900	48,621	51,550	650	1.28%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	6,800	11,140	7,310	2,980	7,310	-	0.00%
5800.30	Electric-Fixed	83,403	83,400	85,485	85,488	88,053	2,568	3.00%
5800.31	Electric-Variable	212,694	76,106	86,449	65,089	74,520	(11,930)	-13.80%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	4,782	4,772	4,782	2,611	4,782	-	0.00%
5800.60	Waste Disposal	4,145	3,438	4,145	3,025	4,145	-	0.00%
Total Utilities:		311,823	178,856	188,171	159,192	178,809	(9,362)	-4.98%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	73,385	71,748	75,893	72,258	73,641	(2,252)	-2.97%
5900.30	Non-Capitalized Projects ⁽¹⁾	31,557	74,901	102,816	103,424	-	(102,816)	-100.00%
5900.40	Equipment Rental	18,200	10,767	18,200	26,154	18,200	-	0.00%
5900.50	Non-Capitalized Equipment	5,000	4,863	10,000	9,484	10,000	-	0.00%
5900.60	Computer Expenses	69,938	52,002	66,222	62,539	73,804	7,582	11.45%
5900.70	Appropriated Contingency	60,118	11,241	62,910	-	63,608	699	1.11%
Total Other Expenses:		258,197	225,522	336,041	273,859	239,253	(96,788)	-28.80%
TOTAL OPERATING EXPENSES		\$ 5,596,530	\$ 4,242,027	\$ 5,040,244	\$ 4,442,673	\$ 5,265,085	\$ 224,840	4.46%

(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 2018/19 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$55,345 for the FY 2018/19 salary pool.

FY 18/19 Requested Budget	1,438,976
FY 17/18 Estimated Actual	1,311,226
Increase (Decrease)	127,750

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 18/19 Requested Budget	71,949
FY 17/18 Estimated Actual	69,853
Increase (Decrease)	2,096

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 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services:

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

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.

FY 18/19 Requested Budget	32,218
FY 17/18 Estimated Actual	30,260
Increase (Decrease)	1,958

Based on \$2.12 per hour (5% of average hourly rate) for 8,760 hours for WTP operators, and 8,760 hours at \$2.33 per hour for Instrumentation and Control employee stand-by pay (2/3 to WTP and 1/3 to Distribution).

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Funds for shift employee pay for WTP operators is based on \$2.12 per hour (5% of average hourly rate) for 8,760 hours of shift pay.

FY 18/19 Requested Budget	18,585
FY 17/18 Estimated Actual	14,976
Increase (Decrease)	3,610

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 24.285% contribution rate for FY 2018/19, which includes the required Unfunded Accrued Liability (UAL) payment.

FY 18/19 Requested Budget	377,224
FY 17/18 Estimated Actual	345,952
Increase (Decrease)	31,272

Required Contributions	\$ 230,348	16.855%
UAL current fiscal year	87,864	7.430%
UAL additional payment	59,011	fixed
TOTAL	\$ 377,224	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

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

FY 18/19 Requested Budget	22,785
FY 17/18 Estimated Actual	20,632
Increase (Decrease)	2,153

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

Description: Funds for employer paid portion of health insurance for WTP employees. Based on employee 2018 Café Plan elections. Includes an estimated 5% premium increase of the new plan rates for 2019.

FY 18/19 Requested Budget	261,447
FY 17/18 Estimated Actual	244,374
Increase (Decrease)	17,074

	2018 Allowance	2019 Allowance Est.
Family	\$ 20,224	\$ 20,931
Emp + 1	15,586	16,175
Employee only	7,857	8,250

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 72%. Based on a 3% premium increase over FY 2017/18.

FY 18/19 Requested Budget	37,436
FY 17/18 Estimated Actual	33,544
Increase (Decrease)	3,892

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 18/19 Requested Budget	72,506
FY 17/18 Estimated Actual	70,381
Increase (Decrease)	2,125

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 employees based on each employee's benefit election.

FY 18/19 Requested Budget	9,620
FY 17/18 Estimated Actual	50,102
Increase (Decrease)	(40,482)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,466 per year per family for dental and vision expenses. Budgeted amount is \$2,599 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 18/19 Requested Budget	39,120
FY 17/18 Estimated Actual	30,235
Increase (Decrease)	8,885

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 18/19 Requested Budget	7,406
FY 17/18 Estimated Actual	7,471
Increase (Decrease)	(64)

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 18/19 Requested Budget	6,430
FY 17/18 Estimated Actual	5,930
Increase (Decrease)	500

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 18/19 Requested Budget	450
FY 17/18 Estimated Actual	220
Increase (Decrease)	230

\$ 450 3 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 18/19 Requested Budget	1,000
FY 17/18 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

FY 18/19 Requested Budget	2,680
FY 17/18 Estimated Actual	2,000
Increase (Decrease)	680

Safety Program	\$	1,380
EAAP		1,300
TOTAL:	\$	2,680

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

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

FY 18/19 Requested Budget	2,500
FY 17/18 Estimated Actual	1,277
Increase (Decrease)	1,223

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

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 18/19 Requested Budget	3,500
FY 17/18 Estimated Actual	2,596
Increase (Decrease)	904

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

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

FY 18/19 Requested Budget	18,000
FY 17/18 Estimated Actual	18,851
Increase (Decrease)	(851)

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 18/19 Requested Budget	500
FY 17/18 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 18/19 Requested Budget	15,400
FY 17/18 Estimated Actual	15,137
Increase (Decrease)	264

\$	400	AWWA dues
	10,000	WRF dues
	800	Certification
	3,200	Urban Water Consv Fee
	1,000	CWEA
\$	15,400	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 18/19 Requested Budget	750
FY 17/18 Estimated Actual	31
Increase (Decrease)	719

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 18/19 Requested Budget	10,400
FY 17/18 Estimated Actual	9,966
Increase (Decrease)	434

\$	10,400	\$650 per employee
\$	10,400	TOTAL

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 18/19 Requested Budget	1,500
FY 17/18 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 18/19 Requested Budget	5,000
FY 17/18 Estimated Actual	4,637
Increase (Decrease)	363

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: <u>5400.10</u>	ACCOUNT TITLE: <u>Professional Services</u>
	Description: <u>Outside professional services including:</u>
	\$ 30,000 Switch Gear Maintenance
	2,500 Fire system/extinguisher inspection
	5,400 Security
	3,000 Crane inspection
	1,400 Oil, coolant and diesel analysis
	3,800 Emergency generator/forklift service
	3,000 Equipment Calibration
	7,339 Personnel Team Building Consultant
	\$ 56,439 TOTAL

FY 18/19 Requested Budget	56,439
FY 17/18 Estimated Actual	18,295
Increase (Decrease)	38,144

ACCOUNT NUMBER: <u>5400.20</u>	ACCOUNT TITLE: <u>Legal Services</u>
	Description: <u>Not funded for this fiscal year.</u>

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: <u>5400.30</u>	ACCOUNT TITLE: <u>Engineering Services</u>
	Description: <u>Funds for all non-capitalized engineering services and small projects.</u>
	\$ 3,000 SCADA
	7,500 General Engineering
	3,000 Cathodic Protection
	\$ 13,500 TOTAL

FY 18/19 Requested Budget	13,500
FY 17/18 Estimated Actual	13,500
Increase (Decrease)	-

ACCOUNT NUMBER: <u>5400.40</u>	ACCOUNT TITLE: <u>Permits</u>
	Description: <u>Funds for all required WTP permits.</u>
	\$ 1,000 RWQCB NPDES
	18,500 Drinking Water Program
	3,000 DHS Lab Accreditation
	1,600 Emergency Generator Permit
	2,700 Hazardous Materials Fees
	\$ 26,800 TOTAL

FY 18/19 Requested Budget	26,800
FY 17/18 Estimated Actual	24,789
Increase (Decrease)	2,011

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

\$ - TOTAL

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 18/19 Requested Budget	8,739
FY 17/18 Estimated Actual	9,253
Increase (Decrease)	(514)

\$	5,364	Uniform Service (\$447 per month)
	1,350	Blue jean pants (\$150/yr emp allowance)
	1,575	Boots (\$175/yr employee allowance)
	450	Misc. uniform requirements (jackets, etc.)
\$	8,739	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 18/19 Requested Budget	5,000
FY 17/18 Estimated Actual	5,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

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

FY 18/19 Requested Budget	500
FY 17/18 Estimated Actual	322
Increase (Decrease)	178

\$ 500 Herbicide

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

FY 18/19 Requested Budget	1,946,542
FY 17/18 Estimated Actual	1,335,268
Increase (Decrease)	611,274

(1) WTP Plant: \$54.02 per acre foot and 34,359 acre feet of requests
 (2) Santa Ynez Pumping Station: \$3.06/af for 12,635 AF pumped water
 (3) Tank 5 and 7 Chlorination at \$2.88/af for 17,996 AF

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

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

FY 18/19 Requested Budget	16,000
FY 17/18 Estimated Actual	19,987
Increase (Decrease)	(3,987)

\$ 16,000 Maintenance Supplies/Hardware

\$ 16,000

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 18/19 Requested Budget	7,000
FY 17/18 Estimated Actual	5,926
Increase (Decrease)	1,074

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 18/19 Requested Budget	3,000
FY 17/18 Estimated Actual	-
Increase (Decrease)	3,000

\$ 3,000 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 18/19 Requested Budget	26,010
FY 17/18 Estimated Actual	23,360
Increase (Decrease)	2,650

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 18/19 Requested Budget	66,559
FY 17/18 Estimated Actual	61,116
Increase (Decrease)	5,443

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 18/19 Requested Budget	18,000
FY 17/18 Estimated Actual	24,074
Increase (Decrease)	(6,074)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 18/19 Requested Budget	29,065
FY 17/18 Estimated Actual	20,670
Increase (Decrease)	8,395

\$	15,000	MIB and Microcystin Monitoring
	7,340	Annual Compliance Monitoring
	530	Monthly Compliance Monitoring
	3,840	DBP
	1,880	Cryptosporidium, Giardia and LT2
	475	DI Water Testing
\$	29,065	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 18/19 Requested Budget	125,000
FY 17/18 Estimated Actual	115,000
Increase (Decrease)	10,000

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 18/19 Requested Budget	5,000
FY 17/18 Estimated Actual	5,444
Increase (Decrease)	(444)

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 18/19 Requested Budget	31,485
FY 17/18 Estimated Actual	29,024
Increase (Decrease)	2,461

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	18,885	Janitorial service
	4,500	HVAC
	3,900	Janitorial Supplies
\$	31,485	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

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

FY 18/19 Requested Budget	5,000
FY 17/18 Estimated Actual	3,960
Increase (Decrease)	1,040

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for propane gas service to the WTP.

FY 18/19 Requested Budget	7,310
FY 17/18 Estimated Actual	2,980
Increase (Decrease)	4,330

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 18/19 Requested Budget	88,053
FY 17/18 Estimated Actual	85,488
Increase (Decrease)	2,565

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

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

FY 18/19 Requested Budget	74,520
FY 17/18 Estimated Actual	65,089
Increase (Decrease)	9,431

\$	2.17	\$/AF
	34,359	AF
\$	74,520	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 18/19 Requested Budget	4,782
FY 17/18 Estimated Actual	2,611
Increase (Decrease)	2,171

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 18/19 Requested Budget	4,145
FY 17/18 Estimated Actual	3,025
Increase (Decrease)	1,120

\$	2,415	Garbage
	630	Bulk Dumpster
	1,000	Waste Oil/Solvent
	100	Light Bulbs
\$	4,145	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 18/19 Requested Budget	73,641
FY 17/18 Estimated Actual	72,258
Increase (Decrease)	1,383

\$	36,233	Property and auto coverage based on the apportionment provided by JPIA.
\$	37,408	General liability and E&O based on salary proportions.
\$	73,641	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

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

See 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 effective FY 2018/19.

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 18/19 Requested Budget	18,200
FY 17/18 Estimated Actual	26,154
Increase (Decrease)	(7,954)

\$	3,900	Copier lease
	10,100	Motorized equipment
	4,200	Lagoon cleaning
\$	18,200	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 18/19 Requested Budget	10,000
FY 17/18 Estimated Actual	9,484
Increase (Decrease)	516

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 18/19 Requested Budget	73,804
FY 17/18 Estimated Actual	62,539
Increase (Decrease)	11,265

\$	67,504	CompuVision, Annual Service Agreements and Software Subscriptions
\$	6,300	Software, New Computers and other computer services.
\$	73,804	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 18/19 Requested Budget	63,608
FY 17/18 Estimated Actual	-
Increase (Decrease)	63,608



*Bypass Pipeline Fusing at Bradbury Dam
March 2018*

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 2018/19 O&M Budget \$ 3,364,289
- O&M Budget increase over FY 2017/18 \$ 91,649
 - Fixed cost increase over FY 2017/18 43,196
 - Variable cost increase over FY 2017/18 \$ 48,453
- Percentage increase 2.80%
- Fixed O&M expenses \$ 2,316,305
- Variable O&M expenses \$ 1,047,985
- FY 2018/19 budgeted electrical cost \$82.94 per acre-foot

Significant Accomplishments During FY 2017/18

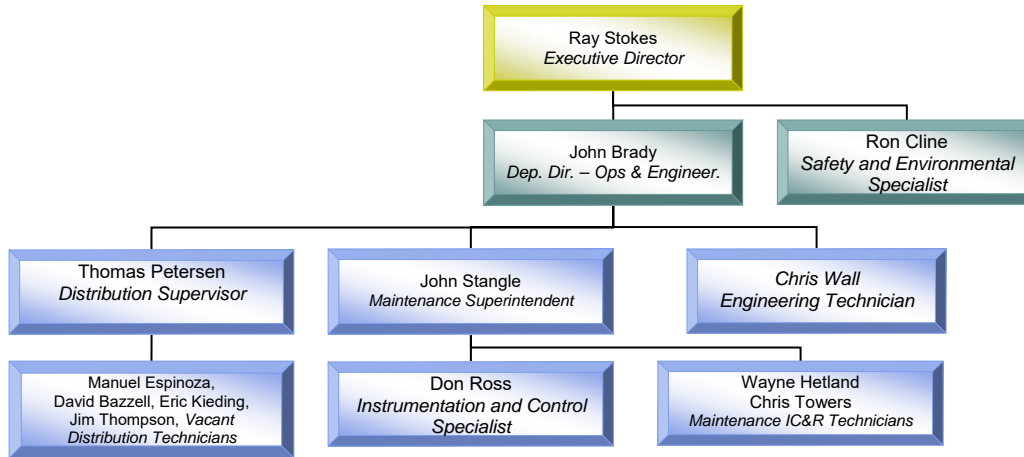
- Distribution staff worked cooperatively with both the US Bureau of Reclamation and the Santa Ynez River Water Conservation District to facilitate the Water Rights Release, while maintaining lake delivery operations. This involved using the penstock for lake delivery operations during the initial stages of the Water Rights Release and simultaneously re-constructing the extension of the Bradbury Bypass Pipeline through the spillway gates. Once the reconstruction was complete, lake deliveries were redirected to the by-pass pipeline.
- Following an ancillary pipe break inside the inlet vault of Tank 7, Distribution and Instrumentation staff fully renovated the inlet vault. All instrumentation and wiring were replaced and the inlet piping was repainted as well. Staff also completed the installation of a new emergency electrical generator at Tank 7.
- Distribution staff worked cooperatively with the County of Santa Barbara during pipeline dewatering work at the Guadalupe Blow-off facility. Due to ongoing repair work for the flood control channel by a County Contractor, CCWA staff developed plans to dewater the pipeline without interfering with the Contractor's work.

Significant Goals for FY 2018/19

- Develop a detailed construction design and specifications to address the critical issues identified by the Santa Ynez Pumping Plant Electrical System Evaluation.
- Implement the recommended repairs for the footing cracks that are present in the Tank 7 roof columns during the Winter Shutdown of 2018, a dry inspection of Tank 5 will be completed as well, due to similar cracking issues of the roof column footings.

Central Coast Water Authority
Distribution Department
Fiscal Year 2018/19 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, dechloramination and disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 130 miles of pipeline and operate and maintain 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.

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

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

Central Coast Water Authority
Distribution Department
Fiscal Year 2018/19 Budget

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

The 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 2018/19 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 161 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

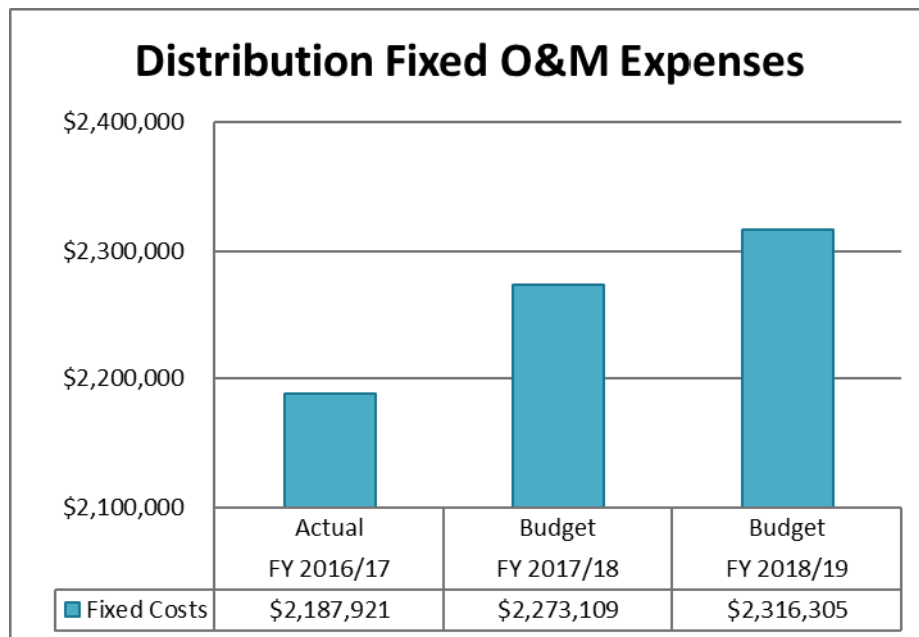
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2016/17 actual operating expenses for each reach. The financial reach allocation percentages are adjusted 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 2018/19 Budget

Distribution Department Financial Reach Allocation			
Financial Reach	FY 2018/19 Allocation Percentage	FY 2017/18 Allocation Percentage	Increase (Decrease)
Reach 33B	21.75%	21.31%	0.44%
Reach 34	9.35%	10.12%	-0.77%
Reach 35	3.44%	7.32%	-3.87%
Reach 37	2.37%	2.78%	-0.41%
Reach 38	3.84%	4.34%	-0.50%
Mission Hills II	10.51%	12.52%	-2.00%
Santa Ynez I	16.12%	17.43%	-1.32%
Santa Ynez II	32.61%	24.18%	8.44%
TOTAL:	100.00%	100.00%	0.00%

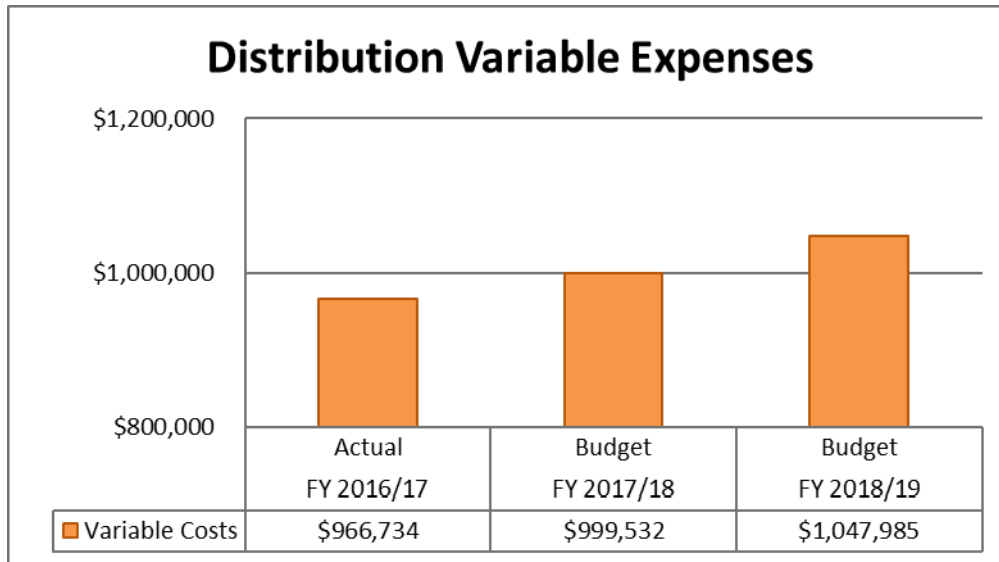
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

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 2018/19 fixed O&M costs are \$43,196 higher than the prior year budget amount.



Central Coast Water Authority
Distribution Department
Fiscal Year 2018/19 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 2018/19 variable O&M costs are \$48,453 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 2018/19 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$82.94/AF
Goleta	4,202	\$ 348,543
Morehart	49	4,064
La Cumbre	866	71,829
Raytheon	32	2,654
Santa Barbara	2,859	237,118
Montecito	2,828	234,527
Carpinteria	1,799	149,249
Total South Coast:	12,635	\$ 1,047,985
(1) Excludes water deliveries exchanged with Santa Ynez ID#1.		

Central Coast Water Authority
Distribution Department
Fiscal Year 2018/19 Budget

Fiscal Year 2018/19 Operating Expense Budget

The Fiscal Year 2018/19 Distribution Department operating expense budget is \$3,364,289, which is \$91,649 higher than the previous year's budget of \$3,272,641, an increase of 2.80%. The personnel expense section of the Distribution Department budget represents approximately 50% of the budget. Utilities comprise 33%, with other expenses making up the balance of the budget. The chart on page 162 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 \$32,000 attributed to the following:

- The FY 2018/19 Distribution Department Budget includes a \$38,873 salary pool for employee salary increases which represents an increase of \$1,005 over the FY 2017/18 budgeted amount of \$37,868. The salary pool percentage for FY 2018/19 is a flat 4% of salaries.

On April 27, 2017, the Board of Directors approved that beginning FY 2017/18 CCWA's Salary Pool calculation be changed from being comprised of a 3% merit component plus the change in the consumer price index, to being based solely on either a flat 4% of salaries, or the actual change in the consumer price index, whichever is higher. This percentage is then applied to the current salaries as of July 1st to create the salary pool for the current fiscal year budget. The approved salary pool formula is automatically included in the budget each year to provide a pool of money for the Executive Director to award salary increases to employees based entirely on performance.

The FY 2018/19 total Distribution Department salaries and wages budget is held to an increase of only \$26,128 when compared to the prior fiscal year budget due to certain employees reaching the top of their salary range causing actual salaries on July 1, 2017 to be lower than what was included in the budget for FY 2017/18.

- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are decreasing by about \$6,700 due to the following realignment of employee benefits: 1) Effective January 1, 2018, the CCWA cafeteria plan allowance is based on the lowest cost plan available to all CCWA employees, instead of the mid-range PPO in 2017; 2) Beginning with calendar year 2018, CCWA employees pay 50% of the increase in the cost of dependent portion of healthcare premiums. The 2018 health insurance premiums increased by 3.56%, as opposed to the budgeted increase of 5% for calendar year 2017. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2019.

Central Coast Water Authority
Distribution Department
Fiscal Year 2018/19 Budget

- CalPERS retirement expenses are decreasing by about \$11,000 over the prior fiscal year due to increased employee contributions as a result of pension reform and the hiring of a new CalPERS PEPRA member employee, combined with CCWA “Classic” employees paying 50% of the increase in the “normal” PERS employer contribution. This decrease is partially offset by the increase in the CCWA paid CalPERS employer, employee and unfunded accrued liability contribution rates. The CCWA paid portion for FY 2018/19 is 24.285% as compared to the prior year amount of 23.048%, a rate increase of 1.257%.
- The FY 2018/19 Budget includes \$45,690 for deposit into the Retiree Benefit Trust Program which represents a \$30,390 increase in the estimated FY 2018/19 amount over the FY 2017/18 budgeted amount of \$15,300 for the annually required minimum contribution under PEMHCA for the CCWA retiree medical benefit. The increase is also due to the estimated additional contribution for a vested portion of the 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 expenses are decreasing by about \$6,000 for the estimated decrease in costs for fuel and lubricants.

Repairs and Maintenance Repairs and maintenance costs are increasing by about \$3,500 because of an increase in age related equipment repairs and maintenance.

Professional Services Professional services are increasing by approximately \$12,000 due to the increase in engineering services for a seismic joint survey, and annual CIP planning meeting.

General and Administrative General and Administrative costs are increasing by approximately \$1,000 due primarily to advertising expenses for open positions.

Utility Expenses Utility expenses are increasing by about \$53,000 attributed to the increase in estimated electrical cost per acre-foot of delivering water into Cachuma Lake from \$77.19/AF in FY 2017/18 compared to \$82.94/AF for FY 2018/19 partially offset by a decrease of 313 acre feet increase in water deliveries to Cachuma Lake.

Other Expenses Other expenses are decreasing by approximately \$38,000 largely due to a \$45,000 decrease in non-capital project expenses that were reclassified as non-operating expense, a \$5,000 increase to equipment rental expenses, and an increase in appropriated contingency partially offset by a \$2,000 reduction in computer expenses. (see the discussion on non-capitalized projects later in this section of the Budget).

Central Coast Water Authority
Distribution Department
Fiscal Year 2018/19 Budget

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

The following table shows the FY 2018/19 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES							
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	TOTAL	
Guadalupe	\$ 714	\$ 1,000	\$ -	\$ 500	\$ 2,214	\$ 2,214	
Santa Maria	572	1,500	-	500	2,572	2,572	
Golden State Water Co.	763	7,631	-	500	8,894	8,894	
Vandenberg Air Force Base	-	6,131	-	500	6,631	6,631	
Buellton	287	6,131	-	500	6,917	6,917	
Santa Ynez (Solvang)	229	5,631	-	500	6,359	6,359	
Santa Ynez	-	5,631	-	500	6,131	6,131	
Shandon	557	1,000	-	500	2,057	2,057	
Chorro Valley	-	5,100	900	500	6,500	6,500	
Lopez	536	1,500	-	500	2,536	2,536	
TOTAL:	\$ 3,657	\$ 41,253	\$ 900	\$ 5,000	\$ 50,809	\$ 50,809	

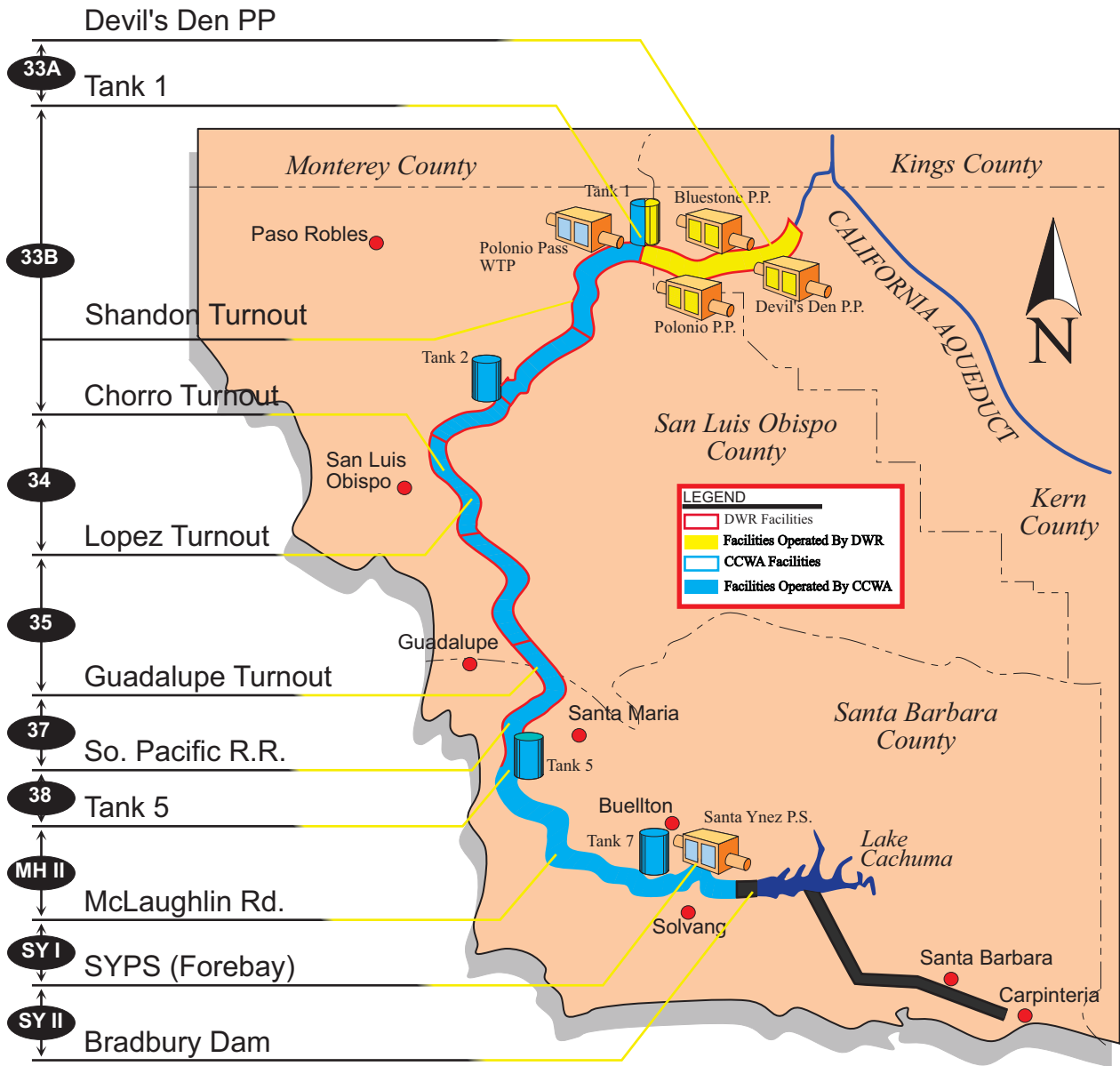
Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2018/19 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2016/17	Auth. FY 2017/18	Requested FY 2018/19	Over FY 2016/17	Over FY 2017/18
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 ⁽⁶⁾ Classification	Minimum	Maximum	FY 2017/18	Allocation
	of Emp.		Monthly Salary	Monthly Salary	Total Annual Salary	to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 256,669	\$ 64,167
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 179,541	\$ 71,816
Safety & Environmental Specialist ⁽³⁾	1	29	\$ 7,131	\$ 8,700	\$ 100,766	\$ 75,574
Distribution Supervisor	1	30	\$ 7,286	\$ 8,889	\$ 102,952	\$ 102,952
Engineering Technician	1	21	\$ 6,006	\$ 7,327	\$ 81,797	\$ 81,797
Instrumentation & Control Specialist	1	27	\$ 6,832	\$ 8,335	\$ 96,531	\$ 96,531
Maintenance Superintendent ⁽⁴⁾	1	35	\$ 8,112	\$ 9,896	\$ 114,618	\$ 45,847
Maintenance/IC&R Technicians ⁽⁵⁾	2	26	\$ 6,687	\$ 8,158	\$ 183,599	\$ 36,720
Distribution Technicians	5	19	\$ 5,754	\$ 7,019	\$ 396,419	\$ 396,419
FY 2018/19 Salary Pool						\$ 38,873
TOTAL:						\$ 1,010,698

- (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%).
(6) Based on the approved recommendations from the 2016 Compensation Study, the total number of position classification ranges were increased from 30 to 60, and the percentage between ranges was decreased from approximately 5.0% to 2.17%.

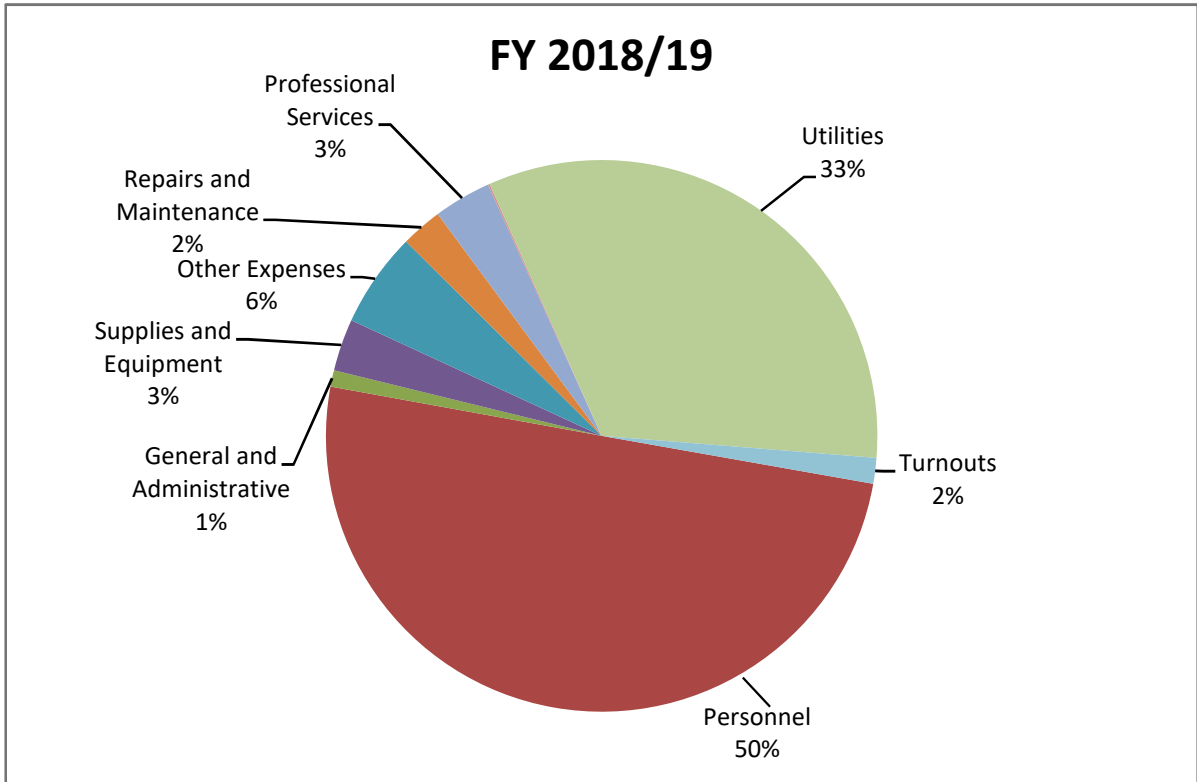
COASTAL BRANCH FINANCIAL REACHES



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

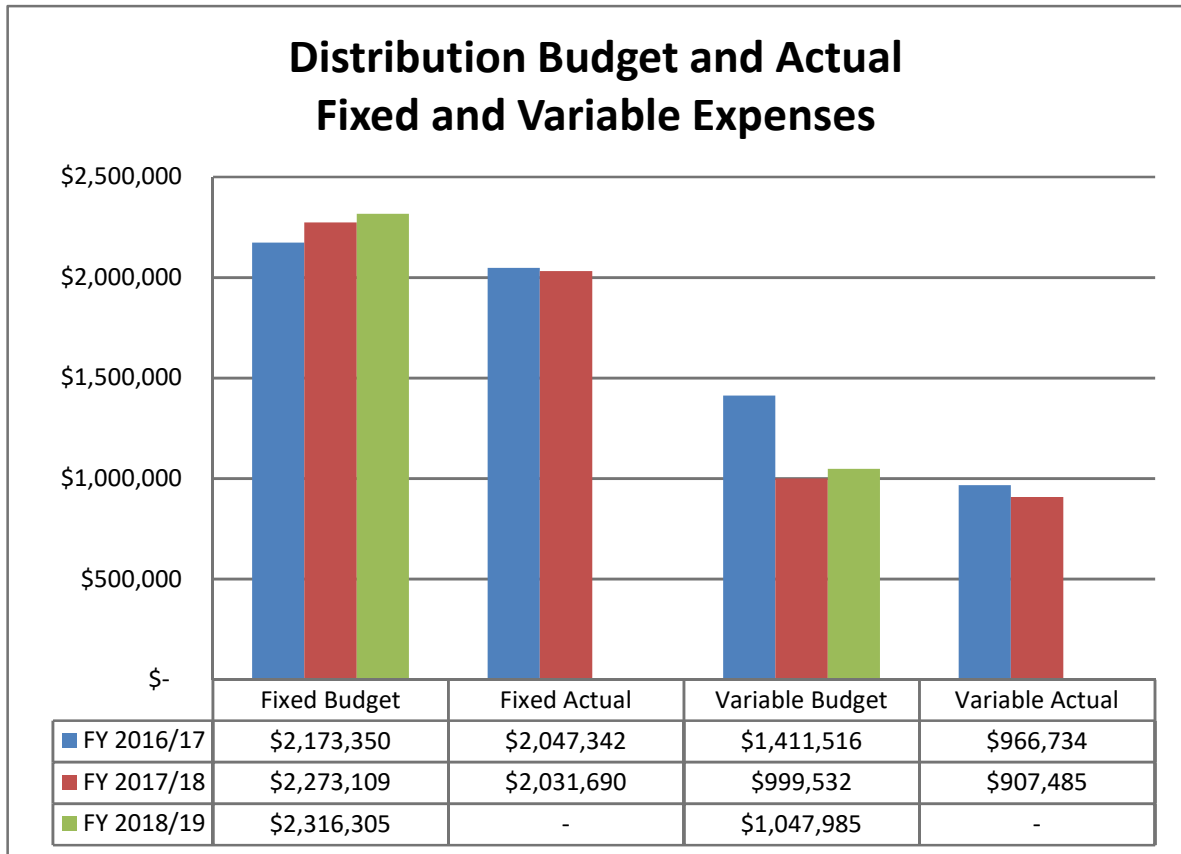
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2018/19 Budget

Item	FY 2018/19 Budget
Personnel	\$ 1,685,260
Office Expenses	4,000
Supplies and Equipment	102,411
Monitoring Expenses	-
Repairs and Maintenance	81,700
Professional Services	113,033
General and Administrative	32,250
Utilities	1,107,650
Other Expenses	187,177
Turnouts	50,809
TOTAL:	\$ 3,364,289



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2018/19 Budget

Item	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget
Personnel	\$ 1,616,297	\$ 1,499,095	\$ 1,640,868	\$ 1,570,821	\$ 1,685,260
Office Expenses	3,200	3,629	4,000	3,483	4,000
Supplies and Equipment	103,421	67,611	108,301	69,834	102,411
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	69,200	74,261	78,200	89,978	81,700
Professional Services	109,533	57,826	101,033	64,018	113,033
General and Administrative	29,250	29,343	31,300	27,084	32,250
Utilities	1,465,529	1,016,857	1,054,779	958,529	1,107,650
Other Expenses	222,972	315,330	229,683	191,551	187,177
Turnouts	21,742	90,705	24,478	8,522	50,809
TOTAL:	\$ 3,641,144	\$ 3,154,656	\$ 3,272,641	\$ 2,983,821	\$ 3,364,289



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 963,594	\$ 900,135	\$ 984,570	\$ 925,089	\$ 1,010,698	\$ 26,128	2.65%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	62,471	76,804	64,041	62,778	65,724	1,683	2.63%
5000.40	Standby Pay	30,781	23,419	24,364	22,077	25,044	680	2.79%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	253,759	227,902	268,080	241,395	257,301	(10,779)	-4.02%
5100.15	Medicare Taxes	15,389	13,042	15,574	14,132	15,975	402	2.58%
5100.20	Health Insurance	207,379	168,220	206,104	197,418	199,290	(6,814)	-3.31%
5100.25	Workers' Compensation	24,831	19,967	22,862	23,048	25,303	2,441	10.68%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	15,300	17,053	15,300	44,351	45,690	30,390	198.63%
5100.40	Cafeteria Plan Benefits	4,433	1,696	1,061	-	265	(796)	-75.02%
5100.45	Dental/Vision Plan	25,094	22,007	25,586	20,169	26,513	927	3.62%
5100.50	Long-Term Disability	4,735	4,013	4,833	4,587	4,960	127	2.63%
5100.55	Life Insurance	4,481	3,327	4,444	3,803	4,448	4	0.09%
5100.60	Employee Physicals	450	225	450	-	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	1,467	2,600	1,800	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	390	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	19,428	-	10,175	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
Total Personnel Expenses:		1,616,297	1,499,095	1,640,868	1,570,821	1,685,260	44,392	2.71%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	1,200	2,058	1,500	1,452	1,500	-	0.00%
5200.30	Miscellaneous Office Expenses	2,000	1,570	2,500	2,031	2,500	-	0.00%
Total Office Expenses:		3,200	3,629	4,000	3,483	4,000	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	6,921	6,174	6,921	6,166	6,921	-	0.00%
5500.15	Minor Tools and Equipment	5,000	5,231	5,000	5,000	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	310	1,000	742	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	7,776	10,000	9,969	10,000	-	0.00%
5500.40	Safety Supplies	7,000	4,789	7,000	5,420	7,000	-	0.00%
5500.45	Fuel and Lubricants	65,000	41,586	69,880	42,536	63,990	(5,890)	-8.43%
5500.50	Seed/Erosion Control Supplies	8,000	1,636	8,000	-	8,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	108	500	-	500	-	0.00%
Total Supplies and Equipment:		103,421	67,611	108,301	69,834	102,411	(5,890)	-5.44%
<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 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	42,500	45,700	46,500	62,369	50,000	3,500	7.53%
5700.20	Vehicle Repairs and Maintenance	12,500	18,406	12,500	12,159	12,500	-	0.00%
5700.30	Building Maintenance	9,700	5,730	14,700	10,950	14,700	-	0.00%
5700.40	Landscape Maintenance	4,500	4,425	4,500	4,500	4,500	-	0.00%
Total Repairs and Maintenance:		69,200	74,261	78,200	89,978	81,700	3,500	4.48%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	101,833	52,945	82,333	58,767	82,333	-	0.00%
5400.20	Legal Services	-	880	-	-	-	-	N/A
5400.30	Engineering Services	3,000	1,510	14,000	2,825	26,000	12,000	85.71%
5400.40	Permits	4,700	2,491	4,700	2,427	4,700	-	0.00%
5400.50	Non-Contractual Services	-	-	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		109,533	57,826	101,033	64,018	113,033	12,000	11.88%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	20,000	16,814	20,000	16,313	20,000	-	0.00%
5300.20	Mileage Reimbursement	150	-	150	-	150	-	0.00%
5300.30	Dues and Memberships	2,000	1,843	2,300	2,254	2,500	200	8.70%
5300.40	Publications	1,000	694	1,000	790	1,000	-	0.00%
5300.50	Training	5,000	8,041	6,500	6,500	6,500	-	0.00%
5300.60	Advertising	500	1,546	750	730	1,500	750	100.00%
5300.70	Printing and Binding	-	28	-	-	-	-	N/A
5300.80	Postage	600	377	600	496	600	-	0.00%
Total General and Administrative:		29,250	29,343	31,300	27,084	32,250	950	3.04%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2018/19 Administration/O&M Budget

Account Number	Account Name	FY 2016/17 Budget	FY 2016/17 Actual	FY 2017/18 Budget	FY 2017/18 Estimated Actual	FY 2018/19 Budget	Change from FY 2017/18 Budget	Percent Change FY 2017/18 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	940	483	1,010	414	1,010	-	0.00%
5800.30	Electric Fixed	41,673	40,742	42,337	42,676	46,755	4,418	10.44%
5800.31	Electric-Variable	1,411,516	966,734	999,532	907,485	1,047,985	48,453	4.85%
5800.40	Water	2,000	2,041	2,500	2,095	2,500	-	0.00%
5800.50	Telephone	6,500	4,349	6,500	3,531	6,500	-	0.00%
5800.60	Waste Disposal	2,900	2,507	2,900	2,328	2,900	-	0.00%
Total Utilities:		1,465,529	1,016,857	1,054,779	958,529	1,107,650	52,871	5.01%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	46,043	45,161	47,696	45,494	46,552	(1,144)	-2.40%
5900.30	Non-Capitalized Projects ⁽¹⁾	56,278	140,580	44,646	44,646	-	(44,646)	-100.00%
5900.40	Equipment Rental	15,000	7,170	18,500	13,884	23,500	5,000	27.03%
5900.50	Non-Capitalized Equipment	7,000	5,271	10,000	8,913	10,000	-	0.00%
5900.60	Computer Expenses	55,360	36,753	64,750	56,187	62,704	(2,046)	-3.16%
5900.70	Appropriated Contingency	43,292	80,394	44,091	22,428	44,421	331	0.75%
Total Other Expenses:		222,972	315,330	229,683	191,551	187,177	(42,506)	-18.51%
	Turnouts	21,742	90,705	24,478	8,522	50,809	26,332	107.58%
TOTAL OPERATING EXPENSES		\$ 3,641,144	\$ 3,154,656	\$ 3,272,641	\$ 2,983,821	\$ 3,364,289	91,649	2.80%

(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 2018/19 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$38,873 for FY 2018/19 salary pool.

FY 18/19 Requested Budget	1,010,698
FY 17/18 Estimated Actual	925,089
Increase (Decrease)	85,609

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 18/19 Requested Budget	65,724
FY 17/18 Estimated Actual	62,778
Increase (Decrease)	2,946

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 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services:

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

CENTRAL COAST WATER AUTHORITY DISTRIBUTION FY 2018/19 BUDGET

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 18/19 Requested Budget	25,044
FY 17/18 Estimated Actual	22,077
Increase (Decrease)	2,967

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 \$2.08 per hour for a Distribution employee. Instrumentation and Control employee hourly rate is \$2.33 (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 18/19 Requested Budget	257,301
FY 17/18 Estimated Actual	241,395
Increase (Decrease)	15,906

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 24.285% contribution rate for FY 2018/19, which includes the required Unfunded Accrued Liability (UAL) payment.

Required Contributions	\$	157,010	16.855%
UAL current fiscal year		61,984	7.430%
UAL additional payment		38,306	fixed amount
	\$	257,301	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 18/19 Requested Budget	15,975
FY 17/18 Estimated Actual	14,132
Increase (Decrease)	1,843

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 18/19 Requested Budget	199,290
FY 17/18 Estimated Actual	197,418
Increase (Decrease)	1,872

Description: Funds for the employer paid portion of health insurance for Distribution employees. Based on employee 2018 Cafeteria Plan elections. Includes an estimated 5% premium increase of the 2019 plan rates.

	<i>2018 Allowance</i>	<i>2019 Allowance Est.</i>
Family	\$ 20,224	\$ 20,931
Emp + 1	15,586	16,175
Employee only	7,857	8,250

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 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 72%. Based on a 3% premium increase over FY 2017/18.

FY 18/19 Requested Budget	25,303
FY 17/18 Estimated Actual	23,048
Increase (Decrease)	2,254

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 18/19 Requested Budget	45,690
FY 17/18 Estimated Actual	44,351
Increase (Decrease)	1,339

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 18/19 Requested Budget	265
FY 17/18 Estimated Actual	-
Increase (Decrease)	265

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,466 per year per family for dental and vision expenses. Budgeted amount is \$2,599 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 18/19 Requested Budget	26,513
FY 17/18 Estimated Actual	20,169
Increase (Decrease)	6,344

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 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 18/19 Requested Budget	4,960
FY 17/18 Estimated Actual	4,587
Increase (Decrease)	373

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 18/19 Requested Budget	4,448
FY 17/18 Estimated Actual	3,803
Increase (Decrease)	645

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 18/19 Requested Budget	450
FY 17/18 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 18/19 Requested Budget	1,000
FY 17/18 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

FY 18/19 Requested Budget	2,600
FY 17/18 Estimated Actual	1,800
Increase (Decrease)	800

\$	1,300	Safety Program
	1,300	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 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 18/19 Requested Budget	1,500
FY 17/18 Estimated Actual	1,452
Increase (Decrease)	48

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 18/19 Requested Budget	2,500
FY 17/18 Estimated Actual	2,031
Increase (Decrease)	469

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 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 18/19 Requested Budget	20,000
FY 17/18 Estimated Actual	16,313
Increase (Decrease)	3,687

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 18/19 Requested Budget	150
FY 17/18 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 18/19 Requested Budget	2,500
FY 17/18 Estimated Actual	2,254
Increase (Decrease)	246

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 18/19 Requested Budget	1,000
FY 17/18 Estimated Actual	790
Increase (Decrease)	210

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 18/19 Requested Budget	6,500
FY 17/18 Estimated Actual	6,500
Increase (Decrease)	(0)

\$ 6,500 at \$650 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 18/19 Requested Budget	1,500
FY 17/18 Estimated Actual	730
Increase (Decrease)	770

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 18/19 Requested Budget	600
FY 17/18 Estimated Actual	496
Increase (Decrease)	104

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$	50,000	Environmental Services, Required by Reg Agency
	16,000	Cathodic protection, Crane inspections
	3,200	Emergency generator and forklift service
	1,500	Hydraulic package oil analysis
	2,375	Fire extinguisher and SCBA inspections
	5,058	Personnel Team Building Consultant
	4,200	Security
\$	82,333	TOTAL

FY 18/19 Requested Budget	82,333
FY 17/18 Estimated Actual	58,767
Increase (Decrease)	23,566

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 18/19 Requested Budget	26,000
FY 17/18 Estimated Actual	2,825
Increase (Decrease)	23,175

\$	3,000	SCADA Support
	3,000	GIS Support
	10,000	General Services
	10,000	Seismic Survey
\$	26,000	TOTAL

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required permits for the Distribution Department.

FY 18/19 Requested Budget	4,700
FY 17/18 Estimated Actual	2,427
Increase (Decrease)	2,273

\$	2,100	Low Threat Discharge Permit
	1,300	Diesel Permit
	1,300	SYPP, Tank 7 and 5 Business Plan
\$	4,700	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services. Not funded this year.

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 18/19 Requested Budget	6,921
FY 17/18 Estimated Actual	6,166
Increase (Decrease)	755

\$	3,576	Uniform Service (\$298 month)
	1,350	Blue jean pants (\$150/year employee allowance)
	1,575	Boots (\$175/year employee allowance)
	420	Misc. uniform requirements (jackets, etc.)
\$	6,921	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 18/19 Requested Budget	5,000
FY 17/18 Estimated Actual	5,000
Increase (Decrease)	(0)

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 18/19 Requested Budget	-
FY 17/18 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 18/19 Requested Budget	1,000
FY 17/18 Estimated Actual	742
Increase (Decrease)	258

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 18/19 Requested Budget	-
FY 17/18 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 18/19 Requested Budget	10,000
FY 17/18 Estimated Actual	9,969
Increase (Decrease)	31

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 18/19 Requested Budget	7,000
FY 17/18 Estimated Actual	5,420
Increase (Decrease)	1,580

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 18/19 Requested Budget	63,990
FY 17/18 Estimated Actual	42,536
Increase (Decrease)	21,454

\$	55,782	Vehicles
	2,137	Emergency Generator Sets
	3,934	Lubricants
	2,137	Miscellaneous
\$	63,990	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 18/19 Requested Budget	8,000
FY 17/18 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 18/19 Requested Budget	500
FY 17/18 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of Distribution Department equipment.

FY 18/19 Requested Budget	50,000
FY 17/18 Estimated Actual	62,369
Increase (Decrease)	(12,369)

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of Distribution Department vehicles.

FY 18/19 Requested Budget	12,500
FY 17/18 Estimated Actual	12,159
Increase (Decrease)	341

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

Description: Funds for the repair and maintenance of the Santa Ynez Pumping Facility.

FY 18/19 Requested Budget	14,700
FY 17/18 Estimated Actual	10,950
Increase (Decrease)	3,750

\$	3,500	Janitorial Service
	1,700	Pest Control
	4,500	HVAC, includes quarterly inspection
	5,000	Minor building repairs
\$	14,700	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 18/19 Requested Budget	4,500
FY 17/18 Estimated Actual	4,500
Increase (Decrease)	-

\$	4,500	SYPF (\$375 month avg)
\$	4,500	TOTAL

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service for the Distribution Department.

FY 18/19 Requested Budget	1,010
FY 17/18 Estimated Actual	414
Increase (Decrease)	596

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 18/19 Requested Budget	46,755
FY 17/18 Estimated Actual	42,676
Increase (Decrease)	4,079

\$	16,667	Suite B & C	\$ 1,389/month
	1,151	ISO vaults (2)	\$ 96/month
	5,912	Tanks (2)	\$ 493/month
	2,723	Rectifiers (11)	\$ 227/month
	3,442	EDV	\$ 287/month
	16,859	SYPF	\$ 1,405/month
\$	46,755	TOTAL	

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 18/19 Requested Budget	1,047,985
FY 17/18 Estimated Actual	907,485
Increase (Decrease)	140,500

Acre feet pumped	12,635
Cost per acre foot	\$82.94
TOTAL	\$1,047,985

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to
the Distribution Department.

FY 18/19 Requested Budget	2,500
FY 17/18 Estimated Actual	2,095
Increase (Decrease)	405

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 18/19 Requested Budget	6,500
FY 17/18 Estimated Actual	3,531
Increase (Decrease)	2,969

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 18/19 Requested Budget	2,900
FY 17/18 Estimated Actual	2,328
Increase (Decrease)	572

\$	2,500	Trash service
	400	Hazardous waste removal
\$	2,900	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 18/19 Requested Budget	46,552
FY 17/18 Estimated Actual	45,494
Increase (Decrease)	1,058

\$	20,277	Property and Auto Insurance as apportioned by JPIA.
\$	26,274	General liability and E&O insurance pro rated by salary percentages.
\$	46,552	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 effective FY 2018/19.

FY 18/19 Requested Budget	-
FY 17/18 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the Distribution Department.

FY 18/19 Requested Budget	23,500
FY 17/18 Estimated Actual	13,884
Increase (Decrease)	9,616

\$	4,000	Portable toilets (4) \$1,000/year each
	7,500	General equipment rental
	2,000	Mowing
	10,000	Cachuma Lake bypass pipeline
\$	23,500	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 18/19 Requested Budget	10,000
FY 17/18 Estimated Actual	8,913
Increase (Decrease)	1,087

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2018/19 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 18/19 Requested Budget	62,704
FY 17/18 Estimated Actual	56,187
Increase (Decrease)	6,517

\$	56,635	CompuVision, Annual Service Agreements, and Software Subscriptions
\$	6,069	Software, New Computers, DSL Allowance and other computer services.
\$	62,704	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 18/19 Requested Budget	44,421
FY 17/18 Estimated Actual	22,428
Increase (Decrease)	21,994



*Buellton Administrative Office Native Plant Landscaping
May 2018*

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
Capital, Non-Capital & Extraordinary Projects
Fiscal Year 2018/19 Budget

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 2018/19 is \$959,989, and consists of 15 Capital Improvement Projects representing \$541,023 of the budget, and a budget of \$418,966 for 23 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 2017/18 into FY 2018/19.

Funding of Capital Improvements (CIP) and Non-Capital Projects (NCP)

The FY 2018/19 CIP and NCP expenditures are entirely funded from Project Participant Assessments.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

The following table shows the allocation of the FY 2018/19 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 2018/19 Capital Improvement Projects (CIP)						
Capital Projects	Specific Financial Reach		Water Treatment			Total
		Administration	Plant	Distribution		
WTP PLC Upgrade Bid Document Preparation	WTP	\$ -	\$ 52,500	\$ -	\$ -	\$ 52,500
Clarifier Valve and Actuator Replacement	WTP	-	20,412	-	-	20,412
Filter Air Scour Valve Actuator	WTP	-	22,680	-	-	22,680
WTP Switchgear Remediation	WTP	-	22,680	-	-	22,680
WTP HVAC Design - Phase 2	WTP	-	31,500	-	-	31,500
SYPP Equipment Upgrades	SYII	-	-	22,113	-	22,113
SYPP Electrical Upgrade Design	SYII	-	-	31,500	-	31,500
Tank 7 Roof Column Repair	SYI	-	-	105,000	-	105,000
Air Conditioning Unit Replacement BAO - Phase 1 of 2	ADM	26,250	-	-	-	26,250
CP Rectifier Upgrade	ALL	-	-	45,360	-	45,360
Fall Protection Equipment - WTP	WTP	-	11,340	-	-	11,340
Fall Protection Equipment - Dist	ALL	-	-	19,845	-	19,845
WTP IC&R Technician Truck - replaces T020	WTP	-	44,793	-	-	44,793
Distribution Crew Truck - replaces D073	ALL	-	-	44,793	-	44,793
Distribution On-Call Operator Truck - replaces D079	ALL	-	-	40,257	-	40,257
Total Capital Projects:		\$ 26,250	\$ 205,905	\$ 308,868	\$ -	\$ 541,023
FY 2018/19 Non-Capital Projects (NCP)						
Maintenance, Repairs & Equipment Projects	Financial Reach	ADM	WTP	DIST	Total	
Termite Tenting and Building Repair	ADM	\$ 21,000	\$ -	\$ -	\$ -	\$ 21,000
Dual Factor Authentication	ADM/ALL/WTP	2,312	2,312	2,312	-	6,935
CCWA Network Firewall definition	ADM/ALL/WTP	3,654	3,654	3,654	-	10,962
Intermapper License & Upgrade Computers	ADM/ALL/WTP	1,820	1,820	1,820	-	5,460
Microsoft Exchange Upgrade 2010 to 2016	ADM/ALL/WTP	5,460	5,460	5,460	-	16,380
WTP Domain Controller Replacement	ADM/ALL/WTP	2,590	2,590	2,590	-	7,770
Citrix Upgrade Version	ADM/ALL/WTP	5,201	5,201	5,201	-	15,603
Replace Two Existing VMHost Servers	ADM/ALL/WTP	11,200	11,200	11,200	-	33,600
Network Security and Vulnerability Test	ADM/ALL/WTP	3,500	3,500	3,500	-	10,500
WTP Maintenance Tools	WTP	-	15,876	-	-	15,876
Filter Launderers Protective Coating - Phase 3 of 4	WTP	-	52,500	-	-	52,500
WTP Security Camera Upgrade	WTP	-	5,670	-	-	5,670
Chlorination Equipment Spare Parts	WTP	-	13,608	-	-	13,608
Chlorine Scrubber Inspection	WTP	-	12,600	-	-	12,600
Painting Initial Flash Mix, EQ Return Pumps	WTP	-	11,340	-	-	11,340
Construction Records Scan and Organization	ALL/WTP	-	5,250	5,250	-	10,500
Full Drawing Scanner	ALL/WTP	-	4,253	4,253	-	8,505
Pavement Slurry Seal - Tank 2	33B	-	-	80,850	-	80,850
Pavement Slurry Seal - Tank 5	MHII	-	-	37,800	-	37,800
Pavement Slurry Seal - SYPP	SYII	-	-	21,000	-	21,000
Clampon Sonic Meter - ISO 2	MHII	-	-	7,938	-	7,938
Clampon Sonic Meter - ISO 4	SYI	-	-	7,938	-	7,938
Install Air Conditioning Unit - ISO 2	MHII	-	-	4,631	-	4,631
Total Maintenance, Repair & Equipment Projects:		\$ 56,737	\$ 156,833	\$ 205,396	\$ -	\$ 418,966
TOTAL CAPITAL and NON-CAPITAL PROJECTS:		\$ 82,987	\$ 362,738	\$ 514,264	\$ -	\$ 959,989

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

The following tables provide details for each of the Capital Improvement Projects.

Description:	WTP PLC Upgrade Bid Document Preparation
Department:	Water Treatment Plant
Expanded Description	The current Modicon Process Logic Controllers (PLCs) are now considered obsolete and product support from the manufacturer will be no longer available. This project is to replace the obsolete PLC components with current technology at the Water Treatment Plant and to properly configure and program the PLC equipment. This project was scheduled for the Winter Shutdown of 2017 however, due to significant unanswered questions about implementation from the PLC equipment manufacturer, the project was postponed. CCWA staff subsequently conducted additional research to identify the options available to CCWA for upgrading the PLC for the WTP. It was determined that due to the complexity of the controls at the WTP and the uncertainties from the existing PLC manufacturer, it would be prudent to retain an engineering firm with significant PLC experience to (1) review CCWA staff research and assist CCWA in determining the appropriate course of action and (2) to prepare bid specifications for a turn-key PLC upgrade project where the contractor will be fully responsible for equipment procurement, configuration, programming and installation within the Winter 2018 shutdown schedule.
Estimated Charge - Contractor	\$50,000
Contingency (5%)	<u>\$2,500</u>
Subtotal without CCWA Labor	\$52,500
CCWA Labor	\$4,099
Total Cost	\$56,599
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.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Clarifier Valve and Actuator Replacement
Department:	Water Treatment Plant
Expanded Description	This project will replace the existing valve and associated actuator of the Water Treatment Plant Clarifier Unit. The valve and actuator have been in place for over 20 years and are well past their anticipated service life.
Estimated Charge - Material	\$18,000
Tax (8%)	\$1,440
Contingency (5%)	\$972
Subtotal without CCWA Labor	\$20,412
CCWA Labor	\$4,194
Total Cost	\$24,606
Operating Budget Impact:	The Water Treatment Plant is a zero discharge plant, meaning that all water discharges from the treatment processes are collected and recycled to supplement raw water supply. One of the main treatment processes used in recycling water discharges from the WTP is the Solids Contact Clarifier Unit. This system accepts filter backwash water from the equalization basins, decant water from the sludge lagoons and process water discharges from the plant. The Clarifier will treat the water sufficiently to allow use of its effluent as a small part of the raw water supply to the plant. It is important to keep the Clarifier unit fully operational at all times, as the WTP can only be operated for a limited amount of time without an operational Clarifier. Replacement of components that are past their service life will help prevent interruption of water treatment and delivery operations, which would result in higher operational costs.

Description:	Filter Air Scour Valve Actuator
Department:	Water Treatment Plant
Expanded Description	This project is to replace the air scour valve actuators for filter numbers 2, 4, 6, and 8. The existing actuators are well past their service life and need to be replaced to ensure reliable filter operation.
Estimated Charge – Material	\$20,000
Tax (8%)	\$1,600
Contingency (5%)	<u>\$1,080</u>
Subtotal without CCWA Labor	\$22,680
CCWA Labor	\$5,567
Total Cost	\$28,247
Operating Budget Impact:	The WTP filters serve as a vital element of the water treatment operations. The function of the filters is to remove particulate matter from the water and, as a consequence, the filters must be cleaned periodically. The Filter Air Scour Valve Actuator will open and close the Air Scour Valves. These valves allow air to pass through the filter media to create a turbulent condition that facilitates filter media cleaning. Without this function, the filters would not be properly cleaned and filter production would become impacted, which may reduce the capacity of the Water Treatment Plant. Replacement of components that are past their service life will help prevent interruption of water treatment and delivery operations, which would result in higher operational costs.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	WTP Switchgear Remediation
Department:	Water Treatment Plant
Expanded Description	CCWA's Engineering Consultant was retained to conduct an electrical evaluation of the electrical switchgear at the Water Treatment Plant. The evaluation was documented in a Technical Memorandum, which identified some critical issues that required attention. This project will implement the recommendations of the Technical Memorandum.
Estimated Charge – Materials	\$20,000
Tax (8%)	\$1,600
Contingency (5%)	\$1,080
Subtotal without CCWA Labor	\$22,680
CCWA Labor	\$11,159
Total Cost	\$33,839
Operating Budget Impact:	The Water Treatment Plant (WTP) is provided electrical service at voltages of 12,400 Volts. To protect the various electrical systems within the WTP from excessively high current caused by a short circuiting failure, switchgear systems are in place. Switchgear will typically receive power directly from the electrical utility and will subsequently transmit the power to the facility receiving service. They are designed to cut off all power to the facility receiving electrical service in the event of a short circuiting event of a defined magnitude and duration. Through keeping the switchgear in good operating condition, it can be operated safely and protect the WTP electrical systems from catastrophic failure.

Description:	WTP HVAC Design - Phase 2
Department:	Water Treatment Plant
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 were 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. This current project is to move forward with the first step in implementing the design changes recommended by the engineering consultant. The first phase of the design was implemented in FY 2017/2018, the second phase of the design will be implemented in FY 2018/2019 and the last phase of the project will be the installation of the new system in FY 2019/2020
Estimated Charge - Contractor	\$30,000
Contingency (5%)	\$1,500
Subtotal without CCWA Labor	\$31,500
CCWA Labor	\$3,126
Total Cost	\$34,626
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 of the engineering consultant, the efforts by CCWA staff to troubleshoot and repair the system will be significantly reduced.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	SYPP Equipment Upgrades
Department:	SYII
Expanded Description	This project will procure several pieces of equipment that are needed for proper operation of the Santa Ynez Pumping Plant (SYPP). This equipment includes (1) chemical pump variable frequency drives to replace existing units that are past their service life, (2) Bisulfite Analyzer to replace the existing unit that is past its service life, (3) a Security Camera to enhance security of SYPP and (4) a Carport to protect equipment from the elements.
Estimated Charge – Material	\$19,500
Tax (8%)	\$1,560
Contingency (5%)	<u>\$1,053</u>
Subtotal without CCWA Labor	\$22,113
CCWA Labor	\$19,969
Total Cost	\$42,082
Operating Budget Impact:	The SYPP is a vital link for water deliveries to the South Coast Water Agencies. The operation includes receiving potable water from the CCWA pipeline, dechlorinating the water and delivering the dechlorinated water to Lake Cachuma. To maintain this critical operation, the chemical pumps that deliver the dechlorinating agent, sodium bisulfite, must have an adjustable flow rate to ensure proper de-chlorination and post treatment monitoring required by the SYPP operating permit. In addition, the SYPP is not manned on a 24 hour per day basis. Consequently, a security camera is needed to enhance security of the facility. Finally, the carport is needed to protect valuable equipment that is stored at SYPP from the elements. Through procuring this equipment, the reliability of the SYPP operation is enhanced and the potential of violating the SYPP operating permit is reduced.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	SYPP Electrical Upgrade Design
Department:	SYII
Expanded Description	CCWA's Engineering Consultant was retained to conduct an electrical evaluation of the electrical switchgear at the Santa Ynez Pumping Plant (SYPP). The evaluation was documented in a Technical Memorandum which identified some critical issues that required attention. This project will implement the recommendations of the Technical Memorandum in two phases. This project will consist of the design phase of the project to address the soft starter, distribution switchboard and a remote switchgear operation systems to enhance operator arc-flash safety.
Estimated Charge – Contractor	\$30,000
Contingency (5%)	\$1,500
Subtotal without CCWA Labor	\$31,500
CCWA Labor	\$4,694
Total Cost	\$36,194
Operating Budget Impact:	The Santa Ynez Pumping Plant (SYPP) is provided electrical service at voltages of 480 Volts. To protect the various electrical systems within the SYPP from excessively high current caused by a short circuiting failure, switchgear systems are in place. Switchgear will typically receive power directly from the electrical utility and will subsequently transmit the power to the facility receiving service. They are designed to cut off all power to the facility receiving electrical service in the event of a short circuiting event of a defined magnitude and duration. Through keeping the switchgear in good operating condition, the switchgear can be operated safely and protect the SYPP electrical systems from catastrophic failure.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Tank 7 Roof Column Repair
Department:	SYI
Expanded Description	Cracking of the roof column footings of Tank 7 was identified during the 2012 internal dive inspection. A series of engineering inspections and evaluations were performed to determine if the cracking was structurally significant. Ultimately, CCWA's Engineering Consultant prepared a Technical Memorandum that determined the cracking was not structurally significant and also developed a scope of work for repairing the cracks. This project will implement the recommended scope of work which is to fill the cracks with mortar by a qualified contractor and under the supervision of a structural engineer.
Estimated Charge - Contractor	\$100,000
Contingency (5%)	<u>\$5,000</u>
Subtotal without CCWA Labor	\$105,000
CCWA Labor	\$9,901
Total Cost	\$114,901
Operating Budget Impact:	Tank 7 serves as a pressure break in the CCWA pipeline extension. This means that the pipe used downstream of Tank 7 is of a lower pressure class than the pipe used upstream of Tank 7. Consequently, Tank 7 cannot be simply by-passed if the Tank were to fail in order to continue water deliveries operations. Accordingly, to ensure reliable water delivery operations, the repair of roof column damage is necessary to optimize service life. Effecting the repair in a planned coordinated manner will avoid the elevated costs of emergency repair as well as avoid interruption of water delivery operations.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Air Conditioning Unit Replacement BAO - Phase 1 of 2
Department:	ADM
Expanded Description	The Buellton Administration Office (BAO) is equipped with six air conditioning units, which have been in place since original construction (20 years). The air conditioning units are utilized to maintain comfortable working conditions for employees and also to provide critical cooling function for the two server rooms within the BAO. This project will replace three of the existing air conditioning units in FY 2018/2019. The remaining air conditioning units will be replaced in FY 2019/2020.
Estimated Charge - Contractor	\$25,000
Contingency (5%)	\$1,250
Subtotal without CCWA Labor	\$26,250
CCWA Labor	\$3,441
Total Cost	\$29,691
Operating Budget Impact:	One purpose of the BAO air conditioning units is to cool the two server rooms, which contain the CCWA network equipment. Should the server rooms be allowed to overheat, the CCWA network operation could potentially shutdown and equipment may become damaged and inoperable. Therefore, it is critical to maintain reliable air conditioning units at the BAO. Damaged network equipment would interfere with important administrative functions of CCWA as well as interfere with the critical Supervisory Control and Data Acquisition Systems for the pipeline operation. In the event of a network failure, the CCWA network consultant and CCWA staff would mobilize to return the network back to service on an emergency basis. Therefore, replacing aging air conditioning units will assist with avoiding elevated costs associated with an emergency repair of network equipment.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	CP Rectifier Upgrade
Department:	ALL
Expanded Description	The CCWA pipeline is protected from corrosion through an impressed current cathodic protection (ICCP) system. One of the components of this system is the rectifier systems located along the pipeline. These systems accept alternating current electrical power from the local electrical utility and convert the electrical power to direct current. They also deliver the direct current in a manner that allows for monitoring of the ICCP. The existing rectifiers are utilizing legacy technology to accomplish this function. This project will be to retrofit each of the pipeline rectifiers with updated technology for delivering current to the pipeline while also allowing for monitoring capability.
Estimated Charge – Material	\$40,000
Tax (8%)	\$3,200
Contingency (5%)	\$2,160
Subtotal without CCWA Labor	\$45,360
CCWA Labor	\$18,122
Total Cost	\$63,482
Operating Budget Impact:	The construction of the CCWA pipeline was a significant investment. The use of cathodic protection will greatly extend the service life of the pipeline. Through updating the ICCP system to current technology, the pipeline's service life will be optimized.

Description:	Fall Protection Equipment – WTP
Department:	Water Treatment Plant
Expanded Description	This project will procure needed safety equipment. The equipment includes the following: <ol style="list-style-type: none"> 1. One Confined Space Hoist System w/ 3-Way SRL 2. One Vehicle Hitch Mount Sleeve for the above system. This will mount to a vehicle and will add expanded capability through providing for diversity in mounting locations. 3. Replacement Ladder for Backwash Tank
Estimated Charge – Materials	\$10,000
Tax (8%)	\$800
Contingency (5%)	\$540
Subtotal without CCWA Labor	\$11,340
CCWA Labor	\$4,140
Total Cost	\$15,480
Operating Budget Impact:	The installation and use of this equipment will reduce worker-related fall injuries and associated costs. It will also increase staff productivity through providing a safer and quicker access to work locations.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Fall Protection Equipment – Distribution
Department:	ALL
Expanded Description	This project will procure needed safety equipment. The equipment includes the following: <ol style="list-style-type: none"> 1. One Confined Space Hoist System w/ 3-Way SRL 2. One Vehicle Hitch Mount Sleeve for the above system. This will mount to a vehicle and will add expanded capability through providing for diversity in mounting locations. 3. Replacement Ladders for Tank 2 (2) and Tank 5 (1)
Estimated Charge - Material	\$17,500
Tax (8%)	\$1,400
Contingency (5%)	\$945
Subtotal without CCWA Labor	\$19,845
CCWA Labor	\$5,287
Total Cost	\$25,132
Operating Budget Impact:	The installation and use of this equipment will reduce worker-related fall injuries and associated costs. It will also increase staff productivity through providing a safer and quicker access to work locations.

Description:	WTP IC&R Technician Truck - Replaces T020
Department:	Water Treatment Plant
Expanded Description	The CCWA replacement policy is to replace trucks once they have reached 125,000 miles or are over 10 years in age. The Instrumentation, Calibration and Repair (IC&R) Truck will have over 130,000 miles in FY 2018/2019 and this project is to procure a new truck and to sell the existing truck for salvage value.
Estimated Charge – Materials	\$39,500
Tax (8%)	\$3,160
Contingency (5%)	\$2,133
Subtotal without CCWA Labor	\$44,793
CCWA Labor	\$1,329
Total Cost	\$46,122
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and has a variety of appearances and facilities that must be maintained and operated by CCWA's Instrumentation Technicians. To ensure continuous reliable operation of the pipeline, this equipment must be routinely serviced, maintained and quickly repaired if issues arise. By providing a vehicle for the Instrumentation Crew, these tasks can be implemented in an efficient proactive manner.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Distribution Crew Truck - Replaces D073
Department:	ALL
Expanded Description	The CCWA replacement policy is to replace trucks once they have reached 125,000 miles or are over 10 years in age. The Distribution Crew Truck will have over 130,000 miles in FY 2018/2019 and this project is to procure a new truck and to sell the existing truck for salvage value.
Estimated Charge – Material	\$39,500
Tax (8%)	\$3,160
Contingency (5%)	\$2,133
Subtotal without CCWA Labor	\$44,793
CCWA Labor	\$1,329
Total Cost	\$46,122
Operating Budget Impact:	The CCWA pipeline operation spans over 140 miles and has a variety of appearances and facilities that must be maintained and operated by CCWA's licensed Distribution Operators. To ensure continuous reliable operation of the pipeline, this equipment must be routinely serviced, maintained and quickly repaired if issues arise. By providing a vehicle for the Distribution Crew, these tasks can be implemented in an efficient proactive manner.

Description:	Distribution On-Call Operator Truck - replaces D079
Department:	ALL
Expanded Description	The CCWA replacement policy is to replace trucks once they have reached 125,000 miles or are over 10 years in age. The Distribution On-Call Operator Truck will have over 130,000 miles in FY 2018/2019 and this project is to procure a new truck and to sell the existing truck for salvage value.
Estimated Charge - Material	\$35,500
Tax (8%)	\$2,840
Contingency (5%)	\$1,917
Subtotal without CCWA Labor	\$40,257
CCWA Labor	\$1,329
Total Cost	\$41,586
Operating Budget Impact:	The CCWA pipeline delivers potable water through its entire 140 mile length. As required by regulation, CCWA staff must collect samples from each active Turnout and all Reservoirs for water quality analysis. In addition, samples are required to be collected at a prescribed frequency. Failure to collect the required samples could potentially lead to a Notice of Violation and fines. Consequently, there is a need to provide reliable transportation for CCWA staff so that the required water quality samples can be collected for analysis

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension 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:	Termite Tenting and Building Repair
Department:	ADM
Expanded Description	Through routine inspection of the Buellton Administration Building, termite damage was identified in portions of some of the wooden components of the building. A pest exterminator company was retained to conduct a full inspection. The inspection revealed a termite infestation and the pest exterminator company recommended that the building be fumigated and the wood damage be removed and replaced. This project will implement these recommendations
Estimated Charge - Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	\$21,000
CCWA Labor	\$9,241
Total Cost	\$30,241
Operating Budget Impact:	Through routine inspection by CCWA staff, a termite infestation was identified before the onset of major structural damage to the building. Through fumigating the building, the causative source of the damage will be eliminated. The damage that has already occurred will be repaired, which will help with minimizing the potential of re-infestation. The cost of this project is insignificant in comparison to full reconstruction of the wood components of the building.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Dual Factor Authentication
Department:	ADM/ALL/WTP
Expanded Description	This project is designed to enhance the security measures of the CCWA Network. This project will implement a dual factor authentication for access to the CCWA network, including desktop work stations. The CCWA network currently has dual factor authentication for remote access to the CCWA Network. Extending this security measure to all points of access was recommended by the recent Network Assessment as well as recommended by CCWA managed network service provider.
Estimated Charge - Contractor	\$3,500
Estimated Charge – Material	\$2,875
Tax (8%)	\$230
Contingency (5%)	<u>\$330</u>
Subtotal without CCWA Labor	\$6,935
CCWA Labor	\$1,148
Total Cost	\$8,083
Operating Budget Impact:	The cost of implementing this effective security measure is insignificant when compared to the potential losses associated with network hacking events, such as ransomware or the theft of sensitive financial data.

Description:	CCWA Network Firewall Definition at WTP
Department:	ADM/ALL/WTP
Expanded Description	A Firewall is part of a computer system designed to block unauthorized access into a network, while allowing outbound traffic from a network. As part of the CCWA Network Assessment, it was determined that the current Firewall at the Water Treatment Plant (WTP) required an update to define “unauthorized inbound traffic”. This project will purchase new hardware and software to update the CCWA Network Firewall System at the WTP, to include updated definitions of “unauthorized inbound traffic”.
Estimated Charge - Contractor	\$7,875
Estimated Charge – Material	\$2,375
Tax (8%)	\$190
Contingency (5%)	<u>\$522</u>
Subtotal without CCWA Labor	\$10,962
CCWA Labor	\$1,148
Total Cost	\$12,110
Operating Budget Impact:	The cost of implementing this effective security measure is insignificant when compared to the potential losses associated with network hacking events, such as ransomware or the theft of sensitive financial data.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Intermapper License & Upgrade Computers
Department:	ADM/ALL/WTP
Expanded Description	CCWA utilizes the use of a software package known as Intermapper to observe and analyze network traffic. This allows for the visualization of the CCWA network and the flow of communication through the network in real time. The software will be upgraded to its most current version. In addition, supporting equipment will be purchased to allow full use of the software's visualization capability.
Estimated Charge - Contractor	\$2,500
Estimated Charge – Material	\$2,500
Tax (8%)	\$200
Contingency (5%)	<u>\$260</u>
Subtotal without CCWA Labor	\$5,460
CCWA Labor	\$1,148
Total Cost	\$6,608
Operating Budget Impact:	The CCWA network operation is critical to the administrative functions and on-going water treatment and distribution operations. The network provides the communication, data processing and data storage infrastructure for all major facilities within the CCWA system. If the network operation fails, administrative workflow functions are critically impaired and water treatment and distribution operations will continue without the benefit of the Supervisory Control and Data Acquisition System. The cost of this project is insignificant in comparison to the loss of production associated with a network failure. The ability to monitor and analyze network traffic ensures a higher reliability of the network operation.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Microsoft Exchange Upgrade 2010 to 2016
Department:	ADM/ALL/WTP
Expanded Description	The Microsoft Exchange Server provides email and calendar services to the CCWA network. The current version in use by the CCWA Network is Microsoft Exchange Server 2010. This project will upgrade the system to the most current version.
Estimated Charge - Contractor	\$7,500
Estimated Charge – Material	\$7,500
Tax (8%)	\$600
Contingency (5%)	<u>\$780</u>
Subtotal without CCWA Labor	\$16,380
CCWA Labor	\$1,148
Total Cost	\$17,528
Operating Budget Impact:	Operating Systems are routinely updated and new versions are issued on a periodic basis. These new versions typically will include additional security safeguards as well as new functionality. It is considered best practice to upgrade to a new version of Operating Systems before the vendor stops providing support for the older version of the Operating System. By migrating to newer versions of the Operating System, technical support can be made available by the vendor and the new functionality can be utilized to improve operations and planning.

Description:	WTP Domain Controller Replacement
Department:	ADM/ALL/WTP
Expanded Description	The Physical Domain Controller is a separate physical server that manages employee login credentials into the CCWA Domain. This server is separate from the CCWA virtual servers and controls login security and access to the CCWA Domain. The existing Domain Controller is past its expected service life.
Estimated Charge - Contractor	\$2,000
Estimated Charge – Material	\$5,000
Tax (8%)	\$400
Contingency (5%)	<u>\$370</u>
Subtotal without CCWA Labor	\$7,770
CCWA Labor	\$1,148
Total Cost	\$8,918
Operating Budget Impact:	Information security within the CCWA network is vital. The network contains sensitive personal data of employees as well as critical operational data. Access to the CCWA network must be secured to prevent identity theft from CCWA employees as well as to protect the operations from cyber-attacks. Ensuring that the Domain Controller is fully functional is critical to CCWA's commitment to maintaining the integrity of confidential data housed within the CCWA network.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Citrix Upgrade Version
Department:	ADM/ALL/WTP
Expanded Description	Citrix provides software that will allow access to Windows desktop and applications independent of the machine the applications are actually on. This software allows CCWA staff to access the CCWA network remotely as well as to allow use of client-server work stations. The existing software is 8 years old. This project will upgrade the underlying operating system to Windows Server 2016 and will also upgrade the Citrix software to its most current version.
Estimated Charge - Contractor	\$10,000
Estimated Charge – Material	\$4,500
Tax (8%)	\$360
Contingency (5%)	\$743
Subtotal without CCWA Labor	\$15,603
CCWA Labor	\$1,148
Total Cost	\$16,751
Operating Budget Impact:	Software is continuously updated and new versions are issued on a periodic basis. These new versions typically will include additional security safeguards as well as new functionality. It is considered best practice to upgrade to a new version of software before the software vendor stops providing support for the older version of the software. By migrating to newer versions of the software, technical support can be made available by the vendor and the new functionality can be utilized to improve operations and planning.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Replace Two Existing VMHost Servers
Department:	ADM/ALL/WTP
Expanded Description	The CCWA network migrated to a virtualization server system, which greatly increased the efficient use of network resources and also greatly enhanced the ability to provide remote backup of the network servers and data. The backbone of the virtualized network system is the VMHost machines, which provide the computation component of the system. The VMHost machines have reached the end of their service life of four years. This project will replace two VMHost Machines.
Estimated Charge - Contractor	\$5,000
Estimated Charge – Material	\$25,000
Tax (8%)	\$2,000
Contingency (5%)	<u>\$1,600</u>
Subtotal without CCWA Labor	\$33,600
CCWA Labor	\$1,148
Total Cost	\$34,748
Operating Budget Impact:	The virtual servers are a critical component of the CCWA network system. If a VMHost Machine were to fail, all of the virtual servers that rely on the computational services of the VMHost Machine will cease to function. This will mean the services provided by the impacted VMHost Machine will not be available until a new VMHost Machine can be procured and installed, which can range from a few hours to a few days. The costs of responding to a failure are higher than a planned replacement. Also, a planned replacement will avoid an interruption of services.

Description:	Network Security and Vulnerability Test
Department:	ADM/ALL/WTP
Expanded Description	In 2016, a consulting firm was retained to perform a network assessment of the CCWA Network. One of the recommendations was to periodically conduct a Network Security and Vulnerability Test. This test involves retaining an independent consulting firm to attempt to gain access into the CCWA Network as well as other tasks to assess the effectiveness of CCWA's network security measures.
Estimated Charge - Contractor	\$10,000
Contingency (5%)	<u>\$500</u>
Subtotal without CCWA Labor	\$10,500
CCWA Labor	\$1,148
Total Cost	\$11,648
Operating Budget Impact:	The cost of implementing this effective security measure is insignificant when compared to the potential losses associated with network hacking events, such as ransomware or the theft of sensitive financial data.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	WTP Maintenance Tools
Department:	Water Treatment Plant
Expanded Description	Additional tools are needed to assist with the further development of the preventative maintenance program for the Water Treatment Plant. These additional tools will include impact wrenches, tachometer, ultrasonic bearing digital instrument, power monitor and carport.
Estimated Charge – Materials	\$14,000
Tax (8%)	1,120
Contingency (5%)	\$756
Subtotal without CCWA Labor	\$15,876
CCWA Labor	\$936
Total Cost	\$16,812
Operating Budget Impact:	Through providing appropriate tools to CCWA staff, in-house capabilities are expanded. This allows more work to be completed by in-house staff as opposed to an outside service vendor, which results in substantial savings. In addition, by developing in-house capabilities, the response time to a breakdown event is also significantly reduced.

Description:	Filter Launderers Protective Coating - Phase 3 of 4
Department:	Water Treatment Plant
Expanded Description	The Filter Launderers are constructed with fiberglass materials. After being in service for over 18 years, the protective outer coat of the fiberglass material has become degraded from the elements. A new outer coat will be applied as a measure to prevent complete degradation of the Launderers. This will extend the service life of the Launderers. This will be the third of a four phase project, with each phase coating the Launderers of two filters.
Estimated Charge - Contractor	\$50,000
Contingency (5%)	\$2,500
Subtotal without CCWA Labor	\$52,500
CCWA Labor	\$8,272
Total Cost	\$60,772
Operating Budget Impact:	Through maintaining the Filter Launderers by refurbishing the protective coating, the service life will be extended and result in reduced replacement costs over the service life of the Water Treatment Plant.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	WTP Security Camera Upgrade
Department:	Water Treatment Plant
Expanded Description	The existing main gate security camera will be replaced. In addition, a second security camera will be procured and installed to allow view of drivers requesting entrance into the secured perimeter of the Water Treatment Plant.
Estimated Charge – Material	\$5,000
Tax (8%)	\$400
Contingency (5%)	\$270
Subtotal without CCWA Labor	\$5,670
CCWA Labor	\$2,261
Total Cost	\$7,931
Operating Budget Impact:	The Water Treatment Plant is considered critical infrastructure by the Department of Homeland Security. Consequently, it is important to maintain security of the WTP to prevent malicious and/or malevolent acts from occurring. A security camera located at the main gate will allow WTP staff to quickly and efficiently verify the identity of those requesting entrance.

Description:	Chlorination Equipment Spare Parts
Department:	Water Treatment Plant
Expanded Description	The original chlorination system was replaced during the 2017 Winter Shutdown. The equipment manufacturer has recommended a set of spare parts to purchase and maintain onsite. This project will procure the recommended spare parts list.
Estimated Charge – Material	\$12,000
Tax (8%)	\$960
Contingency (5%)	\$648
Subtotal without CCWA Labor	\$13,608
CCWA Labor	\$902
Total Cost	\$14,510
Operating Budget Impact:	Through having an inventory of spare parts, the response time to a breakdown event of the chlorine system will be significantly reduced. This will also avoid elevated costs for expedited orders and shipping as well.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Chlorine Scrubber Inspection
Department:	Water Treatment Plant
Expanded Description	All of the components of the Chlorine Scrubber Unit will be inspected by a qualified chlorine scrubber system inspection firm.
Estimated Charge - Contractor	\$12,000
Contingency (5%)	\$600
Subtotal without CCWA Labor	\$12,600
CCWA Labor	\$10,154
Total Cost	\$22,754
Operating Budget Impact:	Chlorine gas is an acutely toxic gas. Several engineered controls have been in place at the Water Treatment Plant to ensure that any leak in the chlorine storage and delivery system can be controlled to protect the health and safety of plant personnel and the public. The chlorine scrubber system is an important component of the over-all engineered chlorine gas leak prevention and control system. By routinely inspecting the condition of all of the system's components, timely repairs can be implemented and will ensure that the scrubber will continue to work in a reliable manner, improve the success of our safety program and help prevent injury accidents, chemical releases and possible fines for non-compliance.

Description:	Painting Initial Flash Mix, EQ Return Pumps
Department:	Water Treatment Plant
Expanded Description	The paint on the Initial Flash Mix System and the Equalization Return Pumps have deteriorated. To protect the material of these systems from the elements, repainting is required.
Estimated Charge – Material	\$10,000
Tax (8%)	\$800
Contingency (5%)	\$540
Subtotal without CCWA Labor	\$11,340
CCWA Labor	\$1,209
Total Cost	\$12,549
Operating Budget Impact:	Paint is an important measure to reduce the effects of weather and corrosion in above ground piping. Through maintaining a painted surface, the underlying metal material is protected, which will result in an extended service life.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Construction Records Scan and Organization
Department:	ALL/WTP
Expanded Description	An experienced engineering consulting firm will be retained to review the CCWA drawings and construction records to determine (1) what information needs to be retained, (2) how to best organize the information so that it can readily be utilized by the CCWA GIS, (3) develop a system to document changes in design or improvements to CCWA facilities. The deliverable is a Technical Memorandum that documents the findings and recommendation of the review.
Estimated Charge - Contractor	\$10,000
Contingency (5%)	\$500
Subtotal without CCWA Labor	\$10,500
CCWA Labor	\$13,268
Total Cost	\$23,768
Operating Budget Impact:	Maintaining proper construction records is important for ensuring proper maintenance and repair work is consistent with the design intent. It is also important to make these records easily available as well as to have consistent protocols to update these records when needed. Through this project, a system will be developed to increase the efficiency of staff time in researching as-built records when responding to a break-down event.

Description:	Full Drawing Scanner
Department:	ALL/WTP
Expanded Description	This project will be the procurement of a full drawing scanner unit.
Estimated Charge – Material	\$7,500
Tax (8%)	\$600
Contingency (5%)	\$405
Subtotal without CCWA Labor	\$8,505
CCWA Labor	\$663
Total Cost	\$9,168
Operating Budget Impact:	Currently, CCWA Staff is working with Department of Water Resources (DWR) Staff in migrating property and construction records to a digital format and to connect the scanned files to a Geographical Information System (GIS). DWR and CCWA are both jointly developing a GIS using the same standards. The overall goal is to ensure that both DWR and CCWA have the same records and will have the ability to quickly share information. Through purchasing the scanning unit, this work can be completed with in-house staff. This will result in significant savings to the GIS development project, when compared to hiring an outside vendor to perform the scanning.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Pavement Slurry Seal - Tank 2
Department:	33B
Expanded Description	CCWA staff conducts annual asphalt assessments and prioritizes pavement that are in need of crack sealing, slurry sealing or asphalt overlays. This project involves a slurry sealing of approximately 98,200 square feet of pavement at the Tank 2 site.
Estimated Charge - Contractor	\$77,000
Contingency (5%)	<u>\$3,850</u>
Subtotal without CCWA Labor	\$80,850
CCWA Labor	\$2,977
Total Cost	\$83,827
Operating Budget Impact:	Slurry sealing acts as a rehabilitative measure to reverse the oxidation process that occurs with asphalt through time due to exposure to the elements. Through implementing appropriate rehabilitative measures, re-paving is postponed, which results in an overall reduction in the operations and maintenance costs for the pavement.

Description:	Pavement Slurry Seal - Tank 5
Department:	MHII
Expanded Description	CCWA staff conducts annual asphalt assessments and prioritizes pavement that are in need of crack sealing, slurry sealing or asphalt overlays. This project involves slurry sealing approximately 46,200 square feet of the pavement at the Tank 5 site.
Estimated Charge - Contractor	\$36,000
Contingency (5%)	<u>\$1,800</u>
Subtotal without CCWA Labor	\$37,800
CCWA Labor	\$2,977
Total Cost	\$40,777
Operating Budget Impact:	Slurry sealing acts as a rehabilitative measure to reverse the oxidation process that occurs with asphalt through time due to exposure to the elements. Through implementing appropriate rehabilitative measures, re-paving is postponed, which results in an overall reduction in the operations and maintenance costs for the pavement.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Pavement Slurry Seal – SYPP
Department:	SYII
Expanded Description	CCWA staff conducts annual asphalt assessments and prioritizes pavement that are in need of crack sealing, slurry sealing or asphalt overlays. This project involves a slurry sealing approximately 25,500 square feet of the pavement at the Santa Ynez Pumping Plant (SYPP) site.
Estimated Charge – Contractor	\$20,000
Contingency (5%)	<u>\$1,000</u>
Subtotal without CCWA Labor	\$21,000
CCWA Labor	\$2,977
Total Cost	\$23,977
Operating Budget Impact:	Slurry sealing acts as a rehabilitative measure to reverse the oxidation process that occurs with asphalt through time due to exposure to the elements. Through implementing appropriate rehabilitative measures, re-paving is postponed, which results in an overall reduction in the operations and maintenance costs for the pavement.

Description:	Clampon Sonic Meter - ISO 2
Department:	MHII
Expanded Description	This project is to procure and install an externally mounted transit time ultrasonic flow meter at Isolation Valve #2. The original design of the Isolation Valve #2 included an insertion flow meter used to monitor for excessively high flow rates, which would trigger closure of the Isolation Valve. The existing insertion meter is no longer operable. The externally mounted transit time ultrasonic flow meter was selected as a replacement due to similar accuracy, significantly lower cost and ease of installation.
Estimated Charge - Material	\$7,000
Tax (8%)	\$560
Contingency (5%)	<u>\$378</u>
Subtotal without CCWA Labor	\$7,938
CCWA Labor	\$1,595
Total Cost	\$9,533
Operating Budget Impact:	The CCWA pipeline crosses the Santa Ynez River Earthquake Fault in several locations. The Isolation Valves were installed at each of the crossings so that they could shut off flow in the event of a break in the pipeline. These Isolation Valves were required as part of the original approval to construct the pipeline. The primary objective is to prevent large amounts of chloraminated water from flowing into the Santa Ynez River if the pipeline were to breach following an earthquake. Through maintaining this system in working order, potential fines and environmental impact will be avoided should an earthquake occur and the pipeline were to breach.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Clampon Sonic Meter - ISO 4
Department:	SYI
Expanded Description	This project is to procure and install an externally mounted transit time ultrasonic flow meter at Isolation Valve #4. The original design of the Isolation Valve #4 included an insertion flow meter used to monitor for excessively high flow rates, which would trigger closure of the Isolation Valve. The existing insertion meter is no longer operable. The externally mounted transit time ultrasonic flow meter was selected as a replacement due to similar accuracy, significantly lower cost and ease of installation.
Estimated Charge - Material	\$7,000
Tax (8%)	\$560
Contingency (5%)	\$378
Subtotal without CCWA Labor	\$7,938
CCWA Labor	\$1,595
Total Cost	\$9,533
Operating Budget Impact:	The CCWA pipeline crosses the Santa Ynez River Earthquake Fault in several locations. The Isolation Valves were installed at each of the crossings so that they could shut off flow in the event of a break in the pipeline. These Isolation Valves were required as part of the original approval to construct the pipeline. The primary objective is to prevent large amounts of chloraminated water from flowing into the Santa Ynez River if the pipeline were to breach following an earthquake. Through maintaining this system in working order, potential fines and environmental impact will be avoided should an earthquake occur and the pipeline were to breach.

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

Description:	Install Air Conditioning Unit - ISO 2
Department:	MHII
Expanded Description	An air conditioning system will be installed at the Remote Process Control Logic Panel enclosure to address excessive heat issues during the summer season. The current method in use for cooling instrumentation cabinets and enclosures at Isolation Valve #2 during the summer time are vents and fans. This does not cool to the needed level and does not address dust intrusion.
Estimated Charge - Material	\$4,083
Tax (8%)	\$327
Contingency (5%)	\$221
Subtotal without CCWA Labor	\$4,631
CCWA Labor	\$923
Total Cost	\$5,554
Operating Budget Impact:	Isolation Valve instrumentation facilitates the remote operation and monitoring of the Isolation Valve. The reliable operation of the Isolation Valve is required by the original pipeline construction authorization. Therefore, this system must be protected to ensure continuous uninterrupted operation. Through keeping the instrumentation within a climate controlled environment, the service life of the instrumentation will be increased and thus minimize the replacement costs over the lifetime of the Isolation Valve #2 system.

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.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
Fiscal Year 2018/19 Budget

FORMAL EXTRAORDINARY PROJECT PROGRAM DEVELOPMENT

CCWA is moving forward with the development of its first 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 project 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 are the basic steps of preparing a 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. The current method for presenting projects to the Board is through the annual budgeting process. All projects are funded on a current year basis and are included in the Authority's draft budget, which is submitted to the Board of Directors for approval. This process does not provide a full view of multi-year projects nor does it provide a definitive long term plan. In order to adequately communicate to the Board the current work of careful planning and prioritizing of projects, a formal EPP is needed.

CCWA has retained the services of an experienced engineering consultant to assist CCWA staff in developing the formal EPP. The scope of service included a review of the various equipment and facilities assessment prepared by CCWA staff and convening a workshop with CCWA staff during the second quarter 2017 to discuss the results of the assessment programs. As with all EPPs, the basic elements will include the following:

- Identification of Projects. Since the purpose of the 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 will use \$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

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
Fiscal Year 2018/19 Budget

project in itself and may require an extended timeframe to secure a grant, this may be the first step in developing a project.

- **Budgeting Project.** A formal EPP will allow 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 will improve the current method of submitting projects on a current year budget basis only.
- **Implementing Projects.** A standard project management approach will be utilized in organizing and implementing projects. Every project will be 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/Pre-design.** 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

Central Coast Water Authority
 Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2018/19 Budget

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 updates to the Board and may also potentially request modifications of the work underway.

- o 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.

As an initial concept, 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 Extrordinary Project Program (Threshold = \$75,000)											
Major Facilities	Total Budget	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Network											
PLC Upgrade WTP	\$75,000		\$75,000								
SCADA Upgrade - 2 yr	\$350,000						\$175,000	\$175,000			
Hyperconverge Server Technology	\$85,000			\$85,000							
Distribution General											
Air Vac Replacement - 3rd Phase	\$75,000				\$25,000	\$25,000	\$25,000				
Pavement Overlays	\$150,000	\$150,000									
Tank 7 Access Road Overlay	\$95,000		\$95,000								
Water Treatment Plant											
Powdered Activated Carbon System - 1 yr	\$650,000					\$650,000					
West Slope Drainage Improvements - 1 yr	\$350,000		\$350,000								
Sludge Collector System - 3 year	\$675,000								\$225,000	\$225,000	\$225,000
Lining of Chlorine Contact Basin - 1 yr	\$450,000				\$450,000						
Lining of Filters - 4 Yr	\$920,000						\$230,000	\$230,000	\$230,000	\$230,000	
Filter Media Replacement - 2 Filter/Project	\$430,000			\$430,000							
Clearwells/Backwash Structural Repair - 2 yr	\$150,000						\$150,000				
Chlorine Scrubber - 1 Yr	\$150,000				\$150,000						
HVAC Upgrade	\$260,000	\$50,000	\$210,000								
Polymer Mixer Tank	\$100,000			\$100,000							
Pavement Overlays - 1 yr	\$75,000					\$75,000					
EDV											
Hydraulic Package Refurbishment - 1 yr	\$75,000				\$75,000						
Tank 2											
Structural Repair	\$175,000				\$175,000						
Tank 5											
Structural Repair	\$175,000			\$175,000							
Tank 7											
Structural Repair - 1 yr	\$115,000	\$115,000									
Santa Ynez Pumping Plant											
SYPP Electrical Upgrades - 2nd Phase	\$260,000	\$35,000	\$225,000								
Bradbury Dam											
Permanent Bypass Piping System - 2 yr	\$150,000			\$150,000							
Estimated Yearly Totals		\$350,000	\$955,000	\$940,000	\$875,000	\$750,000	\$580,000	\$405,000	\$455,000	\$455,000	\$225,000



*Interior and exterior of Guadalupe Turnout dewatering during 2017 Winter Shutdown.
November 2017*

CCWA Bond Debt

The CCWA Bond Debt section of the FY 2018/19 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.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2018/19 Budget

Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain 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

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2018/19 Budget

payments and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

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 revenue bonds were issued to realize 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. This transaction will reduce the Authority's debt service payments by \$1.1 million per year through the final maturity of the bonds in 2021.

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).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2018/19 Budget

participant and purchaser in each fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

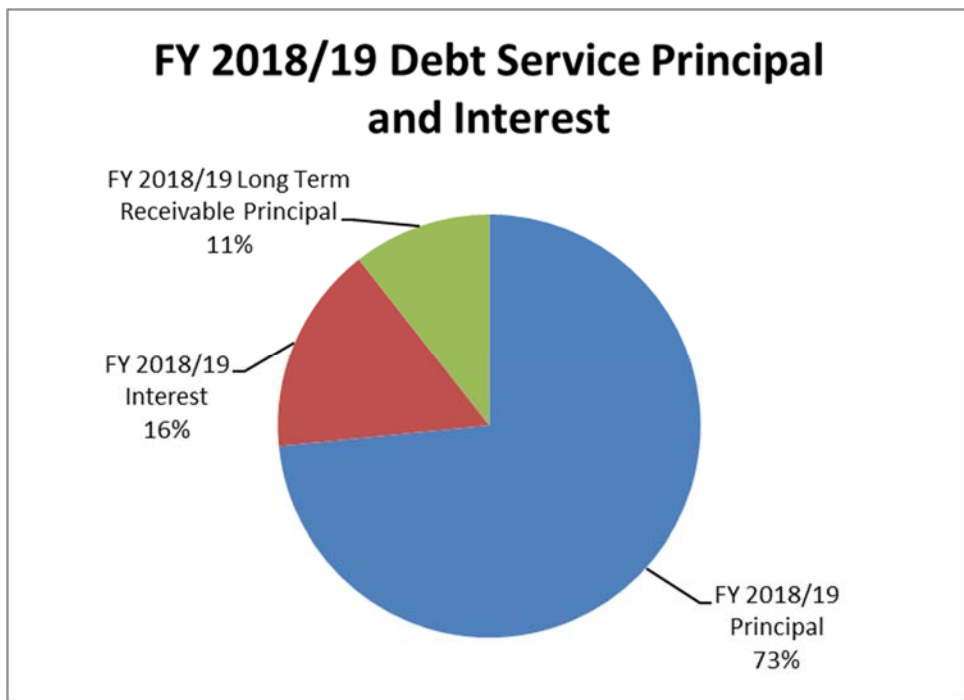
Fiscal Year 2018/19 Debt Service Budget

For FY 2018/19, total 2016A principal payments are \$8,720,000 and total interest payments due are \$1,661,500. 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 \$34,726.

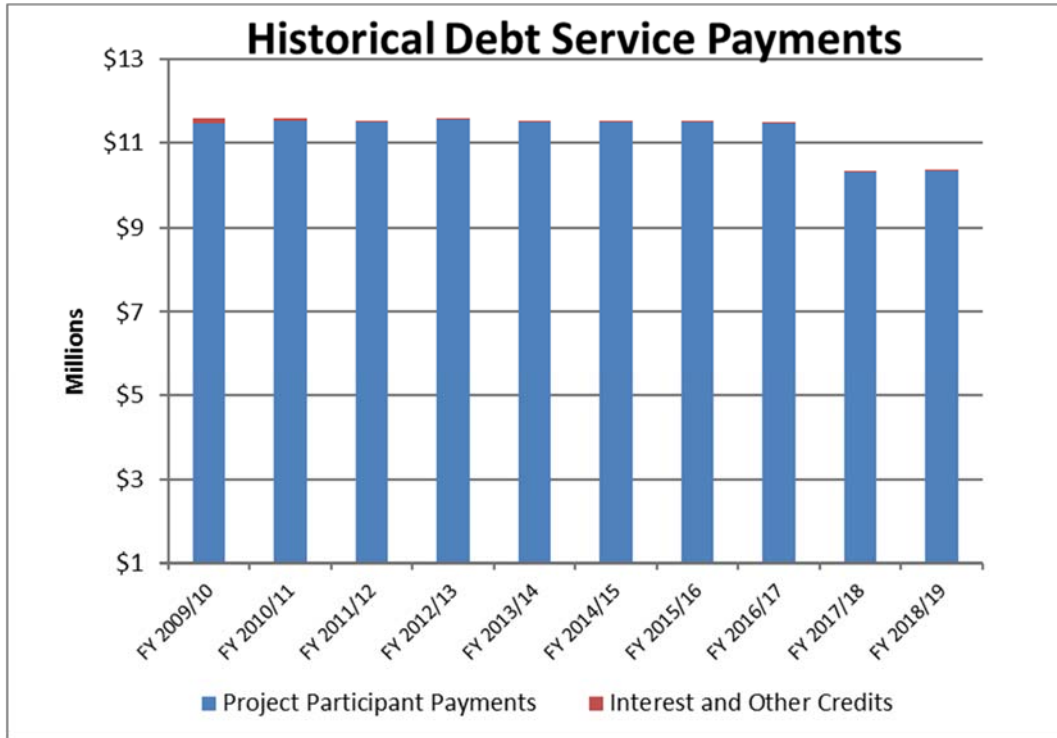
The following chart shows the total principal and interest payments for the 2016A revenue bonds for FY 2018/19.



Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2018/19 Budget

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 2018/19 and the portion of the FY 2018/19 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.

Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2018/19 Budget

Bond Principal Payment Allocated to Financed Local Facilities				
Financing Participant	Original Financed Local Facilities	Principal Payments Prior to FY 2018/19	FY 2018/19 Bond Principal Allocated to Local Facilities	Long Term Receivable Balance
Avila Beach	\$ 41,348	\$ (30,533)	\$ (2,509)	\$ 8,306
California Men's Colony	915,568	(674,002)	(56,038)	185,528
County of SLO	976,433	(718,817)	(59,761)	197,855
Cuesta College	457,835	(337,039)	(28,022)	92,774
Morro Bay	7,036,800	(5,188,919)	(428,665)	1,419,216
Oceano	281,692	(208,013)	(17,092)	56,588
Pismo Beach	465,088	(343,439)	(28,220)	93,429
Shandon	33,276	(24,572)	(2,019)	6,685
Guadalupe	1,201,137	(886,967)	(72,880)	241,290
Buellton	195,505	(144,369)	(11,862)	39,274
Santa Ynez (Solvang)	479,456	(310,112)	(31,643)	137,701
Santa Ynez	159,819	(132,312)	(14,022)	13,485
Goleta	2,969,066	(2,192,476)	(180,151)	596,440
Morehart Land	12,390	(8,815)	(829)	2,746
La Cumbre	61,948	(44,071)	(4,147)	13,730
Raytheon	18,052	(13,330)	(1,095)	3,626
Santa Barbara	648,172	(478,636)	(39,328)	130,208
Montecito	934,625	(664,915)	(62,567)	207,144
Carpinteria	929,035	(686,036)	(56,370)	186,629
TOTAL:	\$ 17,817,245	\$ (13,087,371)	\$ (1,097,220)	\$ 3,632,654

Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2018/19 Budget

Financing Participant	Allocation Percentage	FY 2018/19	FY 2018/19	FY 2018/19	Trustee Expenses	Debt Service	FY 2018/19
		Series A (10/1/18) Principal Payment	Series A (10/1/18) Interest Payment	Series A (4/1/19) Interest Payment		Account Interest & Credits ⁽¹⁾	Total Payments
Avila Beach	0.11449%	\$ 9,983	\$ 1,076	\$ 826	\$ 3	\$ (41)	\$ 11,847
California Men's Colony	1.00140%	87,322	9,411	7,228	27	(361)	103,627
County of SLO	1.06675%	93,021	10,025	7,699	29	(384)	110,389
Cuesta College	0.50074%	43,664	4,706	3,614	14	(180)	51,817
Morro Bay	6.46135%	563,430	60,721	46,635	174	(2,328)	668,631
Oceano	0.83707%	72,993	7,866	6,042	23	(302)	86,622
Pismo Beach	1.38347%	120,639	13,001	9,985	37	(499)	143,164
Shandon	0.11336%	9,885	1,065	818	3	(41)	11,730
Guadalupe	1.42469%	124,233	13,389	10,283	38	(492)	147,451
Buellton	2.52375%	220,071	23,717	18,215	68	(986)	261,085
Santa Ynez (Solvang)	7.75040%	675,835	72,834	55,939	209	(2,749)	802,069
Santa Ynez	2.91069%	253,812	27,353	21,008	79	(1,032)	301,220
Goleta	24.42782%	2,130,106	229,560	176,308	660	(8,417)	2,528,216
Morehart Land	1.12175%	97,817	10,542	8,096	30	(384)	116,100
La Cumbre	5.37046%	468,304	50,469	38,761	145	(1,850)	555,829
Raytheon	0.23482%	20,476	2,207	1,695	6	(92)	24,292
Santa Barbara	15.01654%	1,309,442	141,118	108,382	405	(5,098)	1,554,249
Montecito	17.65001%	1,539,081	165,866	127,389	477	(6,037)	1,826,775
Carpinteria	10.09044%	879,886	94,825	72,828	272	(3,451)	1,044,360
TOTAL:	100.00000%	\$ 8,720,000	\$ 939,750	\$ 721,750	\$ 2,700	\$ (34,726)	\$ 10,349,474

(1) Represents interest on the financing participant debt service payments for FY 2017/18.

Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2018/19 Budget

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 FY 2018/19
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
		\$ 45,470,000	\$ 7,528,819	\$ -	\$ 52,998,819



*Chlorinators at the Water Treatment Plant installed during Winter Shutdown
November 2017*

Reserves and Cash Management

The Reserves and Cash Management section of the 2018/19 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

<u>FY 2018/19 Total Reserve Balances</u>	\$11,241,141
• O&M Reserve Fund	\$ 2,000,000
• Rate Coverage Reserve Fund	\$ 9,241,141

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2018/19 Budget

This section of the Budget discusses the two cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

Operations and Maintenance Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2018/19 Budget

Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal 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 2018/19 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 2018/19 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, 2017. Participation in the fund for FY 2018/19 is not yet known. Prior to June 30, 2018, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2018/19.

FY 2017/18 Rate Coverage Reserve Fund

Project Participant	FY 2017/18 Deposit
City of Buellton	\$ 276,722
Carpinteria Valley Water District	826,022
City of Guadalupe	188,884
La Cumbre Mutual Water Company	395,891
Montecito Water District	1,427,123
City of Santa Maria	5,035,139
Santa Ynez, RWCD, I.D. #1 (Solvang)	613,553
Santa Ynez, RWCD, I.D. #1	462,210
County of San Luis Obispo (Shandon)	15,598
TOTAL:	\$ 9,241,141

Cash Management

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2018/19 Budget

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.

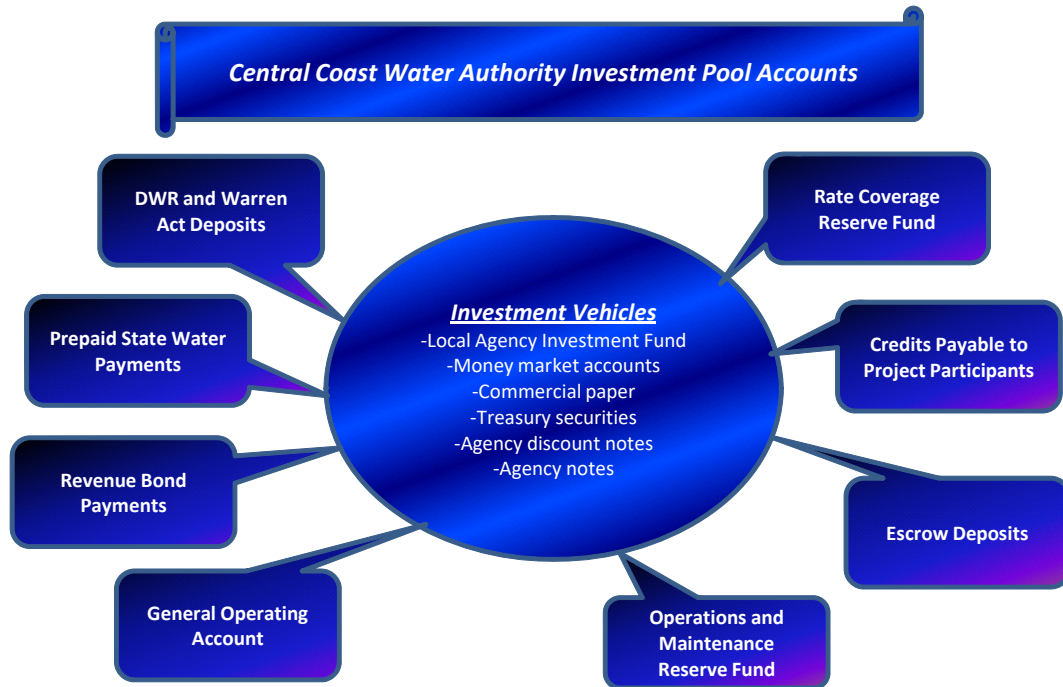
CCWA Investment Pool

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.

The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2018/19 Budget



Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2018/19 Budget

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.



*Maintenance clean out of man holes at chlorine contact building at Water Treatment Plant
April 2018*

Ten Year Financial Plan

The Ten Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant for the next ten years.

Central Coast Water Authority
Ten Year Financial Plan
Fiscal Year 2018/19 Budget

The Ten Year Financial Plan shows the allocated share of the Authority's costs to each project participant for the next ten fiscal years beginning with the current budget year.

The Ten Year Financial Plan is prepared to provide each project participant an estimate of future costs for the Authority. Specifically, these projections are used by the Authority's project participants to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet the coverage covenant contained in the Water Supply Agreements (*please refer to the "Budget Foreword" section of this document for additional information regarding the Water Supply Agreements and the coverage covenant*).

Central Coast Water Authority
ALL PROJECT PARTICIPANTS
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

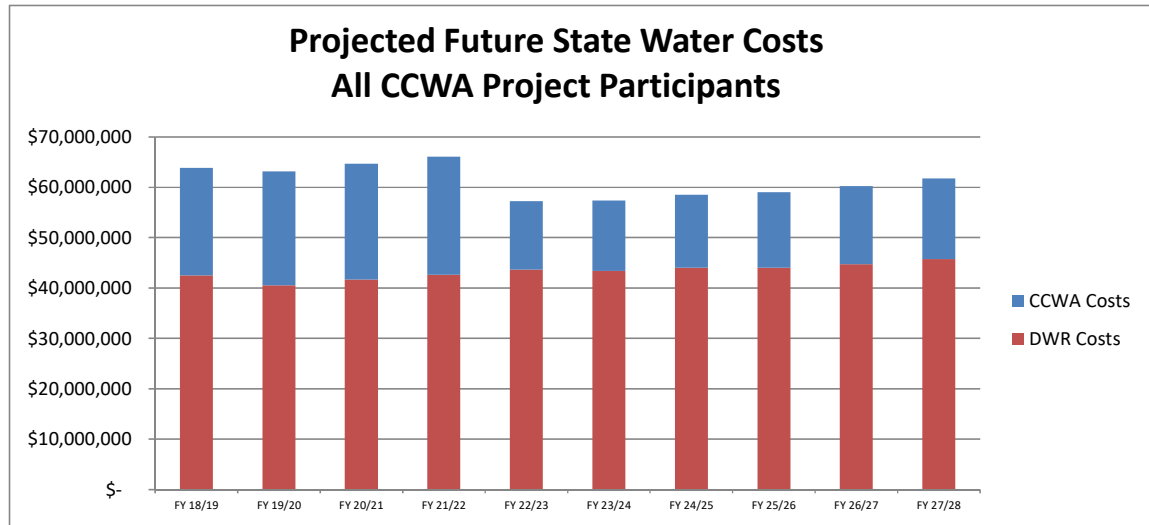
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	9,629	9,629	9,629	9,629	9,629	9,629	9,629	9,629	9,629	9,629
Table A Water Deliveries-2nd Quarter	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416
Table A Water Deliveries-3rd Quarter	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Table A Water Deliveries-4th Quarter	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,704
Total FY Table A Deliveries (acre-feet)	33,249	33,249	33,248	33,248	33,248	33,248	33,248	33,248	33,248	33,248
Exchange Deliveries-1st Quarter	555	555	555	555	555	555	555	555	555	555
Exchange Deliveries-2nd Quarter	75	75	75	75	75	75	75	75	75	75
Exchange Deliveries-3rd Quarter	75	75	75	75	75	75	75	75	75	75
Exchange Deliveries-4th Quarter	405	405	405	405	405	405	405	405	405	405
Total FY Exchange Deliveries (acre-feet)	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110
CCWA Variable Cost per AF Assumptions	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143	\$ 151	\$ 158	\$ 166
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 8,066,697	\$ 8,308,698	\$ 8,557,959	\$ 8,814,698	\$ 9,079,139	\$ 9,351,513	\$ 9,632,058	\$ 9,921,020	\$ 10,218,651	\$ 10,525,210
CCWA Variable O&M Costs ⁽⁵⁾	3,069,046	3,222,511	3,383,631	3,552,812	3,730,453	3,916,976	4,112,824	4,318,466	4,534,389	4,761,108
CCWA Revenue Bond Payments ⁽⁹⁾	9,442,477	10,349,500	10,335,125	10,322,375	-	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	732,824	732,830	732,818	732,818	732,818	732,818	732,818	732,818	732,818	732,818
Subtotal: CCWA Costs	21,311,044	22,613,539	23,009,533	23,422,703	13,542,410	14,001,306	14,477,701	14,972,304	15,485,858	16,019,136
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	19,887,316	19,589,960	19,671,318	19,895,829	19,891,728	19,889,160	19,886,299	19,883,173	19,880,044	19,873,401
Coastal Branch Extension	2,121,083	2,029,784	2,906,756	2,995,766	3,553,303	2,576,221	2,621,444	2,113,152	2,167,705	2,197,795
Water System Revenue Bond Surcharge	1,819,005	1,984,965	1,825,251	1,935,885	1,805,739	1,880,002	1,790,905	1,663,938	1,580,012	1,815,762
Transportation Minimum OMP&R	9,910,270	7,619,430	7,450,714	7,525,221	7,600,473	7,676,478	7,753,243	7,830,775	7,909,083	7,988,174
Delta Water Charge	3,259,881	3,417,780	3,595,617	3,782,345	3,978,410	4,184,278	4,400,440	4,627,409	4,865,727	5,115,961
DWR Variable Costs ⁽⁵⁾	5,544,933	5,938,175	6,235,083	6,546,837	6,874,179	7,217,888	7,578,783	7,957,722	8,355,608	8,773,388
Subtotal: DWR Costs	\$ 42,542,487	\$ 40,580,092	\$ 41,684,738	\$ 42,681,883	\$ 43,703,832	\$ 43,424,027	\$ 44,031,112	\$ 44,076,169	\$ 44,758,179	\$ 45,764,481
Total Projected State Water Costs	\$ 63,853,531	\$ 63,193,631	\$ 64,694,271	\$ 66,104,586	\$ 57,246,242	\$ 57,425,333	\$ 58,508,813	\$ 59,048,473	\$ 60,244,037	\$ 61,783,618

Central Coast Water Authority
ALL PROJECT PARTICIPANTS
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 54,506,728	\$ 53,300,116	\$ 54,342,739	\$ 55,272,118	\$ 45,908,792	\$ 45,557,652	\$ 46,084,388	\$ 46,039,468	\$ 46,621,222	\$ 47,516,303
April 1st Variable Payment ⁽⁴⁾	2,749,006	2,907,869	3,043,882	3,186,705	3,336,669	3,494,131	3,659,467	3,833,069	4,015,351	4,206,748
July 1st Variable Payment	1,993,878	2,108,055	2,205,288	2,307,373	2,414,561	2,527,109	2,645,285	2,769,369	2,899,658	3,036,460
October 1st Variable Payment	2,108,869	2,235,847	2,337,864	2,444,991	2,557,475	2,675,583	2,799,597	2,929,811	3,066,536	3,210,097
January 1st Variable Payment	2,495,049	2,641,744	2,764,498	2,893,399	3,028,745	3,170,858	3,320,076	3,476,756	3,641,270	3,814,009

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a change in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 due to the payoff of CCWA Revenue Bond Debt, thereby changing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
City of Guadalupe
State Water Cost Ten-Year Projections
Fiscal Year 2018/19 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Water Deliveries-1st Quarter	118	118	118	118	118	118	118	118	118	118
Water Deliveries-2nd Quarter	106	106	106	106	106	106	106	106	106	106
Water Deliveries-3rd Quarter	139	139	139	139	139	139	139	139	139	139
Water Deliveries-4th Quarter	164	164	164	164	164	164	164	164	164	164
Total FY Water Deliveries (acre-feet)	527	527	527	527	527	527	527	527	527	527

CCWA Variable Cost per AF Assumptions	\$ 83	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 111	\$ 117	\$ 122	\$ 129
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284

CCWA Costs	
CCWA Fixed O&M Costs ⁽²⁾	\$ 109,394 \$ 112,675 \$ 116,056 \$ 119,537 \$ 110,631 \$ 113,950 \$ 117,369 \$ 120,890 \$ 124,517 \$ 128,252
CCWA Variable O&M Costs ⁽⁵⁾	43,676 45,859 48,152 50,560 53,088 55,742 58,529 61,456 64,529 67,755
CCWA Bond Payments & O&M Credits ⁽⁸⁾	144,041 147,449 147,244 147,062 - - - - - -
Subtotal: CCWA Costs	297,111 305,983 311,452 317,159 163,719 169,693 175,898 182,346 189,045 196,007

DWR Costs ⁽⁷⁾	
Transportation Capital	279,473 275,294 276,438 279,593 279,535 279,499 279,459 279,415 279,371 279,277
Coastal Branch Extension	- - - - - - - - - -
Water System Revenue Bond Surcharge	25,187 27,485 25,274 26,806 25,004 26,032 24,798 23,040 21,878 25,142
Transportation Minimum OMP&R	137,626 105,813 103,470 104,504 105,549 106,605 107,671 108,748 109,835 110,933
Delta Water Charge	43,213 45,459 47,825 50,308 52,916 55,654 58,529 61,548 64,718 68,046
DWR Variable Costs ⁽⁵⁾⁽⁶⁾	119,396 101,279 106,343 111,660 117,243 123,105 129,260 135,723 142,510 149,635
Subtotal: DWR Costs	\$ 604,895 \$ 555,330 \$ 559,348 \$ 572,871 \$ 580,247 \$ 590,895 \$ 599,718 \$ 608,474 \$ 618,312 \$ 633,035
DWR Future Capital Projects (BDPC) ⁽⁵⁾	

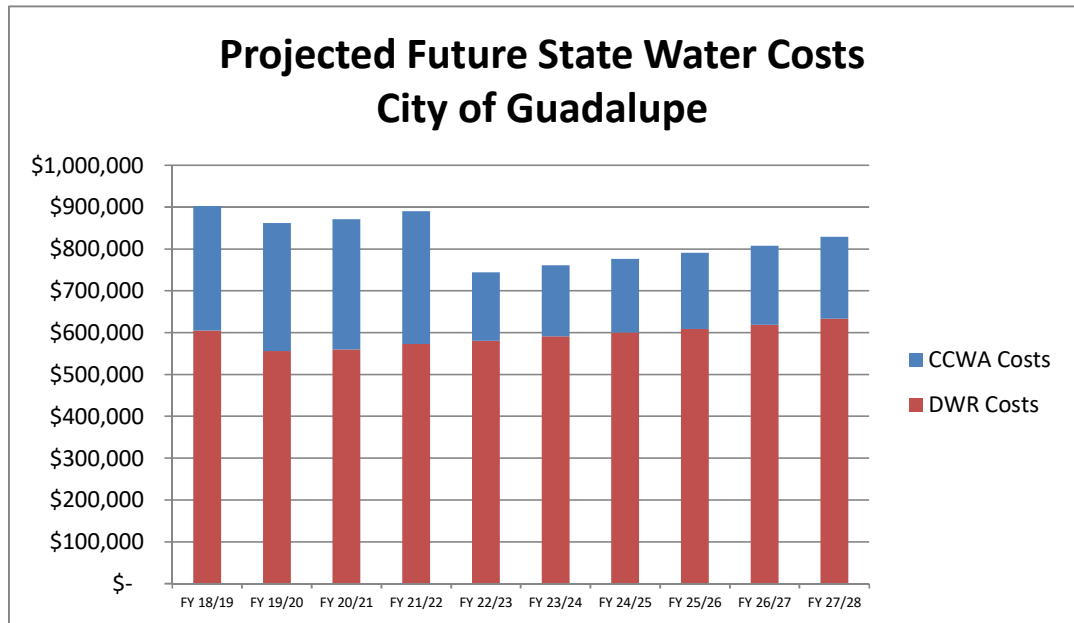
Total Projected State Water Costs	\$ 902,006 \$ 861,314 \$ 870,800 \$ 890,030 \$ 743,966 \$ 760,588 \$ 775,616 \$ 790,820 \$ 807,357 \$ 829,042
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Central Coast Water Authority
City of Guadalupe
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 738,934	\$ 714,175	\$ 716,305	\$ 727,810	\$ 573,635	\$ 581,740	\$ 587,826	\$ 593,641	\$ 600,319	\$ 611,652
April 1st Variable Payment ⁽⁴⁾	36,513	32,946	34,593	36,322	38,139	40,046	42,048	44,150	46,358	48,676
July 1st Variable Payment	32,800	29,595	31,075	32,629	34,260	35,973	37,772	39,660	41,643	43,726
October 1st Variable Payment	43,011	38,809	40,749	42,787	44,926	47,172	49,531	52,007	54,608	57,338
January 1st Variable Payment	50,747	45,789	48,078	50,482	53,006	55,657	58,439	61,361	64,429	67,651

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
City of Santa Maria
State Water Cost Ten-Year Projections
Fiscal Year 2018/19 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Water Deliveries-1st Quarter	3,863	3,863	3,863	3,863	3,863	3,863	3,863	3,863	3,863	3,863
Water Deliveries-2nd Quarter	2,554	2,554	2,554	2,554	2,554	2,554	2,554	2,554	2,554	2,554
Water Deliveries-3rd Quarter	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312	2,312
Water Deliveries-4th Quarter	3,312	3,312	3,312	3,312	3,312	3,312	3,312	3,312	3,312	3,312
Total FY Water Deliveries (acre-feet)	12,041	12,041	12,041	12,041	12,041	12,041	12,041	12,041	12,041	12,041

CCWA Variable Cost per AF Assumptions	\$ 83	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 111	\$ 117	\$ 122	\$ 129
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 3,184,017	\$ 3,279,538	\$ 3,377,924	\$ 3,479,262	\$ 3,215,693	\$ 3,312,164	\$ 3,411,529	\$ 3,513,875	\$ 3,619,291	\$ 3,727,870
CCWA Variable O&M Costs ⁽⁵⁾	997,907	1,047,803	1,100,193	1,155,203	1,212,963	1,273,611	1,337,291	1,404,156	1,474,364	1,548,082
CCWA Bond Payments & O&M Credits	(317,035)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	3,864,889	4,327,340	4,478,117	4,634,464	4,428,656	4,585,775	4,748,820	4,918,031	5,093,655	5,275,952

DWR Costs ⁽⁷⁾										
Transportation Capital	8,231,750	8,108,669	8,142,344	8,235,274	8,233,576	8,232,514	8,231,329	8,230,035	8,228,740	8,225,991
Coastal Branch Extension	462,340	442,407	633,549	652,950	774,469	561,507	571,363	460,577	472,468	479,026
Water System Revenue Bond Surcharge	740,797	808,384	743,340	788,397	735,394	765,638	729,353	677,645	643,466	739,476
Transportation Minimum OMP&R	4,053,712	3,116,663	3,047,651	3,078,128	3,108,909	3,139,998	3,171,398	3,203,112	3,235,143	3,267,495
Delta Water Charge	1,280,807	1,338,980	1,408,651	1,481,805	1,558,617	1,639,270	1,723,955	1,812,875	1,906,241	2,004,274
DWR Variable Costs ^{(5) (6)}	2,315,120	2,314,041	2,429,743	2,551,230	2,678,792	2,812,732	2,953,368	3,101,037	3,256,088	3,418,893
Subtotal: DWR Costs	\$ 17,084,525	\$ 16,129,144	\$ 16,405,279	\$ 16,787,784	\$ 17,089,758	\$ 17,151,658	\$ 17,380,767	\$ 17,485,282	\$ 17,742,146	\$ 18,135,155

DWR Future Capital Projects (BDCP) ⁽⁵⁾

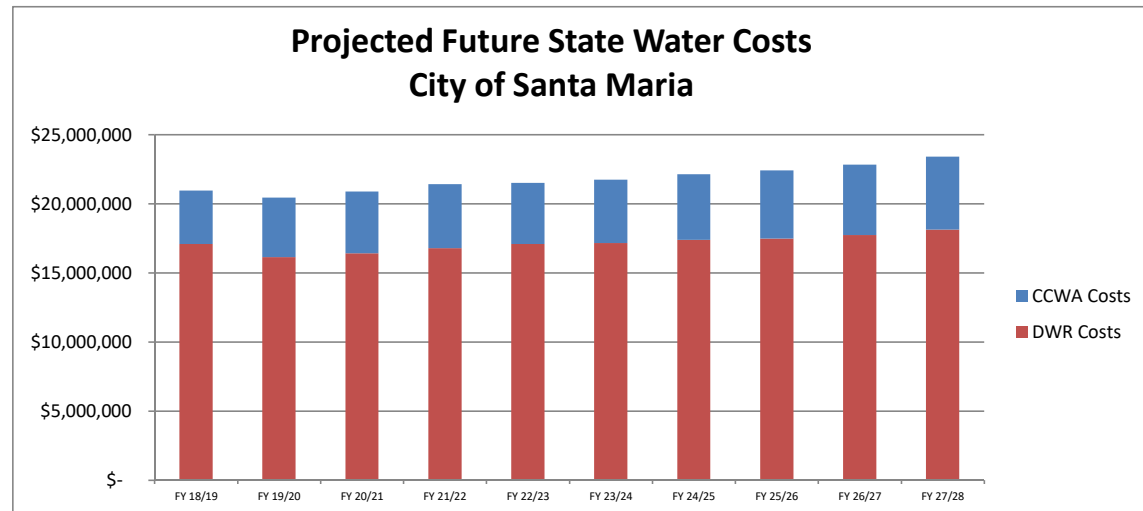
Total Projected State Water Costs	\$ 20,949,415	\$ 20,456,484	\$ 20,883,396	\$ 21,422,248	\$ 21,518,414	\$ 21,737,433	\$ 22,129,588	\$ 22,403,312	\$ 22,835,801	\$ 23,411,106
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Central Coast Water Authority
City of Santa Maria
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 17,636,388	\$ 17,094,640	\$ 17,353,460	\$ 17,715,815	\$ 17,626,659	\$ 17,651,090	\$ 17,838,928	\$ 17,898,120	\$ 18,105,349	\$ 18,444,132
April 1st Variable Payment ⁽⁴⁾	1,062,887	1,078,549	1,132,476	1,189,100	1,248,555	1,310,983	1,376,532	1,445,358	1,517,626	1,593,507
July 1st Variable Payment	702,722	713,076	748,730	786,166	825,475	866,748	910,086	955,590	1,003,370	1,053,538
October 1st Variable Payment	636,136	645,510	677,785	711,675	747,258	784,621	823,852	865,045	908,297	953,712
January 1st Variable Payment	911,282	924,710	970,945	1,019,492	1,070,467	1,123,990	1,180,190	1,239,199	1,301,159	1,366,217

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.



Central Coast Water Authority
Golden State Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Water Deliveries-1st Quarter	124	124	124	124	124	124	124	124	124	124
Water Deliveries-2nd Quarter	57	57	57	57	57	57	57	57	57	57
Water Deliveries-3rd Quarter	60	60	60	60	60	60	60	60	60	60
Water Deliveries-4th Quarter	94	94	94	94	94	94	94	94	94	94
Total FY Water Deliveries (acre-feet)	335	335	335	335	335	335	335	335	335	335

CCWA Variable Cost per AF Assumptions	\$ 83	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 111	\$ 117	\$ 122	\$ 129
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 107,086	\$ 110,299	\$ 113,608	\$ 117,016	\$ 109,170	\$ 112,445	\$ 115,819	\$ 119,293	\$ 122,872	\$ 126,558
CCWA Variable O&M Costs ⁽⁵⁾	27,763	29,152	30,609	32,140	33,747	35,434	37,206	39,066	41,019	43,070
CCWA Bond Payments & O&M Credits	(9,666)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	125,184	139,451	144,217	149,156	142,917	147,879	153,024	158,359	163,891	169,629

DWR Costs ⁽⁷⁾										
Transportation Capital	254,066	250,268	251,307	254,175	254,123	254,090	254,053	254,013	253,973	253,889
Coastal Branch Extension	14,270	13,643	19,538	20,136	23,884	17,316	17,620	14,204	14,570	14,773
Water System Revenue Bond Surcharge	22,834	24,918	22,913	24,302	22,668	23,600	22,482	20,888	19,834	22,794
Transportation Minimum OMP&R	125,115	96,193	94,063	95,004	95,954	96,914	97,883	98,861	99,850	100,849
Delta Water Charge	39,284	41,327	43,477	45,735	48,105	50,595	53,208	55,953	58,835	61,860
DWR Variable Costs ^{(5) (6)}	40,893	64,380	67,599	70,979	74,528	78,255	82,167	86,276	90,590	95,119
Subtotal: DWR Costs	\$ 496,463	\$ 490,729	\$ 498,897	\$ 510,331	\$ 519,262	\$ 520,769	\$ 527,414	\$ 530,195	\$ 537,652	\$ 549,283
DWR Future Capital Projects (BDCP) ⁽⁵⁾										

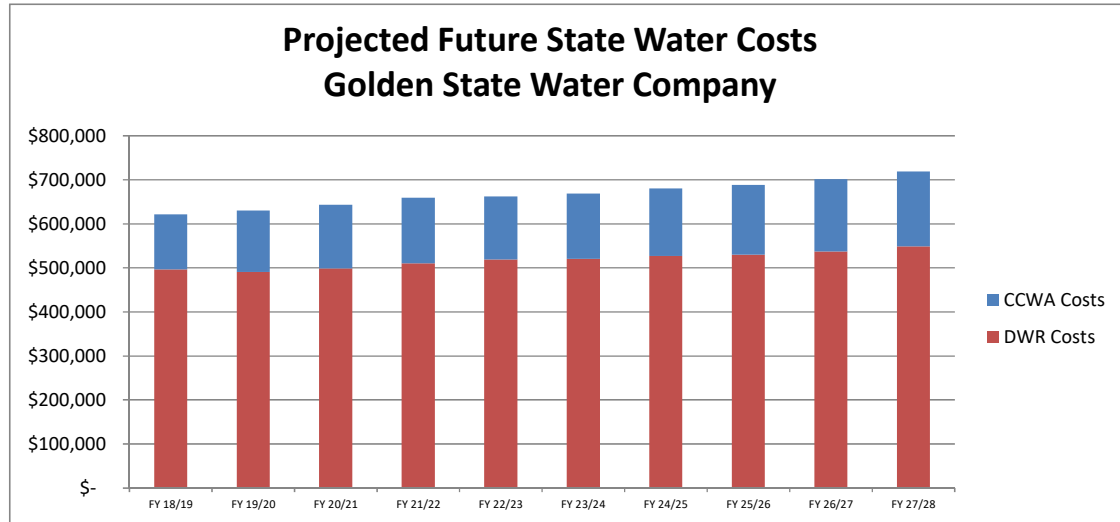
Total Projected State Water Costs	\$ 621,647	\$ 630,179	\$ 643,114	\$ 659,487	\$ 662,179	\$ 668,649	\$ 680,438	\$ 688,555	\$ 701,544	\$ 718,912
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Central Coast Water Authority
Golden State Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	552,990	\$	536,648	\$	544,906	\$	556,368	\$	553,904	\$	554,960	\$	561,065	\$	563,213	\$	569,935	\$	580,722
April 1st Variable Payment ⁽⁴⁾		25,413		34,621		36,352		38,169		40,078		42,082		44,186		46,395		48,715		51,151
July 1st Variable Payment		11,682		15,914		16,710		17,546		18,423		19,344		20,311		21,327		22,393		23,513
October 1st Variable Payment		12,297		16,752		17,590		18,469		19,393		20,362		21,380		22,449		23,572		24,750
January 1st Variable Payment		19,265		26,245		27,557		28,935		30,382		31,901		33,496		35,171		36,929		38,775

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.



Central Coast Water Authority
Vandenberg AFB
State Water Cost Ten-Year Projections
Fiscal Year 2018/19 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Water Deliveries-1st Quarter	899	899	899	899	899	899	899	899	899	899
Water Deliveries-2nd Quarter	511	511	511	511	511	511	511	511	511	511
Water Deliveries-3rd Quarter	473	473	473	473	473	473	473	473	473	473
Water Deliveries-4th Quarter	711	711	711	711	711	711	711	711	711	711
Total FY Water Deliveries (acre-feet)	2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594	2,594

CCWA Variable Cost per AF Assumptions	\$ 83	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 111	\$ 117	\$ 122	\$ 129
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 1,188,443	\$ 1,224,096	\$ 1,260,819	\$ 1,298,643	\$ 1,212,683	\$ 1,249,063	\$ 1,286,535	\$ 1,325,131	\$ 1,364,885	\$ 1,405,832
CCWA Variable O&M Costs ⁽⁵⁾	214,980	225,729	237,015	248,866	261,309	274,375	288,094	302,498	317,623	333,504
CCWA Bond Payments & O&M Credits	-	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	1,403,422	1,449,825	1,497,834	1,547,509	1,473,992	1,523,438	1,574,629	1,627,629	1,682,508	1,739,336

DWR Costs ⁽⁷⁾										
Transportation Capital	2,794,730	2,752,943	2,764,376	2,795,926	2,795,350	2,794,989	2,794,587	2,794,148	2,793,708	2,792,775
Coastal Branch Extension	414,358	396,543	567,871	585,260	694,182	503,297	512,132	412,831	423,488	429,367
Water System Revenue Bond Surcharge	251,589	274,543	252,452	267,754	249,754	260,025	247,702	230,141	218,533	251,140
Transportation Minimum OMP&R	1,376,260	1,058,126	1,034,696	1,045,043	1,055,494	1,066,049	1,076,709	1,087,476	1,098,351	1,109,335
Delta Water Charge	432,129	454,592	478,246	503,082	529,160	556,542	585,293	615,482	647,180	680,464
DWR Variable Costs ^{(5) (6)}	530,118	498,515	523,441	549,613	577,094	605,948	636,246	668,058	701,461	736,534
Subtotal: DWR Costs	\$ 5,799,183	\$ 5,435,263	\$ 5,621,083	\$ 5,746,679	\$ 5,901,034	\$ 5,786,851	\$ 5,852,669	\$ 5,808,136	\$ 5,882,722	\$ 5,999,614
DWR Future Capital Projects (BDCP) ⁽⁵⁾										

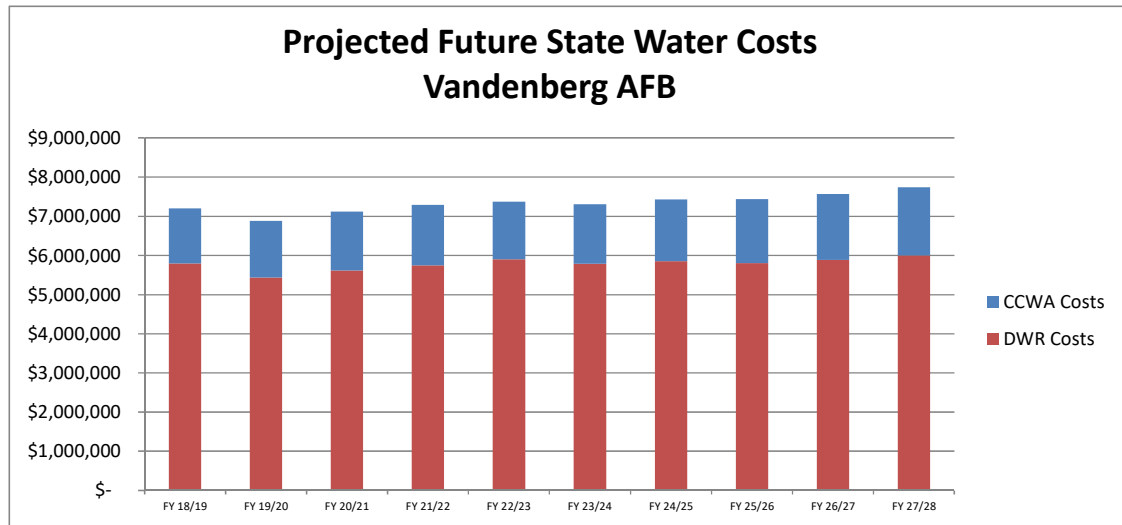
Total Projected State Water Costs	\$ 7,202,606	\$ 6,885,087	\$ 7,118,917	\$ 7,294,189	\$ 7,375,025	\$ 7,310,289	\$ 7,427,298	\$ 7,435,766	\$ 7,565,230	\$ 7,738,949
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Central Coast Water Authority
Vandenberg AFB
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 6,457,508	\$ 6,160,843	\$ 6,358,460	\$ 6,495,710	\$ 6,536,622	\$ 6,429,965	\$ 6,502,959	\$ 6,465,209	\$ 6,546,146	\$ 6,668,911
April 1st Variable Payment ⁽⁴⁾	258,228	251,001	263,551	276,728	290,565	305,093	320,347	336,365	353,183	370,842
July 1st Variable Payment	146,779	142,671	149,805	157,295	165,160	173,418	182,088	191,193	200,753	210,790
October 1st Variable Payment	135,864	132,061	138,665	145,598	152,878	160,522	168,548	176,975	185,824	195,115
January 1st Variable Payment	204,227	198,511	208,437	218,858	229,801	241,291	253,356	266,024	279,325	293,291

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.



Central Coast Water Authority
City of Buellton
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Water Deliveries-1st Quarter	182	182	182	182	182	182	182	182	182	182
Water Deliveries-2nd Quarter	73	73	73	73	73	73	73	73	73	73
Water Deliveries-3rd Quarter	135	135	135	135	135	135	135	135	135	135
Water Deliveries-4th Quarter	162	162	162	162	162	162	162	162	162	162
Total FY Water Deliveries (acre-feet)	552	552	552	552	552	552	552	552	552	552

CCWA Variable Cost per AF Assumptions	\$ 83	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 111	\$ 117	\$ 122	\$ 129
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 149,154	\$ 153,628	\$ 158,237	\$ 162,984	\$ 154,746	\$ 159,388	\$ 164,170	\$ 169,095	\$ 174,168	\$ 179,393
CCWA Variable O&M Costs ⁽⁵⁾	45,747	48,035	50,437	52,958	55,606	58,387	61,306	64,371	67,590	70,969
CCWA Bond Payments & O&M Credits ⁽⁸⁾	249,286	261,196	260,833	260,511	-	-	-	-	-	-
Subtotal: CCWA Costs	444,187	462,859	469,507	476,454	210,352	217,775	225,476	233,466	241,758	250,362

DWR Costs ⁽⁷⁾										
Transportation Capital	293,701	289,309	290,511	293,826	293,766	293,728	293,686	293,639	293,593	293,495
Coastal Branch Extension	43,545	41,658	59,656	61,483	72,925	52,873	53,801	43,369	44,488	45,106
Water System Revenue Bond Surcharge	26,466	28,881	26,557	28,167	26,273	27,354	26,057	24,210	22,989	26,419
Transportation Minimum OMP&R	144,632	111,199	108,737	109,825	110,923	112,032	113,152	114,284	115,427	116,581
Delta Water Charge	45,427	47,789	50,275	52,886	55,627	58,506	61,528	64,702	68,034	71,533
DWR Variable Costs ^{(5) (6)}	101,940	106,083	111,388	116,957	122,805	128,945	135,392	142,162	149,270	156,734
Subtotal: DWR Costs	\$ 655,712	\$ 624,919	\$ 647,124	\$ 663,144	\$ 682,319	\$ 673,437	\$ 683,617	\$ 682,366	\$ 693,802	\$ 709,868

DWR Future Capital Projects (BDCP) ⁽⁵⁾

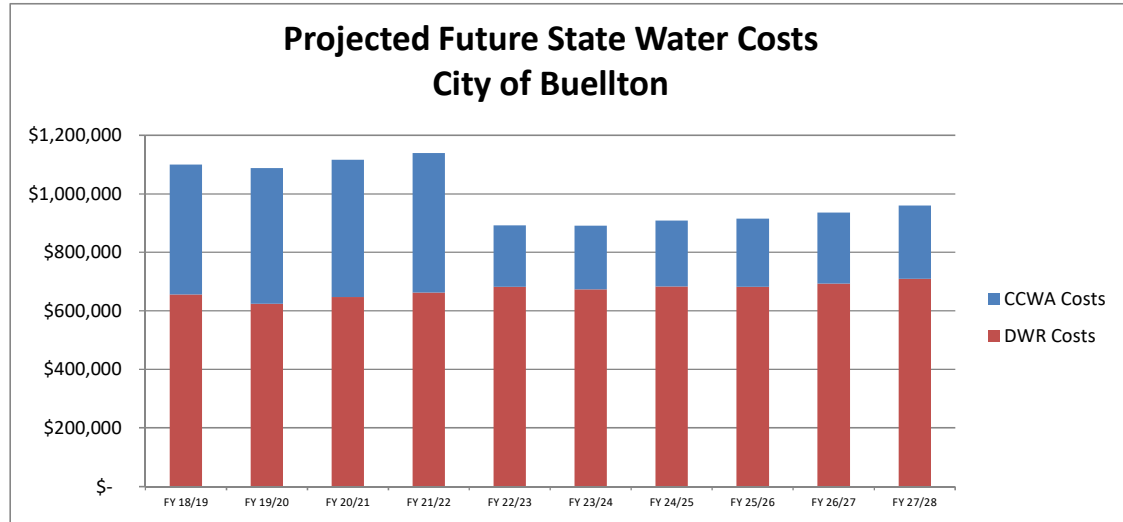
Total Projected State Water Costs	\$ 1,099,899	\$ 1,087,778	\$ 1,116,631	\$ 1,139,597	\$ 892,672	\$ 891,212	\$ 909,093	\$ 915,832	\$ 935,559	\$ 960,230
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Central Coast Water Authority
City of Buellton
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	952,211	\$	933,660	\$	954,806	\$	969,682	\$	714,261	\$	703,880	\$	712,394	\$	709,299	\$	718,699	\$	732,527
April 1st Variable Payment ⁽⁴⁾		48,694		50,814		53,355		56,023		58,824		61,765		64,853		68,096		71,501		75,076
July 1st Variable Payment		19,531		20,382		21,401		22,471		23,594		24,774		26,013		27,313		28,679		30,113
October 1st Variable Payment		36,119		37,692		39,577		41,555		43,633		45,815		48,106		50,511		53,036		55,688
January 1st Variable Payment		43,343		45,230		47,492		49,866		52,360		54,978		57,727		60,613		63,644		66,826

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
State Water Cost Ten-Year Projections
Fiscal Year 2018/19 Final Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Water Deliveries-1st Quarter	370	370	370	370	370	370	370	370	370	370
Water Deliveries-2nd Quarter	170	170	170	170	170	170	170	170	170	170
Water Deliveries-3rd Quarter	145	145	145	145	145	145	145	145	145	145
Water Deliveries-4th Quarter	280	280	280	280	280	280	280	280	280	280
Total FY Water Deliveries (acre-feet)	965	965	965	965	965	965	965	965	965	965

CCWA Variable Cost per AF Assumptions	\$ 83	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 111	\$ 117	\$ 122	\$ 129
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 375,484	\$ 386,749	\$ 398,351	\$ 410,302	\$ 388,542	\$ 400,198	\$ 412,204	\$ 424,570	\$ 437,307	\$ 450,427
CCWA Variable O&M Costs ⁽⁵⁾	79,975	83,974	88,173	92,581	97,210	102,071	107,174	112,533	118,160	124,068
CCWA Bond Payments & O&M Credits ⁽⁸⁾	769,074	802,128	801,014	800,025	-	-	-	-	-	-
Subtotal: CCWA Costs	1,224,534	1,272,851	1,287,538	1,302,909	485,752	502,269	519,378	537,103	555,467	574,494

DWR Costs ⁽⁷⁾										
Transportation Capital	754,825	743,538	746,626	755,148	754,992	754,894	754,786	754,667	754,548	754,296
Coastal Branch Extension	113,007	108,152	154,880	159,622	189,329	137,268	139,677	112,594	115,501	117,104
Water System Revenue Bond Surcharge	66,183	72,221	66,410	70,435	65,700	68,402	65,160	60,541	57,487	66,065
Transportation Minimum OMP&R	364,779	280,457	274,247	276,989	279,759	282,557	285,382	288,236	291,119	294,030
Delta Water Charge	107,735	112,709	118,573	124,731	131,197	137,986	145,114	152,599	160,458	168,710
DWR Variable Costs ^{(5) (6)}	152,886	185,454	194,727	204,463	214,686	225,420	236,691	248,526	260,952	274,000
Subtotal: DWR Costs	\$ 1,559,414	\$ 1,502,531	\$ 1,555,463	\$ 1,591,389	\$ 1,635,664	\$ 1,606,527	\$ 1,626,812	\$ 1,617,164	\$ 1,640,066	\$ 1,674,205

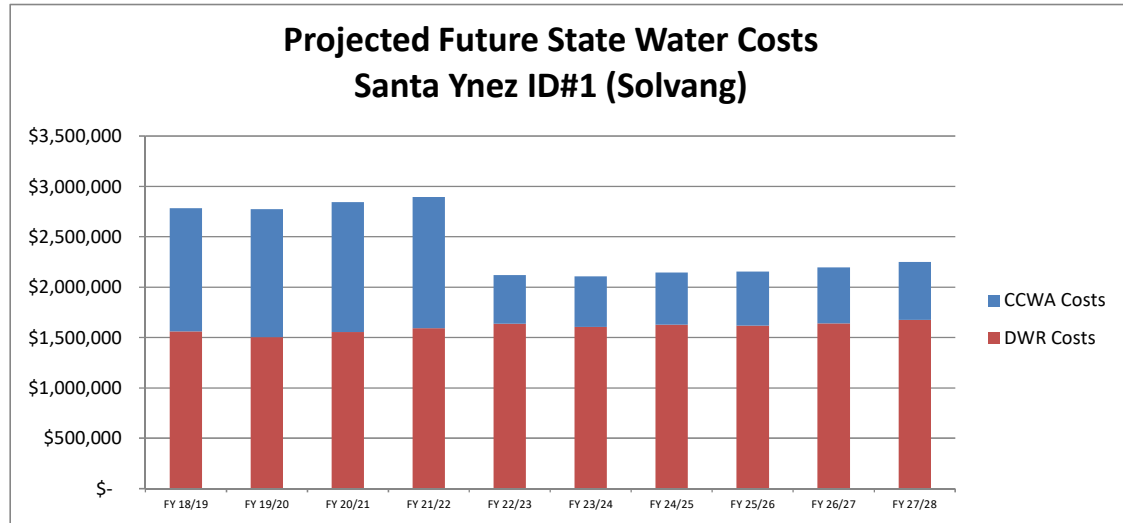
Total Projected State Water Costs	\$ 2,783,948	\$ 2,775,382	\$ 2,843,000	\$ 2,894,297	\$ 2,121,416	\$ 2,108,796	\$ 2,146,190	\$ 2,154,267	\$ 2,195,533	\$ 2,248,699
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Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 2,551,087	\$ 2,505,954	\$ 2,560,101	\$ 2,597,253	\$ 1,809,519	\$ 1,781,305	\$ 1,802,324	\$ 1,793,208	\$ 1,816,421	\$ 1,850,632
April 1st Variable Payment ⁽⁴⁾	89,284	103,304	108,469	113,893	119,587	125,567	131,845	138,437	145,359	152,627
July 1st Variable Payment	41,022	47,464	49,837	52,329	54,945	57,693	60,577	63,606	66,787	70,126
October 1st Variable Payment	34,990	40,484	42,508	44,634	46,865	49,209	51,669	54,252	56,965	59,813
January 1st Variable Payment	67,566	78,176	82,085	86,189	90,498	95,023	99,774	104,763	110,001	115,501

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits. DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Santa Ynez ID#1
State Water Cost Ten-Year Projections
Fiscal Year 2018/19 Final Budget

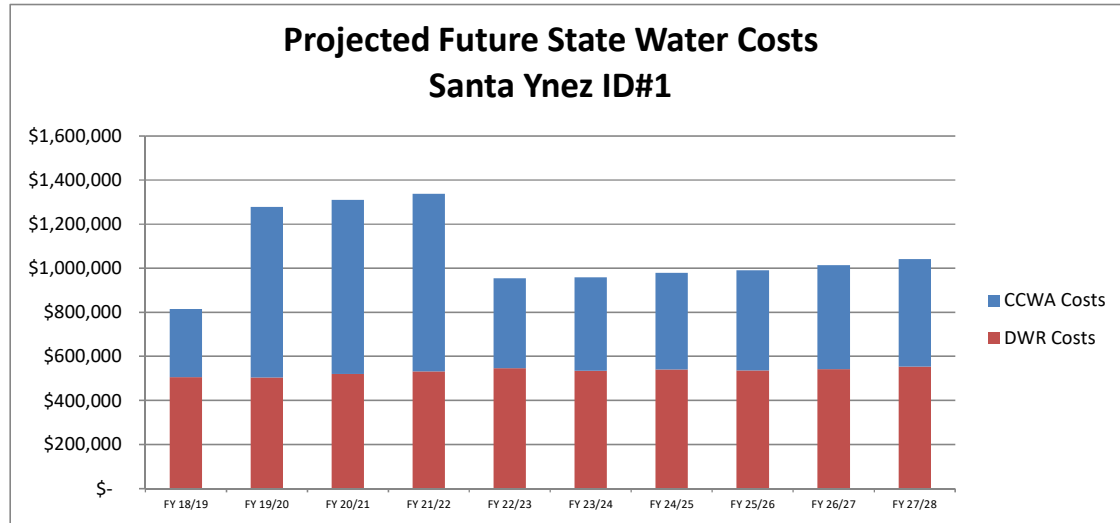
Water Deliveries-Fiscal Year Basis (AF) ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	65	65	65	65	65	65	65	65	65	65
Table A Water Deliveries-2nd Quarter	15	15	15	15	15	15	15	15	15	15
Table A Water Deliveries-3rd Quarter	-	-	-	-	-	-	-	-	-	-
Table A Water Deliveries-4th Quarter	60	60	60	60	60	60	60	60	60	60
Total FY Table A Deliveries (acre-feet)	140	140	140	140	140	140	140	140	140	140
Exchange Deliveries-1st Quarter	555	555	555	555	555	555	555	555	555	555
Exchange Deliveries-2nd Quarter	75	75	75	75	75	75	75	75	75	75
Exchange Deliveries-3rd Quarter	75	75	75	75	75	75	75	75	75	75
Exchange Deliveries-4th Quarter	405	405	405	405	405	405	405	405	405	405
Total FY Exchange Deliveries (acre-feet)	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110	1,110
CCWA Variable Cost per AF Assumptions	\$ 83	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 111	\$ 117	\$ 122	\$ 129
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284
CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 352,998	\$ 363,588	\$ 374,496	\$ 385,731	\$ 282,792	\$ 291,276	\$ 300,014	\$ 309,015	\$ 318,285	\$ 327,834
CCWA Variable O&M Costs ⁽⁵⁾	103,595	108,774	114,232	119,944	125,941	132,238	138,850	145,793	153,082	160,737
CCWA Bond Payments & O&M Credits ⁽⁸⁾	(147,670)	301,242	300,823	300,452	-	-	-	-	-	-
Subtotal: CCWA Costs	308,923	773,605	789,552	806,127	408,734	423,514	438,865	454,808	471,368	488,570
DWR Costs ⁽⁷⁾										
Transportation Capital	261,441	257,532	258,601	261,553	261,499	261,465	261,428	261,387	261,345	261,258
Coastal Branch Extension	37,669	36,065	51,647	53,229	63,135	45,775	46,578	37,547	38,516	39,051
Water System Revenue Bond Surcharge	25,090	27,379	25,176	26,703	24,907	25,932	24,703	22,951	21,794	25,046
Transportation Minimum OMP&R	135,680	104,316	102,006	103,026	104,057	105,097	106,148	107,210	108,282	109,365
Delta Water Charge	49,082	52,597	55,334	58,208	61,225	64,393	67,720	71,213	74,880	78,731
DWR Variable Costs ^{(5) (6)}	(3,267)	26,905	28,250	29,663	31,146	32,703	34,339	36,056	37,858	39,751
Subtotal: DWR Costs	\$ 505,695	\$ 504,796	\$ 521,016	\$ 532,382	\$ 545,970	\$ 535,365	\$ 540,915	\$ 536,363	\$ 542,676	\$ 553,201
Total Projected State Water Costs	\$ 814,618	\$ 1,278,400	\$ 1,310,568	\$ 1,338,509	\$ 954,703	\$ 958,880	\$ 979,780	\$ 991,170	\$ 1,014,043	\$ 1,041,772

Central Coast Water Authority
Santa Ynez ID#1
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	714,290	\$	1,142,721	\$	1,168,085	\$	1,188,902	\$	797,616	\$	793,938	\$	806,591	\$	809,322	\$	823,102	\$	841,284
April 1st Variable Payment ⁽⁴⁾		49,762		66,444		69,766		73,254		76,917		80,763		84,801		89,041		93,493		98,168
July 1st Variable Payment		7,224		10,714		11,269		11,833		12,425		13,046		13,698		14,383		15,102		15,857
October 1st Variable Payment		6,020		6,526		6,853		7,195		7,555		7,933		8,330		8,746		9,183		9,643
January 1st Variable Payment		37,322		51,995		54,595		57,324		60,191		63,200		66,360		69,678		73,162		76,820

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Goleta Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

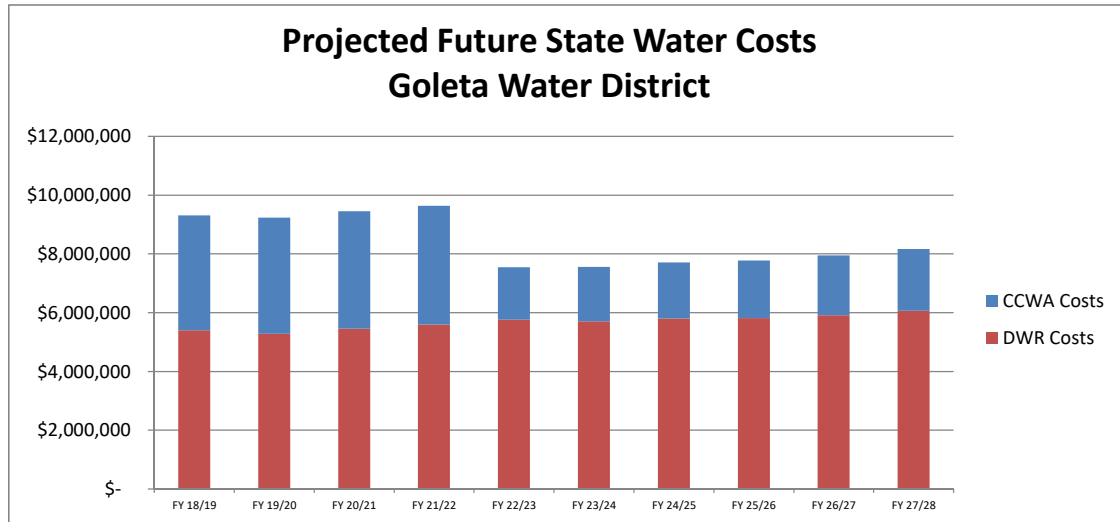
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	971	971	971	971	971	971	971	971	971	971
Table A Water Deliveries-2nd Quarter	981	981	981	981	981	981	981	981	981	981
Table A Water Deliveries-3rd Quarter	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223
Table A Water Deliveries-4th Quarter	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027
Total FY Table A Deliveries (<i>acre-feet</i>)	4,202	4,202	4,202	4,202	4,202	4,202	4,202	4,202	4,202	4,202
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	200	200	200	200	200	200	200	200	200	200
Exchange Deliveries-2nd Quarter	27	27	27	27	27	27	27	27	27	27
Exchange Deliveries-3rd Quarter	27	27	27	27	27	27	27	27	27	27
Exchange Deliveries-4th Quarter	146	146	146	146	146	146	146	146	146	146
Total FY Exchange Deliveries (<i>acre-feet</i>)	400	400	400	400	400	400	400	400	400	400
CCWA Variable Cost per AF Assumptions	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143	\$ 151	\$ 158	\$ 166
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 689,155	\$ 709,830	\$ 731,125	\$ 753,058	\$ 998,504	\$ 1,028,459	\$ 1,059,313	\$ 1,091,093	\$ 1,123,825	\$ 1,157,540
CCWA Variable O&M Costs ⁽⁵⁾	449,619	472,126	495,723	520,509	546,535	573,862	602,555	632,683	664,317	697,533
CCWA Bond Payments & O&M Credits ⁽⁹⁾	2,526,212	2,528,157	2,524,645	2,521,531	-	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	243,726	243,739	243,735	243,735	243,735	243,735	243,735	243,735	243,735	243,735
Subtotal: CCWA Costs	3,908,712	3,953,852	3,995,228	4,038,833	1,788,774	1,846,056	1,905,603	1,967,510	2,031,877	2,098,807
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	2,317,103	2,282,457	2,291,936	2,318,095	2,317,617	2,317,318	2,316,984	2,316,620	2,316,255	2,315,481
Coastal Branch Extension	339,020	324,413	464,576	478,802	567,911	411,748	418,976	337,737	346,456	351,265
Water System Revenue Bond Surcharge	238,264	260,002	239,082	253,573	236,526	246,254	234,583	217,952	206,959	237,839
Transportation Minimum OMP&R	1,257,847	967,085	945,671	955,128	964,679	974,326	984,069	993,910	1,003,849	1,013,888
Delta Water Charge	532,478	559,787	588,914	619,498	651,610	685,329	720,733	757,908	796,941	837,926
DWR Variable Costs ⁽⁵⁾⁽⁶⁾	715,145	884,413	928,634	975,065	1,023,819	1,075,010	1,128,760	1,185,198	1,244,458	1,306,681
Subtotal: DWR Costs	\$ 5,399,856	\$ 5,278,157	\$ 5,458,813	\$ 5,600,161	\$ 5,762,162	\$ 5,709,983	\$ 5,804,106	\$ 5,809,326	\$ 5,914,919	\$ 6,063,081
DWR Future Capital Projects (BDPC) ⁽⁵⁾										
Total Projected State Water Costs	\$ 9,308,569	\$ 9,232,009	\$ 9,454,041	\$ 9,638,994	\$ 7,550,937	\$ 7,556,039	\$ 7,709,708	\$ 7,776,835	\$ 7,946,796	\$ 8,161,888

Central Coast Water Authority
Goleta Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 7,900,079	\$ 7,631,731	\$ 7,785,950	\$ 7,899,685	\$ 5,736,848	\$ 5,663,433	\$ 5,734,659	\$ 5,715,220	\$ 5,794,287	\$ 5,913,940
April 1st Variable Payment ⁽⁴⁾	358,415	407,198	424,454	442,575	461,603	481,582	502,560	524,588	547,716	572,001
July 1st Variable Payment	308,524	350,517	365,371	380,970	397,349	414,547	432,605	451,566	471,475	492,380
October 1st Variable Payment	382,524	434,669	453,089	472,433	492,745	514,072	536,465	559,978	584,667	610,590
January 1st Variable Payment	359,027	407,894	425,179	443,331	462,392	482,405	503,419	525,483	548,651	572,978

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 are to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2018/19 fixed payment is paid on June 1, 2018).
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- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Morehart Land Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

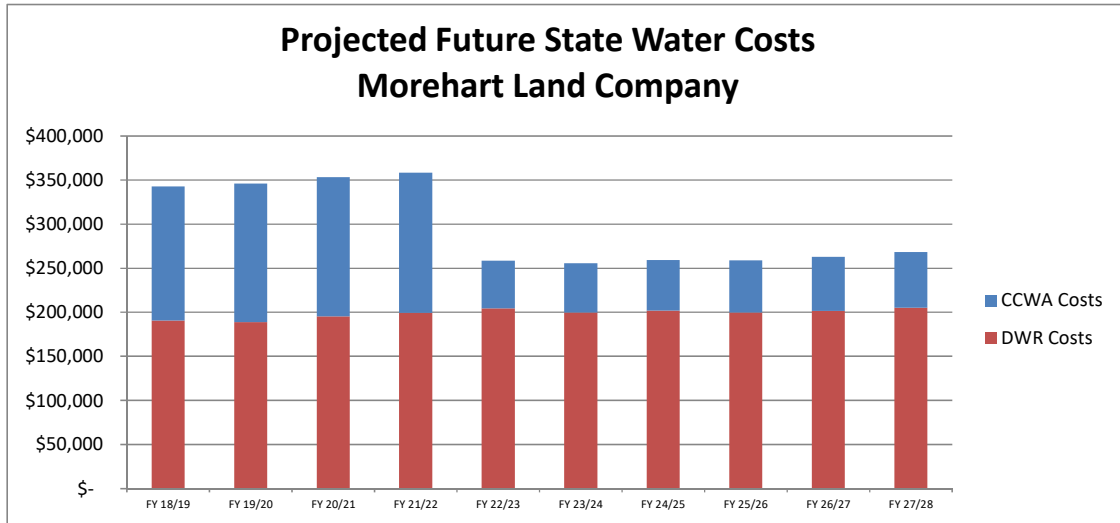
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	20	20	20	20	20	20	20	20	20	20
Table A Water Deliveries-2nd Quarter	12	12	12	12	12	12	12	12	12	12
Table A Water Deliveries-3rd Quarter	6	6	6	6	6	6	6	6	6	6
Table A Water Deliveries-4th Quarter	11	11	11	11	11	11	11	11	11	11
Total FY Table A Deliveries (<i>acre-feet</i>)	49	49	49	49	49	49	49	49	49	49
CCWA Variable Cost per AF Assumptions	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143	\$ 151	\$ 158	\$ 166
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 31,504	\$ 32,450	\$ 33,423	\$ 34,426	\$ 44,960	\$ 46,308	\$ 47,698	\$ 49,129	\$ 50,603	\$ 52,121
CCWA Variable O&M Costs ⁽⁵⁾	5,243	5,505	5,780	6,069	6,373	6,691	7,026	7,377	7,746	8,133
CCWA Bond Payments & O&M Credits ⁽⁹⁾	112,562	116,095	115,934	115,791	-	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	2,842	2,842	2,842	2,842	2,842	2,842	2,842	2,842	2,842	2,842
Subtotal: CCWA Costs	152,151	156,892	157,979	159,128	54,174	55,842	57,566	59,348	61,191	63,096
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	101,627	100,107	100,523	101,670	101,649	101,636	101,621	101,605	101,589	101,555
Coastal Branch Extension	15,068	14,417	20,646	21,279	25,239	18,299	18,620	15,010	15,397	15,611
Water System Revenue Bond Surcharge	9,267	10,113	9,299	9,863	9,200	9,578	9,124	8,477	8,050	9,251
Transportation Minimum OMP&R	50,046	38,477	37,625	38,002	38,382	38,765	39,153	39,545	39,940	40,339
Delta Water Charge	15,714	16,531	17,391	18,294	19,242	20,238	21,283	22,381	23,534	24,744
DWR Variable Costs ⁽⁵⁾⁽⁶⁾	(1,120)	9,417	9,888	10,382	10,901	11,446	12,019	12,619	13,250	13,913
Subtotal: DWR Costs	\$ 190,602	\$ 189,062	\$ 195,372	\$ 199,489	\$ 204,613	\$ 199,962	\$ 201,820	\$ 199,637	\$ 201,760	\$ 205,413
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 342,753	\$ 345,954	\$ 353,352	\$ 358,617	\$ 258,787	\$ 255,804	\$ 259,386	\$ 258,985	\$ 262,951	\$ 268,509

Central Coast Water Authority
Morehart Land Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	335,788	\$	328,190	\$	334,842	\$	339,324	\$	238,671	\$	234,825	\$	237,500	\$	236,147	\$	239,113	\$	243,621
April 1st Variable Payment ⁽⁴⁾		2,843		7,251		7,555		7,875		8,211		8,563		8,933		9,322		9,730		10,158
July 1st Variable Payment		1,706		4,350		4,533		4,725		4,926		5,138		5,360		5,593		5,838		6,095
October 1st Variable Payment		853		2,175		2,267		2,362		2,463		2,569		2,680		2,797		2,919		3,048
January 1st Variable Payment		1,564		3,988		4,155		4,331		4,516		4,710		4,913		5,127		5,351		5,587

NOTES

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- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
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Central Coast Water Authority
La Cumbre Mutual Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

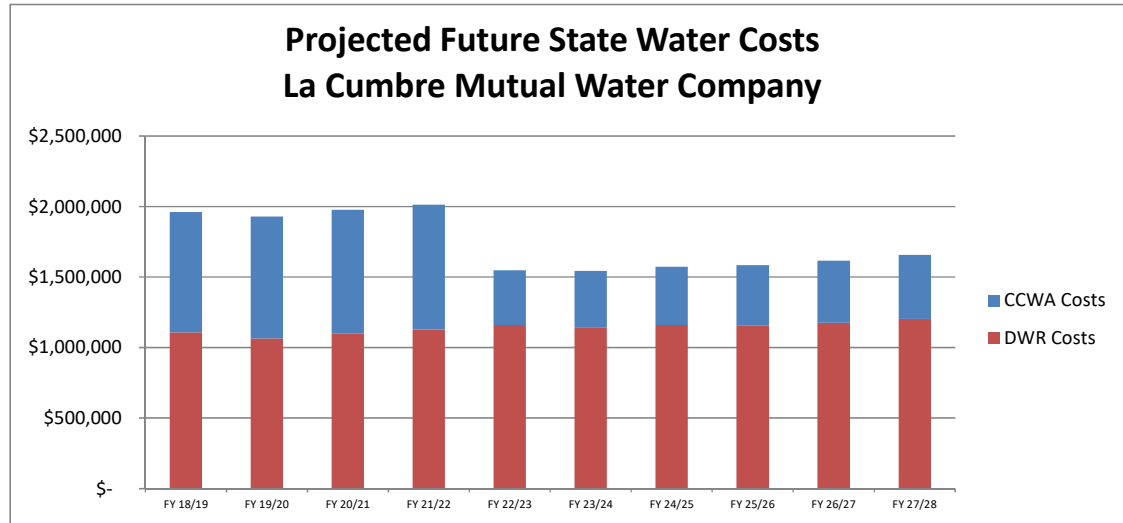
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	260	260	260	260	260	260	260	260	260	260
Table A Water Deliveries-2nd Quarter	174	174	174	174	174	174	174	174	174	174
Table A Water Deliveries-3rd Quarter	216	216	216	216	216	216	216	216	216	216
Table A Water Deliveries-4th Quarter	216	216	216	216	216	216	216	216	216	216
Total FY Table A Deliveries (<i>acre-feet</i>)	866	866	866	866	866	866	866	866	866	866
CCWA Variable Cost per AF Assumptions	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143	\$ 151	\$ 158	\$ 166
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 157,522	\$ 162,248	\$ 167,115	\$ 172,128	\$ 224,799	\$ 231,542	\$ 238,489	\$ 245,643	\$ 253,013	\$ 260,603
CCWA Variable O&M Costs ⁽⁵⁾	92,659	97,292	102,157	107,265	112,628	118,259	124,172	130,381	136,900	143,745
CCWA Bond Payments & O&M Credits ⁽⁹⁾	551,466	555,816	555,044	554,359	-	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	50,228	50,228	50,228	50,228	50,228	50,228	50,228	50,228	50,228	50,228
Subtotal: CCWA Costs	851,875	865,584	874,544	883,981	387,654	400,030	412,889	426,252	440,141	454,576
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	508,133	500,535	502,614	508,350	508,245	508,180	508,107	508,027	507,947	507,777
Coastal Branch Extension	75,338	72,087	103,232	106,393	126,194	91,493	93,099	75,048	76,985	78,054
Water System Revenue Bond Surcharge	45,737	49,910	45,894	48,676	45,404	47,271	45,031	41,838	39,728	45,656
Transportation Minimum OMP&R	250,229	192,387	188,127	190,008	191,908	193,827	195,765	197,723	199,700	201,697
Delta Water Charge	78,569	82,653	86,954	91,469	96,211	101,190	106,417	111,906	117,669	123,721
DWR Variable Costs ^{(5) (6)}	151,190	166,428	174,749	183,487	192,661	202,294	212,409	223,029	234,181	245,890
Subtotal: DWR Costs	\$ 1,109,196	\$ 1,064,000	\$ 1,101,570	\$ 1,128,384	\$ 1,160,623	\$ 1,144,255	\$ 1,160,828	\$ 1,157,571	\$ 1,176,210	\$ 1,202,794
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 1,961,071	\$ 1,929,584	\$ 1,976,114	\$ 2,012,364	\$ 1,548,278	\$ 1,544,285	\$ 1,573,717	\$ 1,583,823	\$ 1,616,351	\$ 1,657,370

Central Coast Water Authority
La Cumbre Mutual Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 1,666,994	\$ 1,615,635	\$ 1,648,980	\$ 1,671,385	\$ 1,192,760	\$ 1,173,503	\$ 1,186,908	\$ 1,180,185	\$ 1,195,042	\$ 1,217,507
April 1st Variable Payment ⁽⁴⁾	88,291	94,257	98,216	102,373	106,737	111,320	116,132	121,185	126,490	132,060
July 1st Variable Payment	59,087	63,080	65,729	68,511	71,432	74,499	77,719	81,101	84,651	88,379
October 1st Variable Payment	73,350	78,306	81,595	85,048	88,674	92,481	96,479	100,677	105,084	109,712
January 1st Variable Payment	73,350	78,306	81,595	85,048	88,674	92,481	96,479	100,677	105,084	109,712

NOTES

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- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
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- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
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Central Coast Water Authority
Raytheon Systems Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

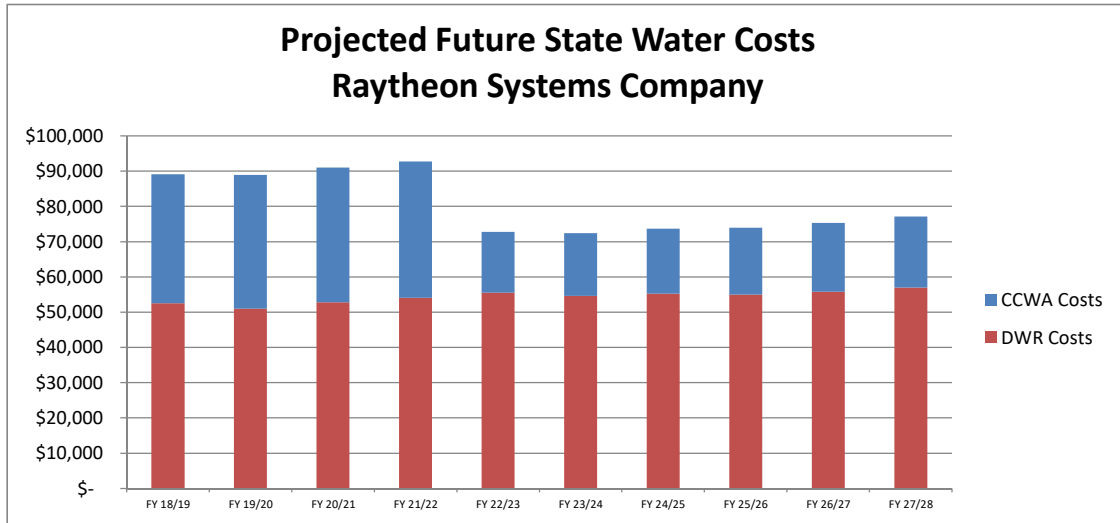
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	8	8	8	8	8	8	8	8	8	8
Table A Water Deliveries-2nd Quarter	8	8	8	8	8	8	8	8	8	8
Table A Water Deliveries-3rd Quarter	4	4	4	4	4	4	4	4	4	4
Table A Water Deliveries-4th Quarter	12	12	12	12	12	12	12	12	12	12
Total FY Table A Deliveries (<i>acre-feet</i>)	32	32	32	32	32	32	32	32	32	32
Exchange Deliveries-1st Quarter										
Exchange Deliveries-2nd Quarter										
Exchange Deliveries-3rd Quarter										
Exchange Deliveries-4th Quarter										
Total FY Exchange Deliveries (<i>acre-feet</i>)	-	-	-	-	-	-	-	-	-	-
CCWA Variable Cost per AF Assumptions	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143	\$ 151	\$ 158	\$ 166
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 7,876	\$ 8,112	\$ 8,356	\$ 8,606	\$ 11,240	\$ 11,577	\$ 11,924	\$ 12,282	\$ 12,651	\$ 13,030
CCWA Variable O&M Costs ⁽⁵⁾	3,424	3,595	3,775	3,964	4,162	4,370	4,588	4,818	5,059	5,312
CCWA Bond Payments & O&M Credits ⁽⁹⁾	23,421	24,302	24,269	24,239	-	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	1,856	1,856	1,856	1,856	1,856	1,856	1,856	1,856	1,856	1,856
Subtotal: CCWA Costs	36,577	37,866	38,255	38,665	17,258	17,803	18,369	18,956	19,565	20,198
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	25,407	25,027	25,131	25,417	25,412	25,409	25,405	25,401	25,397	25,389
Coastal Branch Extension	3,767	3,615	5,177	5,336	6,329	4,589	4,669	3,764	3,861	3,915
Water System Revenue Bond Surcharge	2,283	2,491	2,291	2,429	2,266	2,359	2,247	2,088	1,983	2,279
Transportation Minimum OMP&R	12,511	9,619	9,406	9,500	9,595	9,691	9,788	9,886	9,985	10,085
Delta Water Charge	3,928	4,133	4,348	4,573	4,811	5,059	5,321	5,595	5,883	6,186
DWR Variable Costs ⁽⁵⁾⁽⁶⁾	4,650	6,150	6,457	6,780	7,119	7,475	7,849	8,241	8,653	9,086
Subtotal: DWR Costs	\$ 52,546	\$ 51,035	\$ 52,810	\$ 54,037	\$ 55,532	\$ 54,583	\$ 55,280	\$ 54,976	\$ 55,763	\$ 56,939
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 89,123	\$ 88,901	\$ 91,065	\$ 92,701	\$ 72,790	\$ 72,386	\$ 73,649	\$ 73,932	\$ 75,328	\$ 77,137

Central Coast Water Authority
Raytheon Systems Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	79,193	\$	77,300	\$	78,977	\$	80,102	\$	59,653	\$	58,685	\$	59,355	\$	59,017	\$	59,760	\$	60,883
April 1st Variable Payment ⁽⁴⁾		2,482		2,900		3,022		3,150		3,284		3,425		3,573		3,729		3,892		4,063
July 1st Variable Payment		2,482		2,900		3,022		3,150		3,284		3,425		3,573		3,729		3,892		4,063
October 1st Variable Payment		1,241		1,450		1,511		1,575		1,642		1,713		1,787		1,864		1,946		2,032
January 1st Variable Payment		3,724		4,350		4,533		4,725		4,926		5,138		5,360		5,593		5,838		6,095

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
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- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
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Central Coast Water Authority
City of Santa Barbara
State Water Cost Ten-Year Projections
Fiscal Year 2018/19 Final Budget

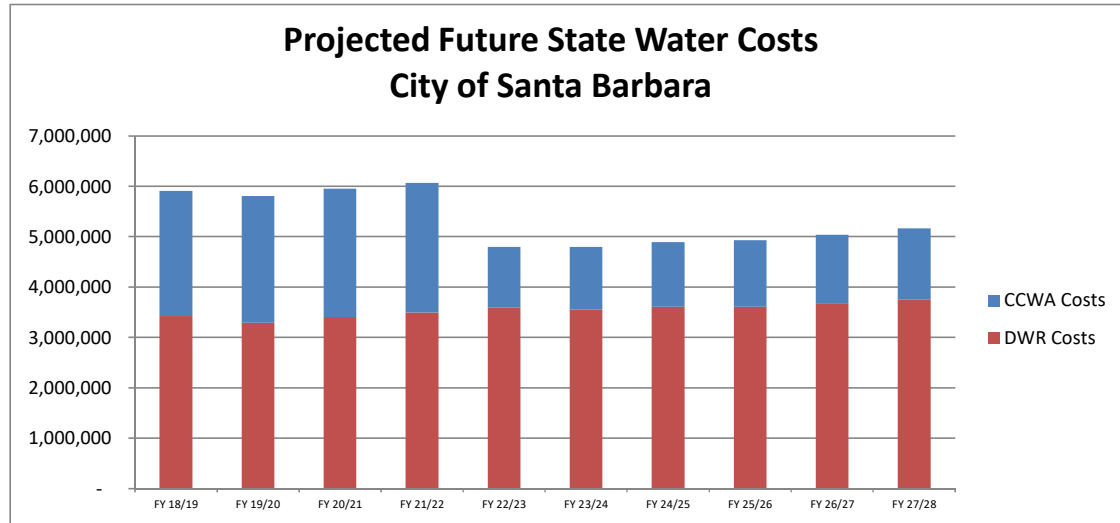
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	648	648	648	648	648	648	648	648	648	648
Table A Water Deliveries-2nd Quarter	711	711	711	711	711	711	711	711	711	711
Table A Water Deliveries-3rd Quarter	815	815	815	815	815	815	815	815	815	815
Table A Water Deliveries-4th Quarter	685	685	685	685	685	685	685	685	685	685
Total FY Table A Deliveries (acre-feet)	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859	2,859
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	133	133	133	133	133	133	133	133	133	133
Exchange Deliveries-2nd Quarter	18	18	18	18	18	18	18	18	18	18
Exchange Deliveries-3rd Quarter	18	18	18	18	18	18	18	18	18	18
Exchange Deliveries-4th Quarter	97	97	97	97	97	97	97	97	97	97
Total FY Exchange Deliveries (acre-feet)	266	266	266	266	266	266	266	266	266	266
CCWA Variable Cost per AF Assumptions	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143	\$ 151	\$ 158	\$ 166
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 459,437	\$ 473,220	\$ 487,416	\$ 502,039	\$ 665,670	\$ 685,640	\$ 706,209	\$ 727,395	\$ 749,217	\$ 771,693
CCWA Variable O&M Costs ⁽⁵⁾	305,881	321,154	337,206	354,066	371,770	390,358	409,876	430,370	451,889	474,483
CCWA Bond Payments & O&M Credits ⁽⁹⁾	1,552,887	1,554,137	1,551,978	1,550,064	-	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	165,809	165,799	165,796	165,796	165,796	165,796	165,796	165,796	165,796	165,796
Subtotal: CCWA Costs	\$ 2,484,013	\$ 2,514,310	\$ 2,542,397	\$ 2,571,965	\$ 1,203,235	\$ 1,241,794	\$ 1,281,881	\$ 1,323,561	\$ 1,366,901	\$ 1,411,972
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	1,524,398	1,501,605	1,507,842	1,525,051	1,524,736	1,524,539	1,524,320	1,524,081	1,523,841	1,523,332
Coastal Branch Extension	226,013	216,304	309,759	319,245	378,659	274,536	279,355	225,189	231,002	234,209
Water System Revenue Bond Surcharge	137,278	149,803	137,749	146,099	136,277	141,881	135,157	125,575	119,241	137,033
Transportation Minimum OMP&R	750,687	577,160	564,380	570,024	575,724	581,481	587,296	593,169	599,101	605,092
Delta Water Charge	237,188	247,959	260,861	274,408	288,633	303,569	319,251	335,718	353,008	371,162
DWR Variable Costs ⁽⁵⁾⁽⁶⁾	553,828	600,563	630,591	662,121	695,227	729,988	766,487	804,812	845,052	887,305
Subtotal: DWR Costs	3,429,392	3,293,394	3,411,182	3,496,947	3,599,255	3,555,994	3,611,867	3,608,543	3,671,245	3,758,132
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 5,913,405	\$ 5,807,704	\$ 5,953,579	\$ 6,068,912	\$ 4,802,490	\$ 4,797,788	\$ 4,893,748	\$ 4,932,104	\$ 5,038,146	\$ 5,170,104

Central Coast Water Authority
City of Santa Barbara
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 4,887,888	\$ 4,720,188	\$ 4,819,986	\$ 4,886,929	\$ 3,569,698	\$ 3,511,646	\$ 3,551,588	\$ 3,531,126	\$ 3,575,409	\$ 3,642,520
April 1st Variable Payment ⁽⁴⁾	256,283	271,792	283,308	295,401	308,099	321,433	335,433	350,132	365,567	381,774
July 1st Variable Payment	239,219	253,696	264,445	275,733	287,586	300,031	313,099	326,820	341,227	356,355
October 1st Variable Payment	273,405	289,888	302,171	315,069	328,613	342,834	357,766	373,445	389,907	407,193
January 1st Variable Payment	256,611	272,140	283,670	295,779	308,494	321,844	335,862	350,581	366,035	382,263

NOTES

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Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

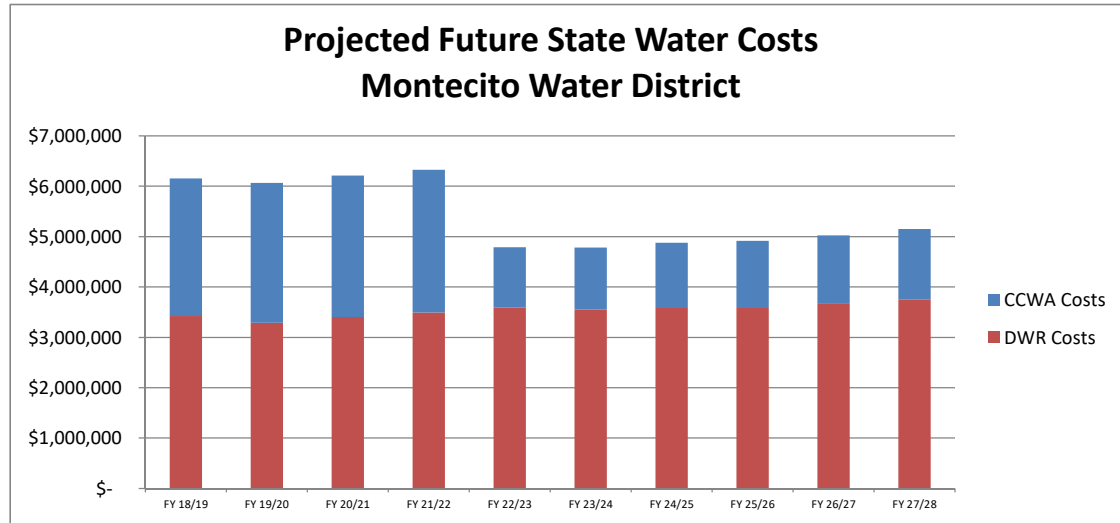
Water Deliveries-Fiscal Year Basis (AF) ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	648	648	648	648	648	648	648	648	648	648
Table A Water Deliveries-2nd Quarter	711	711	711	711	711	711	711	711	711	711
Table A Water Deliveries-3rd Quarter	784	784	784	784	784	784	784	784	784	784
Table A Water Deliveries-4th Quarter	685	685	685	685	685	685	685	685	685	685
Total FY Table A Deliveries (acre-feet)	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828	2,828
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	133	133	133	133	133	133	133	133	133	133
Exchange Deliveries-2nd Quarter	18	18	18	18	18	18	18	18	18	18
Exchange Deliveries-3rd Quarter	18	18	18	18	18	18	18	18	18	18
Exchange Deliveries-4th Quarter	97	97	97	97	97	97	97	97	97	97
Total FY Exchange Deliveries (acre-feet)	266	266	266	266	266	266	266	266	266	266
CCWA Variable Cost per AF Assumptions	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143	\$ 151	\$ 158	\$ 166
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284
CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 459,437	\$ 473,220	\$ 487,416	\$ 502,039	\$ 665,670	\$ 685,640	\$ 706,209	\$ 727,395	\$ 749,217	\$ 771,693
CCWA Variable O&M Costs ⁽⁵⁾	302,538	317,672	333,549	350,227	367,738	386,125	405,431	425,703	446,988	469,337
CCWA Bond Payments & O&M Credits ⁽⁹⁾	1,811,389	1,826,688	1,824,151	1,821,900	-	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	163,997	164,001	163,998	163,998	163,998	163,998	163,998	163,998	163,998	163,998
Subtotal: CCWA Costs	2,737,361	2,781,580	2,809,114	2,838,164	1,197,405	1,235,762	1,275,638	1,317,096	1,360,203	1,405,029
DWR Costs ⁽⁷⁾										
Transportation Capital	1,524,398	1,501,605	1,507,842	1,525,051	1,524,736	1,524,539	1,524,320	1,524,081	1,523,841	1,523,332
Coastal Branch Extension	226,013	216,304	309,759	319,245	378,659	274,536	279,355	225,189	231,002	234,209
Water System Revenue Bond Surcharge	137,278	149,803	137,749	146,099	136,277	141,881	135,157	125,575	119,241	137,033
Transportation Minimum OMP&R	750,687	577,160	564,380	570,024	575,724	581,481	587,296	593,169	599,101	605,092
Delta Water Charge	237,188	247,959	260,861	274,408	288,633	303,569	319,251	335,718	353,008	371,162
DWR Variable Costs ⁽⁵⁾⁽⁶⁾	545,258	594,605	624,336	655,552	688,330	722,747	758,884	796,828	836,670	878,503
Subtotal: DWR Costs	\$ 3,420,823	\$ 3,287,437	\$ 3,404,927	\$ 3,490,378	\$ 3,592,359	\$ 3,548,753	\$ 3,604,263	\$ 3,600,559	\$ 3,662,862	\$ 3,749,330
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 6,158,184	\$ 6,069,017	\$ 6,214,041	\$ 6,328,542	\$ 4,789,764	\$ 4,784,515	\$ 4,879,901	\$ 4,917,655	\$ 5,023,065	\$ 5,154,359

Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 5,146,390	\$ 4,992,739	\$ 5,092,158	\$ 5,158,765	\$ 3,569,698	\$ 3,511,646	\$ 3,551,588	\$ 3,531,126	\$ 3,575,409	\$ 3,642,520
April 1st Variable Payment ⁽⁴⁾	255,406	271,678	283,190	295,280	307,974	321,303	335,298	349,993	365,423	381,624
July 1st Variable Payment	238,401	253,590	264,335	275,620	287,469	299,910	312,974	326,690	341,093	356,215
October 1st Variable Payment	262,255	278,983	290,805	303,220	316,255	329,942	344,314	359,404	375,249	391,886
January 1st Variable Payment	255,733	272,026	283,553	295,658	308,368	321,714	335,727	350,441	365,891	382,113

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2027/28 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

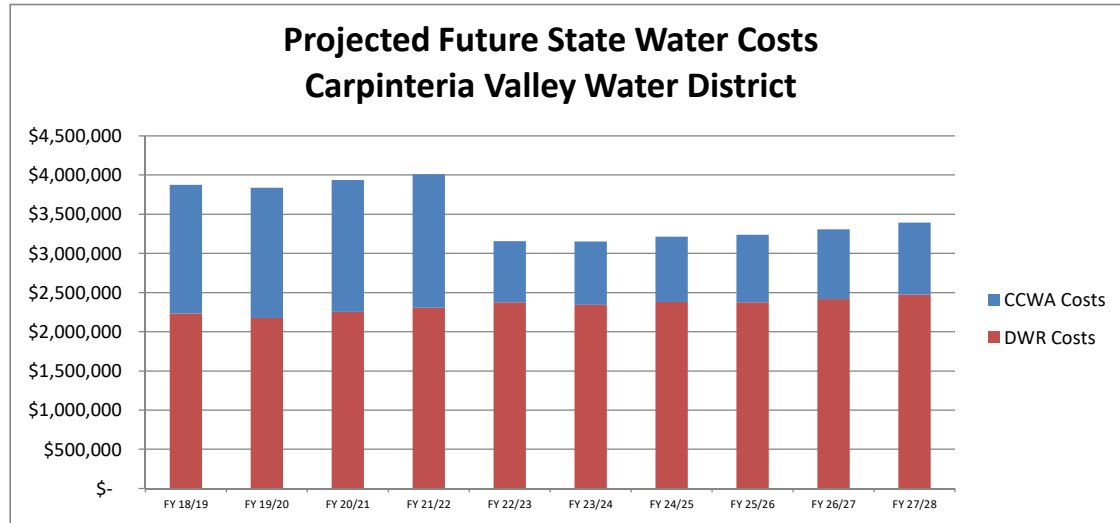
<u>Water Deliveries-Fiscal Year Basis (AF)</u> ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	401	401	401	401	401	401	401	401	401	401
Table A Water Deliveries-2nd Quarter	398	398	398	398	398	398	398	398	398	398
Table A Water Deliveries-3rd Quarter	543	543	543	543	543	543	543	543	543	543
Table A Water Deliveries-4th Quarter	457	457	457	457	457	457	457	457	457	457
Total FY Table A Deliveries (<i>acre-feet</i>)	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799
<i>Small 1 and 2 acre-feet amounts are due to rounding differences.</i>										
Exchange Deliveries-1st Quarter	89	89	89	89	89	89	89	89	89	89
Exchange Deliveries-2nd Quarter	12	12	12	12	12	12	12	12	12	12
Exchange Deliveries-3rd Quarter	12	12	12	12	12	12	12	12	12	12
Exchange Deliveries-4th Quarter	65	65	65	65	65	65	65	65	65	65
Total FY Exchange Deliveries (<i>acre-feet</i>)	178	178	178	178	178	178	178	178	178	178
CCWA Variable Cost per AF Assumptions	\$ 107	\$ 112	\$ 118	\$ 124	\$ 130	\$ 137	\$ 143	\$ 151	\$ 158	\$ 166
DWR Variable Cost per AF Assumptions	\$ 183	\$ 192	\$ 202	\$ 212	\$ 222	\$ 234	\$ 245	\$ 258	\$ 270	\$ 284
<u>CCWA Costs</u>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 306,291	\$ 315,480	\$ 324,944	\$ 334,693	\$ 443,780	\$ 457,093	\$ 470,806	\$ 484,930	\$ 499,478	\$ 514,462
CCWA Variable O&M Costs ⁽⁵⁾	192,530	202,157	212,261	222,874	234,017	245,718	258,004	270,904	284,450	298,672
CCWA Bond Payments & O&M Credits ⁽⁹⁾	1,038,717	1,044,310	1,042,859	1,041,573	-	-	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	104,365	104,365	104,363	104,363	104,363	104,363	104,363	104,363	104,363	104,363
Subtotal: CCWA Costs	1,641,903	1,666,312	1,684,428	1,703,502	782,160	807,174	833,173	860,198	888,291	917,498
<u>DWR Costs</u> ⁽⁷⁾										
Transportation Capital	1,016,265	1,001,070	1,005,228	1,016,701	1,016,491	1,016,360	1,016,214	1,016,054	1,015,894	1,015,554
Coastal Branch Extension	150,676	144,174	206,464	212,786	252,388	182,987	186,199	150,095	153,970	156,107
Water System Revenue Bond Surcharge	90,752	99,031	91,063	96,583	90,090	93,795	89,350	83,015	78,828	90,590
Transportation Minimum OMP&R	500,458	384,773	376,253	380,016	383,816	387,654	391,531	395,446	399,400	403,394
Delta Water Charge	157,138	165,306	173,908	182,939	192,422	202,379	212,834	223,812	235,338	247,441
DWR Variable Costs ⁽⁵⁾⁽⁶⁾	318,896	379,940	398,937	418,884	439,828	461,820	484,911	509,156	534,614	561,345
Subtotal: DWR Costs	\$ 2,234,184	\$ 2,174,295	\$ 2,251,853	\$ 2,307,908	\$ 2,375,034	\$ 2,344,994	\$ 2,381,037	\$ 2,377,578	\$ 2,418,045	\$ 2,474,432
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 3,876,088	\$ 3,840,607	\$ 3,936,280	\$ 4,011,411	\$ 3,157,195	\$ 3,152,168	\$ 3,214,210	\$ 3,237,776	\$ 3,306,335	\$ 3,391,929

Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 3,260,297	\$ 3,154,144	\$ 3,220,719	\$ 3,265,290	\$ 2,378,986	\$ 2,340,267	\$ 2,366,932	\$ 2,353,352	\$ 2,382,909	\$ 2,427,549
April 1st Variable Payment ⁽⁴⁾	152,624	170,140	177,352	184,926	192,879	201,230	209,998	219,205	228,872	239,022
July 1st Variable Payment	127,706	142,362	148,397	154,734	161,389	168,376	175,713	183,416	191,505	199,998
October 1st Variable Payment	172,870	192,709	200,878	209,457	218,465	227,924	237,855	248,283	259,232	270,729
January 1st Variable Payment	162,591	181,251	188,934	197,003	205,475	214,371	223,712	233,520	243,818	254,631

NOTES

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- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.
- (9) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Chorro Valley Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

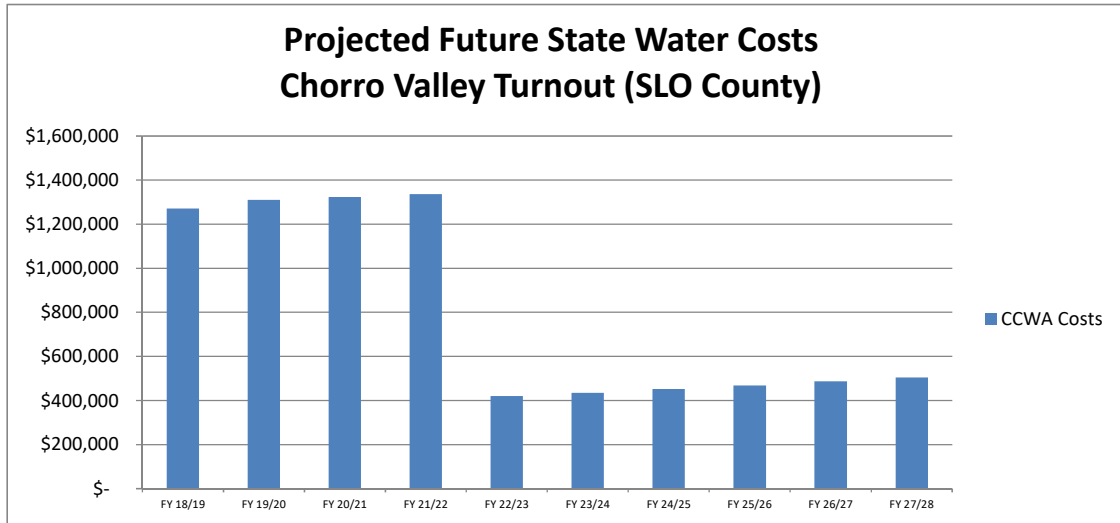
Water Deliveries-Fiscal Year Basis (AF) ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	557	557	557	557	557	557	557	557	557	557
Table A Water Deliveries-2nd Quarter	555	555	555	555	555	555	555	555	555	555
Table A Water Deliveries-3rd Quarter	555	555	555	555	555	555	555	555	555	555
Table A Water Deliveries-4th Quarter	557	557	557	557	557	557	557	557	557	557
Total FY Table A Deliveries (acre-feet)	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225
CCWA Variable Cost per AF Assumptions	\$ 59	\$ 62	\$ 65	\$ 68	\$ 71	\$ 75	\$ 79	\$ 83	\$ 87	\$ 91
CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 231,360	\$ 238,301	\$ 245,450	\$ 252,813	\$ 260,398	\$ 268,210	\$ 276,256	\$ 284,544	\$ 293,080	\$ 301,872
CCWA Variable O&M Costs ⁽⁵⁾	130,851	137,393	144,263	151,476	159,050	167,003	175,353	184,120	193,326	202,993
CCWA Bond Payments & O&M Credits ⁽⁸⁾	909,290	934,585	933,287	932,135	-	-	-	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 1,271,501	\$ 1,310,279	\$ 1,323,000	\$ 1,336,425	\$ 419,448	\$ 435,212	\$ 451,609	\$ 468,664	\$ 486,406	\$ 504,865
Total Projected State Water Costs	\$ 1,271,501	\$ 1,310,279	\$ 1,323,000	\$ 1,336,425	\$ 419,448	\$ 435,212	\$ 451,609	\$ 468,664	\$ 486,406	\$ 504,865

Central Coast Water Authority
Chorro Valley Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 1,140,650	\$ 1,172,886	\$ 1,178,737	\$ 1,184,949	\$ 260,398	\$ 268,210	\$ 276,256	\$ 284,544	\$ 293,080	\$ 301,872
April 1st Variable Payment ⁽⁴⁾	32,776	34,415	36,135	37,942	39,839	41,831	43,923	46,119	48,425	50,846
July 1st Variable Payment	32,652	34,285	35,999	37,799	39,689	41,674	43,757	45,945	48,243	50,655
October 1st Variable Payment	32,652	34,285	35,999	37,799	39,689	41,674	43,757	45,945	48,243	50,655
January 1st Variable Payment	32,770	34,409	36,129	37,935	39,832	41,824	43,915	46,111	48,416	50,837

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
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- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e. the FY 2018/19 fixed payment is paid on June 1, 2018).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's 2018 Statement of Charges dated July 1, 2017.
- (8) CCWA Bond payments reflect Series 2016A Bond Debt Service Schedule after the refinancing of CCWA's 2006A Revenue Bond.



Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

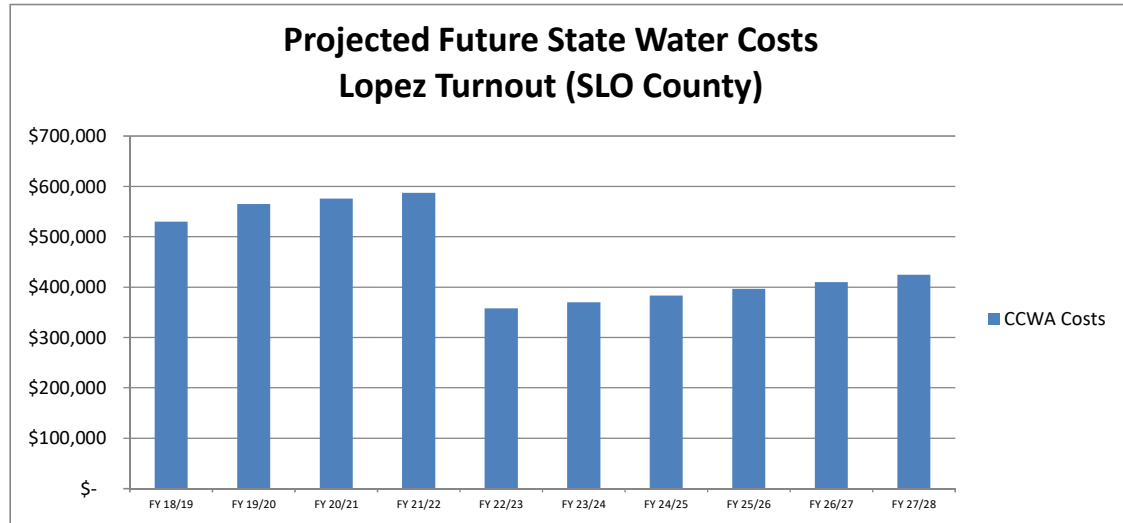
Water Deliveries-Fiscal Year Basis (AF) ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	461	461	461	461	461	461	461	461	461	461
Table A Water Deliveries-2nd Quarter	361	361	361	361	361	361	361	361	361	361
Table A Water Deliveries-3rd Quarter	73	73	73	73	73	73	73	73	73	73
Table A Water Deliveries-4th Quarter	241	241	241	241	241	241	241	241	241	241
Total FY Table A Deliveries (acre-feet)	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
CCWA Variable Cost per AF Assumptions	\$ 59	\$ 62	\$ 65	\$ 68	\$ 71	\$ 75	\$ 79	\$ 83	\$ 87	\$ 91
CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 245,864	\$ 253,240	\$ 260,838	\$ 268,663	\$ 276,723	\$ 285,024	\$ 293,575	\$ 302,382	\$ 311,454	\$ 320,797
CCWA Variable O&M Costs ⁽⁵⁾	66,775	70,114	73,620	77,301	81,166	85,224	89,485	93,960	98,658	103,591
CCWA Bond Payments & O&M Credits ⁽⁸⁾	217,128	241,664	241,329	241,031	-	-	-	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 529,768	\$ 565,019	\$ 575,786	\$ 586,994	\$ 357,889	\$ 370,249	\$ 383,060	\$ 396,342	\$ 410,111	\$ 424,388
Total Projected State Water Costs	\$ 529,768	\$ 565,019	\$ 575,786	\$ 586,994	\$ 357,889	\$ 370,249	\$ 383,060	\$ 396,342	\$ 410,111	\$ 424,388

Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	462,992	\$	494,905	\$	502,166	\$	509,694	\$	276,723	\$	285,024	\$	293,575	\$	302,382	\$	311,454	\$	320,797
April 1st Variable Payment ⁽⁴⁾		27,105		28,461		29,884		31,378		32,947		34,594		36,324		38,140		40,047		42,049
July 1st Variable Payment		21,223		22,284		23,399		24,568		25,797		27,087		28,441		29,863		31,356		32,924
October 1st Variable Payment		4,282		4,496		4,721		4,957		5,205		5,465		5,739		6,026		6,327		6,643
January 1st Variable Payment		14,164		14,873		15,616		16,397		17,217		18,078		18,982		19,931		20,927		21,974

NOTES

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Central Coast Water Authority
Shandon
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

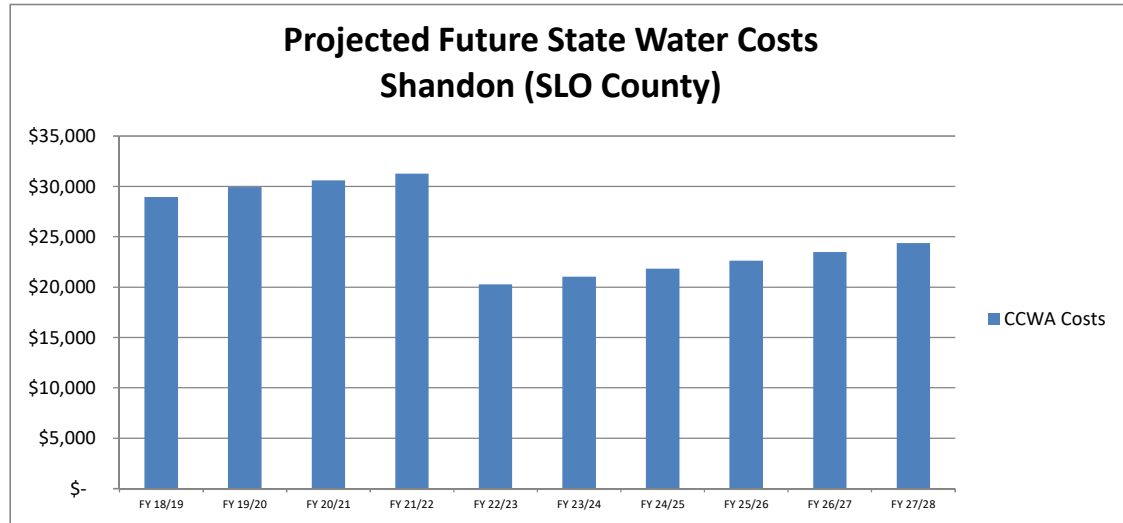
Water Deliveries-Fiscal Year Basis (AF) ⁽⁴⁾	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Table A Water Deliveries-1st Quarter	34	34	34	34	34	34	34	34	34	34
Table A Water Deliveries-2nd Quarter	19	19	19	19	19	19	19	19	19	19
Table A Water Deliveries-3rd Quarter	17	17	17	17	17	17	17	17	17	17
Table A Water Deliveries-4th Quarter	30	30	30	30	30	30	30	30	30	30
Total FY Table A Deliveries (acre-feet)	100	100	100	100	100	100	100	100	100	100
CCWA Variable Cost per AF Assumptions	\$ 59	\$ 62	\$ 65	\$ 68	\$ 71	\$ 75	\$ 79	\$ 83	\$ 87	\$ 91
CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 11,674	\$ 12,025	\$ 12,385	\$ 12,757	\$ 13,140	\$ 13,534	\$ 13,940	\$ 14,358	\$ 14,789	\$ 15,232
CCWA Variable O&M Costs ⁽⁵⁾	5,882	6,176	6,485	6,809	7,150	7,507	7,883	8,277	8,691	9,125
CCWA Bond Payments & O&M Credits ⁽⁸⁾	11,375	11,732	11,715	11,701	-	-	-	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 28,932	\$ 29,933	\$ 30,586	\$ 31,267	\$ 20,290	\$ 21,041	\$ 21,823	\$ 22,635	\$ 23,480	\$ 24,358
Total Projected State Water Costs	\$ 28,932	\$ 29,933	\$ 30,586	\$ 31,267	\$ 20,290	\$ 21,041	\$ 21,823	\$ 22,635	\$ 23,480	\$ 24,358

Central Coast Water Authority
Shandon
 State Water Cost Ten-Year Projections
 Fiscal Year 2018/19 Final Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	23,049	\$	23,756	\$	24,101	\$	24,458	\$	13,140	\$	13,534	\$	13,940	\$	14,358	\$	14,789	\$	15,232
April 1st Variable Payment ⁽⁴⁾		2,000		2,100		2,205		2,315		2,431		2,553		2,680		2,814		2,955		3,103
July 1st Variable Payment		1,118		1,174		1,232		1,294		1,358		1,426		1,498		1,573		1,651		1,734
October 1st Variable Payment		1,000		1,050		1,102		1,158		1,215		1,276		1,340		1,407		1,477		1,551
January 1st Variable Payment		1,765		1,853		1,946		2,043		2,145		2,252		2,365		2,483		2,607		2,738

NOTES

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Central Coast Water Authority
CCWA Fixed Costs
 Ten-Year Financial Plan Projections
 FY 2018/19 Final Budget

	Allocation Percentage	Base Year									
		FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Base Fixed O&M Costs		8,066,697	8,066,697	8,308,698	8,557,959	8,814,698	9,079,139	9,351,513	9,632,058	9,921,020	10,218,651
Inflation Factor			3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Projected Fixed O&M		8,066,697	8,308,698	8,557,959	8,814,698	9,079,139	9,351,513	9,632,058	9,921,020	10,218,651	10,525,210
Capital Improvement Projects		-	-	-	-	-	-	-	-	-	-
Other Costs		-	-	-	-	-	-	-	-	-	-
TOTAL CCWA FIXED COSTS		8,066,697	8,308,698	8,557,959	8,814,698	9,079,139	9,351,513	9,632,058	9,921,020	10,218,651	10,525,210
Guadalupe	1.51%	109,394	112,675	116,056	119,537	110,631	113,950	117,369	120,890	124,517	128,252
Santa Maria	43.06%	3,184,017	3,279,538	3,377,924	3,479,262	3,215,693	3,312,164	3,411,529	3,513,875	3,619,291	3,727,870
Golden State Water	1.43%	107,086	110,299	113,608	117,016	109,170	112,445	115,819	119,293	122,872	126,558
Vandenberg AFB	15.51%	1,188,443	1,224,096	1,260,819	1,298,643	1,212,683	1,249,063	1,286,535	1,325,131	1,364,885	1,405,832
Buellton	2.01%	149,154	153,628	158,237	162,984	154,746	159,388	164,170	169,095	174,168	179,393
Santa Ynez (Solvang)	4.94%	375,484	386,749	398,351	410,302	388,542	400,198	412,204	424,570	437,307	450,427
Santa Ynez	4.75%	352,998	363,588	374,496	385,731	282,792	291,276	300,014	309,015	318,285	327,834
Goleta	6.73%	689,155	709,830	731,125	753,058	998,504	1,028,459	1,059,313	1,091,093	1,123,825	1,157,540
Morehart Land Co.	0.37%	31,504	32,450	33,423	34,426	44,960	46,308	47,698	49,129	50,603	52,121
La Cumbre	1.58%	157,522	162,248	167,115	172,128	224,799	231,542	238,489	245,643	253,013	260,603
Raytheon	0.08%	7,876	8,112	8,356	8,606	11,240	11,577	11,924	12,282	12,651	13,030
Santa Barbara	4.46%	459,437	473,220	487,416	502,039	665,670	685,640	706,209	727,395	749,217	771,693
Montecito	4.48%	459,437	473,220	487,416	502,039	665,670	685,640	706,209	727,395	749,217	771,693
Carpinteria	3.02%	306,291	315,480	324,944	334,693	443,780	457,093	470,806	484,930	499,478	514,462
Shandon	0.14%	11,674	12,025	12,385	12,757	13,140	13,534	13,940	14,358	14,789	15,232
Chorro Valley	2.87%	231,360	238,301	245,450	252,813	260,398	268,210	276,256	284,544	293,080	301,872
Lopez	3.05%	245,864	253,240	260,838	268,663	276,723	285,024	293,575	302,382	311,454	320,797
Total:	100.00%	8,066,697	8,308,698	8,557,959	8,814,698	9,079,139	9,351,513	9,632,058	9,921,020	10,218,651	10,525,210

(1) CCWA Fixed Costs for fiscal Years 2022/23 thru 2027/28 reflect changes due to the payoff of CCWA Revenue Bond Debt.

Central Coast Water Authority
CCWA & DWR Variable Cost Projections
 Ten-Year Financial Plan Projections
 FY 2018/19 Final Budget

	Base Year									
	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
CCWA Variable Costs/AF-North County	59	62	65	68	71	75	79	83	87	91
CCWA WTP Variable Retreatment Costs/AF	24	25	27	28	29	31	32	34	36	37
Inflation Factor		5%	5%	5%	5%	5%	5%	5%	5%	5%
Projected CCWA Variable \$/AF-North County	83	87	91	96	101	106	111	117	122	129
CCWA Variable Costs/AF-South County	142	149	156	164	172	181	190	199	209	220
CCWA WTP Variable Retreatment Costs/AF	24	25	27	28	29	31	32	34	36	37
South Coast Retreatment Credits/AF	(59)	(62)	(65)	(68)	(71)	(75)	(79)	(83)	(87)	(91)
Inflation Factor		5%	5%	5%	5%	5%	5%	5%	5%	5%
Projected CCWA Variable \$/AF-South County	107	112	118	124	130	137	143	151	158	166
Estimated DWR Variable \$/AF	183	183	192	202	212	222	234	245	258	270
Inflation Factor		5%	5%	5%	5%	5%	5%	5%	5%	5%
Projected DWR Variable \$/AF	183	192	202	212	222	234	245	258	270	284
Total Projected Variable Cost/AF										
CCWA & DWR Variable - North Coast \$/AF	266	279	293	308	323	339	356	374	393	413
CCWA & DWR Variable - South Coast \$/AF ⁽¹⁾	290	305	320	336	353	370	389	408	428	450

(1) South Coast total AF estimates do not include Warren Act charges.

Central Coast Water Authority
CCWA Bond Debt

Ten-Year Financial Plan Projections
FY 2018/19 Final Budget

	Allocation										
	Percentage	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Principal Payment		8,720,000	9,160,000	9,615,000	10,095,000	-	-	-	-	-	-
Interest Payment		1,661,500	1,214,500	745,125	252,375	-	-	-	-	-	-
Other Costs (Credits)		(32,026)	(25,000)	(25,000)	(25,000)	-	-	-	-	-	-
TOTAL DEBT SERVICE PAYMENTS		10,349,474	10,349,500	10,335,125	10,322,375	-	-	-	-	-	-
Guadalupe	1.42%	147,451	147,449	147,244	147,062	-	-	-	-	-	-
Santa Maria	0.00%	-	-	-	-	-	-	-	-	-	-
Golden State Water	0.00%	-	-	-	-	-	-	-	-	-	-
Vandenberg AFB	0.00%	-	-	-	-	-	-	-	-	-	-
Buellton	2.52%	261,085	261,196	260,833	260,511	-	-	-	-	-	-
Santa Ynez (Solvang)	7.75%	802,069	802,128	801,014	800,025	-	-	-	-	-	-
Santa Ynez	2.91%	301,220	301,242	300,823	300,452	-	-	-	-	-	-
Goleta	24.43%	2,528,216	2,528,157	2,524,645	2,521,531	-	-	-	-	-	-
Morehart Land Co.	1.12%	116,100	116,095	115,934	115,791	-	-	-	-	-	-
La Cumbre	5.37%	555,829	555,816	555,044	554,359	-	-	-	-	-	-
Raytheon	0.23%	24,292	24,302	24,269	24,239	-	-	-	-	-	-
Santa Barbara	15.02%	1,554,249	1,554,137	1,551,978	1,550,064	-	-	-	-	-	-
Montecito	17.65%	1,826,775	1,826,688	1,824,151	1,821,900	-	-	-	-	-	-
Carpinteria	10.09%	1,044,360	1,044,310	1,042,859	1,041,573	-	-	-	-	-	-
Shandon	0.11%	11,730	11,732	11,715	11,701	-	-	-	-	-	-
Chorro Valley	9.03%	934,464	934,585	933,287	932,135	-	-	-	-	-	-
Lopez	2.34%	241,633	241,664	241,329	241,031	-	-	-	-	-	-
Total:	100.00%	10,349,474	10,349,500	10,335,125	10,322,375	-	-	-	-	-	-

Central Coast Water Authority
DWR Transportation Capital Charges
 Ten-Year Financial Plan Projections
 FY 2018/19 Final Budget

	Allocation Percentage	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Current Year Charges		22,875,229	22,899,670	22,981,028	23,205,539	23,201,438	23,198,870	23,196,009	23,192,883	23,189,754	23,183,111
Rate Management Credits (Over)/Under Payment		(2,377,281)	(2,530,838)	(2,530,838)	(2,530,838)	(2,530,838)	(2,530,838)	(2,530,838)	(2,530,838)	(2,530,838)	(2,530,838)
Miscellaneous Charges/(Credits)		168,241	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		19,887,316	19,589,960	19,671,318	19,895,829	19,891,728	19,889,160	19,886,299	19,883,173	19,880,044	19,873,401
Guadalupe	1.41%	279,473	275,294	276,438	279,593	279,535	279,499	279,459	279,415	279,371	279,277
Santa Maria	41.39%	8,231,750	8,108,669	8,142,344	8,235,274	8,233,576	8,232,514	8,231,329	8,230,035	8,228,740	8,225,991
Golden State Water	1.28%	254,066	250,268	251,307	254,175	254,123	254,090	254,053	254,013	253,973	253,889
Vandenberg AFB	14.05%	2,794,730	2,752,943	2,764,376	2,795,926	2,795,350	2,794,989	2,794,587	2,794,148	2,793,708	2,792,775
Buellton	1.48%	293,701	289,309	290,511	293,826	293,766	293,728	293,686	293,639	293,593	293,495
Santa Ynez (Solvang)	3.80%	754,825	743,538	746,626	755,148	754,992	754,894	754,786	754,667	754,548	754,296
Santa Ynez	1.31%	261,441	257,532	258,601	261,553	261,499	261,465	261,428	261,387	261,345	261,258
Goleta	11.65%	2,317,103	2,282,457	2,291,936	2,318,095	2,317,617	2,317,318	2,316,984	2,316,620	2,316,255	2,315,481
Morehart Land Co.	0.51%	101,627	100,107	100,523	101,670	101,649	101,636	101,621	101,605	101,589	101,555
La Cumbre	2.56%	508,133	500,535	502,614	508,350	508,245	508,180	508,107	508,027	507,947	507,777
Raytheon	0.13%	25,407	25,027	25,131	25,417	25,412	25,409	25,405	25,401	25,397	25,389
Santa Barbara	7.67%	1,524,398	1,501,605	1,507,842	1,525,051	1,524,736	1,524,539	1,524,320	1,524,081	1,523,841	1,523,332
Montecito	7.67%	1,524,398	1,501,605	1,507,842	1,525,051	1,524,736	1,524,539	1,524,320	1,524,081	1,523,841	1,523,332
Carpinteria	5.11%	1,016,265	1,001,070	1,005,228	1,016,701	1,016,491	1,016,360	1,016,214	1,016,054	1,015,894	1,015,554
Total:	100.00%	19,887,316	19,589,960	19,671,318	19,895,829	19,891,728	19,889,160	19,886,299	19,883,173	19,880,044	19,873,401

Central Coast Water Authority
DWR Coastal Branch Extension
 Ten-Year Financial Plan Projections
 FY 2018/19 Final Budget

	Allocation Percentage	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
		Principal	1,680,036	1,093,659	1,926,454	2,090,424	2,853,276	2,055,548	2,138,774	1,711,761	1,790,526
Interest	966,408	917,539	868,073	805,206	724,551	632,898	547,094	465,357	387,517	314,146	
Bond Cover	588,314	606,899	719,128	819,264	794,741	682,515	618,091	554,125	543,788	642,697	
Return of Prior Year Cover	(769,622)	(588,314)	(606,899)	(719,128)	(819,264)	(794,741)	(682,515)	(618,091)	(554,125)	(543,788)	
Other Charges/(Credits)	(344,053)	-	-	-	-	-	-	-	-	-	
TOTAL PAYMENTS		2,121,083	2,029,784	2,906,756	2,995,766	3,553,303	2,576,221	2,621,444	2,113,152	2,167,705	2,197,795
Guadalupe	0.00%	-	-	-	-	-	-	-	-	-	-
Santa Maria	21.80%	462,340	442,407	633,549	652,950	774,469	561,507	571,363	460,577	472,468	479,026
Golden State Water	0.67%	14,270	13,643	19,538	20,136	23,884	17,316	17,620	14,204	14,570	14,773
Vandenberg AFB	19.54%	414,358	396,543	567,871	585,260	694,182	503,297	512,132	412,831	423,488	429,367
Buellton	2.05%	43,545	41,658	59,656	61,483	72,925	52,873	53,801	43,369	44,488	45,106
Santa Ynez (Solvang)	5.33%	113,007	108,152	154,880	159,622	189,329	137,268	139,677	112,594	115,501	117,104
Santa Ynez	1.78%	37,669	36,065	51,647	53,229	63,135	45,775	46,578	37,547	38,516	39,051
Goleta	15.98%	339,020	324,413	464,576	478,802	567,911	411,748	418,976	337,737	346,456	351,265
Morehart Land Co.	0.71%	15,068	14,417	20,646	21,279	25,239	18,299	18,620	15,010	15,397	15,611
La Cumbre	3.55%	75,338	72,087	103,232	106,393	126,194	91,493	93,099	75,048	76,985	78,054
Raytheon	0.18%	3,767	3,615	5,177	5,336	6,329	4,589	4,669	3,764	3,861	3,915
Santa Barbara	10.66%	226,013	216,304	309,759	319,245	378,659	274,536	279,355	225,189	231,002	234,209
Montecito	10.66%	226,013	216,304	309,759	319,245	378,659	274,536	279,355	225,189	231,002	234,209
Carpinteria	7.10%	150,676	144,174	206,464	212,786	252,388	182,987	186,199	150,095	153,970	156,107
Total:	100.00%	2,121,083	2,029,784	2,906,756	2,995,766	3,553,303	2,576,221	2,621,444	2,113,152	2,167,705	2,197,795

Central Coast Water Authority
DWR Water System Revenue Bond Surcharge
 Ten-Year Financial Plan Projections
 FY 2018/19 Final Budget

	Allocation Percentage	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
WSRB Charge		3,166,142	3,378,067	3,311,600	3,392,989	3,298,654	3,331,410	3,256,725	3,096,897	2,942,647	3,110,527
Return of Prior Year Cover(44%)		(1,329,810)	(1,393,102)	(1,486,349)	(1,457,104)	(1,492,915)	(1,451,408)	(1,465,820)	(1,432,959)	(1,362,635)	(1,294,765)
Other Charges/(Credits)		(17,327)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		1,819,005	1,984,965	1,825,251	1,935,885	1,805,739	1,880,002	1,790,905	1,663,938	1,580,012	1,815,762
Guadalupe	1.38%	25,187	27,485	25,274	26,806	25,004	26,032	24,798	23,040	21,878	25,142
Santa Maria	40.73%	740,797	808,384	743,340	788,397	735,394	765,638	729,353	677,645	643,466	739,476
Golden State Water	1.26%	22,834	24,918	22,913	24,302	22,668	23,600	22,482	20,888	19,834	22,794
Vandenberg AFB	13.83%	251,589	274,543	252,452	267,754	249,754	260,025	247,702	230,141	218,533	251,140
Buellton	1.45%	26,466	28,881	26,557	28,167	26,273	27,354	26,057	24,210	22,989	26,419
Santa Ynez (Solvang)	3.64%	66,183	72,221	66,410	70,435	65,700	68,402	65,160	60,541	57,487	66,065
Santa Ynez	1.38%	25,090	27,379	25,176	26,703	24,907	25,932	24,703	22,951	21,794	25,046
Goleta	13.10%	238,264	260,002	239,082	253,573	236,526	246,254	234,583	217,952	206,959	237,839
Morehart Land Co.	0.51%	9,267	10,113	9,299	9,863	9,200	9,578	9,124	8,477	8,050	9,251
La Cumbre	2.51%	45,737	49,910	45,894	48,676	45,404	47,271	45,031	41,838	39,728	45,656
Raytheon	0.13%	2,283	2,491	2,291	2,429	2,266	2,359	2,247	2,088	1,983	2,279
Santa Barbara	7.55%	137,278	149,803	137,749	146,099	136,277	141,881	135,157	125,575	119,241	137,033
Montecito	7.55%	137,278	149,803	137,749	146,099	136,277	141,881	135,157	125,575	119,241	137,033
Carpinteria	4.99%	90,752	99,031	91,063	96,583	90,090	93,795	89,350	83,015	78,828	90,590
Total:	100.00%	1,819,005	1,984,965	1,825,251	1,935,885	1,805,739	1,880,002	1,790,905	1,663,938	1,580,012	1,815,762

Central Coast Water Authority
DWR Transportation Minimum OMP&R
 Ten-Year Financial Plan Projections
 FY 2018/19 Final Budget

	Allocation Percentage	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Current Year Charges		8,660,511	7,619,430	7,450,714	7,525,221	7,600,473	7,676,478	7,753,243	7,830,775	7,909,083	7,988,174
(Over)/Under Payment		1,249,759	-	-	-	-	-	-	-	-	-
Miscellaneous Charges/(Credits)		-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		9,910,270	7,619,430	7,450,714	7,525,221	7,600,473	7,676,478	7,753,243	7,830,775	7,909,083	7,988,174
Guadalupe	1.39%	137,626	105,813	103,470	104,504	105,549	106,605	107,671	108,748	109,835	110,933
Santa Maria	40.90%	4,053,712	3,116,663	3,047,651	3,078,128	3,108,909	3,139,998	3,171,398	3,203,112	3,235,143	3,267,495
Golden State Water	1.26%	125,115	96,193	94,063	95,004	95,954	96,914	97,883	98,861	99,850	100,849
Vandenberg AFB	13.89%	1,376,260	1,058,126	1,034,696	1,045,043	1,055,494	1,066,049	1,076,709	1,087,476	1,098,351	1,109,335
Buellton	1.46%	144,632	111,199	108,737	109,825	110,923	112,032	113,152	114,284	115,427	116,581
Santa Ynez (Solvang)	3.68%	364,779	280,457	274,247	276,989	279,759	282,557	285,382	288,236	291,119	294,030
Santa Ynez	1.37%	135,680	104,316	102,006	103,026	104,057	105,097	106,148	107,210	108,282	109,365
Goleta	12.69%	1,257,847	967,085	945,671	955,128	964,679	974,326	984,069	993,910	1,003,849	1,013,888
Morehart Land Co.	0.50%	50,046	38,477	37,625	38,002	38,382	38,765	39,153	39,545	39,940	40,339
La Cumbre	2.52%	250,229	192,387	188,127	190,008	191,908	193,827	195,765	197,723	199,700	201,697
Raytheon	0.13%	12,511	9,619	9,406	9,500	9,595	9,691	9,788	9,886	9,985	10,085
Santa Barbara	7.57%	750,687	577,160	564,380	570,024	575,724	581,481	587,296	593,169	599,101	605,092
Montecito	7.57%	750,687	577,160	564,380	570,024	575,724	581,481	587,296	593,169	599,101	605,092
Carpinteria	5.05%	500,458	384,773	376,253	380,016	383,816	387,654	391,531	395,446	399,400	403,394
Total:	100.00%	9,910,270	7,619,430	7,450,714	7,525,221	7,600,473	7,676,478	7,753,243	7,830,775	7,909,083	7,988,174

Central Coast Water Authority
DWR Delta Water Charge
 Ten-Year Financial Plan Projections
 FY 2018/19 Final Budget

	Table A & Drought Buffer	Table A & Drought Buffer %	Table A & Drought Buffer %									
			FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Delta Water Charge \$/AF-Base			\$ 74	\$ 74	\$ 78	\$ 82	\$ 86	\$ 91	\$ 95	\$ 100	\$ 105	\$ 110
Inflation %				5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Projected DWC-Base Charges			\$ 74	\$ 78	\$ 82	\$ 86	\$ 91	\$ 95	\$ 100	\$ 105	\$ 110	\$ 116
Rate Management Credits/AF			(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Miscellaneous Charges/(Credits)			-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS			\$ 71	\$ 75	\$ 79	\$ 83	\$ 87	\$ 92	\$ 97	\$ 102	\$ 107	\$ 112
Guadalupe	605	1.33%	43,213	45,459	47,825	50,308	52,916	55,654	58,529	61,548	64,718	68,046
Santa Maria	17,820	39.18%	1,280,807	1,338,980	1,408,651	1,481,805	1,558,617	1,639,270	1,723,955	1,812,875	1,906,241	2,004,274
Golden State Water	550	1.21%	39,284	41,327	43,477	45,735	48,105	50,595	53,208	55,953	58,835	61,860
Vandenberg AFB	6,050	13.30%	432,129	454,592	478,246	503,082	529,160	556,542	585,293	615,482	647,180	680,464
Buellton	636	1.40%	45,427	47,789	50,275	52,886	55,627	58,506	61,528	64,702	68,034	71,533
Santa Ynez (Solvang)	1,500	3.30%	107,735	112,709	118,573	124,731	131,197	137,986	145,114	152,599	160,458	168,710
Santa Ynez	700	1.54%	49,082	52,597	55,334	58,208	61,225	64,393	67,720	71,213	74,880	78,731
Goleta	7,450	16.38%	532,478	559,787	588,914	619,498	651,610	685,329	720,733	757,908	796,941	837,926
Morehart Land Co.	220	0.48%	15,714	16,531	17,391	18,294	19,242	20,238	21,283	22,381	23,534	24,744
La Cumbre	1,100	2.42%	78,569	82,653	86,954	91,469	96,211	101,190	106,417	111,906	117,669	123,721
Raytheon	55	0.12%	3,928	4,133	4,348	4,573	4,811	5,059	5,321	5,595	5,883	6,186
Santa Barbara	3,300	7.25%	237,188	247,959	260,861	274,408	288,633	303,569	319,251	335,718	353,008	371,162
Montecito	3,300	7.25%	237,188	247,959	260,861	274,408	288,633	303,569	319,251	335,718	353,008	371,162
Carpinteria	2,200	4.84%	157,138	165,306	173,908	182,939	192,422	202,379	212,834	223,812	235,338	247,441
Total:	45,486	100.00%	\$ 3,259,881	\$ 3,417,780	\$ 3,595,617	\$ 3,782,345	\$ 3,978,410	\$ 4,184,278	\$ 4,400,440	\$ 4,627,409	\$ 4,865,727	\$ 5,115,961



Nutria, an invasive rodent from South America identified by ACWA/JPIA as a potential threat to California's water infrastructure due to its rapid population growth and burrowing habits.

Appendix

The Appendix to the FY 2018/19 Budget contains miscellaneous statistical information on the CCWA, and glossaries of acronyms and terms.

Central Coast Water Authority
Santa Barbara County Area Description
Fiscal Year 2018/19 Budget

Santa Barbara County is located on the Pacific coast of the southern portion of the U.S. state of California, just west of Ventura County. The estimated total population of the County as of January 2015 was 437,643 according to the Santa Barbara County website. The county seat is Santa Barbara and the largest city is Santa Maria.

For thousands of years, the area was home to the Chumash tribe of Native Americans, complex hunter-gathers who lived along the coast and in interior valleys leaving rock art in many locations including Painted Cave. European contact had devastating effects on the Chumash Indians, including a series of disease epidemics that drastically reduced Chumash population. The Chumash survived, however, and thousands of Chumash descendants still live in the Santa Barbara area or surrounding counties.

The County has a total area of 3,789 square miles and four of the Channel Islands – San Miguel Island, Anacapa Island, Santa Cruz Island and Santa Rosa Island – are in Santa Barbara County. They form the largest part of the Channel Islands National Park.

Santa Barbara County has a mountainous interior abutting a coastal plains area. The largest concentration of people is on this coastal plain, referred to as the south coast – the part of the county south of the Santa Ynez Mountains – which includes the cities of Santa Barbara, Goleta and Carpinteria, as well as the unincorporated areas of Hope Ranch, Mission Canyon, Montecito and Isla Vista. North of the mountains are the towns of Santa Ynez, Solvang, Buellton, Lompoc; the unincorporated towns of Los Olivos and Ballard; the unincorporated areas of Mission Hills and Vandenberg Village; and Vandenberg Air Force Base, where the Santa Ynez River flows out to the sea. North of the Santa Ynez Valley are the cities of Santa Maria and Guadalupe.

Santa Barbara County, often branded as the American Riviera, is home to a beautiful landscape and great climate for living, playing and working. The County is well known for its strong sense of community, prime agricultural land, award winning wineries, and attractive cultural and tourism opportunities. However, Santa Barbara County also touts its talented and highly skilled workforce, and growing business sectors, from high tech to health care to design. Quality institutions like UC Santa Barbara and Vandenberg Airforce Base continue to attract high quality individuals to the County. It is these attributes that attract and retain businesses in the area.

Central Coast Water Authority
 Miscellaneous Statistical Information
 Fiscal Year 2018/19 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	30.25
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2018/19 Santa Barbara County requested deliveries	30,899 acre-feet
San Luis Obispo State water Table A	4,830 acre-feet
FY 2018/19 San Luis Obispo requested deliveries	3,460 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	440,668
San Luis Obispo County	<u>41,000</u>
TOTAL	481,000

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2017/18 Budget

ACWA - Association of California Water Agencies

ADM - Administration

AF - Acre-Foot or Acre-Feet

AVEK - Antelope Valley/East Kern Water Agency

AWWA - American Water Works Association

BDCP - Bay Delta Conservation Plan

CAFR - Comprehensive Annual Finance Report

CalPERS - California Public Employees' Retirement System

CCR - Consumer Confidence Report

CCRB - Cachuma Conservation Release Board

CCWA - Central Coast Water Authority

CDF - California Department of Forestry

CDFW - California Department of Fish & Wildlife (Formerly CA Department of Fish & Game)

CEQA - California Environmental Quality Act

CIP - Capital Improvement Program

CMMS - Computerized Maintenance Management System

COMB - Cachuma Operations and Maintenance Board

CPI - Consumer Price Index

CY - Calendar Year

DBP - Disinfection By-Products

DCS - Distributive Control System

DHCCP - Delta Habitat Conservation Conveyance Plan

DI - Deionized or deionization

DIST - Distribution

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2017/18 Budget

DO - Dissolved oxygen

DOT - Department of Transportation

DPH - Department of Public Health

DWR - Department of Water Resources

EAP - Emergency Action Plan or Employee Assistance Program

EAAP - Employee Achievement Awards Program

EBP - Employee Benefits Program

EDV - Energy Dissipation Valve Vault

EPP - Extraordinary Project Program

EIR - Environmental Impact Report

ELAP - Environmental Laboratory Accreditation Program (ELAP)

E&O - Errors and Omissions

FOC - Fiber Optic Cable

FY - Fiscal Year

GAAP - Generally Accepted Accounting Principles

GASB - Governmental Accounting Standards Board

GFOA - Government Finance Officers Association

GIS - Geographic Information System

GPS - Global Positioning System

HCF - Hundred Cubic Feet

HDPE - High-density Polyethylene

HVAC - Heating, Ventilation, and Air Conditioning

IC&R - Instrumentation Calibration & Repair

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2017/18 Budget

IRC - Internal Revenue Code

IRWD - Irvine Ranch Water District

ISO - International Standards Organization

ISP - Internet Service Provider

JPA - Joint Powers Authority

JPIA - Joint Powers Insurance Agency

LAFCO - (Santa Barbara) Local Agency Formation Commission

LAIF - Local Agency Investment Fund (California State Treasurer's Office)

LIMS - Laboratory Information Management System

LT2 - Long Term 2 Enhanced Surface Water Treatment Rule

MIB - 2-Methyl Isoborneol

MWD - Metropolitan Water District of Southern California

MWQI - Municipal Water Quality Investigations

NACE - Nomenclature general des Activites (industrial classification)

NCP - Non-Capital Projects

NPDES - National Pollutant Discharge Elimination System

O&M - Operations & Maintenance

OMP&R - Operations, Maintenance, Power and Replacement

OPEB - Other Post-Employment Benefits

OSHA - Occupational Safety and Health Administration

PAC - Powdered Activated Carbon

PG&E - Pacific Gas & Electric

PEPRA - California Public Employees' Pension Reform Act

PERS - California Public Employees' Retirement System

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2017/18 Budget

PLC - Process Logic Controllers

PPWTP - Polonio Pass Water Treatment Plant

RAS - Replacement Accounting System

RFB - Request for Bid

RFP - Request for Proposal

RFQ - Request for Qualifications

ROW - Right-of-Way

RPP - Remote Process Logic Controller Panel

RWQCB - Regional Water Quality Control Board

SAN - Storage Area Network

SBCFC&WCD - Santa Barbara County Flood Control and Water Conservation District

SCADA - Supervisory Control and Data Acquisition

SCBA - Self Contained Breathing Apparatus

SFCWA - State and Federal Contractors Water Agency

SLOCFCWCD - San Luis Obispo County Flood Control and Water Conservation District

SOC - Statement of Charges (Department of Water Resources)

SQL - Structured Query Language

SWC - State Water Contractors

SWP - State Water Project

SWPAO - State Water Project Analysis Office

SWPC - State Water Project Contractor

SWPCA - State Water Project Contractors Authority

SWPP - Supplemental Water Purchase Program

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2017/18 Budget

SWRCB - State Water Resources Control Board

SY ID#1 or **SYRWCD ID#1** - Santa Ynez River Water Conservation District, Improvement District #1

SYPF - Santa Ynez Pumping Facility

SYPP - Santa Ynez Pumping Plant

TDS - Total Dissolved Solids

THM - Total Trihalomethane

TOC - Total Organic Carbon

UPS - Uninterruptable Power Supply

USBR - United States Bureau of Reclamation

UWMP - Urban Water Management Plan

VAFB - Vandenberg Air Force Base

VFD - Variable Frequency Drive

WRF - Water Research Foundation

WSA - Water Supply Agreement

WSRA - Water Supply Retention Agreement

WSRB - Water System Revenue Bond Surcharge

WTP - Water Treatment Plant

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2018/19 Budget

A

Account - A record of a business transaction; a reckoning of money received or paid.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

Accrual Basis of Accounting - The method of recording financial transactions in the accounting period in which revenues are earned and expenses are incurred, rather than only after cash is received or paid.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot.

Adoption - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Advance Refunding - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Appropriation - The act of setting aside money for a specific purpose.

Aqueduct - A canal for conveying a large amount of water.

Assets - Resources owned or held by a government which have monetary value.

B

Bond Call - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

Balance Budget - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2018/19 Budget

C

Capital Expenditures – Amounts expended which result in the acquisition of, or addition to, fixed assets, including land, buildings, improvements, machinery and equipment.

Capital Improvements - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

Capitalized Interest - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

Carry-Over - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are “carried over” into the subsequent fiscal year.

Coastal Branch Phase II - A 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

Comprehensive Annual Financial Report (CAFR)- The official annual report, including financial statements, statistical information, and extensive narration, which goes beyond the minimum financial reporting.

Coverage - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Defeasance - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

Delta Water Charge - A unit charge applied to each acre-foot of State water entitlement by DWR. The unit charge is applied to result in repayment of all outstanding

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2018/19 Budget

reimbursable costs of the DWR Project Conservation Facilities, with appropriate interest, by the end of the State water contract repayment period (2035).

Department of Water Resources - The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear, deterioration, obsolescence or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2018/19 Budget

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

Fund Balance – Also known as financial position, fund balance is the excess of fund assets over liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses. CCWA operates under one fund for financial statement and budgetary purposes. Because CCWA is a pass-through agency, all revenues are equal to the expenditures included in the budget. As such, overall Fund Balance excluding the Operating Reserve (see *Operating Reserve*) is expected to be zero.

G

General Fund - The Authority's cash balance net of reserve balances.

Generally Accepted Accounting Principles - The uniform accounting principles, standards, and procedures for the presentation of financial reports. For local governments, GAAP is set by the Government Accounting Standards Board (GASB).

Geographical Information System (GIS) - An information system integrating maps with electronic data.

J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2018/19 Budget

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

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

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

Operating Reserve Balance – Reserve of \$2 million, approved by the CCWA Board of Directors 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. Each Authority Contractor contributed to the Operating Reserve Fund in proportion to their Table A water allocation.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2018/19 Budget

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

Reserve Funds - A budgeted amount to be set aside in an account for future use.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Revenue Bond - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

Right of Way - A legal right of passage over another person's ground.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2018/19 Budget

S

Santa Ynez Exchange Agreement - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

T

Table A Amount - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

Table A Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

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

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2018/19 Budget

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

Vulnerability Assessment- The examination of a system to identify critical infrastructure or related components that maybe at risk of attack and the procedures that can be implemented to reduce that risk.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Water Supply Agreement - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

Water System Revenue Bond Surcharge - The surcharge is the difference between the total project charges collected at the project interest rate for a project and the annual financing costs of the water system revenue bonds issued for that project. Project interest rate is the melded financing costs for projects not financed with water system revenue bonds.

THE STATE WATER PROJECT IN SANTA BARBARA COUNTY

Introduction

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

History of the State Water Project

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).

Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

The State Water Project in Santa Barbara County

The Early Years

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

The 1980's and 1990's

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report, needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.

The Central Coast Water Authority

Early Activities

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water. Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Southern California Water Company, La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch

Phase II project, which extends from northwest Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

Project Financing, Development and Implementation

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000.)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the

federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The

change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings. CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting

from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

A Commitment to Environmental Protection

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's cultural experts could study the sites, report them to the state and federal agencies and then mitigate.

- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and curating 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County) and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

Water Supply Reliability

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 80% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out. In the meantime, the reliability of requested deliveries by CCWA project participants is much higher – virtually 100% – because their current total demand is significantly less than 39,078 acre feet per year.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement

among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.

- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.
- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

The Future

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and

service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives. CCWA has built both the organization and infrastructure that will support this vision well into the future.

July 1998

Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies
(and year of initial water delivery)**

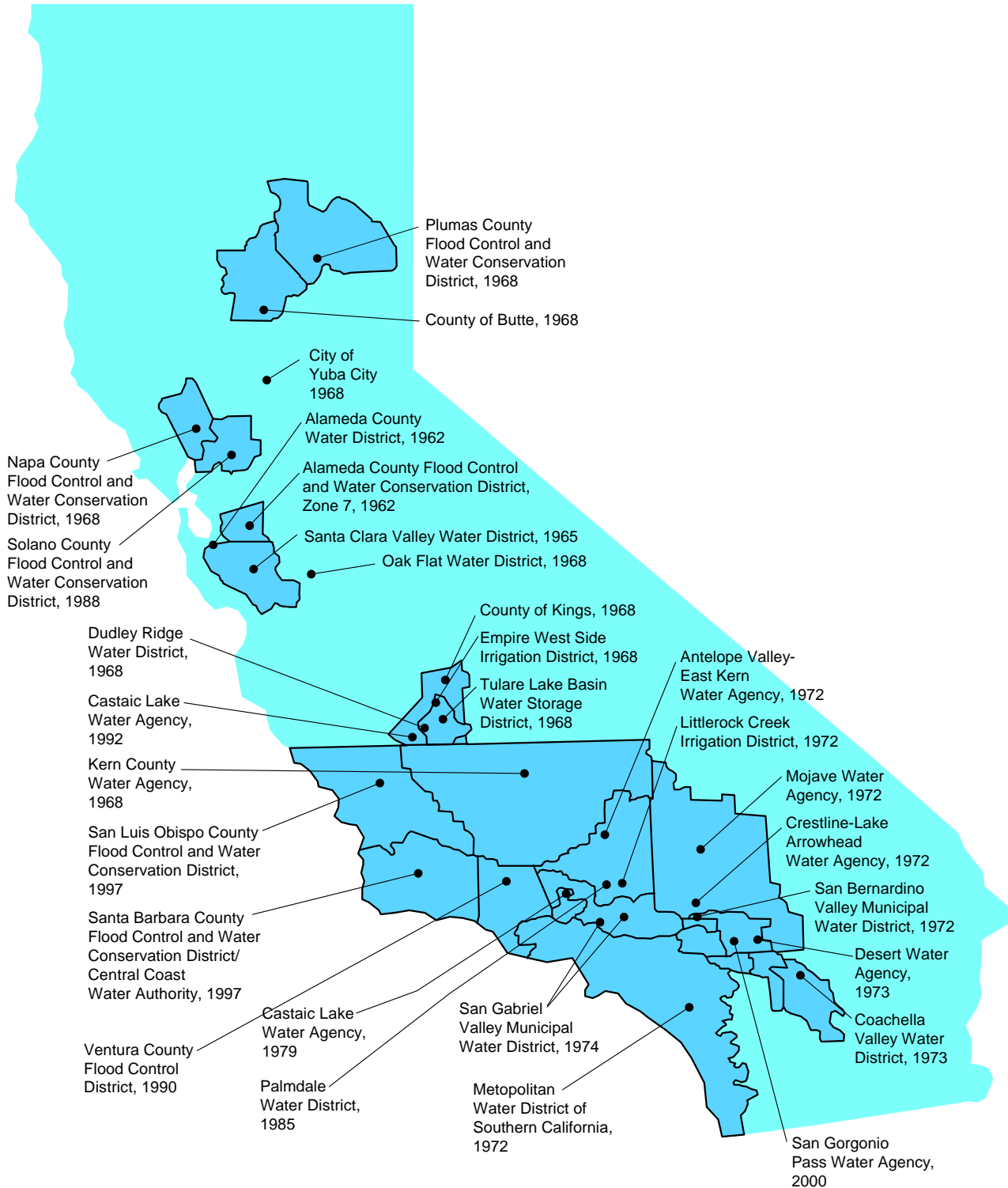


Table 1

COASTAL BRANCH PHASE II PROJECT DATA *

Tank Sites*	1	1	2	5	7
	raw water	treated water	treated water	treated water	treated water
# of tanks	3	2	2	2	1
total capacity (million gallons)	24.2	9.8	6.4	5	2.5

* Tank sites 3, 4 and 6 were eliminated during design of the facilities.

Polonio Pass Water Treatment Plant	43 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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Pipeline		
<u>Location (from/to)</u>	<u>Pipeline Diameter (inches)</u>	<u>Distance (miles)</u>
Devils Den Pumping Plant/Tank1	57	13.0
Tank1/Salinas River	48	33.0
Salinas River/Cuesta Tunnel	51	7.1
Cuesta Tunnel/Tank 5	42	47.5
Tank 5/Purisima Road	39	13.3
Purisima Road/Santa Ynez Pumping Facility	36	21.2
Santa Ynez P.F./Lake Cachuma	30	8.0
Total Pipeline >>>		143.1

Pump Plants	<u>Flow Rate (cfs)</u>	<u>Horsepower (each pump)</u>	<u># of Pumps</u>	<u>Lift (ft)</u>
Devils Den Pumping Plant (DWR)	100	1760	6	550
Bluestone Pumping Plant (DWR)	100	1760	6	550
Polonio Pass Pumping Plant (DWR)	100	1760	6	550
Santa Ynez Pumping Facility (CCWA)	22	300	5	250

Turnouts	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	California Cities Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Santa Barbara Research Center, La Cumbre Mutual Water Co.

* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.