

CENTRAL COAST WATER AUTHORITY

A CALIFORNIA JOINT POWERS AUTHORITY

FY 2023/24 PRELIMINARY BUDGET





CENTRAL COAST WATER AUTHORITY

MEMORANDUM

March 9, 2023

TO: CCWA Operating Committee

FROM: Dessi Mladenova
Controller

SUBJECT: CCWA FY 2023/24 Preliminary Budget

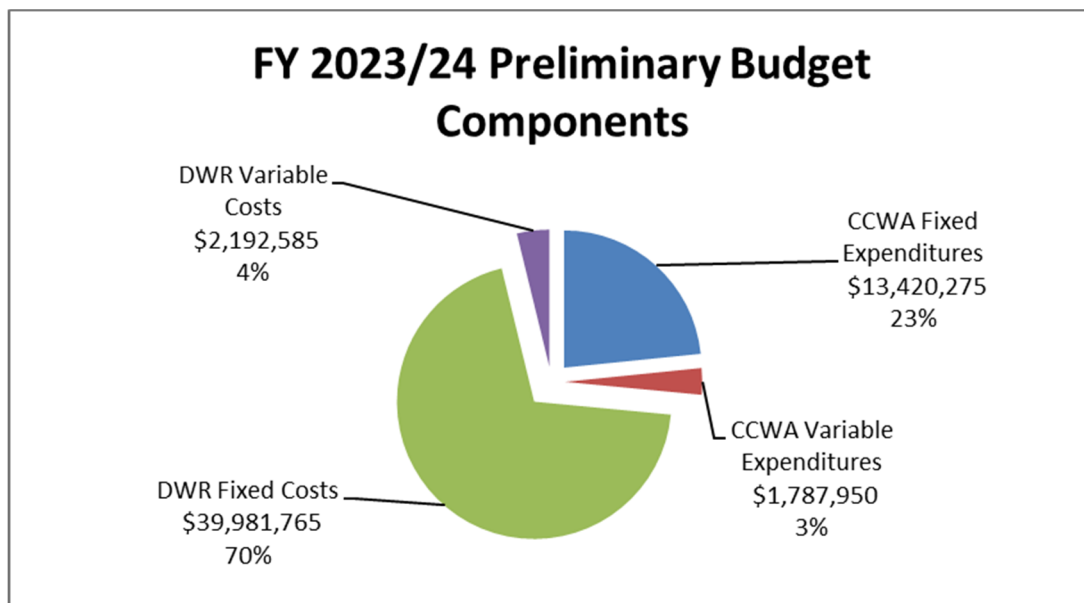
SUMMARY

The Preliminary FY 2023/24 Budget document has been posted for review at the CCWA website www.ccwa.com under the Major Reports tab. This memorandum provides an overview of the preliminary budget and highlights significant changes between it and the Final approved FY 2022/23 Budget. Staff will provide an overview of the Preliminary FY 2023/24 Budget at the March 9, 2023 Operating Committee meeting, and will be providing an overview at the March 23, 2023 CCWA Board Meeting.

DISCUSSION

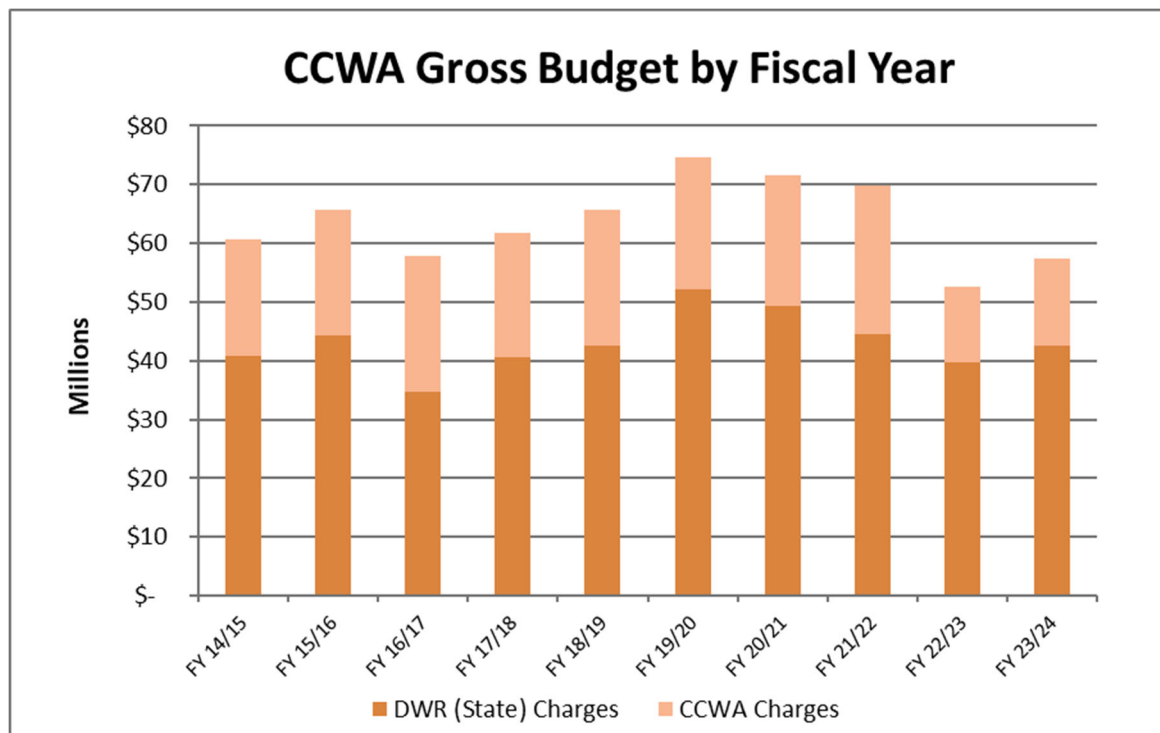
The FY 2023/24 Preliminary Budget calls for total project participant payments of \$56.4 million compared to the FY 2022/23 adopted budget of \$51.2 million, a \$5.2 million increase.

The following graph shows the various components of the FY 2023/24 Preliminary Budget and subsequent table compares the Preliminary FY 2023/24 Budget and the Final FY 2022/23 Budget:



Budget Item	Final FY 2022/23 Budget	Preliminary FY 2023/24 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses - Fixed	\$ 9,045,216	\$ 10,542,387	\$ 1,497,171
CCWA Operating Expenses - Variable	2,124,961	1,787,950	(337,011)
Capital/Non-Capital Projects	1,674,254	2,602,215	927,961
Total CCWA Expenses:	12,844,431	14,932,552	2,088,121
Pass-Through Expenses			
DWR Fixed Costs	36,007,316	39,981,765	3,974,449
DWR Variable Costs	3,023,505	2,192,585	(830,920)
Warren Act and Trust Fund Payments	764,882	275,673	(489,209)
Total Pass-Through Expenses:	39,795,703	42,450,023	2,654,320
Subtotal Gross Budget:	52,640,134	57,382,576	4,742,441
CCWA (Credits) Due	(1,480,800)	(971,784)	509,016
TOTAL:	\$ 51,159,334	\$ 56,410,791	\$ 5,251,457

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



CCWA Operating Expense Budget

The Preliminary FY 2023/24 CCWA operating expense budget totals \$12,330,337 which is \$1,160,160 more than the FY 2022/23 operating expense budget, or a 10.39% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2023/24 and FY 2022/23.

	Final FY 2022/23 Budget	Preliminary FY 2023/24 Budget	Increase	Percentage Change
Fixed O&M	\$ 9,045,216	\$ 10,542,387	\$ 1,497,171	16.55%
Variable O&M	2,124,961	1,787,950	(337,011)	-15.86%
Total:	\$ 11,170,177	\$ 12,330,337	\$ 1,160,160	10.39%

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

Water Deliveries

Total requested water deliveries for FY 2023/24 are 13,962-acre feet compared to the FY 2022/23 requested deliveries of 14,983-acre feet, a decrease of 1,021 acre-feet.

Personnel Expenses

Personnel expenses are increasing by about \$699,788 which includes the following changes from the prior year:

- The FY 2023/24 total salaries and wages budget for all departments is increasing \$388,323 as compared to the prior fiscal year budget, representing an increase of 11.34%.
- CalPERS retirement expenses are increasing by approximately \$18,123. The combined CCWA paid employer, employee and unfunded actuarial liability contribution rates for the FY 2023/24 total 33.52% as compared to the prior year amount of 30.22%, for a combined increase of 3.30%.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by about \$110,858 or 18.73% due to; 1) The 2023 CalPERS health insurance plan with the lowest premiums increased by 18.40% over the 2022 premiums, as opposed to the increase of 5% budgeted for the calendar year 2023; 2) The FY 2023/24 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2024. The health plan estimates are based on the elections of each employee at the time the budget is prepared.

- Workers' Compensation costs are decreasing by \$13,323 due to a 22% decrease in the Experience modification rate for CCWA.
- The FY 2023/24 Budget includes a \$208,716 deposit into the Retiree Benefit Trust Program, a 39% increase or \$ 58,766 from FY 2022/23 budget amount. This OPEB actuarial determined contribution is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums for employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of CCWA service.

Supplies and Equipment

Supplies and equipment are increasing by \$194,789 based primarily on the increased cost and amount of chemicals needed. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality.

Monitoring Expenses

Monitoring expenses are only increasing by \$9,098 due to a request for additional lab supplies and equipment as identified by the Senior Chemist.

Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$21,950 due to increased building and equipment repairs and maintenance-related costs.

Professional Services

Professional Services are increasing by \$631,007 due primarily to an increase in legal costs.

General and Administrative

General and Administrative costs are increasing by about \$13,640 due to increased employee training costs.

Utilities

Utility expenses are decreasing by about \$505,112 largely due to lower estimated deliveries and lower projected electric cost per AF.

Other Expenses

Other expenses are increasing by about \$94,501 due to increased insurance costs and appropriated contingency.

Approximately 51% of the operating expense budget represents personnel expenses. This is followed by 17% for professional services, 13% for supplies and equipment and 5% for utilities, with the balance being comprised of other expenses.

CCWA Capital Improvement & Non-Capital Projects

The Preliminary FY 2023/24 Budget includes \$2,602,215 for capital and non-capital improvement projects, a \$927,961 increase over the prior year amount. All capital improvement and non-capital projects are normally funded on a current basis from project participant assessments.

Please refer to the “*Projects*” section of the Preliminary FY 2023/24 Budget for additional information on the budgeted capital improvement projects.

Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement Modifications

The Preliminary FY 2023/24 fixed and variable regional water treatment plant allocation expense and corresponding credit is \$1,612,838 or \$58.35/AF for all Project Participants. The Preliminary FY 2023/24 fixed and variable Santa Ynez exchange agreement modifications total \$562,505, or \$232/AF.

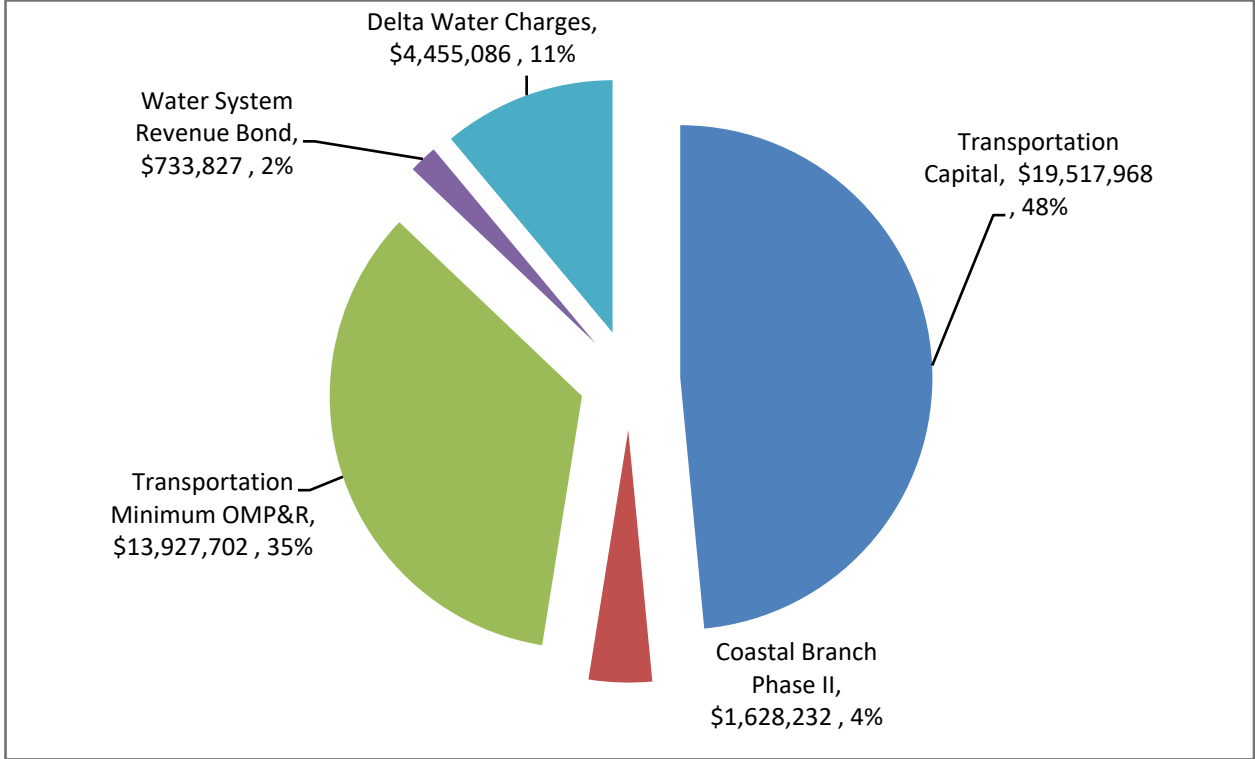
Please refer to the Water Treatment Plant section of the Budget for additional information on the regional water treatment plant allocation and Santa Ynez exchange agreement modifications.

Warren Act and Trust Fund Payments

The Preliminary FY 2023/24 Budget includes \$275,673 for Warren Act and Trust Fund MOU payments based on \$138.39 per acre foot for 1,992-acre feet of water to be delivered to Cachuma Lake.

DWR FIXED COSTS

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



The FY 2023/24 DWR fixed charges total \$40,262,815 which is \$4,255,499 higher than the FY 2022/23 Budget. The reasons for the cost component variances are described later in this report.

Transportation Capital

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

The FY 2023/24 Transportation capital charges are increasing by \$356,533 due to the following:

Transportation Capital Budget-to-Budget Changes			
	FY 2022/23	FY 2023/24	Change
Calculated Component	\$ 23,590,644	\$ 23,696,592	\$ 105,948
Rate Management Credits	(2,486,264)	(2,482,519)	3,745
Prior Year amount due	(119,927)	2,084	122,011
Prior Year Overcollection Credit	(806,191)	(1,326,825)	(520,634)
Other Adjustments	4,892	20,707	15,815
Other credits	(1,021,719)	-	1,021,719
DSRF credit	-	(392,070)	(392,070)
Total:	\$ 19,161,435	\$ 19,517,968	\$ 356,533

Coastal Branch Extension-Transportation Capital Reach 37 and 38

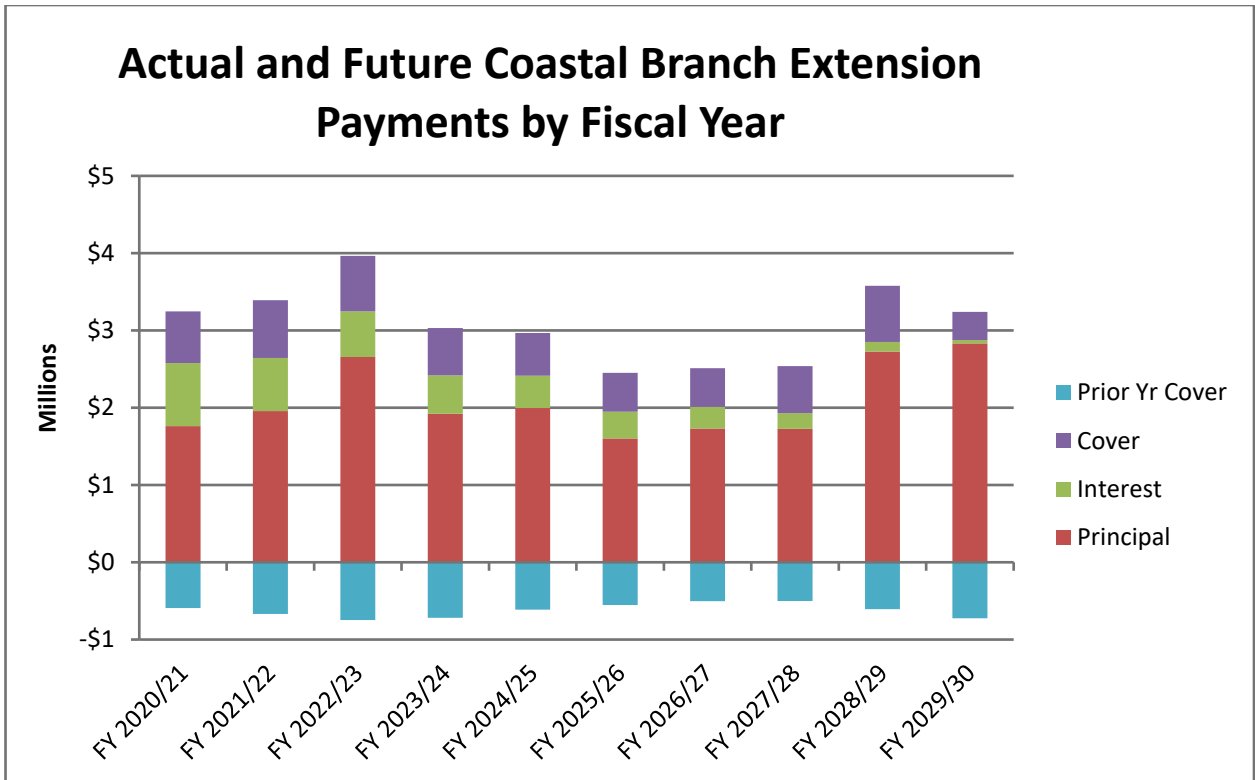
This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according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

Coastal Branch Extension debt service payments for FY 2023/24 total \$1,628,232, which is \$1,268,412 lower than the prior year amount due to the following:

Coastal Branch Extension Debt Service			
	FY 2022/23	FY 2023/24	Change
Principal Payments	\$ 2,710,313	\$ 1,920,927	\$ (789,386)
Interest Payments	603,758	495,546	(108,212)
Bond Cover	737,598	613,294	(124,304)
Rate Management Credits	(184,614)	(189,402)	(4,788)
Return of Prior Year Cover	(770,102)	(728,336)	41,767
Prior year amount due (credit)	(183,125)	(245,802)	(62,677)
Excess Reserve Fund Credits		(237,995)	(237,995)
One-Time Extraordinary Credits	(17,184)	-	17,184
Total:	\$ 2,896,644	\$ 1,628,232	\$ (1,268,412)

Principal, Interest and Bond Cover Changes

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



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

Transportation Minimum OMP&R

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

For FY 2023/24, total Transportation Minimum OMP&R charges are \$13,927,702, which is \$4,119,941 more than the prior year amount due to the following:

Transportation Minimum OMP&R			
	FY 2022/23	FY 2023/24	Change
Calculated Component	\$ 11,933,564	\$ 12,125,783	\$ 192,219
Prior Year (Over)/Under Collection	(879,873)	2,616,229	3,496,102
Prior Year Amount Due (Credit)	(3,680,321)	(814,310)	2,866,011
Addtl Amount collected	2,434,391	-	(2,434,391)
Total:	\$ 9,807,761	\$ 13,927,702	\$ 4,119,941

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

Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2023/24, the WSRB is \$442,040 higher than the prior year amount.

Delta Water Charge

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

The FY 2023/24 Delta Water Charge totals \$4,455,086, which is \$605,397 higher than the prior year amount for the following reasons.

<i>Delta Water Charge</i>			
	FY 2022/23	FY 2023/24	Change
Rate per acre-foot	\$ 111.50	\$ 102.53	\$ (8.97)
Delta Water Charge	5,071,827	4,663,686	(408,141)
Rate Management Credits	(138,960)	(138,960)	-
Prior year adjustment	(797,884)	-	797,884
Prior year amount due (credit)	(285,293)	(69,640)	215,653
Total:	\$ 3,849,690	\$ 4,455,086	\$ 605,396

As the table above shows, the FY 2023/24 rate per acre-foot totals \$102.53, which is \$8.97/AF less than the prior year amount.

The FY 2023/24 rate includes an estimated \$20.00/AF increase for calendar year 2024 for potential other conservation and delta related facilities (\$10.00/AF on a fiscal year basis).

DWR VARIABLE COSTS

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

- Off-Aqueduct Charge
- Variable OMP&R

Variable OMP&R Charges

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

For 2023/24, the variable OMP&R charges total \$2,192,585, which is \$830,920 less than the prior year amount. The budget is based on estimated water deliveries of 9,570 acre-feet.

The cost per acre-foot for water deliveries in FY 2023/24 is estimated to be \$225/AF.

Variable Cost Per Acre-Foot Analysis

The Preliminary FY 2023/24 variable cost per acre-foot for Table A water is \$360.38 for the North County project participants and \$526.07 for South Coast project participants.

The Preliminary Budget for FY 2023/24 reflects 2,425 AF in exchange deliveries between Santa Ynez ID#1 and the South Coast exchange participants. The large decrease in the estimated cost per acre-foot for South Coast project participants is due to the development of SYPP Operational Matrix to aid in the cost estimate for pumping water to Lake Cachuma by delivery amount and by number of pumps used.

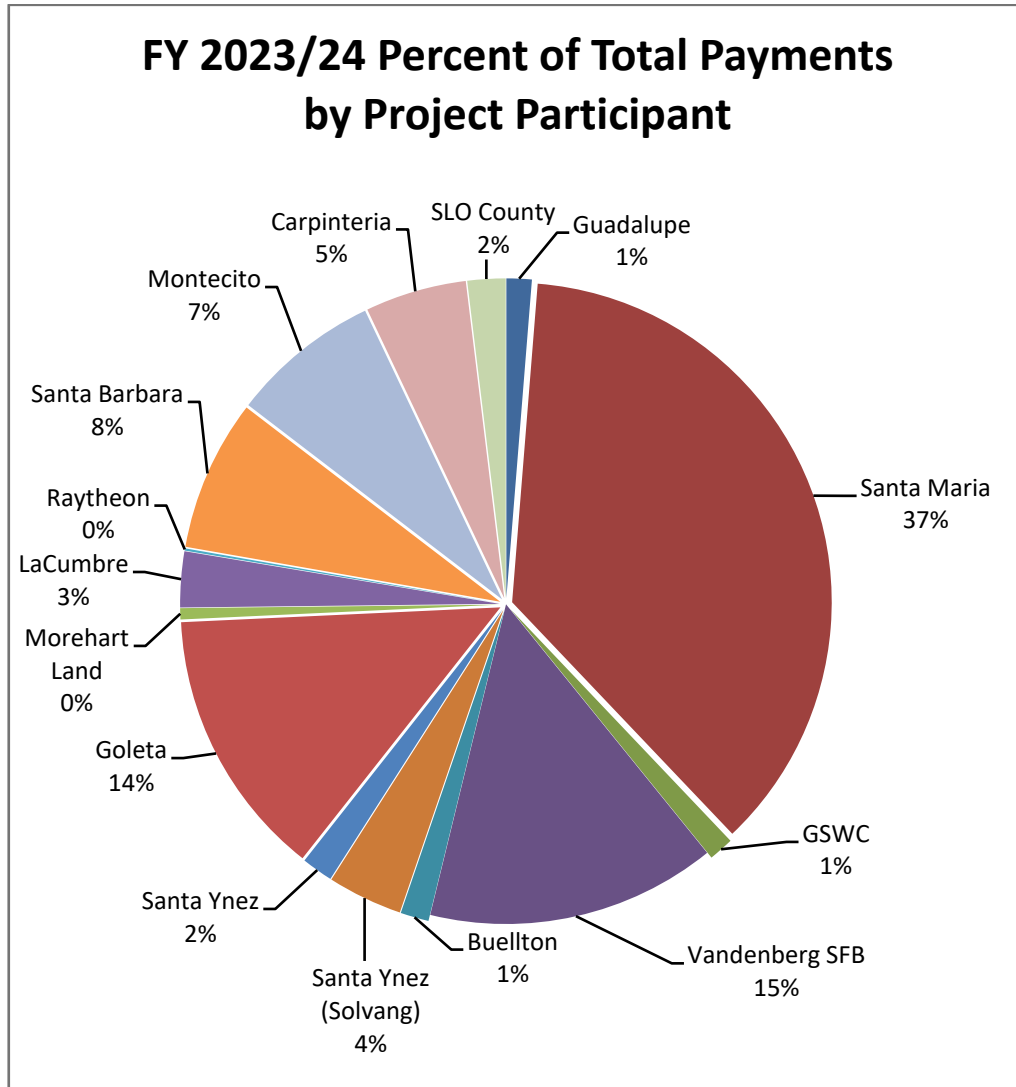
Total Payments Comparison by Project Participant

The following table shows the total budgeted payments by project participant for FY 2022/23 and total payments shown on the FY 2023/24 Preliminary Budget and the corresponding increase or (decrease).

Project Participant	Total Payments FY 2022/23	Total Payments FY 2023/24	Change FY 2022/23 to FY 2023/24
Guadalupe	\$ 515,368	\$ 718,848	\$ 203,480
Santa Maria	17,908,015	20,660,581	2,752,566
Golden State Water Co.	613,282	713,938	100,656
Vandenberg SFB	5,127,555	8,262,751	3,135,196
Buellton	683,770	808,728	124,958
Santa Ynez (Solvang)	2,286,757	2,143,283	(143,473)
Santa Ynez	1,092,403	891,879	(200,524)
Goleta	7,919,172	7,690,291	(228,881)
Morehart Land	319,989	315,833	(4,157)
La Cumbre	1,377,646	1,589,951	212,305
Raytheon	57,440	66,185	8,745
Santa Barbara	4,943,045	4,314,946	(628,098)
Montecito	3,704,160	4,255,067	550,907
Carpinteria	2,903,558	2,893,510	(10,048)
Shandon	11,631	15,727	4,096
Chorro Valley	395,114	516,928	121,814
Lopez	388,026	552,345	164,319
TOTAL:	\$ 50,246,931	\$ 56,410,791	\$ 6,163,861

FY 2023/24 Total Payments by Percentage

The following chart shows the percentage of total payments for FY 2023/24 by project participant.



Budget in Brief

Attached to this report is a "FY 2023/24 Preliminary Budget in Brief" which provides a snapshot of each major component of the proposed FY 2023/24 Preliminary Budget.

Budget Items Not Included in the Preliminary Budget

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

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

- Significant Accomplishments, Goals and Performance Measures

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

DHM



Central Coast Water Authority FY 2023/24 Proposed Final Budget in Brief

FY 2023/24 BUDGET SUMMARY

	FY 2022/23	FY 2023/24	Increase
	Budget	Budget	(Decrease)
CCWA Operating Expenses	\$ 11,170,177	\$ 12,330,337	\$ 1,160,160
DWR Fixed and Variable Costs	39,002,504	42,174,350	3,171,846
Capital Improvement & Non Capital Projects	1,674,254	2,602,215	927,961
Warren Act Charges	764,882	275,673	(489,209)
Subtotal	<u>52,611,817</u>	<u>57,382,576</u>	<u>4,770,758</u>
CCWA Credits	<u>(1,480,800)</u>	<u>(971,784)</u>	<u>509,016</u>
TOTAL :	<u><u>\$ 51,131,017</u></u>	<u><u>\$ 56,410,791</u></u>	<u><u>\$ 5,279,774</u></u>

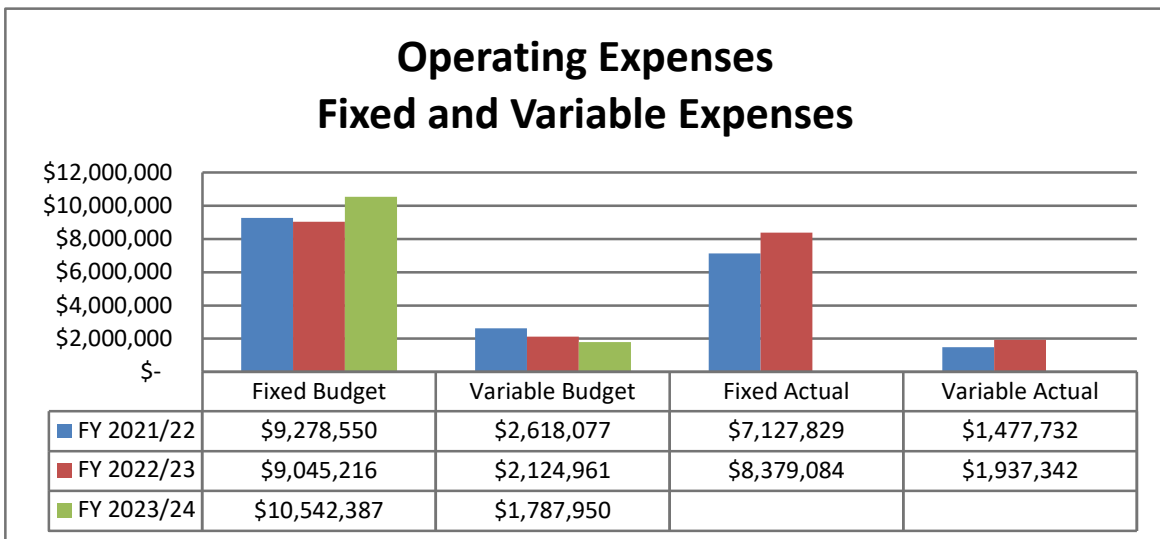
\$4.77 million increase in the gross budget, excluding CCWA credits

CCWA OPERATING EXPENSES

	FY 2022/23	FY 2023/24	Increase
	Budget	Budget	(Decrease)
Personnel	\$ 5,604,065	\$ 6,303,853	\$ 699,788
Office Expenses	21,300	21,800	500
Supplies & Equipment	1,428,139	1,622,928	194,789
Monitoring Expenses	121,234	130,332	9,098
Repairs & Maintenance	303,290	325,240	21,950
Professional Services	1,495,162	2,126,169	631,007
General & Administrative	292,163	305,803	13,640
Utilities	1,145,930	640,818	(505,112)
Other Expenses	758,894	853,395	94,501
Total Operating Expense	<u><u>\$ 11,170,177</u></u>	<u><u>\$ 12,330,337</u></u>	<u><u>\$ 1,160,160</u></u>

Total operating expense increase of \$1.2 million inclusive of the following factors: \$700k increase in Personnel costs; \$195k increase in supplies and equipment; \$631k increase in professional services related to legal costs, G&A is higher by \$14k for increased employee training; \$95k increase in other expenses due to anticipated increase in insurance costs and increased computer expenses; \$22k increase in repairs and maintenance related to increased vehicle repair costs, and \$505k in decreased utilities due to the development of the operational matrix for estimating electric costs for SYPP and decreased water delivery requests.

Operating Expenses Fixed and Variable Expenses



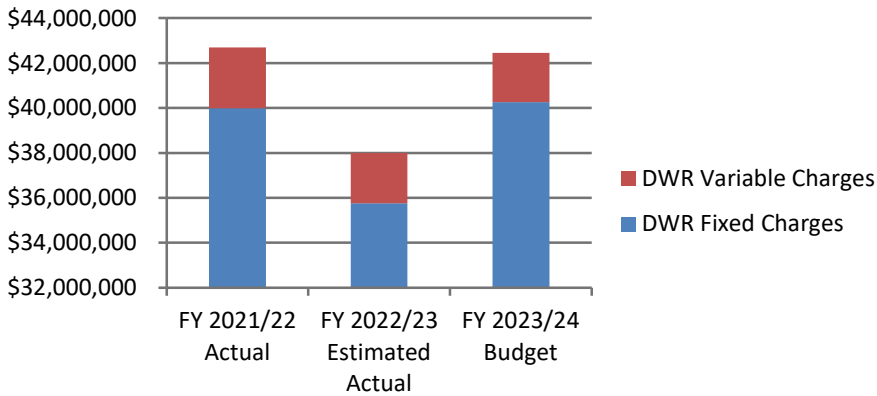
DWR FIXED AND VARIABLE CHARGES

DWR Fixed cost increase of \$4.3 million due to increased costs in Transportation Minimum of \$ 4.1 Million combined with an increase of \$357k in Transportation Capital costs, \$605k in Delta Water charges, \$442k in WSRB and offset by a decrease of \$1.3 M. in Coastal Branch Phase II.

DWR Variable cost decrease of \$831K over FY 2022/23 is largely due to a decrease in the estimated water deliveries.

	FY 2022/23 Budget	FY 2023/24 Budget	Increase (Decrease)
Transportation Capital	\$ 19,161,435	\$ 19,517,968	\$ 356,533
Coastal Branch Phase II	2,896,644	1,628,232	(1,268,412)
Transportation Minimum OMP&R	9,807,761	13,927,702	4,119,941
Water System Revenue Bond	291,787	733,827	442,040
Delta Water Charge	3,849,690	4,455,086	605,397
Subtotal Fixed DWR Charges	36,007,316	40,262,815	4,255,499
Off-Aqueduct Charges	22,430	39,304	16,874
Variable OMP&R	3,001,075	2,153,282	(847,794)
Subtotal Variable DWR Charges	3,023,505	2,192,585	(830,920)
DWR Account Investment Income	(28,317)	(281,050)	(252,733)
Total DWR Charges	\$ 39,002,504	\$ 42,174,350	\$ 3,171,846

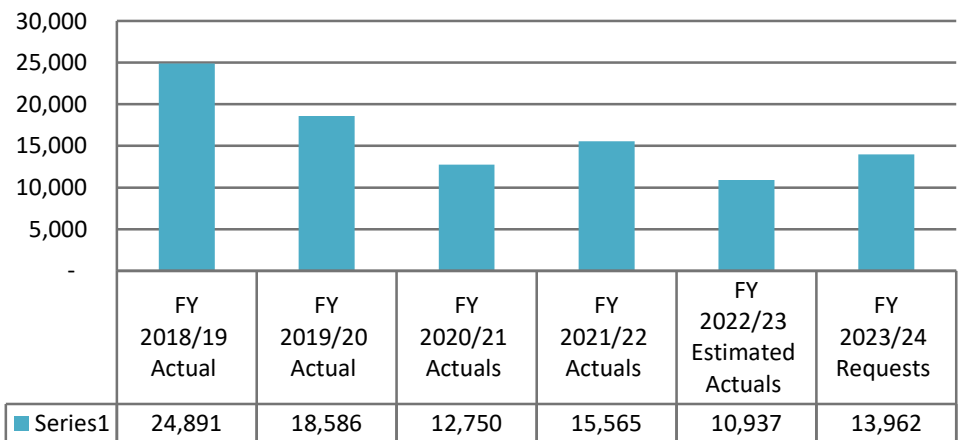
DWR Fixed and Variable Charges



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

DWR Delivery Allocation Percentage	
Calendar Year	Percentage
2012	65%
2013	60%
2014	5%
2015	20%
2016	60%
2017	85%
2018	35%
2019	75%
2020	20%
2021	5%
2022	15%
2023 (current)	35%

Water Deliveries and Requests

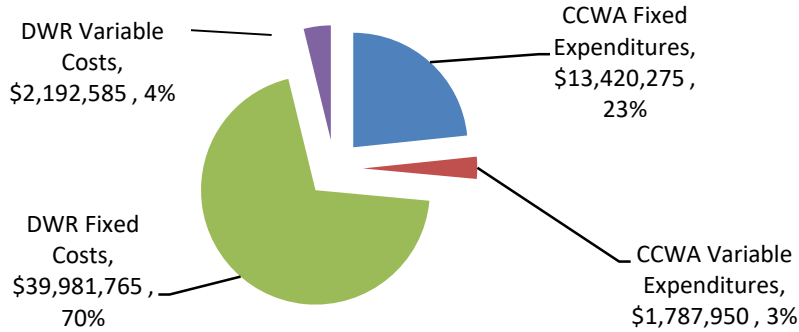


OTHER EXPENDITURES

	FY 2022/23 Budget	FY 2023/24 Budget	Increase (Decrease)
Capital Improvement & Non-Capital Projects	\$ 1,674,254	\$ 2,602,215	\$ 927,961
Warren Act Charges	764,882	275,673	(489,209)
Total Other Expenditures	\$ 2,439,136	\$ 2,877,888	\$ 438,752

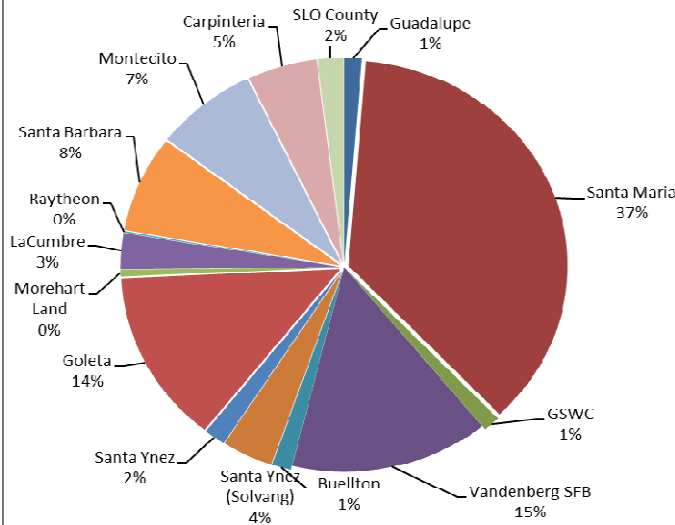
\$928k increase in Capital & Non-Capital Projects; \$490k decrease in Warren Act Charges.

FY 2023/24 Budget Components



74% of the CCWA Budget is outside of the direct control of CCWA. DWR costs comprise 74% of the total CCWA Budget.

FY 2023/24 Percent of Total Payments by Project Participant



FY 2023/24 Variable Cost Per Acre-Foot

Table A Water

North Santa Barbara County	\$ 360.38
South Santa Barbara County	\$ 526.07

Santa Ynez Exchange Water

Santa Ynez ID#1	\$ 231.96
South Coast Exchange Participants	\$ 229.11

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



*Rainbow at Tank 5 Looking North
February 2022*

Budget Foreword

The Budget Foreword section of the FY 2023/24 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	32.25

Central Coast Water Authority

Reader's Guide

Fiscal Year 2023/24 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 nine (9) major sections with sub-sections included in each major section:

- I. **BUDGET FOREWORD** An introductory section that contains the budget transmittal letter; narrative discussion on the financial policies, goals and objectives of the Authority; and narrative discussion on the budget process.
- II. **BUDGET SUMMARY** A past, present and future overview of the Authority's budget and financial plans.
- III. **REVENUES AND SOURCES OF CASH** Narrative, graphs and spreadsheets describing the Authority's revenue and other sources of cash for the past and present fiscal year and revenue projections.
- IV. **DEPARTMENT OF WATER RESOURCES (DWR)** Narrative, graphs and spreadsheets describing the DWR charges which are paid by the member agencies and other project participants of the Authority.
- V. **OPERATING EXPENSES** The operating expense section of the budget is comprised of the Administration, Water Treatment Plant, and Distribution Departments and includes narrative discussion on the operating expenses for each department as well as graphs and spreadsheets.
- VI. **PROJECTS** The projects section of the budget is comprised of the Capital, Non-Capital and Extraordinary Projects and includes a narrative discussion on the capitalization criteria and funding detail
- VII. **RESERVES AND CASH MANAGEMENT** The reserves and cash management section includes information regarding the Authority's O&M reserve fund, rate coverage reserve fund, DWR reserve fund, and cash management information.
- VIII. **TEN YEAR FINANCIAL PLAN** The ten year financial plan section of the budget provides the ten year pro forma projections for each project participant.
- IX. **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 27, 2023

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Submitted herewith is the Fiscal Year (FY) 2023/24 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 2023/24.

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-five consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2023/24 Budget for consideration of the GFOA budget award.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2022/23:

Water Deliveries

Total deliveries during FY 2022/23 by CCWA to the Santa Barbara and San Luis Obispo County project participants are estimated to be 10,937 acre-feet compared to the actual FY 2021/22 deliveries of 15,565 acre-feet. The graph on the following page shows water deliveries for the last ten fiscal years.

Eric Friedman
Chairman

Jeff Clay
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

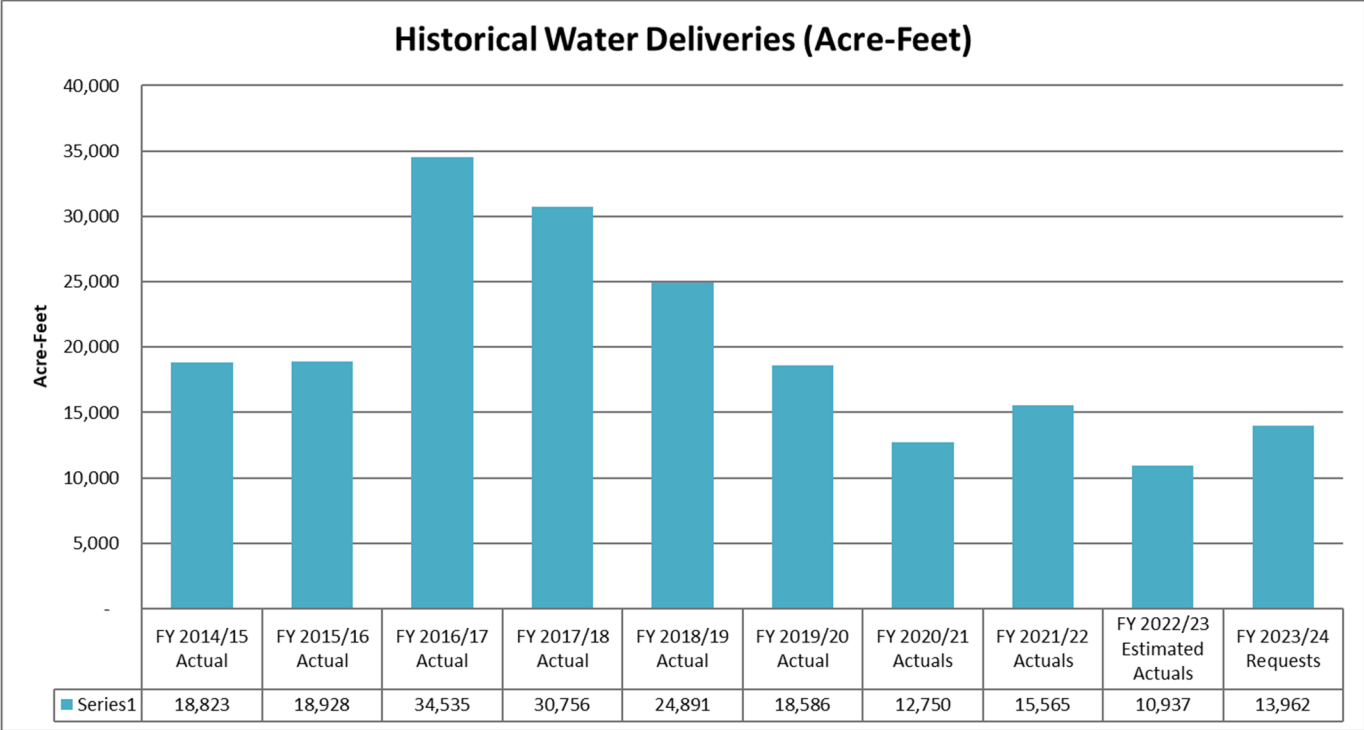
Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

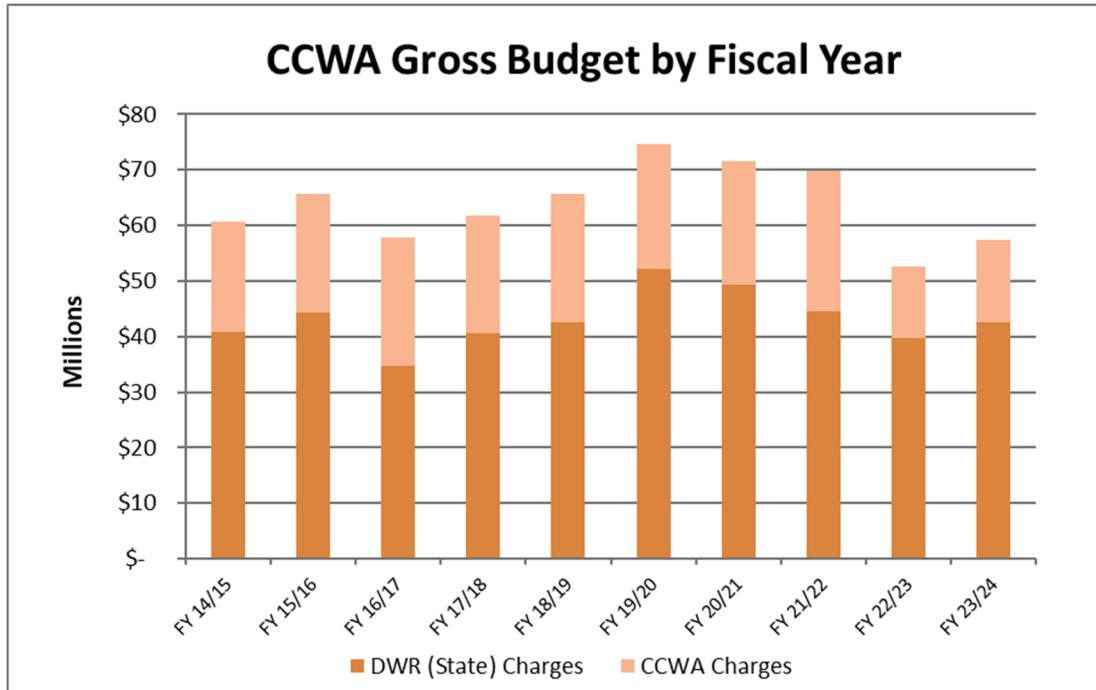


CCWA Credits

Actual CCWA operating expenses for FY 2022/23 are anticipated to be approximately \$0.86 million less than the budgeted amounts. These unexpended operating assessments will either be returned to the CCWA project participants as a credit in FY 2023/24, or transferred to the DWR Reserve Fund based on the election of each participant.

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 2014/15 to FY 2023/24.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2022/23 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2020/21 Comprehensive Annual Financial Report.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

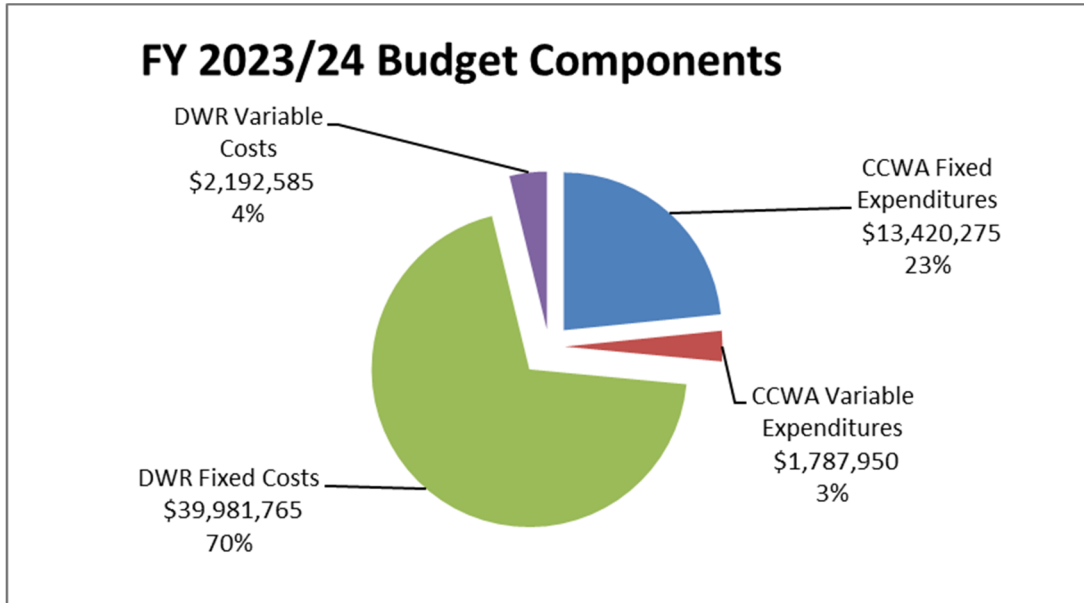
For calendar years 2023 and 2024, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 12,474 and 14,536 acre-feet, respectively.

Department of Water Resources Activities and Related Costs

During FY 2023/24, 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.

FY 2023/24 BUDGET SUMMARY

The FY 2023/24 budget calls for total project participant payments of \$56.41 million compared to the FY 2022/23 budget of \$51.13 million, a \$5.27 million increase. These amounts include \$0.97 million in CCWA credits for FY 2023/24. The following graph shows the breakout of the various cost components in the CCWA FY 2023/24 Budget:



The following table compares the total FY 2023/24 Budget and the FY 2022/23 Budget:

Budget Item	Final FY 2022/23 Budget	Preliminary FY 2023/24 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses - Fixed	\$ 9,045,216	\$ 10,542,387	\$ 1,497,171
CCWA Operating Expenses - Variable	2,124,961	1,787,950	(337,011)
Capital/Non-Capital Projects	1,674,254	2,602,215	927,961
Total CCWA Expenses:	12,844,431	14,932,552	2,088,121
Pass-Through Expenses			
DWR Fixed Costs	36,007,316	39,981,765	3,974,449
DWR Variable Costs	2,995,188	2,192,585	(802,603)
Warren Act and Trust Fund Payments	764,882	275,673	(489,209)
Total Pass-Through Expenses:	39,767,386	42,450,023	2,682,637
Subtotal Gross Budget:	52,611,817	57,382,576	4,770,758
CCWA (Credits) Due	(1,480,800)	(971,784)	509,016
TOTAL:	\$ 51,131,017	\$ 56,410,791	\$ 5,279,774

CCWA Operating Expense Budget

The FY 2023/24 CCWA operating expense budget total is \$14.9 million, or approximately 26% of the total CCWA budget. This is a \$2.1 million increase over the FY 2022/23 operating expense budget, a 16% increase.

The following table shows CCWA operating expenses by the expense type for FY 2023/24 and FY 2022/23 and the changes from the prior fiscal year budget along with the allocation between the fixed and variable expenses.

Account Name	FY 2022/23 Budget	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
Personnel Expenses	\$ 5,604,065	\$ 6,303,853	\$ 699,788	12.49%
Office Expenses	21,300	21,800	500	2.35%
Supplies and Equipment	1,428,139	1,622,928	194,789	13.64%
Monitoring Expenses	121,234	130,332	9,098	7.50%
Repairs and Maintenance	303,290	325,240	21,950	7.24%
Professional Services	1,495,162	2,126,169	631,007	42.20%
General and Administrative	292,163	305,803	13,640	4.67%
Utilities	1,145,930	640,818	(505,112)	-44.08%
Other Expenses	733,876	828,377	94,501	12.88%
Turnouts	25,018	25,018	-	0.00%
Total Operating Expenses	\$ 11,170,177	\$ 12,330,337	\$ 1,160,160	10.39%
Fixed Operating Expenses ⁽¹⁾	\$ 9,045,216	\$ 10,542,387	\$ 1,497,171	16.55%
Variable Operating Expenses	2,124,961	1,787,950	(337,011)	-15.86%
Total Operating Expenses	\$ 11,170,177	\$ 12,330,337	\$ 1,160,160	10.39%

(1) Does not include Capital and Non-Capital Projects.

Additional highlights and detailed explanations are available in the operating expenses and departmental sections of the budget.

CCWA Capital Improvement Projects

The FY 2023/24 Budget includes \$2,602,215 for capital improvement and non-capital projects, a \$927,961 increase over the prior year amount. All capital improvement and non-capital projects are funded on a current basis from project participant assessments.

Please refer to the “*Project*” section of this FY 2023/24 Budget for additional information on the budgeted capital improvement and non-capital projects.

Warren Act and Trust Fund Payments

The FY 2023/24 Budget includes \$275,673 for Warren Act and Trust Fund MOU payments based on \$138.39 per acre foot for 1,992 acre feet of water to be delivered to Cachuma Lake.

CCWA Credits

The FY 2023/24 budget includes the following credits:

CCWA O&M Credits (Due)	\$	790,350
O&M Reserve Fund Interest Income		19,779
Rate Coverage Reserve Fund Interest		101,186
Credit Payable Fund Interest		55,210
Prepayments and Other Credits		5,260
	\$	971,784

DWR Charges

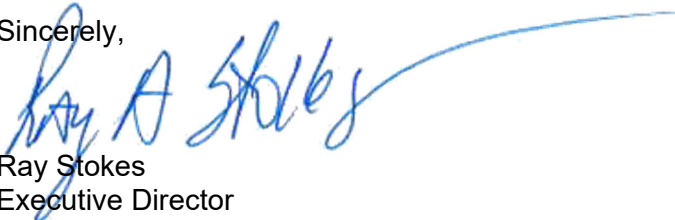
The FY 2023/24 DWR fixed charges total \$39.9 million, which is \$3.9 million more than the FY 2022/23 Budget. The DWR variable charges total \$2.2 million, which is \$0.8 million less than the prior year amount.

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

CONCLUSION

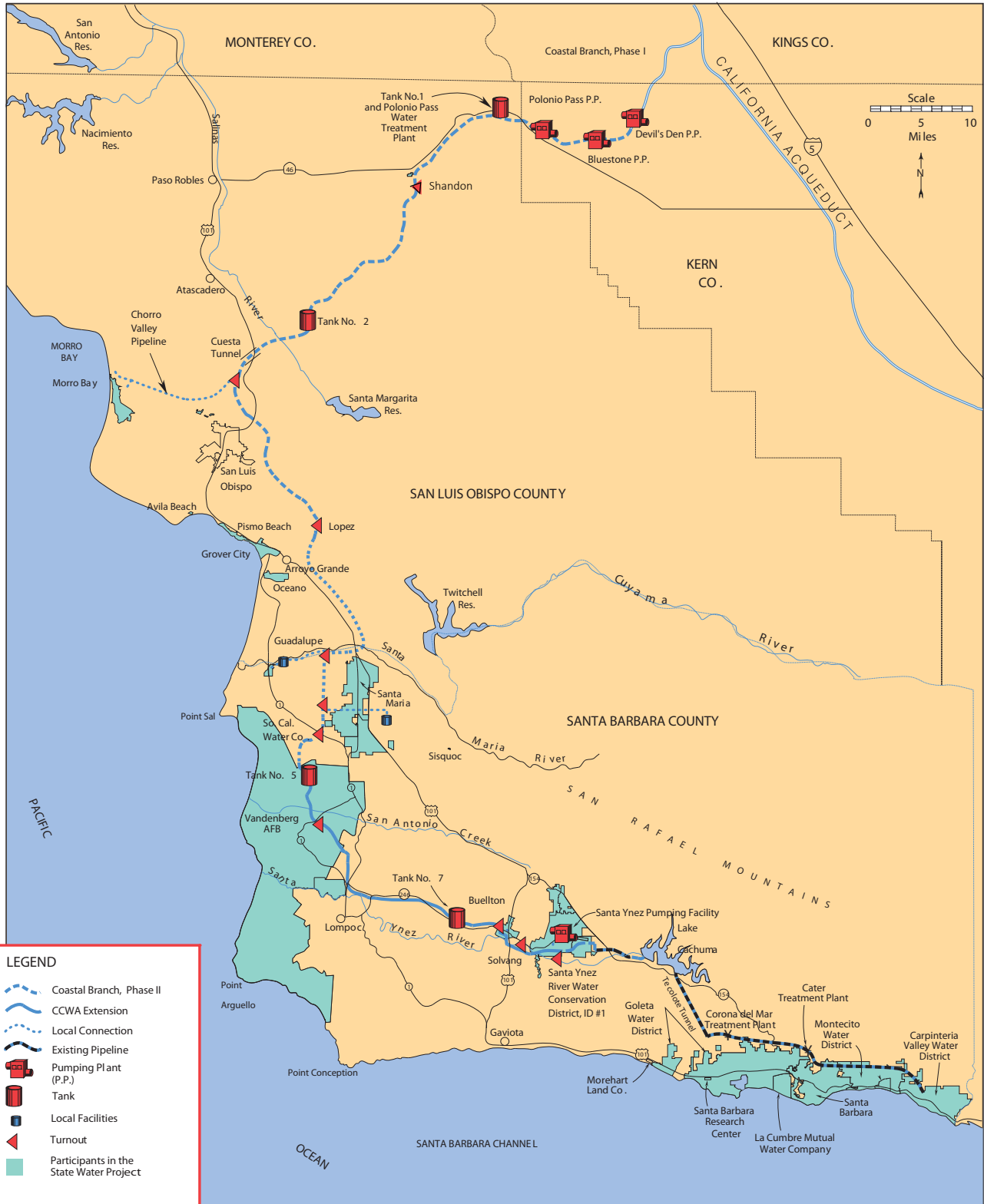
We are proud of the many accomplishments achieved during the past year through the combined efforts of CCWA staff and project participants. We look forward to successfully overcoming the challenges of the upcoming year.

Sincerely,



Ray Stokes
Executive Director

Project Map



LEGEND

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



Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2023/24 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 (SLOCFCWCD and/or San Luis Obispo Water Purchasers) has expressed an interest in joining the Authority. However, any decision to do so must be approved by the unanimous vote of the present members.

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2023/24 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 2023/24 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 Space Force Base	<u>5,500</u>
TOTAL	39,078

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

San Luis Obispo County Water Purchasers

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2023/24 Budget

San Luis Obispo County Project Participant Table A Amounts

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

Water Supply Agreements

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

Local Water Treatment Agreements

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2023/24 Budget

State Water Project

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

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

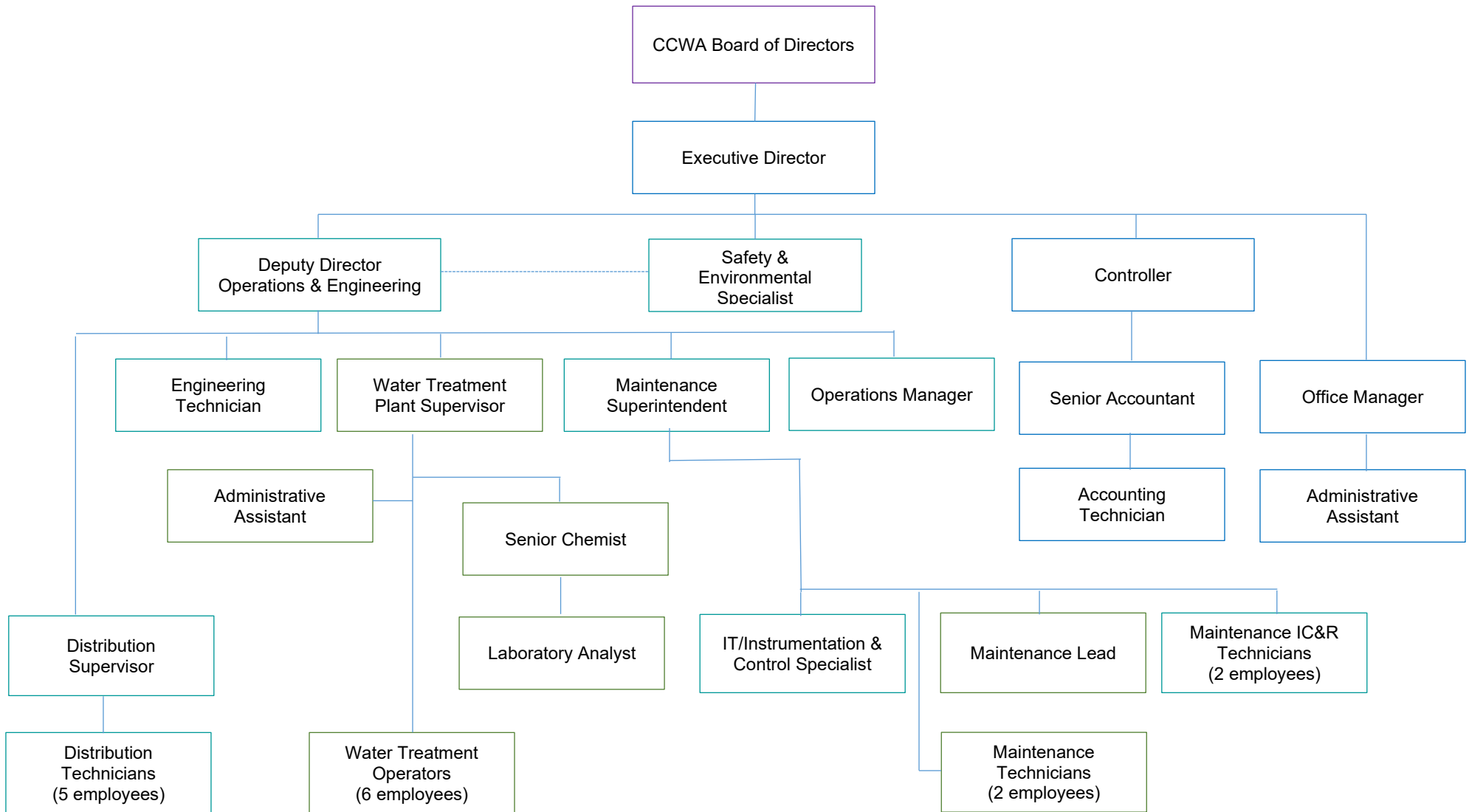
The Coastal Branch Phase II pipeline, which was constructed by DWR between 1995 and 1997 to supply State water to San Luis Obispo and Santa Barbara Counties, runs from the Coastal Branch Phase I terminus over the coastal mountains to and through the County of San Luis Obispo to a terminus in northern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

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

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

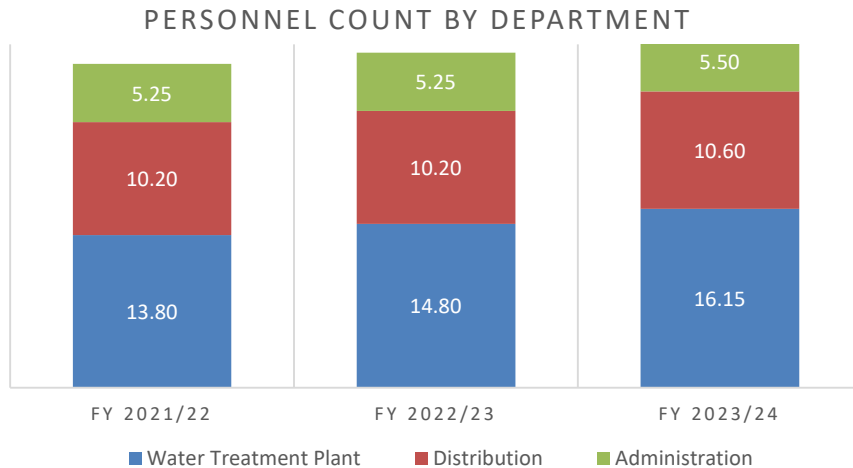


Central Coast Water Authority Organization Chart FY 2023/24



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2023/24 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Authorized FY 2021/22	Number Authorized FY 2022/23	Number Requested FY 2023/24	Change Over FY 2021/22	Change Over FY 2022/23
Executive Director	1.00	1.00	1.00	-	-
Deputy Director of Operations	1.00	1.00	1.00	-	-
Operations Manager	-	-	1.00	1.00	1.00
Safety & Environmental Specialist ⁽²⁾	1.00	1.00	1.00	-	-
Controller	1.00	1.00	1.00	-	-
Deputy Controller	1.00	-	-	-	-
Office Manager	1.00	1.00	1.00	-	-
Administrative Assistant	1.50	1.50	1.50	-	-
Senior Accountant	-	1.00	1.00	-	-
Accounting Technician	0.75	0.75	0.75	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	2.00	2.00	2.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
WTP Operator trainee	-	-	1.00	1.00	1.00
TOTAL:	30.25	30.25	32.25	2.00	2.00



Central Coast Water Authority

Budget Process

Fiscal Year 2023/24 Budget

Fiscal Year Budget

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

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

Ten Year Financial Plan

The Ten Year Financial Plan is prepared to provide the project participants pro forma projections of the Authority's expenditures and includes projections for both the CCWA and DWR portions of the budget. DWR provides projections for each of these years for both the fixed and variable costs, and the CCWA expenses are generally projected with a 5% 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 2023/24 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 2023/24

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 2023/24 Budget

CCWA Budget Planning Schedule
FY 2023/24 Budget

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

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

- Receive DWR Statement of Charges (for following calendar year)
- ◆◆◆◆◆ Prepare Draft Budget
- ★ Submit Preliminary Budget to Operating Committee
- ★ Submit Preliminary Budget to Board of Directors
- ★ Board Approval of Final Budget
- ➡ Beginning of 2023/24 Budget Expenditure Cycle

- July 1, 2022
- November 1, 2022- February 28, 2023
- March 9, 2023
- March 23, 2023
- April 27, 2023
- July 1, 2023

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2023/24 Budget

Budget Reporting

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

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

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

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II
Santa Ynez I
Santa Ynez II

DWR Reaches

Reach 33B
Reach 34
Reach 35
Reach 37
Reach 38

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

Financial Statement Reporting

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2023/24 Budget

The Fiscal Year 2023/24 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 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 2023/24 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.
- 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 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.
- 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.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2023/24 Budget

- Spare Parts Inventory - The Authority will track the purchase of spare parts inventory greater than \$2,000 and allocate costs to the appropriate financial reach when the spare parts are actually used at a specific location or financial reach.
- Appropriated Contingency - No expenditure will be made from the Appropriated Contingency account without prior approval from the Board of Directors.
- Staff Salary Pool Policy - The overall salary pool will consist of two separate pools: (1) a pool for all employees excluding the Executive Director and Deputy Director, and (2) a pool – i.e., proposed salary treatment – for the Executive Director and Deputy Director.

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

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

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

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2023/24 Budget

Chairperson, or alternatively, the CCWA Board Chairperson. Transfer of funds for projects and/or one-time expenditures cannot exceed \$25,000. Staff will prepare a summary of the Budget Fund Transfers which will include the source and destination of the funds, financial reaches impacted and justification for the transfer. A summary of the approved transfers will be included on the CCWA Board Consent Calendar as part of the next regularly scheduled Board meeting.

- Self-Funded Dental/Vision Plan Annual Limits and Premium Amounts - The CCWA self-funded Dental/Vision plan annual limit on total expenditures for each covered employee and the corresponding premium amount will increase at the beginning of each plan year by the December to December percentage change of the Los Angeles-Long Beach-Anaheim, CA Consumer Price Index for All Urban Consumers.

CAPITAL IMPROVEMENTS POLICY

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

DEBT POLICY

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

RESERVE POLICY

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2023/24 Budget

INVESTMENT POLICY

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

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

- Monthly Budget Reports - The Authority’s Controller will produce monthly budget reports covering the activity for the current period.
- Independent Audit - The Authority will employ an independent accounting firm to perform an annual audit of the Authority’s financial statements, and make the audit available to all required and interested parties.
- Budget Preparation - The Authority will prepare an annual budget document that provides a basic understanding of the Authority’s planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for participant input prior to final adoption of the budget.
- Accounting System - The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. The Authority will submit the Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers’ Association (GFOA) annually for consideration of the Certificate of Achievement for Excellence in Financial Reporting from GFOA.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2023/24 Budget

- Budget Awards - The Authority will annually submit its budget to the Government Finance Officers' Association for consideration of the Distinguished Budget Presentation Award.



Fog Rolling in February 2022

Budget Summary

The Budget Summary section of the FY 2023/24 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 2023/24 Budget.

Highlights

Budget Summary

• FY 2023/24 Gross Budget	\$ 57,382,576
• FY 2022/23 Gross Budget	<u>\$ 52,611,817</u>
Increase:	\$ 4,770,758
• FY 2023/24 CCWA Credits	\$ 971,784
• FY 2022/23 CCWA Credits	<u>\$ 1,480,800</u>
Decrease:	\$ (509,016)
• FY 2023/24 Net Budget (After CCWA Credits)	\$ 56,410,791
• FY 2022/23 Net Budget (After CCWA Credits)	<u>\$ 51,131,017</u>
Increase:	\$ 5,279,774

Significant Budget Changes

- DWR Fixed cost increase of \$3.97 million due to an increase of DWR Transportation Minimum OMP&R and Delta Water costs as compared to prior years, offset by a decrease in Coast Branch costs.
- CCWA Fixed O&M Expense budget increase of \$1,497,171.
- CCWA Variable O&M Expense budget decrease of \$337,011.
- CCWA capital improvement projects and non-capital projects combined budget increase of \$927,961.
- Warren Act and Trust Fund budget decrease of \$489,209.

Central Coast Water Authority

Budget Summary

Fiscal Year 2023/24 Budget

	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Change from FY 2022/23 Est. Actual
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
SOURCES OF CASH						
CCWA Operating Expenses ⁽¹⁾	8,590,374	11,170,177	10,301,425	12,330,337	1,160,160	2,028,912
Debt Service Payments	10,378,495	-	-	-	-	-
Capital/Non-Capital Projects	1,306,455	1,674,254	1,674,254	2,602,215	927,961	927,961
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	-	-	228,490	-	-	(228,490)
CCWA (Credits)	-	(1,480,800)	-	(971,784)	509,016	(971,784)
Subtotal Revenues	20,275,323	11,363,631	12,204,169	13,960,768	2,597,137	1,756,599
Pass-Through Expenses						
DWR Fixed Costs	39,993,713	36,007,316	35,752,003	39,981,765	3,974,449	4,229,762
DWR & CCWA Variable Costs	2,711,231	2,995,188	2,245,189	2,192,585	(802,603)	(52,604)
Warren Act Charges	183,137	764,882	407,396	275,673	(489,209)	(131,723)
Subtotal Pass-Through Expenses	42,888,081	39,767,386	38,404,588	42,450,023	2,682,637	4,045,435
TOTAL SOURCES OF CASH	63,163,405	51,131,017	50,608,758	56,410,791	5,279,774	5,802,034
USES OF CASH						
CCWA Operating Expenses						
Personnel	4,416,050	5,604,065	5,178,747	6,303,853	699,788	1,125,106
Office Expenses	18,066	21,300	16,083	21,800	500	5,717
Supplies and Equipment	969,199	1,428,139	1,474,309	1,622,928	194,789	148,619
Monitoring Expenses	97,097	121,234	92,000	130,332	9,098	38,332
Repairs and Maintenance	289,954	303,290	249,293	325,240	21,950	75,947
Professional Services	1,294,966	1,495,162	1,569,893	2,126,169	631,007	556,276
General and Administrative	174,265	292,163	216,001	305,803	13,640	89,802
Utilities	884,483	1,145,930	843,148	640,818	(505,112)	(202,330)
Other Expenses	446,293	758,894	661,953	853,395	94,501	191,442
Total Operating Expenses	8,590,374	11,170,177	10,301,425	12,330,337	1,160,160	2,028,912
Other Expenditures						
Warren Act Charges	183,137	764,882	407,396	275,673	(489,209)	(131,723)
Capital/Non-Capital Projects ⁽¹⁾	1,306,455	1,674,254	1,674,254	2,602,215	927,961	927,961
CCWA Credits	-	(1,480,800)	-	(971,784)	509,016	(971,784)
2016 Revenue Bond Debt Service	10,378,495	-	-	-	-	-
Unexpended O&M Assessments	-	-	228,490	-	-	-
Total Other Expenditures	11,868,087	958,336	2,310,140	1,906,103	947,767	(175,547)
Total CCWA Expenditures	20,458,460	12,128,513	12,611,565	14,236,441	2,107,928	1,853,365
DWR Charges						
Fixed DWR Charges	39,993,713	36,007,316	35,752,003	39,981,765	3,974,449	4,229,762
Variable DWR Charges	2,711,231	2,995,188	2,245,189	2,192,585	(802,603)	(52,604)
Total DWR Charges	42,704,944	39,002,504	37,997,192	42,174,350	3,171,846	4,177,158
TOTAL USES OF CASH	63,163,405	51,131,017	50,608,758	56,410,791	5,279,774	6,030,524
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 2023/24 Budget

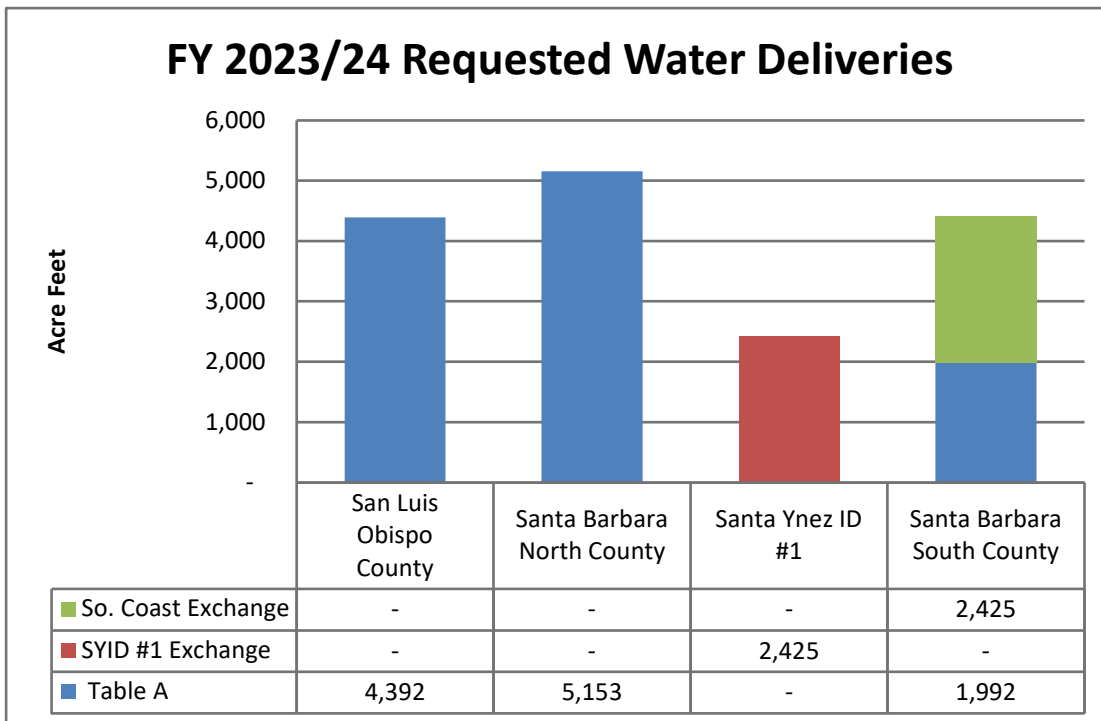
Project Participant	Unadjusted	Unadjusted	Exchange	Exchange	Regional	Regional	Adjusted	Warren Act	2016A	Subtotal	Non-Annual	CCWA	Total
	Fixed CCWA	Variable CCWA	Agreement	Agreement	WTP	WTP							
	Operating	Operating	Adjustment	Adjustment	Allocation	Allocation	Charge	Charges	Revenue	FY 2023/24	Recurring	(Credits)	FY 2023/24
	Expense ⁽¹⁾	Expense	Fixed	Variable		Credit			Bond Debt	CCWA	Expenses	Amount Due	CCWA
Guadalupe	\$ 132,050	\$ 11,083	\$ -	\$ -	\$ 21,960	\$ -	\$ 165,094	\$ -	\$ -	\$ 165,094	\$ -	\$ (7,134)	\$ 157,960
Santa Maria	3,855,271	184,721	-	-	\$617,330	-	4,657,321	-	-	4,657,321	-	(394,618)	4,262,704
Golden State Water	123,129	20,102	-	-	\$22,051	-	165,282	-	-	165,282	-	(0)	165,282
Vandenberg SFB	1,457,260	302,740	-	-	\$259,548	-	2,019,548	-	-	2,019,548	-	(102,856)	1,916,692
Buellton	189,757	6,846	-	-	\$22,079	-	218,681	-	-	218,681	-	(15,079)	203,602
Santa Ynez (Solvang)	488,540	34,445	-	-	\$60,770	-	583,754	-	-	583,754	-	(23,132)	560,622
Santa Ynez	163,726	-	299,006	263,499	\$159,367	-	885,597	-	-	885,597	-	(285,172)	600,425
Goleta	1,981,237	449,313	(107,642)	(94,860)	\$162,377	(\$604,662)	1,785,764	200,527	-	1,986,291	-	(18,371)	1,967,920
Morehart Land	88,055	20,548	-	-	\$9,047	(\$33,788)	83,862	11,625	-	95,487	-	(4,275)	91,212
La Cumbre	440,275	87,818	-	-	\$43,853	(\$162,310)	409,636	49,682	-	459,318	-	(0)	459,318
Raytheon	22,014	-	-	-	\$1,787	(\$6,165)	17,635	-	-	17,635	-	(985)	16,650
Santa Barbara	1,320,825	63,240	(71,761)	(63,240)	\$86,403	(\$298,143)	1,037,324	-	-	1,037,324	-	0	1,037,324
Montecito	1,320,825	63,240	(71,761)	(63,240)	\$86,403	(\$298,143)	1,037,324	-	-	1,037,324	-	(29,073)	1,008,251
Carpinteria	880,550	66,622	(47,841)	(42,160)	\$59,864	(\$209,628)	707,407	13,839	-	721,246	-	(17,766)	703,480
Shandon	16,638	-	-	-	-	-	16,638	-	-	16,638	-	(911)	15,727
Chorro Valley	318,924	240,789	-	-	-	-	559,714	-	-	559,714	-	(42,786)	516,928
Lopez	345,528	236,443	-	-	-	-	581,971	-	-	581,971	-	(29,625)	552,345
TOTAL:	\$ 13,144,602	\$ 1,787,950	\$ (0)	\$ 0	\$ 1,612,838	\$ (1,612,838)	\$ 14,932,552	\$ 275,673	\$ -	\$ 15,208,225	\$ -	\$ (971,784)	\$ 14,236,441

(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	\$ 274,199	\$ -	\$ -	\$ 197,871	\$ 9,883	\$ 60,189	\$ 542,142	\$ 315	\$ 22,950	\$ 23,265	\$ (4,519)	\$ 560,888	\$ 718,848
Santa Maria	8,076,660	354,911	-	5,643,713	291,100	1,772,837	16,139,222	6,342	382,500	388,842	(130,188)	16,397,877	20,660,581
Golden State Water	249,316	10,954	-	186,368	8,985	54,717	510,341	652	41,625	42,277	(3,962)	548,655	713,938
Vandenberg SFB	2,742,080	120,495	197,584	1,947,194	98,830	601,889	5,708,072	11,105	626,882	637,987	-	6,346,059	8,262,751
Buellton	288,161	12,663	20,764	200,363	10,385	63,273	595,610	221	14,175	14,396	(4,881)	605,126	808,728
Santa Ynez (Solvang)	740,439	32,862	53,887	521,320	24,122	149,229	1,521,859	1,399	71,325	72,724	(11,922)	1,582,662	2,143,283
Santa Ynez	256,781	10,954	17,962	0	11,815	0	297,513	-	-	-	(6,058)	291,455	891,879
Goleta	2,243,830	98,586	161,660	1,658,943	80,536	492,455	4,736,010	11,024	522,450	533,474	(37,665)	5,231,819	7,199,739
Morehart Land	99,727	4,382	7,185	70,273	3,594	21,887	207,046	333	18,900	19,233	(1,658)	224,621	315,833
La Cumbre	498,633	21,908	35,924	372,736	17,969	109,434	1,056,605	1,445	80,775	82,220	(8,193)	1,130,633	1,589,951
Raytheon	24,924	1,095	1,796	17,651	899	5,472	51,838	-	-	-	(2,303)	49,535	66,185
Santa Barbara	1,495,899	65,724	107,773	1,118,209	53,908	328,303	3,169,816	2,226	130,950	133,176	(25,370)	3,277,623	4,314,946
Montecito	1,495,899	65,724	107,773	1,089,136	53,908	328,303	3,140,743	2,226	130,950	133,176	(27,103)	3,246,817	4,255,067
Carpinteria	997,266	43,816	71,849	727,707	35,938	218,869	2,095,445	2,014	109,800	111,814	(17,229)	2,190,030	2,893,510
Goleta 2500 AF	34,153	-	-	176,215	31,955	248,229	490,552	-	-	-	-	490,552	490,552
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	15,727
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	516,928
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	552,345
TOTAL:	\$ 19,517,968	\$ 844,076	\$ 784,157	\$ 13,927,702	\$ 733,827	\$ 4,455,086	\$ 40,262,815	\$ 39,304	\$ 2,153,282	\$ 2,192,585	\$ (281,050)	\$ 42,174,350	\$ 56,410,791

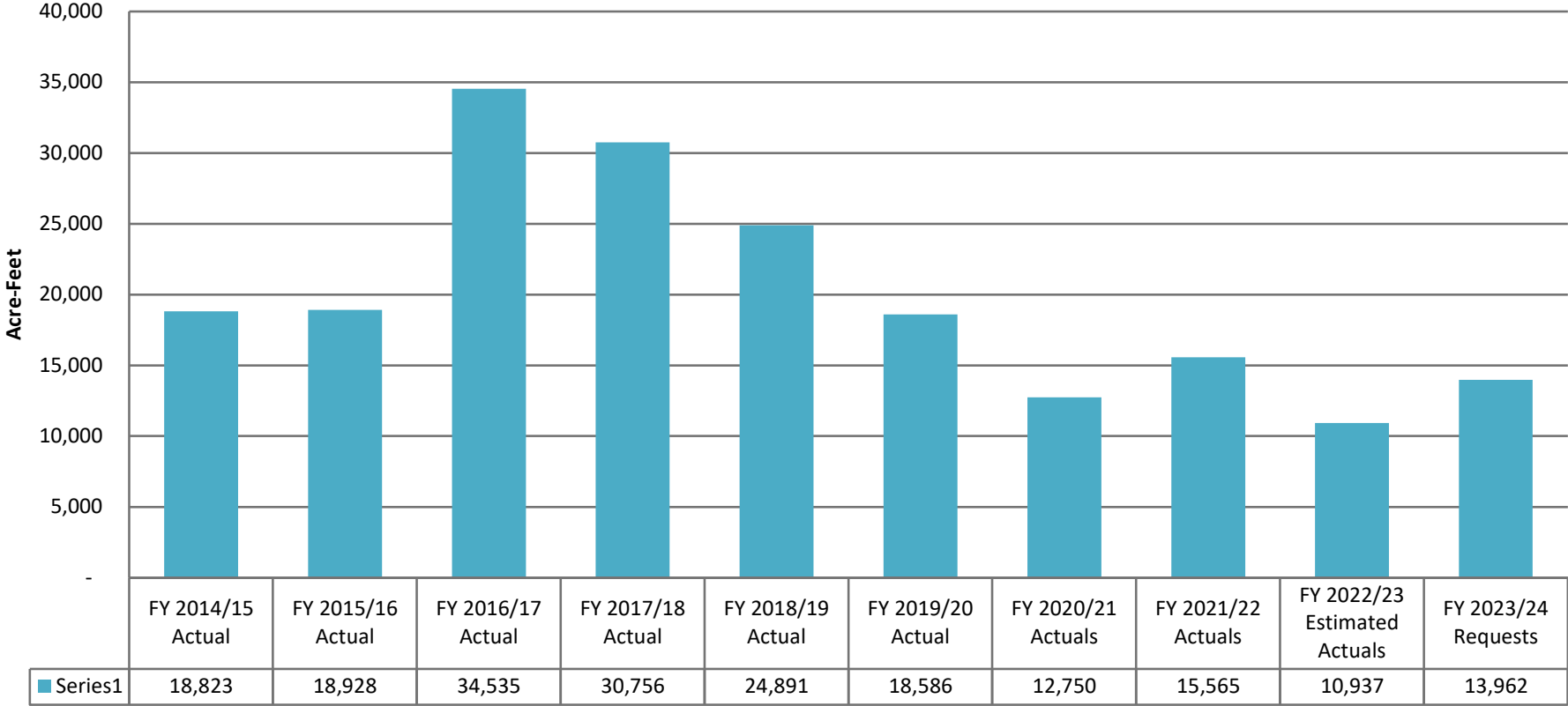
Central Coast Water Authority
FY 2023/24 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	2,176	-	2,176
Chorro Valley	2,216	-	2,216
Guadalupe	102	-	102
Santa Maria	1,700	-	1,700
Golden State Water	185	-	185
VSFB	2,786	-	2,786
Buellton	63	-	63
Solvang	317	-	317
Santa Ynez	-	2,425	2,425
Goleta	2,322	(873)	1,449
Morehart	84	-	84
La Cumbre	359	-	359
Raytheon	-	-	-
Santa Barbara	582	(582)	-
Montecito	582	(582)	-
Carpinteria	488	(388)	100
TOTAL:	13,962	-	13,962



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.

Historical Water Deliveries (Acre-Feet)



Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2023/24 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 2023/24 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	\$ 690,785	\$ 1,255.97
Santa Maria	16,200	20,462,613	1,263.12
Golden State Water Co.	500	649,738	1,299.48
VSFB	5,500	7,362,181	1,338.58
Buellton	578	801,996	1,387.54
Santa Ynez (Solvang)	1,500	2,054,030	1,369.35
Santa Ynez ⁽¹⁾	500	581,735	990.16
Goleta	4,500	6,406,262	1,423.61
Morehart	200	287,789	1,438.94
La Cumbre	1,000	1,450,797	1,450.80
Raytheon	50	67,170	1,343.40
Santa Barbara	3,000	4,181,770	1,393.92
Montecito	3,000	4,150,965	1,383.65
Carpinteria	2,000	2,783,562	1,391.78
TOTAL:	39,078	\$ 51,931,392	

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

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2023/24 Budget

FY 2023/24 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 2023/24 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	102	-	102	\$ 11,083		\$ 2,307		\$ 23,369		\$ 36,759	\$ 360.38
Santa Maria	16,200	1,700	-	1,700	184,721		38,449		389,482		612,652	360.38
Golden State Water Co.	500	185	-	185	20,102		4,184		42,385		66,671	360.38
VSFB	5,500	2,786	-	2,786	302,740		63,015		638,324		1,004,079	360.38
Buellton	578	63	-	63	6,846		1,425		14,434		22,704	360.38
Santa Ynez (Solvang)	1,500	317	-	317	34,445		7,170		72,627		114,242	360.38
Santa Ynez (1)	500	-	2,425	2,425	-		54,847		-		54,847	-
Goleta	4,500	2,322	(873)	1,449	252,307	197,006	32,772	(157,448)	531,986	200,527	1,057,151	526.07
Morehart	200	84	-	84	9,127	11,421	1,900	(9,127)	19,245	11,625	44,190	526.07
La Cumbre	1,000	359	-	359	39,009	48,810	8,120	(39,009)	82,249	49,682	188,861	526.07
Raytheon	50	-	-	-	-	-	-	-	-	-	-	-
Santa Barbara	3,000	582	(582)	-	63,240	-	-	-	133,340	-	196,580	-
Montecito	3,000	582	(582)	-	63,240	-	-	-	133,340	-	196,580	-
Carpinteria	2,000	488	(388)	100	53,026	13,596	2,262	(10,866)	111,804	13,839	183,661	526.07
TOTAL:	39,078	9,570	-	9,570	\$ 1,039,886	\$ 270,832	\$ 216,450	\$ (216,450)	\$ 2,192,585	\$ 275,673	\$ 3,778,976	

(1) Santa Ynez fixed cost amounts exclude the fixed and 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 2023/24 Budget

FY 2023/24 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 & Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VSFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	2,425	\$ 263,499	\$ 299,006	\$ -	\$ 562,505	\$ 231.96
Goleta	(873)			200,010	200,010	229.11
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(582)			133,340	133,340	229.11
Montecito	(582)			133,340	133,340	229.11
Carpinteria	(388)			88,893	88,893	229.11
TOTAL:	-	\$ 263,499	\$ 299,006	\$ 555,584	\$ 1,118,089	

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

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



*Sunrise at back wash tank at Polonio Pass Water Treatment Plant
February 2022*

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2023/24 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 2023/24 Budget

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

Assumptions for Revenue Projections

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

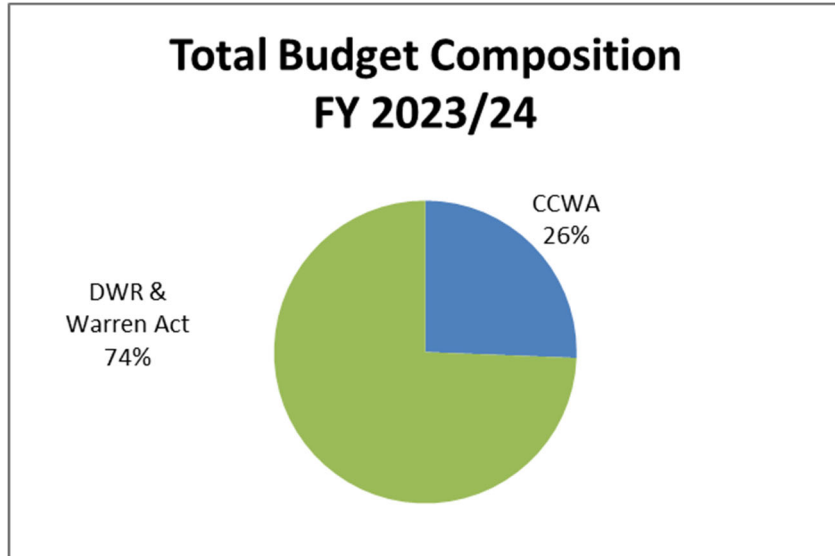
Revenues and Other Sources of Cash

Revenues	FY 2021/22 Actual	FY 2022/23 Estimated Actual	FY 2023/24 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 8,590,374	\$ 10,301,425	\$ 12,330,337
Debt Service Payments	10,378,495	-	
Capital Improvement Projects (CIP)	1,306,455	1,674,254	2,602,215
Investment Income	-	228,490	-
Subtotal Revenues	20,275,323	12,204,169	14,932,552
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	40,111,242	35,831,013	40,262,815
DWR Variable Costs	2,711,231	2,245,189	2,192,585
DWR Account Interest	(117,529)	(79,010)	(281,050)
Warren Act Charges ⁽¹⁾	183,137	407,396	275,673
Subtotal Pass Through Expenses	42,888,081	38,404,588	42,450,023
Gross Budget Before Credits	63,163,405	50,608,758	57,382,576
(Credits) Due and Prepayments	-	-	(971,784)
TOTAL SOURCES OF CASH	\$ 63,163,405	\$ 50,608,758	\$ 56,410,791

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2023/24 Budget

Revenues and Other Sources of Cash



FY 2023/24 Actual Cash Receipts

The actual cash receipts for FY 2023/24 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 2022/23, (2) interest income for FY 2022/23, 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 2023/24 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 2023/24 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 Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 132,050	\$ 11,083	\$ 21,960	\$ -	\$ -	\$ -	\$ 165,094
Santa Maria	3,855,271	184,721	617,330	-	-	-	4,657,321
Golden State Water Co.	123,129	20,102	22,051	-	-	-	165,282
Vandenberg SFB	1,457,260	302,740	259,548	-	-	-	2,019,548
Buellton	189,757	6,846	22,079	-	-	-	218,681
Santa Ynez (Solvang)	488,540	34,445	60,770	-	-	-	583,754
Santa Ynez	163,726	-	159,367	-	299,006	263,499	885,597
Goleta	1,981,237	449,313	162,377	(604,662)	(107,642)	(94,860)	1,785,764
Morehart Land	88,055	20,548	9,047	(33,788)	-	-	83,862
La Cumbre	440,275	87,818	43,853	(162,310)	-	-	409,636
Raytheon	22,014	-	1,787	(6,165)	-	-	17,635
Santa Barbara	1,320,825	63,240	86,403	(298,143)	(71,761)	(63,240)	1,037,324
Montecito	1,320,825	63,240	86,403	(298,143)	(71,761)	(63,240)	1,037,324
Carpinteria	880,550	66,622	59,864	(209,628)	(47,841)	(42,160)	707,407
Shandon	16,638	-	-	-	-	-	16,638
Chorro Valley	318,924	240,789	-	-	-	-	559,714
Lopez	345,528	236,443	-	-	-	-	581,971
TOTAL:	\$ 13,144,602	\$ 1,787,950	\$ 1,612,838	\$(1,612,838)	\$ -	\$ -	\$ 14,932,552

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2023/24, are \$14,932,552.

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 2023/24 Budget

FY 2023/24 CCWA Credits

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

Project Participant	CCWA O&M Credits (Due)	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Credit Payable Fund Interest Credits	Prepayments Interest Credits	Total CCWA Credits (Due)
Guadalupe	\$ 2,980	\$ 313	\$ 2,126	\$ 1,716	\$ -	\$ 7,134
Santa Maria	326,044	9,226	57,493	1,854	-	394,618
Golden State Water Co.	0	(0)	-	0	-	0
Vandenberg SFB ⁽²⁾	97,821	3,364	-	1,671	-	102,856
Buellton	8,552	329	3,059	3,139	-	15,079
Santa Ynez (Solvang)	6,146	854	7,034	9,099	-	23,132
Santa Ynez ⁽¹⁾	275,356	285	5,126	4,405	-	285,172
Goleta ⁽²⁾	7,913	2,561	-	7,897	-	18,371
Morehart Land	(0)	(0)	-	(0)	4,275	4,275
La Cumbre	(0)	0	(0)	0	-	0
Raytheon	-	0	-	0	985	985
Santa Barbara	(0)	(0)	-	0	-	(0)
Montecito ⁽²⁾	5,381	1,707	16,614	5,371	-	29,073
Carpinteria ⁽²⁾	3,524	1,138	9,560	3,545	-	17,766
Shandon	663	-	175	73	-	911
Chorro Valley	30,762	-	-	12,024	-	42,786
Lopez	25,209	-	-	4,417	-	29,625
TOTAL:	\$ 790,350	\$ 19,779	\$ 101,186	\$ 55,210	\$ 5,260	\$ 971,784

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

(2) Participants opting out of DWR Reserve Fund.

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 2023/24 Budget

Bank Account Cash Balances

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

Investment Income

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

DWR Payment Investments

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

CCWA Operating Expense Revenue

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2023/24 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 \$95.39 per acre foot.

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2023/24.

Warren Act and Trust Fund Charges

Project Participant	Total FY 2023/24 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$138.39/A)
Goleta	1,449	\$ 200,527
Morehart Land Co.	84	11,625
LaCumbre	359	49,682
Raytheon	-	-
Santa Barbara	-	-
Montecito	-	-
Carpinteria	100	13,839
TOTAL:	1,992	\$ 275,673

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2023/24 Budget

The following table represents the Fiscal Year 2023/24 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 2023/24 DWR Fixed Charges	FY 2023/24 DWR Variable Charges	FY 2023/24 Interest Income	FY 2023/24 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$ 542,142	\$ 23,265	\$ (4,519)	\$ -	\$ 560,888
Santa Maria	16,139,222	388,842	(130,188)	-	16,397,877
Golden State Water Co.	510,341	42,277	(3,962)	-	548,655
Vandenberg SFB	5,708,072	637,987	-	-	6,346,059
Buellton	595,610	14,396	(4,881)	-	605,126
Santa Ynez (Solvang)	1,521,859	72,724	(11,922)	-	1,582,662
Santa Ynez	297,513	-	(6,058)	-	291,455
Goleta	5,226,562	533,474	(37,665)	200,527	5,922,898
Morehart Land	207,046	19,233	(1,658)	11,625	236,245
LaCumbre	1,056,605	82,220	(8,193)	49,682	1,180,315
Raytheon	51,838	-	(2,303)	-	49,535
Santa Barbara	3,169,816	133,176	(25,370)	-	3,277,623
Montecito	3,140,743	133,176	(27,103)	-	3,246,817
Carpinteria	2,095,445	111,814	(17,229)	13,839	2,203,869
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$ 40,262,815	\$ 2,192,585	\$ (281,050)	\$ 275,673	\$ 42,450,023
(1) Adjusted for Santa Ynez Exchange Agreement modifications.					

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2023/24 Budget

Authority Billing Procedures

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

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

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

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

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

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

Water Delivery Requests and Variable O&M Cost Invoices

Water Delivery Requests from Project Participants

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

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2023/24 Budget

Variable O&M Cost Billings to Project Participants

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

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

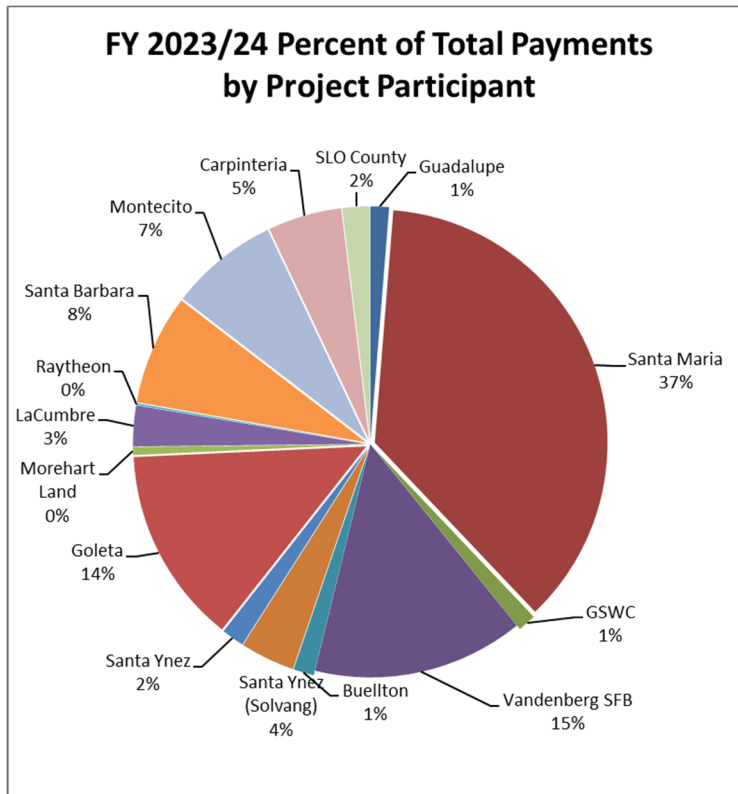
In calendar year 2022, CCWA implemented a revised billing methodology for CCWA and DWR variable costs. Under the revised billing procedures, CCWA established a Variable Cost Deposit for each CCWA participant equal to the greater of either 25% of their respective Table A amounts times the estimated cost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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2023/24 Budget

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2023/24 for each project participant.

Project Participant	FY 2023/24 Operating Expenses ⁽¹⁾	FY 2023/24 DWR Costs	FY 2023/24 Warren Act Charges ⁽²⁾	FY 2023/24 CCWA (Credits) Due	FY 2023/24 Total Payments
Guadalupe	\$ 165,094	\$ 560,888	\$ -	\$ (7,134)	\$ 718,848
Santa Maria	4,657,321	16,397,877	-	(394,618)	20,660,581
Golden State Water Co.	165,282	548,655	-	(0)	713,938
Vandenberg SFB	2,019,548	6,346,059	-	(102,856)	8,262,751
Buellton	218,681	605,126	-	(15,079)	808,728
Santa Ynez (Solvang)	583,754	1,582,662	-	(23,132)	2,143,283
Santa Ynez	885,597	291,455	-	(285,172)	891,879
Goleta	1,785,764	5,722,371	200,527	(18,371)	7,690,291
Morehart Land	83,862	224,621	11,625	(4,275)	315,833
La Cumbre	409,636	1,130,633	49,682	(0)	1,589,951
Raytheon	17,635	49,535	-	(985)	66,185
Santa Barbara	1,037,324	3,277,623	-	0	4,314,946
Montecito	1,037,324	3,246,817	-	(29,073)	4,255,067
Carpinteria	707,407	2,190,030	13,839	(17,766)	2,893,510
Shandon	16,638	N/A	-	(911)	15,727
Chorro Valley	559,714	N/A	-	(42,786)	516,928
Lopez	581,971	N/A	-	(29,625)	552,345
TOTAL:	\$ 14,932,552	\$ 42,174,350	\$ 275,673	\$ (971,784)	\$ 56,410,791

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

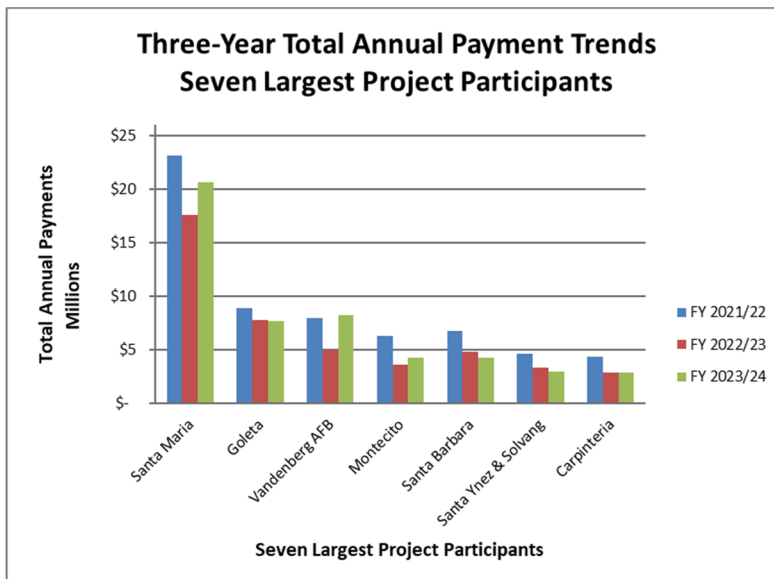


Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2023/24 Budget

The following table shows the total budgeted payments by project participant for FY 2022/23 and total payments shown on the FY 2023/24 Budget and the corresponding increase or (decrease).

Project Participant	Total Payments FY 2022/23	Total Payments FY 2023/24	Change FY 2022/23 to FY 2023/24
Guadalupe	\$ 515,368	\$ 718,848	\$ 203,480
Santa Maria	17,908,015	20,660,581	2,752,566
Golden State Water Co.	613,282	713,938	100,656
Vandenberg SFB	5,127,555	8,262,751	3,135,196
Buellton	683,770	808,728	124,958
Santa Ynez (Solvang)	2,286,757	2,143,283	(143,473)
Santa Ynez	1,092,403	891,879	(200,524)
Goleta	7,919,172	7,690,291	(228,881)
Morehart Land	319,989	315,833	(4,157)
La Cumbre	1,377,646	1,589,951	212,305
Raytheon	57,440	66,185	8,745
Santa Barbara	4,943,045	4,314,946	(628,098)
Montecito	3,704,160	4,255,067	550,907
Carpinteria	2,903,558	2,893,510	(10,048)
Shandon	11,631	15,727	4,096
Chorro Valley	395,114	516,928	121,814
Lopez	388,026	552,345	164,319
TOTAL:	\$ 50,246,931	\$ 56,410,791	\$ 6,163,861

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





*DWR Electromagnet Survey April 2022
(Photo courtesy DWR)*

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2023/24 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 2023/24 DWR charges.

Highlights

Total FY 2023/24 DWR Charges **\$ 42,174,350**

- DWR Fixed Charges \$ 40,262,815
- DWR Variable Charges \$ 2,192,585
- Interest credits \$ (281,050)

Fixed Charge Highlights

- Total fixed charges increase over FY 2022/23 of \$4,255,814.
- DWR Fixed cost increase of \$4.26 million due to an increase of \$4.1 million in the Transportation Minimum OMP&R costs for prior years, an increase of \$0.44 million in Water System Revenue Bond, a decrease of \$1.27 million in Coastal Branch Charges, an increase of \$0.36 million in Transportation Capital costs over prior year, an increase of \$0.60 million in Delta Water Charges.

Variable Charge Highlights

- DWR Variable cost decrease of \$.83 million over FY 2022/23.
- Estimated Variable OMP&R unit rate for 2023: \$225.00; 2024: \$225.00

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2023/24 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 2023/24 DWR Charges

The DWR charges for the first half of FY 2023/24 are based on the 2023 Statement of Charges. The DWR charges for the second half of FY 2023/24 are based on forecasts prepared by the DWR State Water Project Analysis Office. DWR transportation capital charges starting in 1998 are based on a Coastal Branch Phase II project cost of approximately \$481 million. Coastal Branch Extension capital charges are based on the allocation share of debt service principal and interest payments from the various DWR revenue bond debt issues allocated to repay the capital costs of the Coastal Branch Phase II.

The fixed DWR charges are allocated to the various project participants based on their State water Table A allocation. The variable DWR charges are allocated in proportion to the project participant requested deliveries. San Luis Obispo County pays DWR directly for its DWR costs. The table on page 70 shows fixed and variable DWR costs for each project participant.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2023/24 Budget

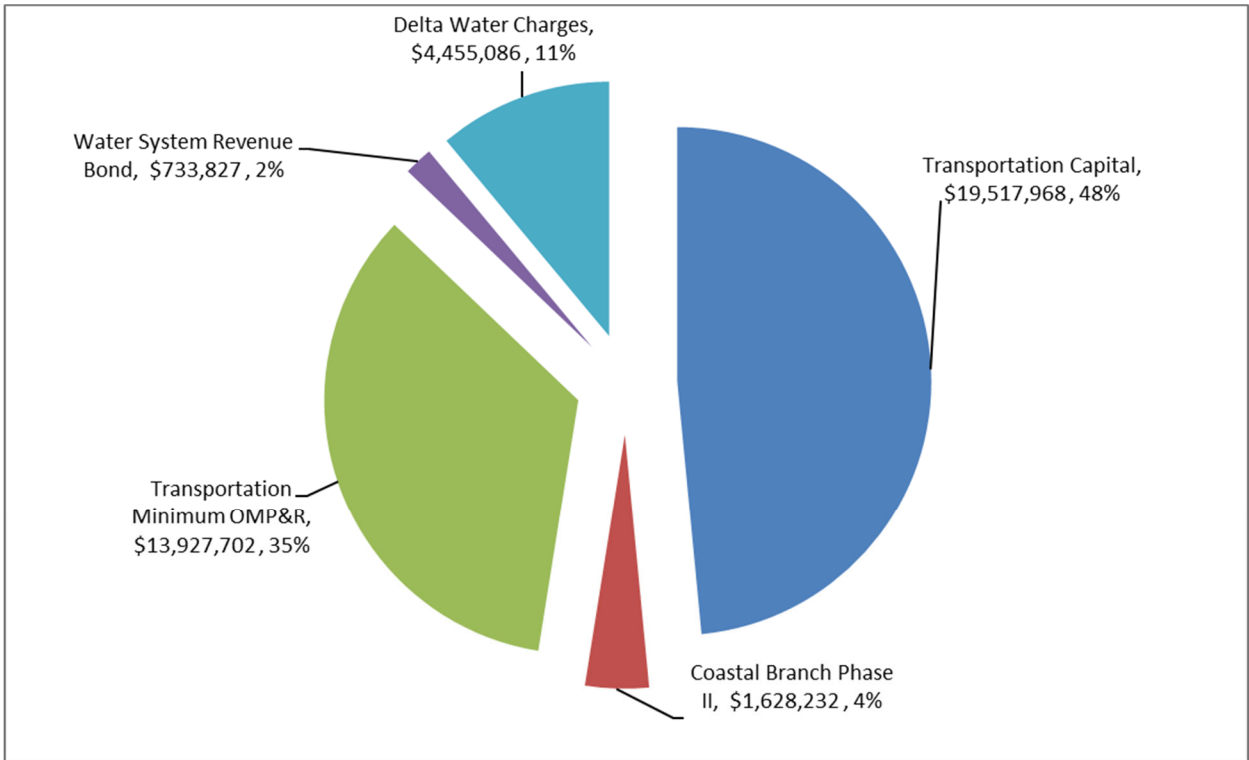
The following table provides a comparison of the FY 2021/22 through the FY 2023/24 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Est. Actual ⁽¹⁾	FY 2023/24 Budget	FY 2022/23 Budget to FY 2023/24 Budget Increase (Decrease)
Transportation Capital	\$ 20,299,861	\$ 19,161,435	\$ 19,163,519	\$ 19,517,968	\$ 356,533
Coastal Branch Phase II	3,098,524	2,896,644	2,650,842	1,628,232	(1,268,412)
Transportation Minimum OMP&R	11,056,910	9,807,761	9,807,761	13,927,702	4,119,941
Water System Revenue Bond	605,552	291,787	280,192	733,827	442,040
Delta Water Charges	4,932,865	3,849,690	3,849,690	4,455,086	605,397
Subtotal Fixed DWR Charges	<u>39,993,713</u>	<u>36,007,316</u>	<u>35,752,003</u>	<u>40,262,815</u>	<u>4,255,499</u>
Off-Aqueduct Charges	18,845	22,430	22,432	39,304	16,874
Variable OMP&R	2,692,386	3,001,075	2,222,757	2,153,282	(847,794)
Subtotal Variable DWR Charges	<u>2,711,231</u>	<u>3,023,505</u>	<u>2,245,189</u>	<u>2,192,585</u>	<u>(830,920)</u>
DWR Account Investment Income	(77,357)	(28,317)	(281,050)	(281,050)	(252,733)
Total DWR Charges	<u>\$ 42,627,587</u>	<u>\$ 39,002,504</u>	<u>\$ 37,716,142</u>	<u>\$ 42,174,350</u>	<u>\$ 3,171,846</u>

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

DWR FIXED COSTS

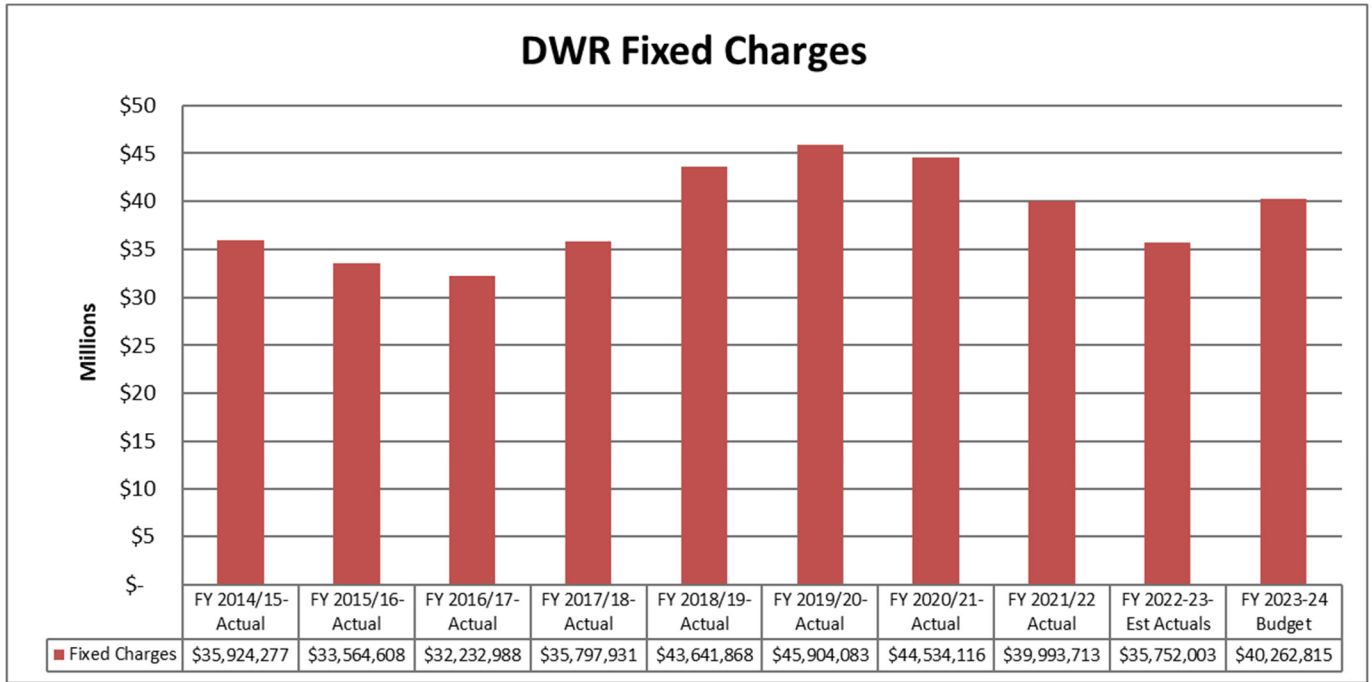
The DWR fixed costs are comprised of the following cost components:



Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2023/24 Budget

The FY 2023/24 DWR fixed charges total \$40,262,815, which is \$4,255,499 higher than the FY 2022/23 Budget. The reasons for the cost component variances are described later in this section.

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



Transportation Capital

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

The following table shows the allocation of the FY 2023/24 Transportation Capital charges to each of the CCWA project participants:

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2023/24 Budget

Project Participant	Table A	Percentage	Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Management Funds Credit	FY 2022/23 DSRF (Credit)	Prior Year DWR Credits for Overpayments ⁽²⁾	FY 2022/23 Amount Due (Credit)	FY 2023/24 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 332,945	\$ 291	\$ (34,892)	\$ (5,509)	\$ (18,642)	\$ 5	\$ 274,199
Santa Maria	16,200	41.46%	9,806,752	8,584	(1,027,718)	(162,257)	(549,102)	401	8,076,660
Golden State Water Co.	500	1.28%	302,678	265	(31,720)	(5,008)	(16,948)	49	249,316
VSFB	5,500	14.07%	3,329,453	2,914	(348,917)	(55,087)	(186,423)	140	2,742,080
Buellton	578	1.48%	349,895	306	(36,668)	(5,789)	(19,591)	9	288,161
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	899,181	795	(94,409)	(15,024)	(50,347)	243	740,439
Santa Ynez ⁽³⁾	500	1.28%	311,529	265	(32,470)	(5,008)	(17,443)	(92)	256,781
Goleta	4,500	11.52%	2,724,098	2,384	(285,477)	(45,071)	(152,528)	425	2,243,830
Morehart	200	0.51%	121,071	106	(12,688)	(2,003)	(6,779)	20	99,727
La Cumbre	1,000	2.56%	605,355	530	(63,439)	(10,016)	(33,895)	99	498,633
Raytheon	50	0.13%	30,268	26	(3,172)	(501)	(1,695)	(3)	24,924
Santa Barbara	3,000	7.68%	1,816,065	1,590	(190,318)	(30,048)	(101,686)	295	1,495,899
Montecito	3,000	7.68%	1,816,065	1,590	(190,318)	(30,048)	(101,686)	295	1,495,899
Carpinteria	2,000	5.12%	1,210,710	1,060	(126,879)	(20,032)	(67,790)	197	997,266
Subtotal:	39,078	100.00%	\$ 23,656,065	\$ 20,707	\$ (2,479,085)	\$ (391,399)	\$ (1,324,556)	\$ 2,084	\$ 19,483,815
Goleta Additional Table A	2,500	5.50%	40,527	-	(3,434)	(671)	(2,269)	-	34,153
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-	-
TOTAL:	45,486		\$ 23,696,592	\$ 20,707	\$ (2,482,519)	\$ (392,070)	\$ (1,326,825)	\$ 2,084	\$ 19,517,968

(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.
 (4) Golden State Water, La Cumbre and Santa Barbara-100% of credit transferred into DWR reserve fund.

The FY 2023/24 Transportation capital charges are increasing by \$356,533 due to the following:

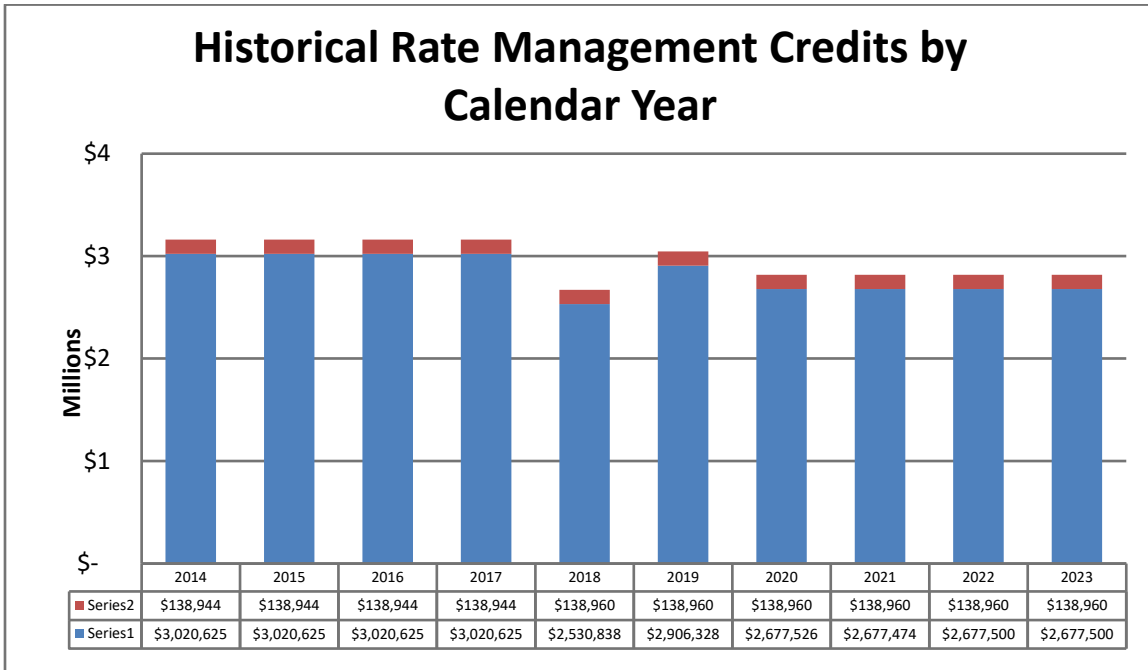
Transportation Capital Budget-to-Budget Changes			
	FY 2022/23	FY 2023/24	Change
Calculated Component	\$ 23,590,644	\$ 23,696,592	\$ 105,948
Rate Management Credits	(2,486,264)	(2,482,519)	3,745
Prior Year amount due	(119,927)	2,084	122,011
Prior Year Overcollection Credit	(806,191)	(1,326,825)	(520,634)
Other Adjustments	4,892	20,707	15,815
Other credits	(1,021,719)	-	1,021,719
DSRF credit	-	(392,070)	(392,070)
Total:	\$ 19,161,435	\$ 19,517,968	\$ 356,533

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 2023/24 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.



Coastal Branch Extension-Transportation Capital Reach 37 and 38

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

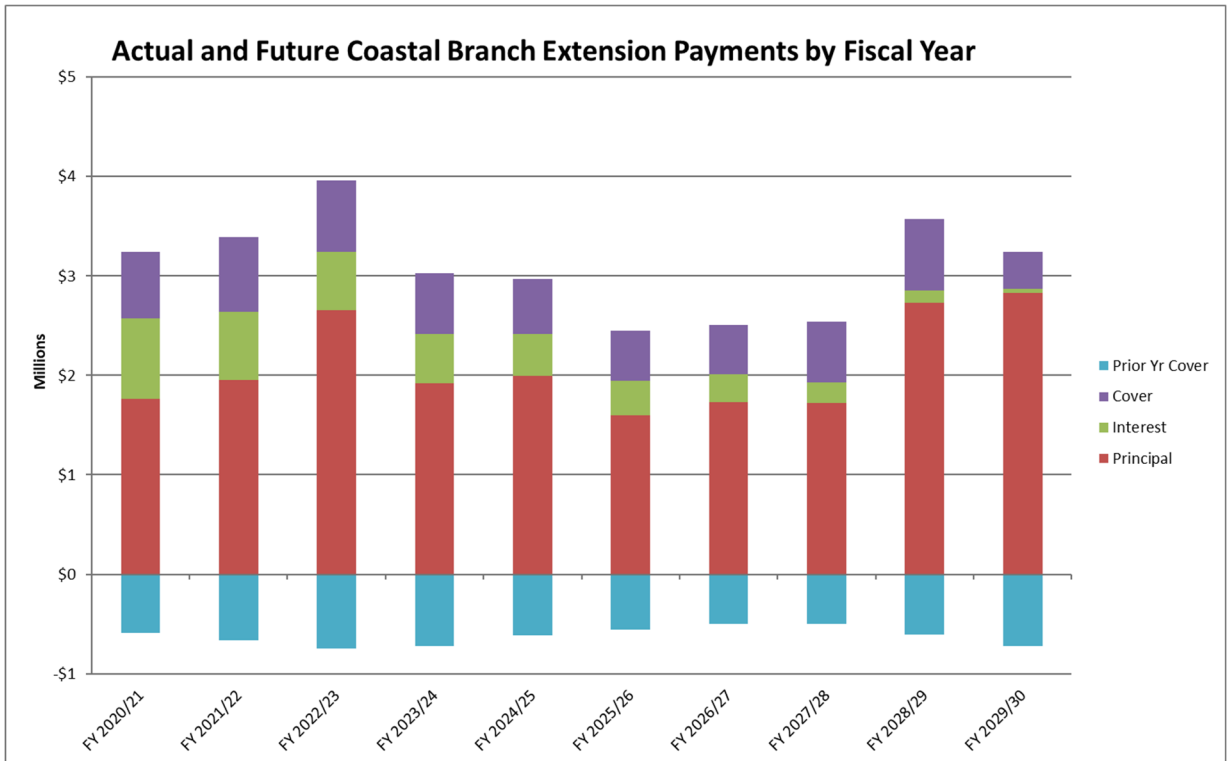
Coastal Branch Extension debt service payments for FY 2023/24 total \$1,628,232, which is \$1,268,412 lower than the prior year amount due to the following:

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2023/24 Budget

Coastal Branch Extension Debt Service			
	FY 2022/23	FY 2023/24	Change
Principal Payments	\$ 2,710,313	\$ 1,920,927	\$ (789,386)
Interest Payments	603,758	495,546	(108,212)
Bond Cover	737,598	613,294	(124,304)
Rate Management Credits	(184,614)	(189,402)	(4,788)
Return of Prior Year Cover	(770,102)	(728,336)	41,767
Prior year amount due (credit)	(183,125)	(245,802)	(62,677)
Excess Reserve Fund Credits		(237,995)	(237,995)
One-Time Extraordinary Credits	(17,184)	-	17,184
Total:	\$ 2,896,644	\$ 1,628,232	\$ (1,268,412)

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 2023/24 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 2023/24.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION					
<i>Reach 37</i>					
Project Participant	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	\$ -	\$ -	\$ -
Santa Maria	16,200	42.05%	660,409	(251,919)	408,490
Golden State Water Co.	500	1.30%	20,383	(7,775)	12,608
VSFB	5,500	14.28%	224,213	(85,528)	138,685
Buellton	578	1.50%	23,563	(8,988)	14,575
Santa Ynez (Solvang)	1,500	3.89%	61,149	(23,326)	37,823
Santa Ynez	500	1.30%	20,383	(7,775)	12,608
Goleta	4,500	11.68%	183,447	(69,977)	113,469
Morehart	200	0.52%	8,153	(3,110)	5,043
La Cumbre	1,000	2.60%	40,766	(15,551)	25,215
Raytheon	50	0.13%	2,038	(778)	1,261
Santa Barbara	3,000	7.79%	122,298	(46,652)	75,646
Montecito	3,000	7.79%	122,298	(46,652)	75,646
Carpinteria	2,000	5.19%	81,532	(31,101)	50,431
Total:	38,528	100.00%	\$ 1,570,631	\$ (599,132)	\$ 971,499

(1) Includes credits for the return of bond cover of \$728,336, Rate Management Funds Credits of \$189,402

(2) Golden State Water, La Cumbre and Santa Barbara-100% of credit transferred into DWR reserve fund.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2023/24 Budget

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	Reach 38					FY 2022/23	FY 2023/24
	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%	-	-	-	(53,578)	354,911
Golden State Water Co.	-	0.00%	-	-	-	(1,654)	10,954
VSBF	5,500	25.20%	367,658	(140,247)	227,412	(48,018)	318,079
Buellton	578	2.65%	38,638	(14,739)	23,899	(5,046)	33,427
Santa Ynez (Solvang)	1,500	6.87%	100,270	(38,249)	62,021	(13,096)	86,749
Santa Ynez	500	2.29%	33,423	(12,750)	20,674	(4,365)	28,916
Goleta	4,500	20.62%	300,811	(114,747)	186,064	(39,287)	260,246
Morehart	200	0.92%	13,369	(5,100)	8,270	(1,746)	11,566
La Cumbre	1,000	4.58%	66,847	(25,499)	41,348	(8,731)	57,832
Raytheon	50	0.23%	3,342	(1,275)	2,067	(437)	2,892
Santa Barbara	3,000	13.74%	200,541	(76,498)	124,043	(26,192)	173,497
Montecito	3,000	13.74%	200,541	(76,498)	124,043	(26,192)	173,497
Carpinteria	2,000	9.16%	133,694	(50,999)	82,695	(17,461)	115,665
Total:	21,828	100.00%	\$ 1,459,136	\$ (556,601)	\$ 902,535	\$ (245,802)	\$ 1,628,232

(1) Includes credits for the return of bond cover of \$728,336, Rate Management Funds Credits of \$189,402

(2) Golden State Water, La Cumbre and Santa Barbara-100% of credit transferred into DWR reserve fund.

Transportation Minimum OMP&R

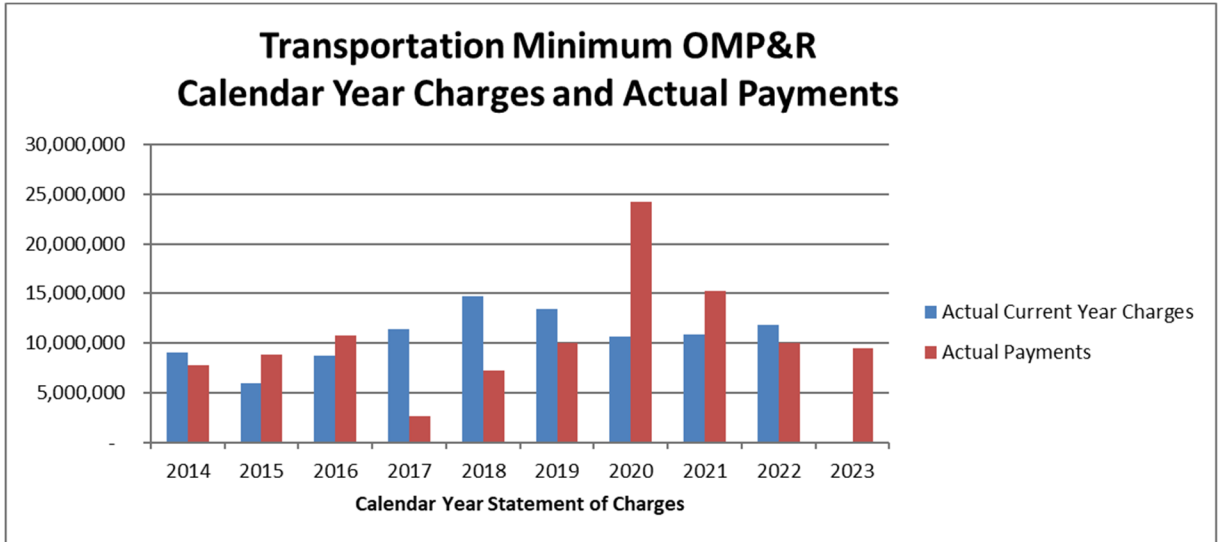
Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally do not depend on or vary with the quantities of water delivered to CCWA.

For FY 2023/24, total Transportation Minimum OMP&R charges are \$13,927,702 which is \$4,119,941 more than the prior year amount due to the following:

Transportation Minimum OMP&R			
	FY 2022/23	FY 2023/24	Change
Calculated Component	\$ 11,933,564	\$ 12,125,783	\$ 192,219
Prior Year (Over)/Under Collection	(879,873)	2,616,229	3,496,102
DHCCP Costs	-	-	-
Prior Year Amount Due (Credit)	(3,680,321)	(814,310)	2,866,011
Addtl Amount collected	2,434,391	-	(2,434,391)
Total:	\$ 9,807,761	\$ 13,927,702	\$ 4,119,941

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 2023/24 Budget



The following table shows the allocation of the FY 2023/24 Transportation Minimum OMP&R charges to each of the CCWA project participants.

Project Participant	Table A	Percentage	Calculated Component		FY 2022/23	FY 2023/24
			FY 2023/24	Prior Year(s) Undercollections	Amount Due (Credit)	Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 168,623	36,382	\$ (7,134)	\$ 197,871
Santa Maria	16,200	41.46%	4,966,723	1,071,608	(394,618)	5,643,713
Golden State Water Co.	500	1.28%	153,294	33,074	-	186,368
VSFB	5,500	14.07%	1,686,233	363,817	(102,856)	1,947,194
Buellton	578	1.48%	177,208	38,234	(15,079)	200,363
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	447,830	96,623	(23,132)	521,320
Santa Ynez ⁽¹⁾	500	1.28%	165,346	35,675	(201,020)	0
Goleta	4,500	11.52%	1,379,645	297,669	(18,371)	1,658,943
Morehart	200	0.51%	61,318	13,230	(4,275)	70,273
La Cumbre	1,000	2.56%	306,588	66,149	-	372,736
Raytheon	50	0.13%	15,329	3,307	(985)	17,651
Santa Barbara	3,000	7.68%	919,764	198,446	-	1,118,209
Montecito	3,000	7.68%	919,764	198,446	(29,073)	1,089,136
Carpinteria	2,000	5.12%	613,176	132,297	(17,766)	727,707
Subtotal:	39,078	100.00%	\$ 11,980,841	\$ 2,584,956	\$ (814,310)	\$ 13,751,487
Goleta Additional Table A	2,500	-	144,942	31,272	-	\$ 176,215
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 12,125,783	\$ 2,616,229	\$ (814,310)	\$ 13,927,702

(1) Adjusted for the transfer of 150 acre feet drought buffer Table A from Solvang to Santa Ynez.
 (2) Golden State Water, La Cumbre and Santa Barbara-100% of credit transferred into DWR reserve fund.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2023/24 Budget

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 2023/24, the WSRB is \$442,040 higher than the prior year amount.

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

WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Table A	Percentage	Gross WSRB		Return of Bond Cover ⁽²⁾	Refund of Power Debt Service ⁽³⁾	FY 2022/23	FY 2023/24
			Charges				WSRB	WSRB
Guadalupe	550	1.41%	\$ 53,783	\$ (30,920)	\$ (12,821)	\$ (159)	\$ 9,883	
Santa Maria	16,200	41.46%	1,584,152	(910,745)	(377,635)	(4,671)	291,100	
Golden State Water Co.	500	1.28%	48,894	(28,109)	(11,655)	(144)	8,985	
VSBF	5,500	14.07%	537,829	(309,204)	(128,210)	(1,586)	98,830	
Buellton	578	1.48%	56,521	(32,494)	(13,474)	(167)	10,385	
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	139,966	(80,466)	(34,966)	(412)	24,122	
Santa Ynez ⁽¹⁾	500	1.28%	55,608	(31,971)	(11,655)	(166)	11,815	
Goleta	4,500	11.52%	440,042	(252,985)	(104,899)	(1,623)	80,536	
Morehart	200	0.51%	19,557	(11,244)	(4,662)	(58)	3,594	
La Cumbre	1,000	2.56%	97,787	(56,219)	(23,311)	(289)	17,969	
Raytheon	50	0.13%	4,889	(2,811)	(1,166)	(14)	899	
Santa Barbara	3,000	7.68%	293,361	(168,657)	(69,932)	(865)	53,908	
Montecito	3,000	7.68%	293,361	(168,657)	(69,932)	(865)	53,908	
Carpinteria	2,000	5.12%	195,574	(112,438)	(46,622)	(577)	35,938	
Subtotal	39,078	100.00%	\$ 3,821,327	\$ (2,196,920)	\$ (910,940)	\$ (11,595)	\$ 701,871	
Goleta Additional Table A	2,500	-	\$ 102,292	(58,843)	(11,494)		\$ 31,955	
CCWA Drought Buffer	3,908	-	-	-	-	-	-	
TOTAL:	45,486		\$ 3,923,619	\$ (2,255,763)	\$ (922,434)	\$ (11,595)	\$ 733,827	

(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 2022 and January 2023 payments.
 (3) WSRB Refund of power debt surcharge in April 2024 for Jan 2023 and July 2023 payments.
 (4) Golden State Water, La Cumbre and Santa Barbara-100% of credit transferred into DWR reserve fund.

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 2023/24.

The FY 2023/24 Delta Water Charge totals \$4,455,086, which is \$605,396 higher than the prior year amount for the following reasons.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2023/24 Budget

Delta Water Charge			
	FY 2022/23	FY 2023/24	Change
Rate per acre-foot	\$ 111.50	\$ 102.53	\$ (8.97)
Delta Water Charge	5,071,827	4,663,686	(408,141)
Rate Management Credits	(138,960)	(138,960)	-
Prior year adjustment	(797,884)	-	797,884
Prior year amount due (credit)	(285,293)	(69,640)	215,653
Total:	\$ 3,849,690	\$ 4,455,086	\$ 605,396

As shown in the previous table, the FY 2023/24 rate per acre-foot totals \$102.53, which is \$8.97/AF lower than the prior year amount.

The FY 2023/24 rate includes an estimated \$20.00/AF increase for calendar year 2023 for potential other conservation and delta related facilities [\$10.00/AF on a fiscal year basis].

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

The following table shows the allocation of the FY 2023/24 Delta Water Charge to each of the CCWA project participants.

DELTA WATER CHARGE							
Project Participant	Table A		Gross Delta Water Charges	Rate Management Funds Credit	FY 2022/23 (Credits) Amount Due	FY 2023/24 Delta Water Charges	
	Including Drought Buffer	Percentage					
Guadalupe	605	1.41%	\$ 62,031	\$ (1,842)		\$ 60,189	
Santa Maria	17,820	41.46%	1,827,087	(54,250)		1,772,837	
Golden State Water Co.	550	1.28%	56,392	(1,674)		54,717	
VSFB	6,050	14.07%	620,307	(18,418)		601,889	
Buellton	636	1.48%	65,209	(1,936)		63,273	
Santa Ynez (Solvang)	1,500	3.49%	153,795	(4,567)		149,229	
Santa Ynez	700	1.63%	71,771	(2,131)	(69,640)	0	
Goleta	4,950	11.52%	507,524	(15,069)		492,455	
Morehart	220	0.51%	22,557	(670)		21,887	
La Cumbre	1,100	2.56%	112,783	(3,349)		109,434	
Raytheon	55	0.13%	5,639	(167)		5,472	
Santa Barbara	3,300	7.68%	338,349	(10,046)		328,303	
Montecito	3,300	7.68%	338,349	(10,046)		328,303	
Carpinteria	2,200	5.12%	225,566	(6,698)		218,869	
Subtotal	42,986	100.00%	\$ 4,407,361	\$ (130,864)	\$ (69,640)	\$ 4,206,857	
Goleta Additional Table A	2,500	5.50%	\$ 256,325	(8,096)	-	\$ 248,229	
TOTAL:	45,486		\$ 4,663,686	\$ (138,960)	\$ (69,640)	\$ 4,455,086	

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

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2023/24 Budget

2023 COST PER AF:	\$ 92.5301
Increase for 2024 SOC per AF /2	\$ 10.0000
Estimated rate for FY 2023/24	\$ 102.5301

DWR VARIABLE COSTS

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

- Off-Aqueduct Charge
- Variable OMP&R

The DWR variable charges for FY 2023/24 total \$2,192,585 which is \$830,920 less than the budgeted FY 2022/23 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 2023/23, the off-aqueduct charges total \$39,304 which is \$16,874 more than the prior year budget.

The following table shows the allocation of off-aqueduct charges for FY 2023/24.

Project Participant	OFF-AQUEDUCT CHARGES				OFF-AQUEDUCT CHARGES				TOTAL FY 2023/24
	July 2023 to December 2023		January 2024 to June 2024		July 2023 to December 2023		January 2024 to June 2024		
	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2023 Off-Aqueduct ^(1 & 2)	Half-Year 2023 Charges	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2024 Off-Aqueduct ⁽³⁾	Half-Year 2024 Charges	
Guadalupe	96	1.97%	\$ 567	\$ 283	6	0.13%	\$ 64	\$ 32	\$ 315
Santa Maria	1,137	23.35%	6,713	3,357	563	11.98%	5,972	2,986	6,342
Golden State Water Co.	140	2.87%	827	413	45	0.96%	477	239	652
VSFB	1,561	32.06%	9,218	4,609	1,225	26.06%	12,993	6,496	11,105
Buellton	48	0.99%	283	142	15	0.32%	159	80	221
Santa Ynez (Solvang) ⁽⁵⁾	120	2.46%	709	354	197	4.19%	2,090	1,045	1,399
Santa Ynez ⁽⁶⁾	-	0.00%	-	-	-	0.00%	-	-	-
Goleta	549	11.27%	3,241	1,621	1,773	37.72%	18,807	9,403	11,024
Morehart	48	0.99%	283	142	36	0.77%	382	191	333
La Cumbre	195	4.00%	1,151	576	164	3.49%	1,740	870	1,445
Raytheon	-	0.00%	-	-	-	0.00%	-	-	-
Santa Barbara	366	7.52%	2,161	1,080	216	4.60%	2,291	1,146	2,226
Montecito	366	7.52%	2,161	1,080	216	4.60%	2,291	1,146	2,226
Carpinteria	244	5.01%	1,441	720	244	5.19%	2,588	1,294	2,014
	4,870	100.00%	\$ 28,755	\$ 14,378	4,700	100.00%	\$ 49,853	\$ 24,926	\$ 39,304

(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, 2022 for Calendar Year 2023 Statement of Charges.

(3) Source: 2024 OAC projected at half of 2023 SOC Attach 3

(4) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez

(5) Pursuant to the Exchange Agreement, Santa Ynez only pays Off-Aqueduct charges on its Table A deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Off-Aqueduct charges for exchange water they accept.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2023/24 Budget

Variable OMP&R Charges

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

For FY 2023/24, the variable OMP&R charges total \$2,153,282 which is \$847,794 less than the prior year amount. The budget is based on estimated water deliveries of 9,570 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2023/24 is estimated to be \$225/AF and \$225/AF for the second half of the fiscal year.

The following table shows the allocation of the FY 2023/24 variable OMP&R costs.

VARIABLE OMP&R CHARGES									
Project Participant	July 1, 2023 to Dec 31, 2023 ⁽¹⁾			\$225/AF ⁽²⁾	Jan 1, 2024 to June 30, 2024 ⁽³⁾			\$225/AF ⁽⁴⁾	TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2022 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2023 Var OMP&R	FY 2023/24 Var. OMP&R
Guadalupe	96	-	96	\$ 21,600	6	-	6	\$ 1,350	\$ 22,950
Santa Maria	1,137	-	1,137	255,825	563	-	563	126,675	382,500
Golden State Water Co.	140	-	140	31,500	45	-	45	10,125	41,625
VSFB	1,561	-	1,561	351,281	1,225	-	1,225	275,600	626,882
Buellton	48	-	48	10,800	15	-	15	3,375	14,175
Santa Ynez (Solvang)	120	-	120	27,000	197	-	197	44,325	71,325
Santa Ynez ⁽⁶⁾	-	1,525	1,525	-	-	900	900	-	-
Goleta	549	(549)	-	123,525	1,773	(324)	1,449	398,925	522,450
Morehart	48	-	48	10,800	36	-	36	8,100	18,900
La Cumbre	195	-	195	43,875	164	-	164	36,900	80,775
Raytheon	-	-	-	-	-	-	-	-	-
Santa Barbara	366	(366)	-	82,350	216	(216)	-	48,600	130,950
Montecito	366	(366)	-	82,350	216	(216)	-	48,600	130,950
Carpinteria	244	(244)	-	54,900	244	(144)	100	54,900	109,800
Total	4,870	-	4,870	\$ 1,095,806	4,700	-	4,700	\$ 1,057,475	\$ 2,153,282

(1) 2023 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.

(2) Source: 2023 IIR-Estimate based on 10 month average.

(3) 2024 Requested Deliveries based on a 100% delivery allocation.

(4) Source: Estimate of invoice rate for 2023.

(5) Pursuant to the Exchange Agreement, Santa Ynez only pays Variable OMP&R charges on its entitlement deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Variable OMP&R charges for exchange water they accept.

CCWA Turnback Pool

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

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2023/24 Budget

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 2023/24 Budget

Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES			DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable		
Guadalupe	\$ 274,199	\$ -	\$ -	\$ 197,871	\$ 9,883	\$ 60,189	\$ 542,142	\$ 315	\$ 22,950	\$ 23,265	\$ (4,519)	\$ 560,888
Santa Maria	8,076,660	354,911	-	5,643,713	291,100	1,772,837	16,139,222	6,342	382,500	388,842	(130,188)	16,397,877
Golden State Water Co.	249,316	10,954	-	186,368	8,985	54,717	510,341	652	41,625	42,277	(3,962)	548,655
Vandenberg SFB	2,742,080	120,495	197,584	1,947,194	98,830	601,889	5,708,072	11,105	626,882	637,987		6,346,059
Buellton	288,161	12,663	20,764	200,363	10,385	63,273	595,610	221	14,175	14,396	(4,881)	605,126
Santa Ynez (Solvang)	740,439	32,862	53,887	521,320	24,122	149,229	1,521,859	1,399	71,325	72,724	(11,922)	1,582,662
Santa Ynez	256,781	10,954	17,962	0	11,815	0	297,513	-	-	-	(6,058)	291,455
Goleta	2,243,830	98,586	161,660	1,658,943	80,536	492,455	4,736,010	11,024	522,450	533,474	(37,665)	5,231,819
Morehart Land	99,727	4,382	7,185	70,273	3,594	21,887	207,046	333	18,900	19,233	(1,658)	224,621
La Cumbre	498,633	21,908	35,924	372,736	17,969	109,434	1,056,605	1,445	80,775	82,220	(8,193)	1,130,633
Raytheon	24,924	1,095	1,796	17,651	899	5,472	51,838	-	-	-	(2,303)	49,535
Santa Barbara	1,495,899	65,724	107,773	1,118,209	53,908	328,303	3,169,816	2,226	130,950	133,176	(25,370)	3,277,623
Montecito	1,495,899	65,724	107,773	1,089,136	53,908	328,303	3,140,743	2,226	130,950	133,176	(27,103)	3,246,817
Carpinteria	997,266	43,816	71,849	727,707	35,938	218,869	2,095,445	2,014	109,800	111,814	(17,229)	2,190,030
Goleta 2500 AF	34,153	-	-	176,215	31,955	248,229	490,552	-	-	-	-	490,552
Total	\$ 19,517,968	\$ 844,076	\$ 784,157	\$ 13,927,702	\$ 733,827	\$ 4,455,086	\$ 40,262,815	\$ 39,304	\$ 2,153,282	\$ 2,192,585	\$ (281,050)	\$ 42,174,350



Bradbury Dam Splash Pad February 2022

Operating Expenses

The Operating Expenses section of the FY 2023/24 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 2023/24 Operating Expenses \$ 12,330,337**
- Fixed expense increase \$ 1,497,171
- Variable expense decrease \$ (337,011)
- Increase over FY 2022/23 Budget \$ 1,160,160
- Percentage increase 10.39%

Significant Operating Expense Changes

- Variable electric costs are estimated to be \$519,714 less than the FY 2022/23 budget, a decrease of 55.97%.
- Chemical costs are budgeted at \$87.38 an acre-foot (excluding Santa Ynez Pumping facility chemical costs), which is a 19.9% increase over FY 2023/24 chemical budget.
- Budgeted employee benefits percentage for FY 2023/24: 42.74%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2023/24 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 or reserve payments.

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

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

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

The Operations and Maintenance staff comprise the bulk (26) of the 33 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 2023/24. 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 2023/24 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2023/24 budget are as follows:

- Decrease in Warren Act and Trust Fund charges of \$489,209 (Warren Act and Trust Fund charges are not included in the Operating Expense budget and are treated as a pass-through expense).

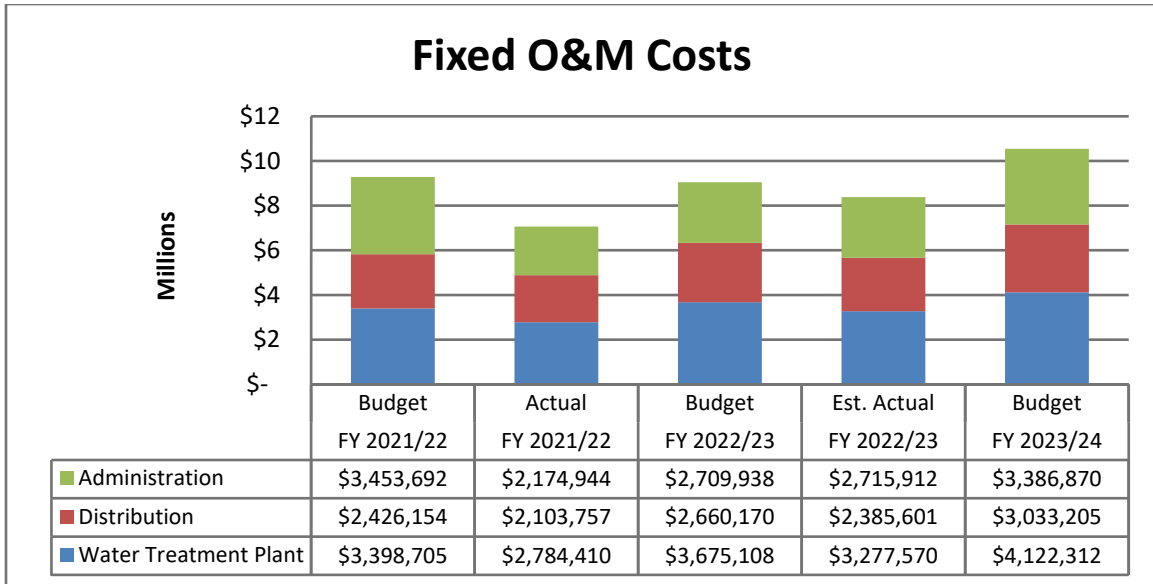
Fixed and Variable Operating Expenses

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.

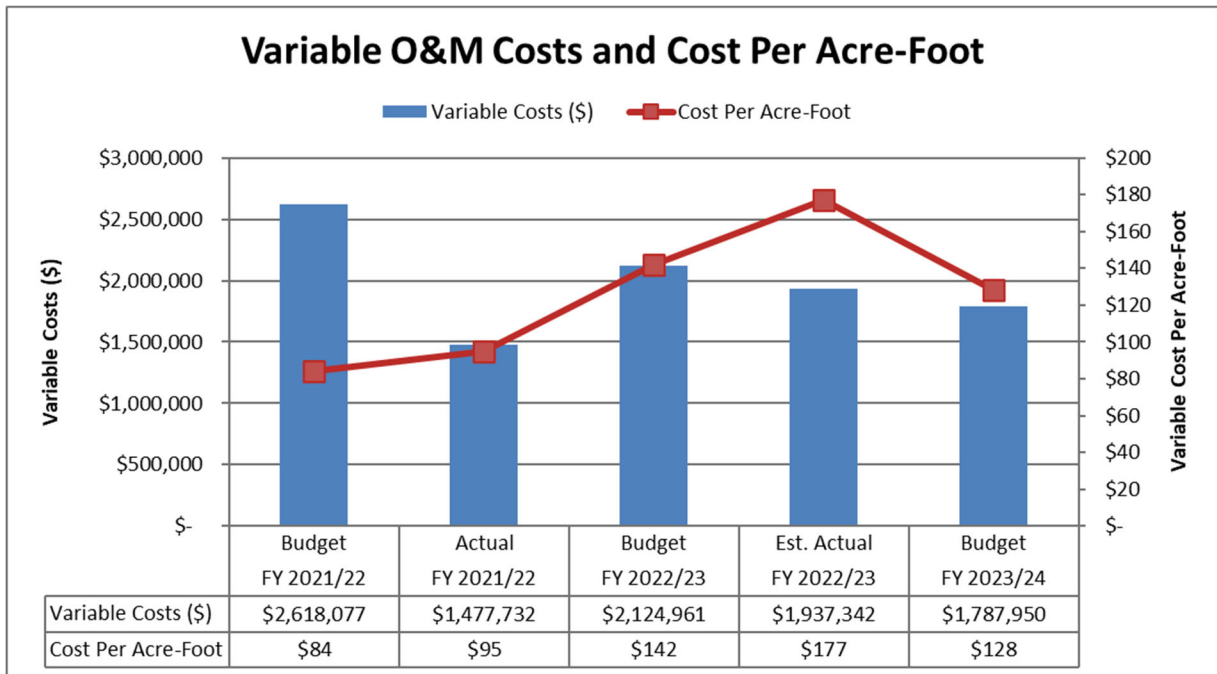
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2023/24 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.



Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2023/24 Budget

The Fiscal Year 2023/24 Consolidated Departmental Operating Expense Budget totals \$12,330,337 which is \$1,160,160 higher than the Fiscal Year 2022/23 Budget, a 10.39% 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 \$699,778 which includes the following changes from the prior year:

- The FY 2023/24 total salaries and wages budget for all departments is increasing \$388,323 as compared to the prior fiscal year budget, representing an increase of 11.34%.
- CalPERS retirement expenses are increasing by approximately \$18,123. The combined CCWA paid employer, employee and unfunded actuarial liability contribution rates for the FY 2023/24 total 33.52% as compared to the prior year amount of 30.22%, for a combined increase of 3.30%. In FY 2017/18 CCWA employees began paying 50% of the increase in the “normal” PERS employer contribution. Additionally, CCWA now has 14 PEPRA employees.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by about \$110,858 due to; 1) The 2023 CalPERS health insurance plan with the lowest premiums increased by 18.40% over the 2022 premiums, as opposed to the increase of 5% budgeted for the calendar year 2023; 2) The FY 2023/24 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2024. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers’ Compensation costs are decreasing by \$13,323 due to a 22% decrease in the Experience modification rate for CCWA.
- The FY 2023/24 Budget includes a \$208,716 deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums for employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of CCWA service.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2023/24 Budget

Supplies and Equipment

Supplies and equipment are increasing by \$194,789 based primarily on the increased cost of chemicals needed. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality.

Monitoring Expenses

Monitoring expenses are only increasing by \$9,098 due to a need for additional lab supplies and equipment as identified by the Senior Chemist.

Repairs and Maintenance

Repairs and maintenance costs are increasing by about \$21,950 due to increased repair and maintenance on aging equipment and vehicles.

Professional Services

Professional Services are increasing by \$631,007 due primarily to an increase in litigation costs and executive recruiting.

General and Administrative

General and Administrative costs are increasing by about \$13,640 due to an increase in employee safety training costs.

Utilities

Utility expenses are decreasing by about \$505,112 largely due to a decrease in variable electric expenses based on expected deliveries.

Other Expenses

Other expenses are increasing by about \$94,000 due to increased insurance costs and appropriated contingency, which is a percentage of the overall budget.

Approximately 51% of the operating expense budget represents personnel expenses. This is followed by 17% for professional services, and 13% for supplies and equipment, with the balance being comprised of other expenses.

The chart on page 79 provides a detailed breakdown of the components of the FY 2023/24 budget.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2023/24 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.

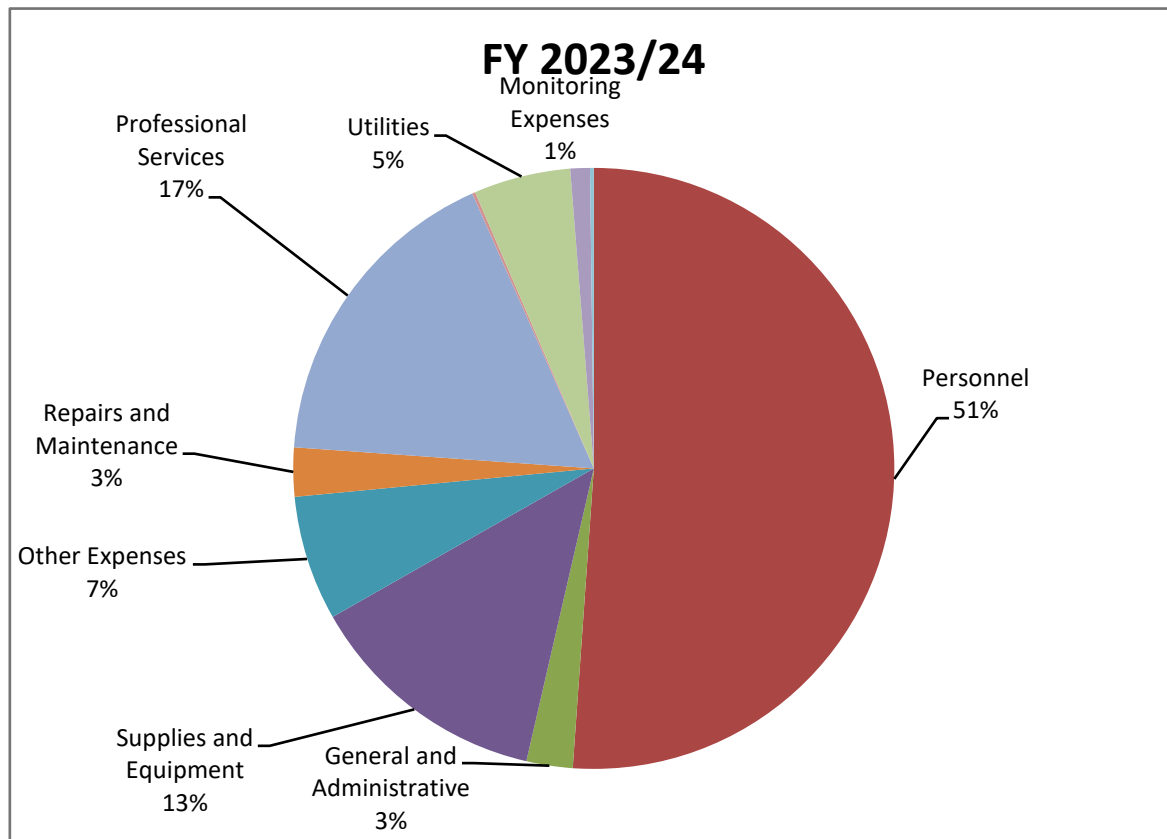
The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2021/22 through 2023/24.

	FY 2021/22	FY 2022/23	FY 2023/24
	Actual	Est. Actual ⁽¹⁾	Budget ⁽¹⁾
Total Regular Salaries	\$ 3,202,713	\$ 3,265,917	\$ 3,812,967
<u>Benefits</u>			
PERS Retirement ⁽¹⁾	762,353	678,061	886,178
Health Insurance	393,383	251,728	574,523
Cafeteria Plan Benefits	86,981	109,777	33,076
Dental/Vision Plan	66,569	68,150	95,203
Long-Term Disability	15,572	12,698	19,406
Life Insurance	11,824	19,982	21,368
Total Benefits:	\$ 1,336,682	\$ 1,140,397	\$ 1,629,754
Employee Benefits Percentage	41.74%	34.92%	42.74%

(1) The PERS Retirement for FY 2021/22 thru FY 2023/24 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.

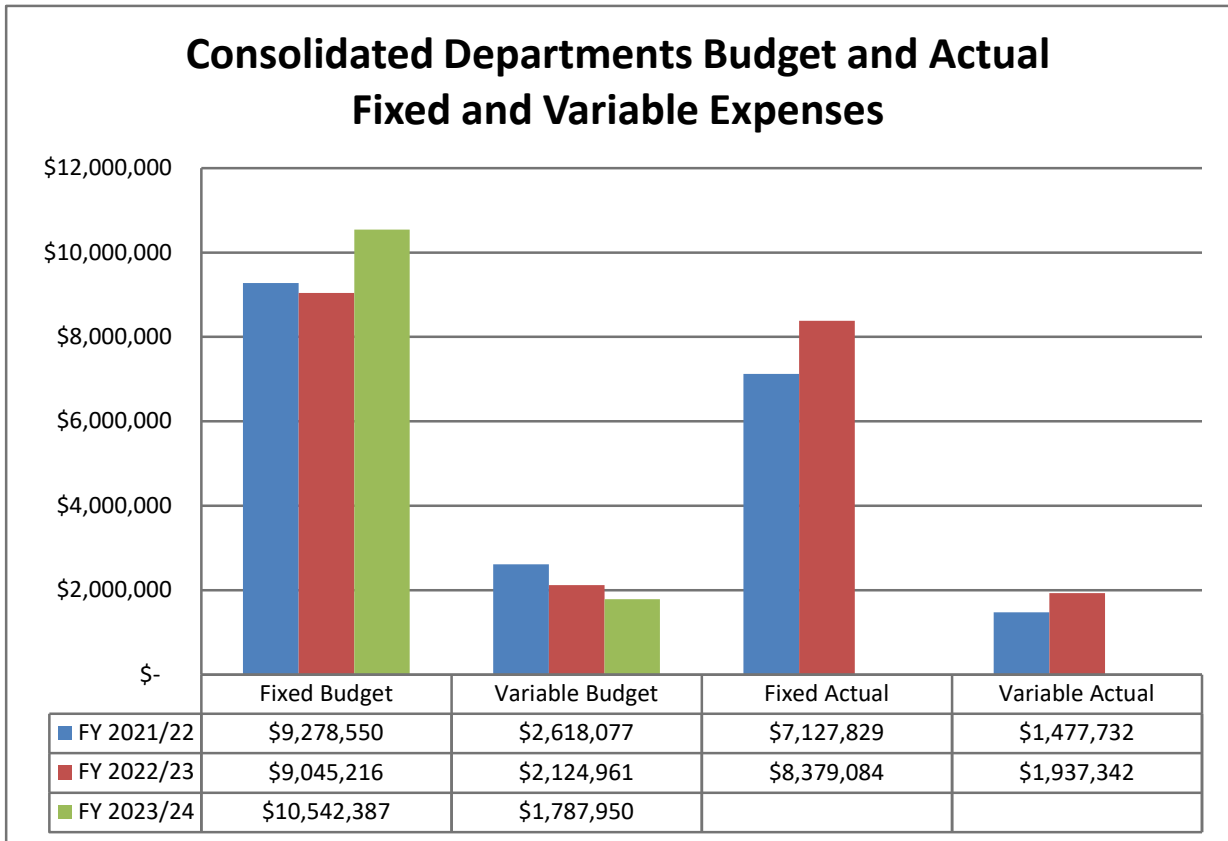
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2023/24 Budget

Item	FY 2023/24 Budget
Personnel	\$ 6,303,853
Office Expenses	21,800
Supplies and Equipment	1,622,928
Monitoring Expenses	130,332
Repairs and Maintenance	325,240
Professional Services	2,126,169
General and Administrative	305,803
Utilities	640,818
Other Expenses	828,377
Turnouts	25,018
TOTAL:	\$ 12,330,337



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2023/24 Budget

Item	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget
Personnel	\$ 5,291,985	\$ 4,416,050	\$ 5,604,065	\$ 5,178,747	\$ 6,303,853
Office Expenses	21,300	18,066	21,300	16,083	21,800
Supplies and Equipment	1,845,711	969,199	1,428,139	1,474,309	1,622,928
Monitoring Expenses	106,215	97,097	121,234	92,000	130,332
Repairs and Maintenance	297,310	289,954	303,290	249,293	325,240
Professional Services	2,184,285	1,294,966	1,495,162	1,569,893	2,126,169
General and Administrative	312,812	174,265	292,163	216,001	305,803
Utilities	1,145,591	884,483	1,145,930	843,148	640,818
Other Expenses	666,273	446,293	733,876	661,953	828,377
Turnouts	25,144	15,188	25,018	15,000	25,018
Total:	\$ 11,896,627	\$ 8,605,562	\$ 11,170,177	\$ 10,316,425	\$ 12,330,337



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 3,256,491	\$ 3,182,136	\$ 3,424,644	\$ 3,265,917	\$ 3,812,967	\$ 388,323	11.34%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	152,603	197,847	160,581	201,943	177,305	16,724	10.41%
5000.40	Standby Pay	60,787	62,111	65,614	60,995	68,981	3,367	5.13%
5000.50	Shift Differential Pay	20,469	19,343	21,279	16,444	22,328	1,049	4.93%
5100.10	PERS Retirement	856,497	80,110	993,055	803,061	1,011,178	18,123	1.83%
5100.15	Medicare Taxes	52,105	51,556	54,107	47,346	59,663	5,556	10.27%
5100.20	Health/Dental/Vision Plans	611,052	539,406	591,943	429,655	702,801	110,858	18.73%
5100.25	Workers' Compensation	81,391	85,412	92,735	55,237	79,412	(13,323)	-14.37%
5100.30	Vehicle Expenses	9,000	9,000	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	152,009	151,188	149,950	160,988	208,716	58,766	39.19%
5100.50	Long-Term Disability	16,562	15,778	17,416	12,698	19,406	1,990	11.43%
5100.55	Life Insurance	13,310	11,822	13,696	19,982	21,368	7,672	56.02%
5100.60	Employee Physicals	900	680	1,155	330	3,655	2,500	216.45%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs/457K Plan	6,560	7,943	6,640	93,502	104,821	98,181	1478.63%
5100.65	Employee Education Reimbursement	2,250	-	2,250	-	2,250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	1,719	-	1,649	-	-	N/A
Total Personnel Expenses:		5,291,985	4,416,050	5,604,065	5,178,747	6,303,853	699,788	12.49%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	10,800	8,556	10,800	7,479	10,800	-	0.00%
5200.30	Misc. Office Expenses	10,500	9,510	10,500	8,604	11,000	500	4.76%
Total Office Expenses:		21,300	18,066	21,300	16,083	21,800	500	2.35%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	16,160	18,649	19,705	16,602	22,555	2,850	14.46%
5500.15	Minor Tools and Equipment	10,000	8,871	11,000	11,000	11,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,500	-	1,500	250	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,668,861	802,454	1,196,329	1,300,000	1,379,033	182,704	15.27%
5500.35	Maintenance Supplies/Hardware	28,000	15,917	28,000	19,616	28,000	-	0.00%
5500.40	Safety Supplies	14,000	16,773	14,000	11,470	23,235	9,235	65.96%
5500.45	Fuel and Lubricants	93,690	98,837	148,105	107,371	148,105	-	0.00%
5500.50	Seed/Erosion Control Supplies	13,000	7,268	9,000	7,500	9,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	431	500	500	500	-	0.00%
Total Supplies and Equipment:		1,845,711	969,199	1,428,139	1,474,309	1,622,928	194,789	13.64%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	63,500	71,599	82,731	81,500	87,679	4,948	5.98%
5600.20	Lab Tools and Equipment	13,650	3,183	10,080	-	14,230	4,150	41.17%
5600.30	Lab Testing	29,065	22,314	28,423	10,500	28,423	-	0.00%
Total Monitoring Expenses:		106,215	97,097	121,234	92,000	130,332	9,098	7.50%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	192,500	199,511	195,500	164,552	210,500	15,000	7.67%
5700.20	Vehicle Repairs and Maintenance	21,500	34,950	28,000	19,500	28,000	-	0.00%
5700.30	Building Maintenance	69,550	42,919	66,030	54,315	73,880	7,850	11.89%
5700.40	Landscape Maintenance	13,760	12,574	13,760	10,925	12,860	(900)	-6.54%
Total Repairs and Maintenance:		297,310	289,954	303,290	249,293	325,240	21,950	7.24%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	191,665	86,667	241,385	96,004	311,700	70,315	29.13%
5400.20	Legal Services	1,810,000	1,063,338	1,048,772	1,275,000	1,565,000	516,228	49.22%
5400.30	Engineering Services	30,000	11,266	30,000	37,975	72,500	42,500	141.67%
5400.40	Permits	41,900	46,231	61,870	58,400	64,610	2,740	4.43%
5400.50	Non-Contractual Services	4,120	3,263	4,120	2,514	4,120	-	0.00%
5400.60	Accounting Services	106,600	84,201	109,015	100,000	108,239	(776)	-0.71%
Total Professional Services:		2,184,285	1,294,966	1,495,162	1,569,893	2,126,169	631,007	42.20%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	60,500	11,073	60,001	28,058	60,001	-	0.00%
5300.20	Mileage Reimbursement	1,650	201	1,650	50	1,650	-	0.00%
5300.30	Dues and Memberships	204,819	128,673	180,569	158,140	182,709	2,140	1.19%
5300.40	Publications	3,000	5,097	3,250	3,250	3,250	-	0.00%
5300.50	Training	26,444	16,019	28,294	15,997	39,794	11,500	40.65%
5300.60	Advertising	5,500	99	5,500	1,500	5,500	-	0.00%
5300.70	Printing and Binding	2,000	1,879	2,000	600	2,000	-	0.00%
5300.80	Postage	8,900	11,224	10,900	8,406	10,900	-	0.00%
Total General and Administrative:		312,812	174,265	292,163	216,001	305,803	13,640	4.67%
<u>UTILITIES</u>								
5800.20	Natural Gas	8,770	15,083	10,520	10,663	10,570	50	0.48%
5800.30	Electric-Fixed	156,721	166,760	171,857	164,328	178,665	6,808	3.96%
5800.35	Electric-Variable	949,216	675,279	928,632	637,342	408,918	(519,714)	-55.97%
5800.40	Water	4,900	4,499	5,080	4,794	5,080	-	0.00%
5800.50	Telephone	12,780	12,748	15,590	13,579	22,070	6,480	41.57%
5800.60	Waste Disposal	13,205	10,115	14,251	12,442	15,515	1,264	8.87%
Total Utilities:		1,145,591	884,483	1,145,930	843,148	640,818	(505,112)	-44.08%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	155,560	164,901	187,117	179,517	234,579	47,462	25.36%
5900.30	Non-Capitalized Projects ⁽¹⁾	-		-	-	-	-	N/A
5900.40	Equipment Rental	46,680	18,374	67,260	132,364	67,660	400	0.59%
5900.50	Non-Capitalized Equipment	22,500	9,254	22,500	-	22,500	-	0.00%
5900.60	Computer Expenses	260,884	238,800	297,952	258,072	297,415	(537)	-0.18%
5900.70	Appropriated Contingency	180,649	14,964	159,047	92,000	206,223	47,176	29.66%
Total Other Expenses:		666,273	446,293	733,876	661,953	828,377	94,501	12.88%
	Turnout Expenses	25,144	15,188	25,018	15,000	25,018	-	0.00%
TOTAL OPERATING EXPENSES		\$ 11,896,627	\$ 8,605,562	\$ 11,170,177	\$ 10,316,425	\$ 12,330,337	\$ 1,160,160	10.39%

(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 2023/24 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 Retreatment	Exchange Fixed Adjustments		
Shandon	-	-	\$ -	100	0.23%	\$ 12,330	-	-	12,330	\$ 3,121
Chorro Valley	-	-	-	2,338	5.32%	288,279	-	-	288,279	2,900
Lopez	-	-	-	2,392	5.45%	294,937	-	-	294,937	2,383
Guadalupe	550	1.41%	48,865	550	1.25%	67,816	19,653	-	87,469	2,269
Santa Maria	16,200	41.46%	1,439,304	16,200	36.90%	1,997,482	578,880	-	2,576,363	2,540
Golden State Water Co.	500	1.28%	44,423	500	1.14%	61,651	17,867	-	79,517	4,218
VSFB	5,500	14.07%	488,652	5,500	12.53%	678,158	196,533	-	874,691	2,000
Buellton	578	1.48%	51,353	578	1.32%	71,268	20,654	-	91,922	2,224
Santa Ynez (Solvang)	1,500	3.84%	133,269	1,500	3.42%	184,952	53,600	-	238,552	1,863
Santa Ynez	500	1.28%	44,423	500	1.14%	61,651	104,520	299,006	465,177	1,500
Goleta	4,500	11.52%	399,807	4,500	10.25%	554,856	(317,609)	(107,642)	129,605	-
Morehart Land	200	0.51%	17,769	200	0.46%	24,660	(17,514)	-	7,147	-
La Cumbre	1,000	2.56%	88,846	1,000	2.28%	123,301	(87,568)	-	35,733	-
Raytheon (SBRC)	50	0.13%	4,442	50	0.11%	6,165	(4,378)	-	1,787	-
Santa Barbara	3,000	7.68%	266,538	3,000	6.83%	369,904	(211,739)	(71,761)	86,403	-
Montecito	3,000	7.68%	266,538	3,000	6.83%	369,904	(211,739)	(71,761)	86,403	-
Carpinteria	2,000	5.12%	177,692	2,000	4.55%	246,603	(141,160)	(47,841)	57,602	-
TOTAL:	39,078	100.00%	\$ 3,471,920	43,908	100.00%	\$ 5,413,917	\$ (0)	-	\$ 5,413,917	\$ 25,018

Project Participant	<u>Distribution Department Fixed Costs</u>									Total Fixed Distribution Costs	Total Fixed Operating & Project Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II			
Shandon	1,187	-	-	-	-	-	-	-	-	1,187	16,638
Chorro Valley	27,746	-	-	-	-	-	-	-	-	27,746	318,924
Lopez	28,386	19,822	-	-	-	-	-	-	-	48,208	345,528
Guadalupe	6,527	4,558	2,016	-	-	-	-	-	-	13,100	151,704
Santa Maria	192,249	134,243	59,371	30,082	-	-	-	-	-	415,945	4,434,151
Golden State Water Co.	5,934	4,143	1,832	928	-	-	-	-	-	12,838	140,996
VSFB	65,270	45,576	20,157	10,213	26,571	120,663	-	-	-	288,450	1,653,793
Buellton	6,859	4,790	2,118	1,073	2,792	12,681	34,598	-	-	64,912	210,411
Santa Ynez (Solvang)	17,801	12,430	5,497	2,785	7,247	32,908	89,787	-	-	168,456	542,140
Santa Ynez	5,934	4,143	1,832	928	2,416	10,969	29,929	-	-	56,152	567,251
Goleta	53,403	37,290	16,492	8,356	21,740	98,724	269,362	521,207	-	1,026,574	1,555,986
Morehart Land	2,373	1,657	733	371	966	4,388	11,972	23,165	-	45,626	70,541
La Cumbre	11,867	8,287	3,665	1,857	4,831	21,939	59,858	115,824	-	228,128	352,707
Raytheon (SBRC)	593	414	183	93	242	1,097	2,993	5,791	-	11,406	17,635
Santa Barbara	35,602	24,860	10,995	5,571	14,493	65,816	179,575	347,472	-	684,383	1,037,324
Montecito	35,602	24,860	10,995	5,571	14,493	65,816	179,575	347,472	-	684,383	1,037,324
Carpinteria	23,734	16,573	7,330	3,714	9,662	43,877	119,717	231,648	-	456,255	691,549
TOTAL:	521,067	343,645	143,215	71,543	105,454	478,877	977,367	1,592,578	-	4,233,747	\$ 13,144,602

Central Coast Water Authority
Operating, Maintenance and Project Expense Allocation by Department
 Fiscal Year 2023/24 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	\$ -	\$ -			\$ -	\$ -	\$ 16,638	Fixed O&M Costs Administration \$ 3,386,870 Water Treatment Plant 4,122,312 Distribution 3,033,205 Total Fixed O&M Costs 10,542,387 Variable O&M Costs Water Treatment Plant 1,517,118 Distribution 270,832 Total Variable O&M Costs 1,787,950 Capital & Non-Capital Projects 2,602,215 Total O&M and Project Costs: \$ 14,932,552
Chorro Valley	-	240,789			240,789	240,789	559,714	
Lopez	-	236,443			236,443	236,443	581,971	
Guadalupe	-	11,083	2,307		13,390	13,390	165,094	
Santa Maria	-	184,721	38,449		223,170	223,170	4,657,321	
Golden State Water Co.	-	20,102	4,184		24,286	24,286	165,282	
VAFB	-	302,740	63,015		365,755	365,755	2,019,548	
Buellton	-	6,846	1,425		8,270	8,270	218,681	
Santa Ynez (Solvang)	-	34,445	7,170		41,615	41,615	583,754	
Santa Ynez	-	-	54,847	263,499	318,346	318,346	885,597	
Goleta	197,006	252,307	(124,675)	(94,860)	32,772	229,778	1,785,764	
Morehart Land	11,421	9,127	(7,228)	-	1,900	13,320	83,862	
La Cumbre	48,810	39,009	(30,889)	-	8,120	56,929	409,636	
S.B. Research	-	-	-	-	-	-	17,635	
Santa Barbara	-	63,240	-	(63,240)	-	-	1,037,324	
Montecito	-	63,240	-	(63,240)	-	-	1,037,324	
Carpinteria	13,596	53,026	(8,604)	(42,160)	2,262	15,858	707,407	
TOTAL:	\$ 270,832	\$ 1,517,118	\$ (0)	0	1,517,118	1,787,950	\$ 14,932,552	



Santa Margarita AVAR Vault February 2022

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 5.50
- Number of Board members 8
- Number of Authority Committees 3
- Board of Directors meetings Fourth Thursday of each month
- Operating Committee meetings Second Thursday, quarterly
- Finance Committee meetings Fourth Thursday, quarterly
- Other Committee meetings As needed

Budget Information

- Total FY 2023/24 O&M Budget \$ 3,386,870
- O&M Budget increase over FY 2022/23 \$ 676,932
- Percentage increase over FY 2022/23 24.98%

Significant Accomplishments during 2022/23

- Implementation of the 2022 Supplemental Water Purchase Program to acquire additional water supplies for CCWA Project Participants.
- Execution of the State Water Project Contract Extension Amendment and the Water Management Amendment.

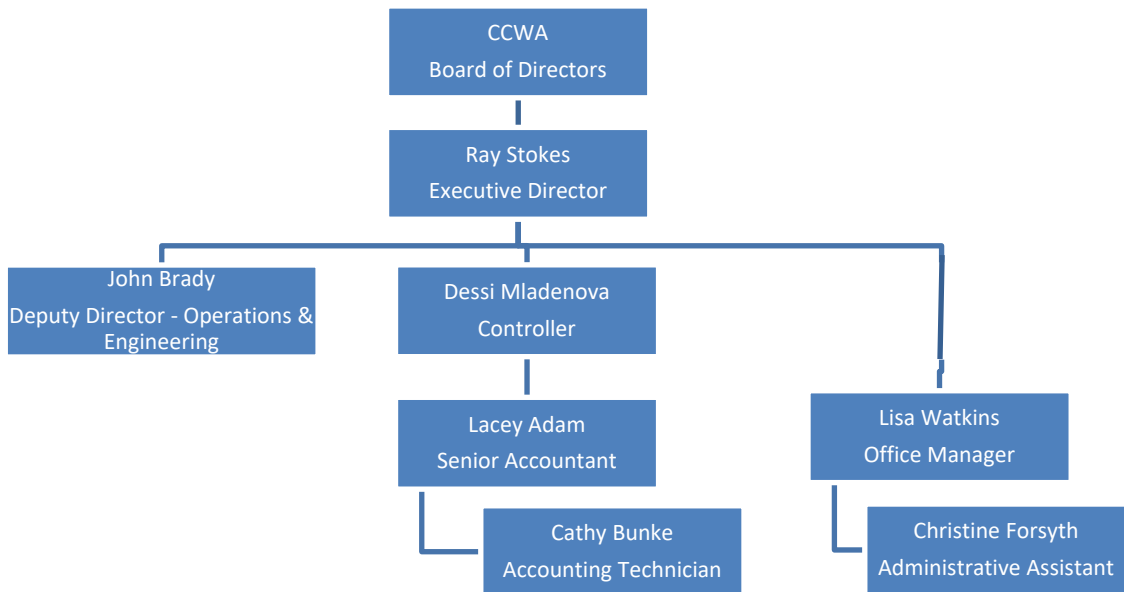
Significant Goals for FY 2023/24

- Continue the Supplemental Water Purchase Program search for additional water supplies to meet the needs of CCWA Project Participants.
- Negotiate a long-term Warren Act Contract with the US Bureau of Reclamation.
- Begin implementing a succession plan. Recruit an Operations Manager to take responsibility of capital improvement projects, planning and oversight of construction activities and supervision of staff, policy and internal relationships.
- Research and replace the existing accounting software system and the current document managing system.
- Finalize the DWR Cost/Debt reconciliation project and close out prior Statement of Charges protest items.
- Negotiate and execute a short-term exchange program for water banking opportunities.

Central Coast Water Authority
Administration Department
 Fiscal Year 2023/24 Budget

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

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



EXECUTIVE DIRECTOR

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

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

Central Coast Water Authority
Administration Department
Fiscal Year 2023/24 Budget

DEPUTY DIRECTOR – Operations and Engineering

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

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

CONTROLLER

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

SENIOR ACCOUNTANT

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

OFFICE MANAGER

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

Central Coast Water Authority
Administration Department
Fiscal Year 2023/24 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 2023/24 is increasing by \$676,932 or 24.98% when compared to the FY 2022/23 Budget. The total FY 2023/24 budget is \$3,386,870 compared to the FY 2022/23 budget of \$2,709,938. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$140,993 due to the following:

- The FY 2023/24 total salaries and wages budget for the Administration Department increased by just \$70,713 when compared to the prior fiscal year budget.
- CalPERS retirement expenses are increasing by \$10,143 over the prior fiscal year. The CCWA employer paid portion for “Classic” members in FY 23/24 is 31.596% as compared to the prior year amount of 29.121%, for a 2.475% increase. CCWA “Classic” member employees began paying 50% of the increase in the “normal” PERS employer contribution in FY 2017/18. As of FY 2023/24 the Administration Department has 1 CalPERS PEPRA member employee. The PEPRA employer contribution rate in FY 2023/24 decreased from 8.26% in FY 2022/23 to 8.00% in FY 2023/24 for a decrease in employer paid PEPRA contribution rate of 0.26%. Currently, the Administration Department has 1 “Classic” 2nd tier member employee. The 2nd tier member employer contribution rate in FY 2023/24 is 24.596%.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by \$17,339. This is due to; 1) The 2023 CalPERS health insurance plan with the lowest premiums increased by 18.40% over the 2022 premiums, as opposed to the increase of 5% budgeted for the calendar year 2023. 2) The FY 2023/24 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2024. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers’ Compensation costs are decreasing by \$579 due to a 22% decrease in the Experience modification rate for CCWA.
- The FY 2023/24 Budget includes a \$54,762 deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums, based on employees

Central Coast Water Authority
Administration Department
Fiscal Year 2023/24 Budget

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

Professional/Legal Services Professional Services are increasing by \$505,452 due primarily to an increase in litigation costs and executive recruiting fees.

General and Administrative General and administrative expenses are increasing by \$2,000 due to an increase in Dues and Memberships.

Other Expenses Other expenses are increasing in total by \$27,517 due to an increase in appropriated contingency.

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2023/24 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2021/22	Auth. FY 2022/23	Requested FY 2023/24	Over FY 2021/22	Over FY 2022/23
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director of Operations ⁽²⁾	0.25	0.25	0.25	-	-
Operations Manager ⁽³⁾	-	-	0.25	0.25	0.25
Controller	1.00	1.00	1.00	-	-
Deputy Controller	1.00	-	-	-	-
Senior Accountant	-	1.00	1.00	-	-
Office Manager	1.00	1.00	1.00	-	-
Accounting Technician	0.75	0.75	0.75	-	-
Administrative Assistant	0.75	0.75	0.75	-	-
TOTAL:	5.25	5.25	5.50	0.25	0.25

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum	Maximum	FY 2022/23	Allocation
			Monthly Salary	Monthly Salary	Total Annual Salary	to Admin Department
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 298,850	\$ 149,425
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 209,053	\$ 52,263
Operations Manager ⁽³⁾	1	46	\$ 12,387	\$ 15,112	\$ 141,665	\$ 35,416
Controller	1	43	\$ 11,614	\$ 14,169	\$ 138,656	\$ 138,656
Deputy Controller	0	33	-	-	-	-
Senior Accountant	1	25	\$ 7,892	\$ 9,628	\$ 94,495	\$ 94,495
Office Manager	1	31	\$ 8,977	\$ 10,951	\$ 114,977	\$ 114,977
Accounting Technician	1	12	\$ 5,970	\$ 7,283	\$ 53,864	\$ 53,864
Administrative Assistant	1	11	\$ 5,843	\$ 7,129	\$ 53,199	\$ 53,199
FY 2023/24 Salary Pool						\$ 34,103
TOTAL:	8					\$ 726,399

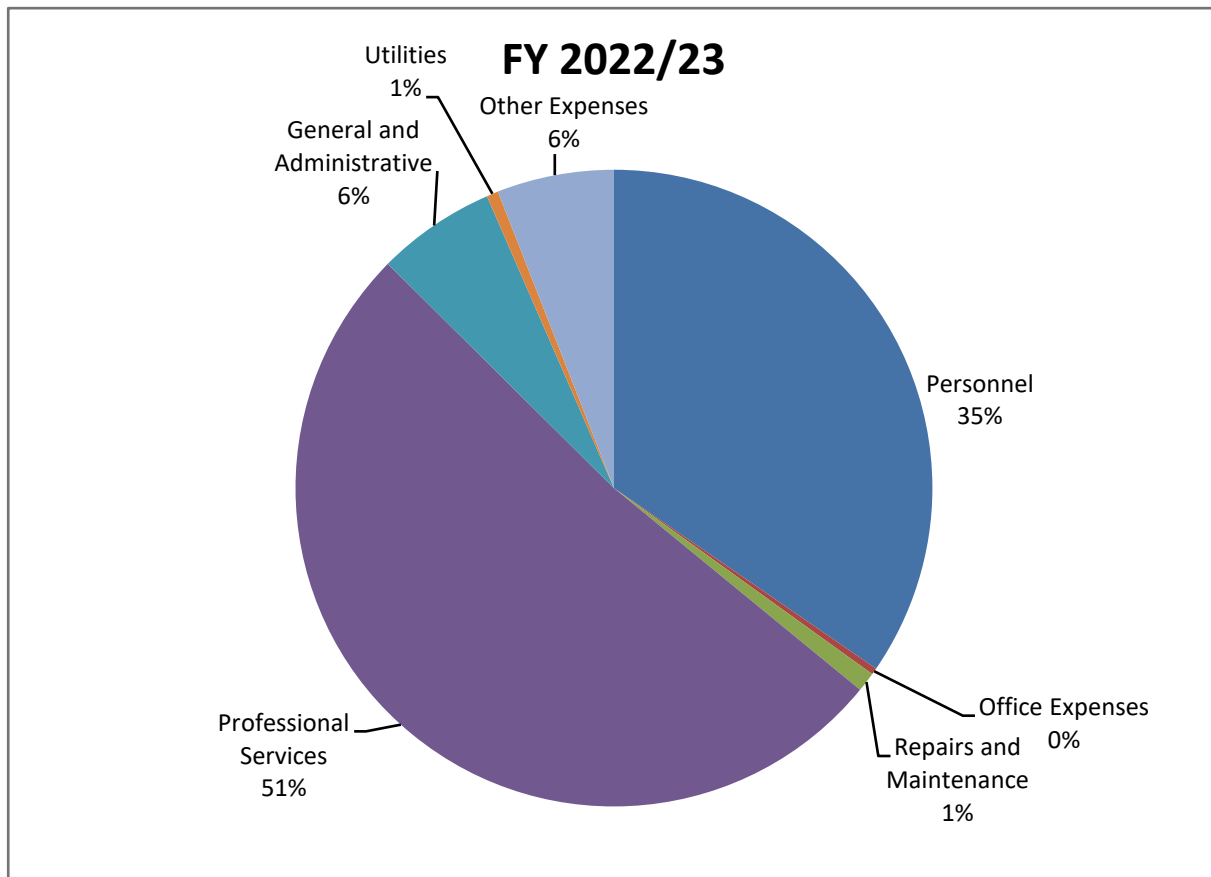
(1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).

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

(3) The Operations Manager is allocated to Administration(25%), Water Treatment Plant(35%) and Distribution (40%).

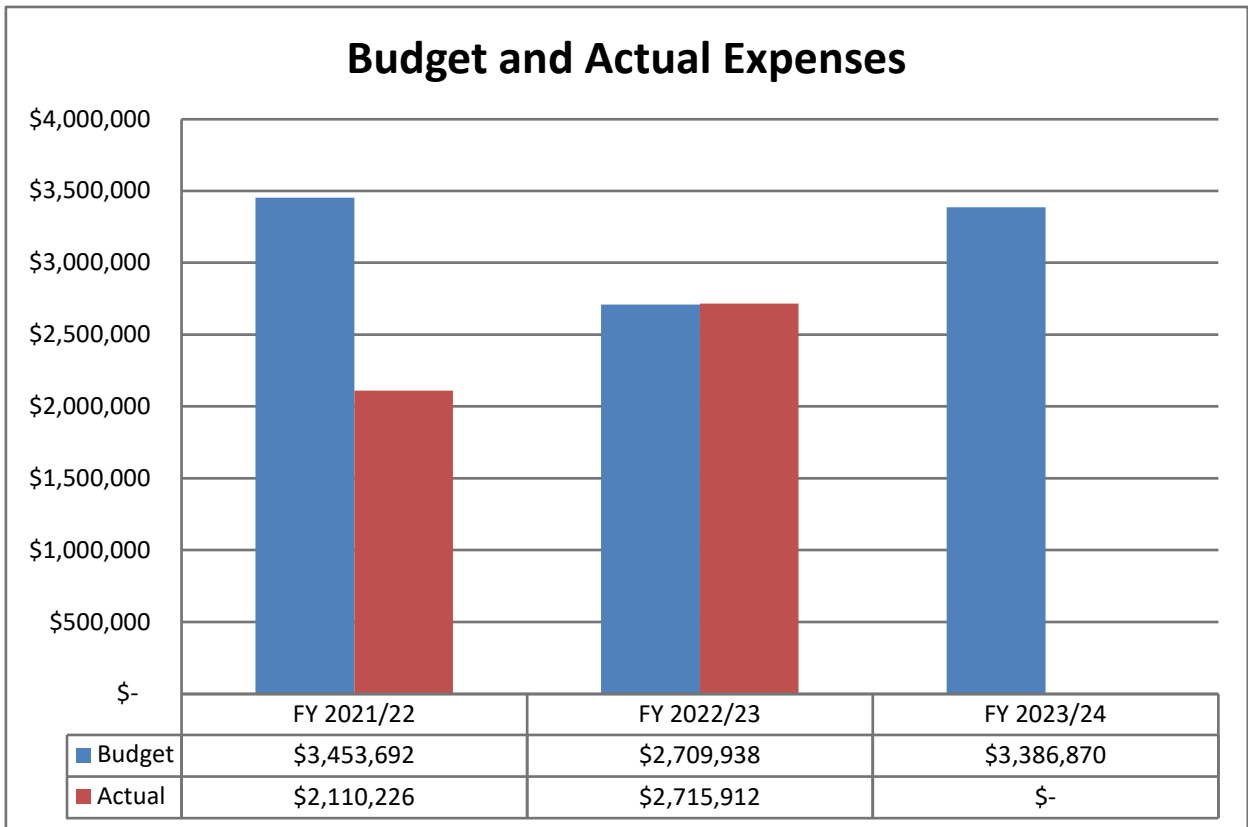
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2023/24 Budget

Item	FY 2023/24 Budget
Personnel	\$ 1,171,491
Office Expenses	11,300
Repairs and Maintenance	33,780
Professional Services	1,744,542
General and Administrative	204,562
Utilities	20,004
Other Expenses	201,191
TOTAL:	<u>\$ 3,386,870</u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2023/24 Budget

Item	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget
Personnel	\$ 985,145	\$ 878,719	\$ 1,030,498	\$ 1,002,140	\$ 1,171,491
Office Expenses	10,800	10,801	10,800	8,754	11,300
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	33,510	27,040	33,580	28,425	33,780
Professional Services	1,997,113	921,224	1,239,090	1,357,710	1,744,542
General and Administration	202,562	135,311	202,562	165,383	204,562
Utilities	19,434	14,065	19,734	16,250	20,004
Other Expenses	205,127	123,066	173,674	137,250	201,191
TOTAL:	\$ 3,453,692	\$ 2,110,226	\$ 2,709,938	\$ 2,715,912	\$ 3,386,870



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 626,463	\$ 581,215	\$ 655,686	\$ 650,239	\$ 726,399	\$ 70,713	10.78%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	5,000	5,287	5,000	166	5,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	185,987	135,146	199,407	169,338	209,550	10,143	5.09%
5100.15	Medicare Taxes	9,396	11,330	9,784	17,358	10,749	965	9.86%
5100.20	Health/Dental/Vision Plans	104,867	77,333	101,627	79,812	118,966	17,339	17.06%
5100.25	Workers' Compensation	3,753	4,308	4,713	3,188	4,134	(579)	-12.28%
5100.30	Vehicle Expenses	9,000	9,000	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	33,522	41,201	37,905	43,484	54,762	16,857	44.47%
5100.50	Long-Term Disability	3,258	2,992	3,410	2,717	3,777	367	10.77%
5100.55	Life Insurance	2,369	1,950	2,436	3,985	3,622	1,186	48.69%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5100.80	Employee Incentive/457K Plan	1,280	7,943	1,280	22,854	25,280	24,000	1875.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	1,014	-	-	-	-	N/A
Total Personnel Expenses:		985,145	878,719	1,030,498	1,002,140	1,171,491	140,993	13.68%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	6,300	5,901	6,300	4,254	6,300	-	0.00%
5200.30	Miscellaneous Office Expenses	4,500	4,900	4,500	4,500	5,000	500	11.11%
Total Office Expenses:		10,800	10,801	10,800	8,754	11,300	500	4.63%
<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 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	5,500	4,475	5,500	2,400	5,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	23,750	16,638	23,820	22,000	24,020	200	0.84%
5700.40	Landscape Maintenance	4,260	3,819	4,260	4,025	4,260	-	0.00%
Total Repairs and Maintenance:		33,510	27,040	33,580	28,425	33,780	200	0.60%
updated								
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	76,393	52,428	77,183	20,196	117,183	40,000	51.82%
5400.20	Legal Services	1,810,000	926,228	1,048,772	1,235,000	1,515,000	466,228	44.45%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	4,120	2,511	4,120	2,514	4,120	-	0.00%
5400.60	Accounting Services	106,600	84,201	109,015	100,000	108,239	(776)	-0.71%
Total Professional Services:		1,997,113	921,224	1,239,090	1,357,710	1,744,542	505,452	40.79%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	21,500	84	21,500	13,238	21,500	-	0.00%
5300.20	Mileage Reimbursement	1,000	-	1,000	50	1,000	-	0.00%
5300.30	Dues and Memberships	167,469	115,625	167,469	145,000	169,469	2,000	1.19%
5300.40	Publications	1,250	1,145	1,250	1,250	1,250	-	0.00%
5300.50	Training	3,544	1,694	3,544	2,245	3,544	-	0.00%
5300.60	Advertising	2,500	99	2,500		2,500	-	0.00%
5300.70	Printing and Binding	2,000	1,553	2,000	600	2,000	-	0.00%
5300.80	Postage	3,300	2,511	3,300	3,000	3,300	-	0.00%
Total General and Administrative:		202,562	135,311	202,562	165,383	204,562	2,000	0.99%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	450	561	450	450	500	50	11.11%
5800.30	Electric-Fixed	8,944	4,662	8,944	6,000	8,944	-	0.00%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	2,400	2,326	2,580	2,500	2,580	-	0.00%
5800.50	Telephone	3,780	2,880	3,780	3,200	3,780	-	0.00%
5800.60	Waste Disposal	3,860	3,636	3,980	4,100	4,200	220	5.53%
Total Utilities:		19,434	14,065	19,734	16,250	20,004	270	1.37%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	23,098	20,067	22,328	26,833	23,018	690	3.09%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	5,340	5,410	5,360	4,600	5,360	-	0.00%
5900.50	Non-Capitalized Equipment	2,500	741	2,500	-	2,500	-	0.00%
5900.60	Computer Expenses	106,470	89,366	107,679	105,817	103,904	(3,775)	-3.51%
5900.70	Appropriated Contingency	67,719	7,482	35,807	-	66,409	30,602	85.46%
Total Other Expenses:		205,127	123,066	173,674	137,250	201,191	27,517	15.84%
TOTAL OPERATING EXPENSES		\$ 3,453,692	\$ 2,174,944	\$ 2,709,938	\$ 2,715,912	\$ 3,386,870	\$ 676,932	24.98%

(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 2023/24 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$34,103 for the FY 2022/23 salary pool.

FY 23/24 Requested Budget	726,399
FY 22/23 Estimated Actual	650,239
Increase (Decrease)	76,161

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

Description: Overtime expenses for non-exempt Administration employees.

FY 23/24 Requested Budget	5,000
FY 22/23 Estimated Actual	166
Increase (Decrease)	4,834

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

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 31.9861% contribution rate for FY 2022/23, which includes the required Unfunded Accrued Liability (UAL) payment.

FY 23/24 Requested Budget	209,550
FY 22/23 Estimated Actual	169,338
Increase (Decrease)	40,212

Required Contributions	\$ 107,556	18.336%
UAL current fiscal year	78,747	13.650%
UAL additional payment	23,246	fixed
TOTAL	\$ 209,550	

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 23/24 Requested Budget	10,749
FY 22/23 Estimated Actual	17,358
Increase (Decrease)	(6,609)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2023/24 BUDGET**

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

Description: Funds for employer paid portion of health insurance for Administration employees. Based on employee 2023 Caf  Plan elections and dependent status. Includes an estimated 5% increase in 2024 plan rates.

FY 23/24 Requested Budget	94,159
FY 22/23 Estimated Actual	50,733
Increase (Decrease)	43,426

	2023 Allowance		2024 Allowance Est
Family	\$ 21,713	\$	22,799
Emp + 1	16,702		17,537
Employee only	8,351		8,769

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 80% and economy of size rate of 90%. Based on a 3% premium increase over FY 2022/23

FY 23/24 Requested Budget	4,134
FY 22/23 Estimated Actual	3,188
Increase (Decrease)	946

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

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

FY 23/24 Requested Budget	9,000
FY 22/23 Estimated Actual	9,000
Increase (Decrease)	0

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

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

FY 23/24 Requested Budget	54,762
FY 22/23 Estimated Actual	43,484
Increase (Decrease)	11,278

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2023/24 BUDGET**

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

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

FY 23/24 Requested Budget	9,919
FY 22/23 Estimated Actual	17,251
Increase (Decrease)	(7,332)

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

Description: Funds for the self-funded dental/vision plan. The plan provides \$4,179 per year per family for dental and vision expenses. Budgeted amount is \$3,135 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 23/24 Requested Budget	14,888
FY 22/23 Estimated Actual	11,828
Increase (Decrease)	3,061

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 23/24 Requested Budget	3,777
FY 22/23 Estimated Actual	2,717
Increase (Decrease)	1,060

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 \$250,000.

FY 23/24 Requested Budget	3,622
FY 22/23 Estimated Actual	3,985
Increase (Decrease)	(363)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2023/24 BUDGET**

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

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

FY 23/24 Requested Budget	250
FY 22/23 Estimated Actual	-
Increase (Decrease)	250

ACCOUNT NUMBER: 5100.80 **ACCOUNT TITLE:** Employee Incentives and 457 K Plan

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

FY 23/24 Requested Budget	25,280
FY 22/23 Estimated Actual	22,854
Increase (Decrease)	2,426

EAAP	\$	1,280
457 K Plan		24,000
TOTAL:	\$	25,280

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

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

FY 23/24 Requested Budget	6,300
FY 22/23 Estimated Actual	4,254
Increase (Decrease)	2,046

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

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

FY 23/24 Requested Budget	5,000
FY 22/23 Estimated Actual	4,500
Increase (Decrease)	500

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2023/24 BUDGET**

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

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

FY 23/24 Requested Budget	21,500
FY 22/23 Estimated Actual	13,238
Increase (Decrease)	8,262

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

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

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

FY 23/24 Requested Budget	1,000
FY 22/23 Estimated Actual	50
Increase (Decrease)	950

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

Description: Funds for professional dues.

FY 23/24 Requested Budget	169,469
FY 22/23 Estimated Actual	145,000
Increase (Decrease)	24,469

\$	128,282	SWC Dues
	23,304	ACWA
	7,000	SWPCA MWQI charges
	2,250	Support various water education programs
	3,500	Employee Professional Dues and Misc.
	1,500	California Special District Association
	3,633	NEOGov
\$	169,469	TOTAL

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

Description: Funds for publications received by CCWA

FY 23/24 Requested Budget	1,250
FY 22/23 Estimated Actual	1,250
Increase (Decrease)	-

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

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2023/24 BUDGET**

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

Description: Funds for miscellaneous consultants and other services.

FY 23/24 Requested Budget	117,183	\$	4,580	BAO office alarm system, DMV monitoring fee
FY 22/23 Estimated Actual	20,196		50,000	SB County staff costs for CCWA related work
Increase (Decrease)	96,987		2,603	Personnel Team Building
			20,000	PR Consultant
			40,000	Executive recruiting
		\$	117,183	TOTAL

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

Description: Funds for CCWA legal services.

FY 23/24 Requested Budget	1,515,000	\$	1,500,000	Brownstein Hyatt Farber General Counsel
FY 22/23 Estimated Actual	1,235,000		15,000	Stradling Yocca Carlsen Personnel Counsel
Increase (Decrease)	280,000	\$	1,515,000	TOTAL

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

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

FY 23/24 Requested Budget	4,120	\$	1,620	IRC 125 Plan administration fees (\$135 per mo)
FY 22/23 Estimated Actual	2,514		1,500	Employee Assistance Program
Increase (Decrease)	1,606		1,000	Other miscellaneous
		\$	4,120	TOTAL

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

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

FY 23/24 Requested Budget	108,239	\$	26,495	Glenn Burdette - Annual Audit
FY 22/23 Estimated Actual	100,000		16,257	Ernst & Young - SWC SOC Audit
Increase (Decrease)	8,239		61,387	Ernst & Young - CCWA SOC Audit
			4,100	Bartel Assoc - Pension/OPEB Actuarial Reports
		\$	108,239	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2023/24 BUDGET**

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

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

FY 23/24 Requested Budget	5,500
FY 22/23 Estimated Actual	2,400
Increase (Decrease)	3,100

\$	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 23/24 Requested Budget	24,020
FY 22/23 Estimated Actual	22,000
Increase (Decrease)	2,020

\$	1,520	Monthly Pest Control
	15,000	Janitorial services and supplies
	6,000	Building repairs, maintenance
	1,500	HVAC quarterly maintenance
\$	24,020	TOTAL

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

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

FY 23/24 Requested Budget	4,260
FY 22/23 Estimated Actual	4,025
Increase (Decrease)	235

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

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

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

FY 23/24 Requested Budget	500
FY 22/23 Estimated Actual	450
Increase (Decrease)	50

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2023/24 BUDGET**

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

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

FY 23/24 Requested Budget	8,944
FY 22/23 Estimated Actual	6,000
Increase (Decrease)	2,944

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

Description: Funds for water and sewer service for the Administration building (\$215 per month).

FY 23/24 Requested Budget	2,580
FY 22/23 Estimated Actual	2,500
Increase (Decrease)	80

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

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

FY 23/24 Requested Budget	3,780
FY 22/23 Estimated Actual	3,200
Increase (Decrease)	580

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

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

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

FY 23/24 Requested Budget	4,200
FY 22/23 Estimated Actual	4,100
Increase (Decrease)	100

\$	3,900	Waste Disposal service (\$325 per month)
	320	Hazardous Waste Disposal
\$	4,220	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2023/24 BUDGET**

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

Description: Funds for insurance related expenses.

FY 23/24 Requested Budget	23,018	\$	3,010	Property and auto insurance based on
FY 22/23 Estimated Actual	26,833			allocation provided by JPIA
Increase (Decrease)	(3,815)	\$	15,808	General Liability and E&O apportioned by
				payroll percentages
		\$	4,200	Employee fidelity bond \$5 million limit
		\$	23,018	TOTAL

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

Description: Funds for rental of equipment.

FY 23/24 Requested Budget	5,360	\$	1,800	Postage meter (\$150 per month)
FY 22/23 Estimated Actual	4,600		3,060	Copier lease (\$255 per month)
Increase (Decrease)	760		500	Other
		\$	5,360	TOTAL

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

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

FY 23/24 Requested Budget	2,500
FY 22/23 Estimated Actual	-
Increase (Decrease)	2,500

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2023/24 BUDGET**

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

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

FY 23/24 Requested Budget	103,904
FY 22/23 Estimated Actual	105,817
Increase (Decrease)	(1,913)

\$	96,029	<u>CompuVision, Annual Service Agreements and Software Subscriptions</u>
\$	7,875	<u>Software and other computer services</u>
\$	103,904	TOTAL

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

Description: 2.0% of operating expenses

FY 23/24 Requested Budget	66,409
FY 22/23 Estimated Actual	66,409
Increase (Decrease)	66,409



Water Treatment Plant February 2022

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 16.15
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2023/24 requested water deliveries 13,962 acre-feet

Budget Information

- Total FY 2023/24 O&M Budget \$ 5,639,430
- O&M Budget increase over FY 2022/23 \$ 687,533
 - Fixed cost increase over FY 2022/23 \$ 447,203
 - Variable cost increase over FY 2022/23 \$ 240,330
- Percentage increase 13.88%
- Fixed O&M Expenses \$ 4,122,312
- Variable O&M Expenses \$ 1,517,118
- FY 2023/24 budgeted chemical cost \$ 87.38 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed \$ 35.73
 - Variable \$ 22.62
- Exchange Agreement Modifications Per AF:
 - Fixed \$ 123.30
 - Variable \$ 108.66

Significant Accomplishments during FY 2022/23

- TBD

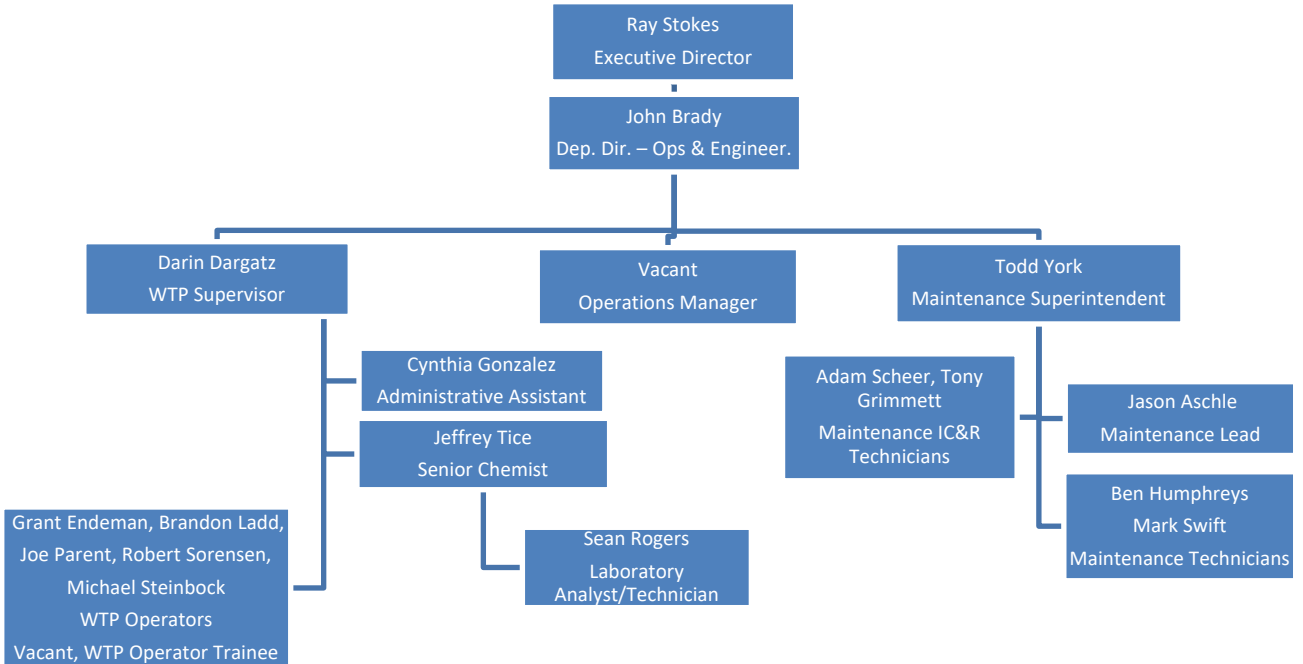
Significant Goals for FY 2023/24

- TBD

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2023/24 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 and one (1) Plant Operator Trainee 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 Operations Manager will oversee CCWA’s capital improvement projects and planning of construction and oversight of construction.

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

The Maintenance Lead schedules the daily plant maintenance and directs the work of two (2) Maintenance Technicians.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2023/24 Budget

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

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

WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

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

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

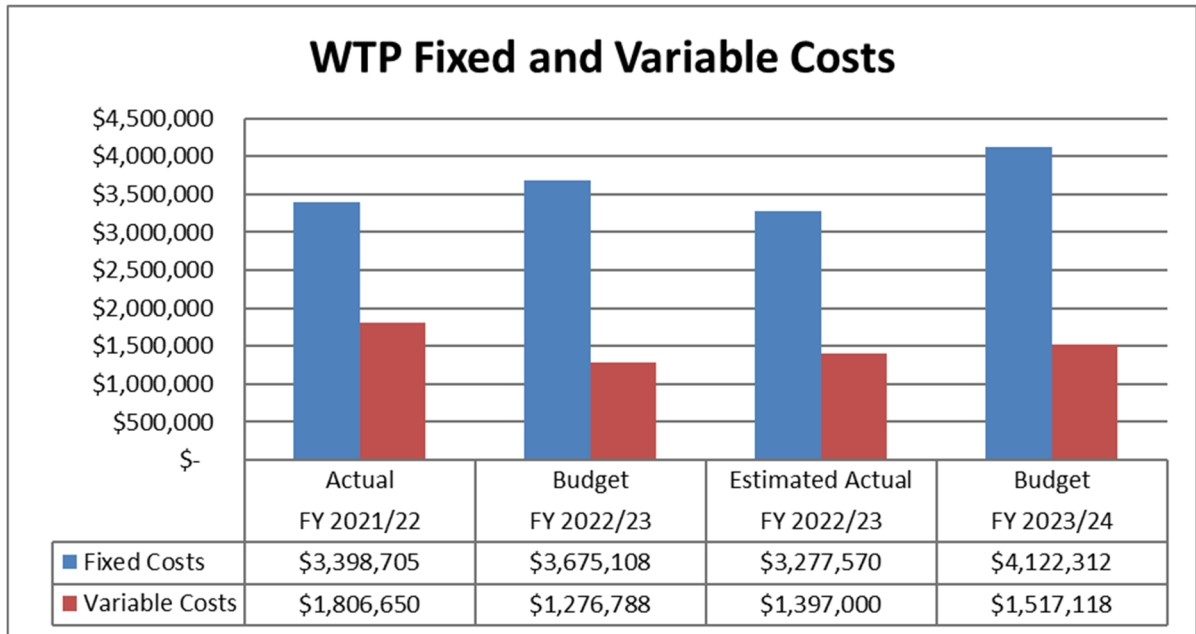
For FY 2023/24, the Water Treatment Plant fixed O&M costs total \$4,122,312 or \$447,203 more than the FY 2022/23 budget.

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 2023/24 Budget

For FY 2023/24, the Water Treatment Plant variable O&M costs total \$1,517,118 which is an increase of \$240,330 from the FY 2022/23 budget. The FY 2023/24 variable O&M budget is comprised of \$1,379,033 for chemical expenses and \$138,086 for electrical costs based on treatment and delivery of 13,962 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 2023/24 Operating Expense Budget

The FY 2023/24 Water Treatment Plant operating expense budget is \$5,639,430 which is \$687,533 more than the previous year's budget of \$4,951,897, a 13.88% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 54% of the budget. Supplies and equipment comprise 26% with other expenses making up the balance of the budget. The variable O&M expenses are included in the supplies and equipment and utilities section of the budget. The chart on page 124 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 2023/24 Budget

Personnel Expenses Total personnel expenses are increasing by about \$331,901 when compared to the FY 2022/23 budget for the following reasons.

- The FY 2023/24 total salaries and wages budget for the Water Treatment Plant Department is held to an increase of \$190,807 when compared to the prior fiscal year budget due to an increase in the Consumer Price Index for December 2022 and the addition of 1 FTE Water Treatment Plant operator trainee and an operations manager.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by about \$52,739. This is due to; 1) The 2023 CalPERS health insurance plan with the lowest premiums increased by 18.40% over the 2022 premiums, as opposed to the increase of 5% budgeted for the calendar year 2023; 2) The FY 2023/24 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2024. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers' Compensation costs are decreasing by \$7,269 due to a 22% decrease in the Experience modification rate for CCWA.
- CalPERS retirement expenses are decreasing by \$8,509 over the prior fiscal year. The CCWA employer paid portion for "Classic" members in FY 23/24 is 31.596% as compared to the prior year amount of 29.121%, for a 2.475% increase. CCWA "Classic" member employees began paying 50% of the increase in the "normal" PERS employer contribution in FY 2017/18. As of FY 2023/24 the Water Treatment Plant Department has 10 CalPERS PEPRA member employee. The PEPRA employer contribution rate in FY 2023/24 decreased from 8.26% in FY 2022/23 to 8.00% in FY 2023/24 for a decrease in employer paid PEPRA contribution rate of 0.26%.
- The FY 2023/24 Budget includes \$100,887 for deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums, based on employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of service with CCWA.

Supplies and Equipment Supplies and equipment are increasing by about \$188,704 because of an increased amount and price of chemicals. Estimates are based on historical data and the costs of treatment are directly related to changes in water quality.

Monitoring Expenses Monitoring expenses are increasing \$9,098 due to a need for additional lab supplies and equipment as identified by the Senior Chemist for FY 2023/24.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2023/24 Budget

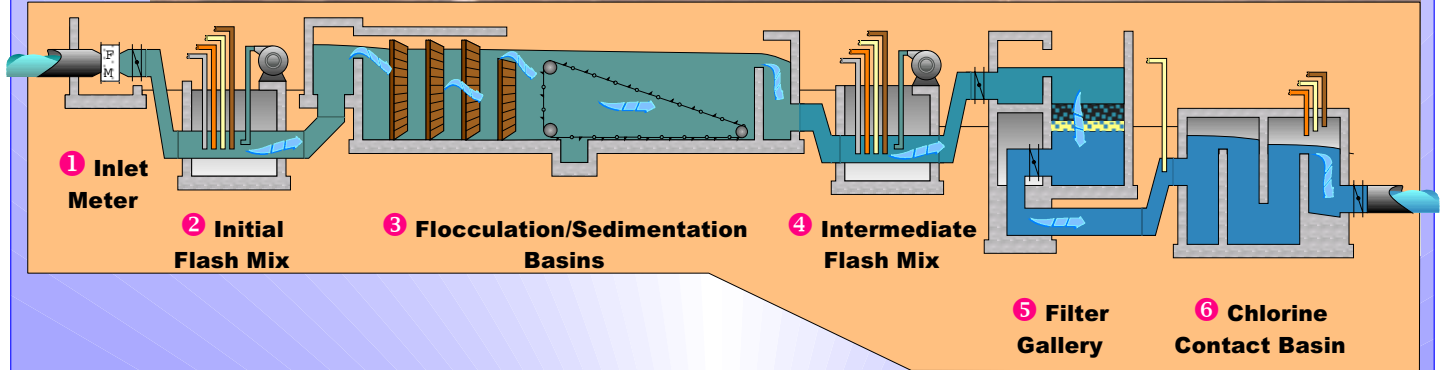
Repairs and Maintenance Repairs and Maintenance expenses are increasing by \$7,500 over the prior year due to an increase in anticipated building maintenance expenses.

Professional Services Professional service expenses are increasing by \$37,783 over the prior year largely due to increased cost of engineering services.

General and Administrative General and administrative expenses increased about \$7,140 due to increased costs for employee safety training.

Utilities Utility expenses are increasing by approximately \$67,071 due to variable electric expenses based on expected deliveries.

Other Expenses Other expenses are increasing by approximately \$38,339 due to an increase in insurance costs.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2023/24 Budget

Regional Water Treatment Plant Allocation

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

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

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

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 2023/24 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2023/24 Budget

Project Participant	Allocated Table A ⁽¹⁾				Unadjusted Fixed			Adjusted Fixed ⁽⁴⁾			Fixed Retreatment Charge ⁽⁵⁾		
	Table A Amount	Exchange Deliveries	Allocated Table A	Allocated Table A Percentage	WTP Fixed Operating Costs ⁽²⁾	Imputed WTP Debt Service Costs	Total Unadjusted Fixed	Capital Retreatment Adjustment	Fixed O&M Retreatment Adjustment	Total Adjusted Fixed	Allocated Table A % SB County	Fixed Retreatment Adjustments	Cost Per AF of Allocated Table A Amount
Guadalupe	550		550	1.25%	\$ 67,816		\$ 67,816	\$ -	\$ 87,469	\$ 87,469	1.41%	\$ 19,653	\$ 35.73
Santa Maria	16,200		16,200	36.90%	1,997,482		1,997,482	-	2,576,363	2,576,363	41.46%	578,880	35.73
Golden State Water	500		500	1.14%	61,651		61,651	-	79,517	79,517	1.28%	17,867	35.73
VAFB	5,500		5,500	12.53%	678,158		678,158	-	874,691	874,691	14.07%	196,533	35.73
Buellton	578		578	1.32%	71,268		71,268	-	91,922	91,922	1.48%	20,654	35.73
Santa Ynez (Solvang)	1,500		1,500	3.42%	184,952		184,952	-	238,552	238,552	3.84%	53,600	35.73
Santa Ynez	500	2,425	2,925	6.66%	360,657		360,657	-	465,177	465,177	7.49%	104,520	35.73
Goleta	4,500	(873)	3,627	8.26%	447,214		447,214	-	576,819	576,819	9.28%	129,605	35.73
Morehart	200	-	200	0.46%	24,660		24,660	-	31,807	31,807	0.51%	7,147	35.73
La Cumbre	1,000	-	1,000	2.28%	123,301		123,301	-	159,035	159,035	2.56%	35,733	35.73
Raytheon	50	-	50	0.11%	6,165		6,165	-	7,952	7,952	0.13%	1,787	35.73
Santa Barbara	3,000	(582)	2,418	5.51%	298,143		298,143	-	384,546	384,546	6.19%	86,403	35.73
Montecito	3,000	(582)	2,418	5.51%	298,143		298,143	-	384,546	384,546	6.19%	86,403	35.73
Carpinteria	2,000	(388)	1,612	3.67%	198,762		198,762	-	256,364	256,364	4.13%	57,602	35.73
SB County Subtotal:	39,078	-	39,078	89.00%	4,818,371	-	4,818,371	-	6,214,759	6,214,759	100.00%	1,396,388	35.73
SLO County	4,830	-	4,830	11.00%	595,546		595,546	-	-	-		-	
TOTAL:	43,908		43,908	100.00%	\$ 5,413,917		\$ 5,413,917	\$ -	\$ 6,214,759	\$ 6,214,759	100.00%	\$ 1,396,388	

Fixed Retreatment Allocation Factor

Total South Coast Table A	11,325
Total SB County Table A	39,078
Subtotal:	50,403
South Coast Retreated %	1.29

Total Adjusted Fixed (SB County)	\$ 6,214,759
Total Unadjusted Fixed Costs (SB County)	4,818,371
Fixed WTP Allocation Amount	\$ 1,396,388

Project Participant	South Coast Fixed Retreatment Credits ⁽⁶⁾			
	South Coast Allocated Table A	South Coast Allocated Table A %	South Coast Fixed Credit	Credit/AF On Allocated Table A
Guadalupe				
Santa Maria				
Golden State Water				
VAFB				
Buellton				
Santa Ynez (Solvang)				
Santa Ynez				
Goleta	3,627	32.03%	\$ (447,214)	\$ (123.30)
Morehart	200	1.77%	(24,660)	(123.30)
La Cumbre	1,000	8.83%	(123,301)	(123.30)
Raytheon	50	0.44%	(6,165)	(123.30)
Santa Barbara	2,418	21.35%	(298,143)	(123.30)
Montecito	2,418	21.35%	(298,143)	(123.30)
Carpinteria	1,612	14.23%	(198,762)	(123.30)
SB County Subtotal:	11,325	100.00%	(1,396,388)	
SLO County	-	0.00%	-	
TOTAL:	11,325	100.00%	\$ (1,396,388)	

- (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.
- (4) Adjusted Fixed amounts represents the unadjusted WTP fixed costs times the Fixed Retreatment Allocation Factor.
- (5) Fixed Retreatment Charge represents the difference between the unadjusted fixed costs and the adjusted fixed costs, allocated in proportion to the Santa Barbara County allocated Table A percentage.
- (6) South Coast Fixed Retreatment Credits represents the fixed 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 2023/24 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 & Variable Retreatment	Fixed & Variable Credits
Guadalupe	102		102	\$ 11,083	\$ 13,390	\$ 2,307	\$ 22.62					\$ 21,960	
Santa Maria	1,700		1,700	184,721	223,170	38,449	22.62					617,330	
Golden State Water	185		185	20,102	24,286	4,184	22.62					22,051	
VSFB	2,786		2,786	302,740	365,755	63,015	22.62					259,548	
Buellton	63		63	6,846	8,270	1,425	22.62					22,079	
Santa Ynez (Solvang)	317		317	34,445	41,615	7,170	22.62					60,770	
Santa Ynez	-	2,425	2,425	263,499	318,346	54,847	22.62					159,367	
Goleta	2,322	(873)	1,449	157,448	190,220	32,772	22.62	1,449	72.74%	\$ (157,448)	\$ (108.66)	162,377	\$ (604,662)
Morehart	84	-	84	9,127	11,027	1,900	22.62	84	4.22%	(9,127)	(108.66)	9,047	(33,788)
La Cumbre	359	-	359	39,009	47,128	8,120	22.62	359	18.02%	(39,009)	(108.66)	43,853	(162,310)
Raytheon	-	-	-	-	-	-	-	-	0.00%	-	-	1,787	(6,165)
Santa Barbara	582	(582)	-	-	-	-	-	-	0.00%	-	-	86,403	(298,143)
Montecito	582	(582)	-	-	-	-	-	-	0.00%	-	-	86,403	(298,143)
Carpinteria	488	(388)	100	10,866	13,128	2,262	22.62	100	5.02%	(10,866)	(108.66)	59,864	(209,628)
SB County Subtotal:	9,570	-	9,570	1,039,886	1,256,336	216,450	22.62	1,992	100.00%	(216,450)		1,612,838	(1,612,838)
SLO County	4,392		4,392	477,232	-			-	0.00%	-		-	-
TOTAL:	13,962	-	13,962	\$ 1,517,118	\$ 1,256,336	\$ 216,450		1,992	100.00%	\$ (216,450)		\$ 1,612,838	\$ (1,612,838)

Variable Retreatment Allocation Factor

Total South Coast Deliveries	1,992
Total SB County Deliveries	9,570
Subtotal:	11,562

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2023/24 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 2023/24 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2023/24 Budget

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed 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%	\$ 67,816	\$ 123.30	\$ -	\$ -	\$ -	\$ -	\$ -
Santa Maria	16,200		36.90%	1,997,482	123.30	-	-	-	-	-
Golden State Water	500		1.14%	61,651	123.30	-	-	-	-	-
VSFB	5,500		12.53%	678,158	123.30	-	-	-	-	-
Buellton	578		1.32%	71,268	123.30	-	-	-	-	-
Santa Ynez (Solvang)	1,500		3.42%	184,952	123.30	-	-	-	-	-
Santa Ynez	500	2,425	1.14%	61,651	123.30	299,006	-	-	-	299,006
Goleta	4,500	(873)	10.25%	554,856	123.30	(107,642)	-	-	-	(107,642)
Morehart	200	-	0.46%	24,660	123.30	-	-	-	-	-
La Cumbre	1,000	-	2.28%	123,301	123.30	-	-	-	-	-
Raytheon	50	-	0.11%	6,165	123.30	-	-	-	-	-
Santa Barbara	3,000	(582)	6.83%	369,904	123.30	(71,761)	-	-	-	(71,761)
Montecito	3,000	(582)	6.83%	369,904	123.30	(71,761)	-	-	-	(71,761)
Carpinteria	2,000	(388)	4.55%	246,603	123.30	(47,841)	-	-	-	(47,841)
SB County Subtotal:	39,078	-	89.00%	4,818,371	-	-	-	-	-	-
SLO County	4,830	-	11.00%	595,546	-	-	-	-	-	-
TOTAL:	43,908	-	100.00%	\$ 5,413,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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	102		102	\$ 11,083	\$ 108.66	-	-	-
Santa Maria	1,700		1,700	184,721	108.66	-	-	-
Golden State Water	185		185	20,102	108.66	-	-	-
VSFB	2,786		2,786	302,740	108.66	-	-	-
Buellton	63		63	6,846	108.66	-	-	-
Santa Ynez (Solvang)	317		317	34,445	108.66	-	-	-
Santa Ynez	-	2,425	2,425	-	108.66	\$ 263,499	\$ 562,505	\$ 232
Goleta	2,322	(873)	1,449	252,307	108.66	(94,860)	(202,502)	\$ (232)
Morehart	84	-	84	9,127	108.66	-	-	-
La Cumbre	359	-	359	39,009	108.66	-	-	-
Raytheon	-	-	-	-	-	-	-	-
Santa Barbara	582	(582)	-	63,240	108.66	(63,240)	(135,001)	\$ (232)
Montecito	582	(582)	-	63,240	108.66	(63,240)	(135,001)	\$ (232)
Carpinteria	488	(388)	100	53,026	108.66	(42,160)	(90,001)	\$ (232)
SB County Subtotal:	9,570	-	9,570	1,039,886	-	(0)	-	-
SLO County	4,392	-	4,392	477,232	-	-	-	-
TOTAL:	13,962	-	13,962	\$ 1,517,118	\$ -	(0)	\$ -	\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2023/24 Budget

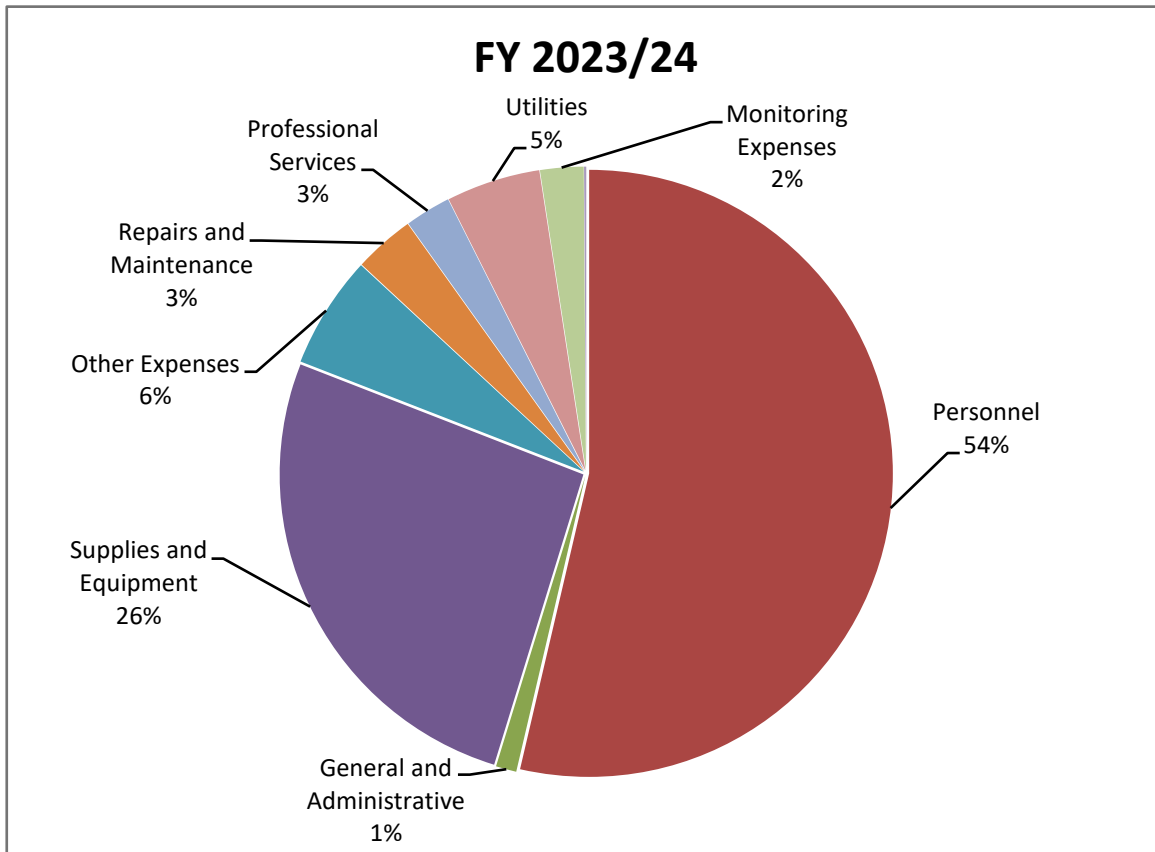
PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2021/22	Auth. FY 2022/23	Requested FY 2023/24	Over FY 2021/22	Over FY 2022/23
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.35	0.35	0.35	-	-
Operations Manager ⁽³⁾	-	-	0.35	0.35	0.35
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽⁴⁾	0.60	0.60	0.60	-	-
Maintenance Lead Technician	-	1.00	1.00	1.00	-
Safety & Environmental Specialist ⁽⁵⁾	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 ⁽⁶⁾	1.60	1.60	1.60	-	-
WTP Operators	5.00	5.00	5.00	-	-
WTP Operator Trainee	-	-	1.00	1.00	1.00
Laboratory Analyst	1.00	1.00	1.00	-	-
Administrative Assistant	0.75	0.75	0.75	-	-
TOTAL:	13.80	14.80	16.15	2.35	1.35

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2022/23 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 298,850	\$ 74,713
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 209,053	\$ 73,169
Operations Manager ⁽³⁾	1	46	\$ 12,387	\$ 15,112	\$ 141,665	\$ 49,583
WTP Supervisor	1	38	\$ 10,432	\$ 12,727	\$ 142,463	\$ 142,463
Maintenance Superintendent ⁽⁴⁾	1	38	\$ 10,432	\$ 12,727	\$ 135,836	\$ 81,501
Safety & Environmental Specialist ⁽⁵⁾	1	38	\$ 10,432	\$ 12,727	\$ 126,000	\$ 31,500
Senior Chemist	1	29	\$ 8,599	\$ 10,491	\$ 119,984	\$ 119,984
Maintenance Technician Lead	1	21	\$ 7,242	\$ 8,836	\$ 101,046	\$ 101,046
Maintenance Technicians	2	19	\$ 6,938	\$ 8,464	\$ 176,153	\$ 176,153
Maintenance, IC&R Technicians ⁽⁶⁾	2	26	\$ 8,063	\$ 9,837	\$ 203,266	\$ 162,613
WTP Operators	5	21	\$ 7,242	\$ 8,836	\$ 505,283	\$ 505,283
WTP Operator Trainee	1	20	\$ 7,089	\$ 8,648	\$ 81,069	\$ 81,069
Laboratory Analyst	1	19	\$ 6,938	\$ 8,464	\$ 82,127	\$ 82,127
Administrative Assistant	1	11	\$ 5,843	\$ 7,129	\$ 55,494	\$ 55,494
FY 2022/23 Salary Pool						\$ 85,551
TOTAL:						\$ 1,822,247

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

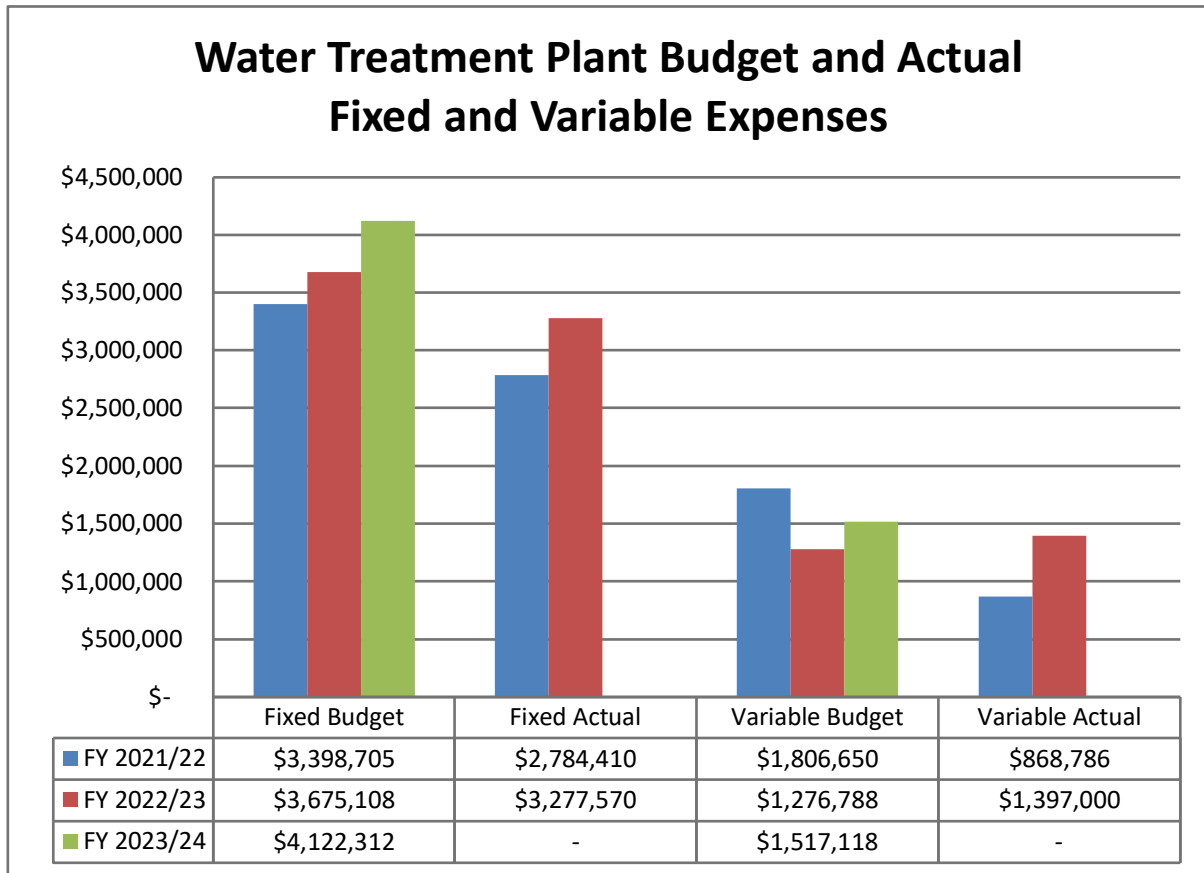
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2023/24 Budget

Item	FY 2023/24 Budget
Personnel	\$ 3,025,679
Office Expenses	6,500
Supplies and Equipment	1,474,633
Monitoring Expenses	130,332
Repairs and Maintenance	182,600
Professional Services	137,692
General and Administrative	61,990
Utilities	281,857
Other Expenses	338,149
TOTAL:	\$ 5,639,430



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2023/24 Budget

Item	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget
Personnel	\$ 2,522,333	\$ 2,063,305	\$ 2,693,778	\$ 2,514,615	\$ 3,025,679
Office Expenses	6,500	4,846	6,500	5,500	6,500
Supplies and Equipment	1,742,800	865,939	1,285,929	1,366,850	1,474,633
Monitoring Expenses	106,215	97,097	121,234	92,000	130,332
Repairs and Maintenance	172,100	160,378	175,100	164,400	182,600
Professional Services	83,439	67,779	99,909	105,469	137,692
General and Administrative	76,000	28,733	54,850	33,940	61,990
Utilities	245,318	187,378	214,786	228,062	281,857
Other Expenses	250,650	177,742	299,810	163,734	338,149
Total:	\$ 5,205,355	\$ 3,653,196	\$ 4,951,896	\$ 4,674,570	\$ 5,639,430



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,558,525	\$ 1,509,121	\$ 1,631,440	\$ 1,579,671	\$ 1,822,247	\$ 190,807	11.70%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	77,926	114,946	81,572	97,628	91,112	9,540	11.70%
5000.40	Standby Pay	34,504	38,286	37,129	37,826	39,049	1,920	5.17%
5000.50	Shift Differential Pay	20,469	19,343	21,279	16,444	22,328	1,049	4.93%
5100.10	PERS Retirement	386,952	(39,272)	467,638	379,259	459,129	(8,509)	-1.82%
5100.15	Medicare Taxes	25,195	23,503	26,117	18,314	28,921	2,804	10.74%
5100.20	Health/Dental/Vision Plans	286,746	270,101	289,681	217,635	342,420	52,739	18.21%
5100.25	Workers' Compensation	41,952	47,056	52,750	32,631	45,481	(7,269)	-13.78%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	71,423	65,383	66,748	70,681	100,887	34,139	51.15%
5100.40	Cafeteria Plan Benefits	-	-	-	-	-	-	N/A
5100.45	Dental/Vision Plan	-	-	-	-	-	-	N/A
5100.50	Long-Term Disability	8,030	7,806	8,406	6,483	9,393	987	11.74%
5100.55	Life Insurance	6,481	6,125	6,678	10,233	10,575	3,897	58.35%
5100.60	Employee Physicals	450	260	660	330	1,910	1,250	189.39%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs/457 Plan	2,680	-	2,680	46,234	51,226	48,546	1811.42%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	648	-	1,247	-	-	N/A
Total Personnel Expenses:		2,522,333	2,063,305	2,693,778	2,514,615	3,025,679	331,901	12.32%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	3,000	2,066	3,000	2,500	3,000	-	0.00%
5200.30	Miscellaneous Office Expenses	3,500	2,780	3,500	3,000	3,500	-	0.00%
Total Office Expenses:		6,500	4,846	6,500	5,500	6,500	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	8,739	10,465	11,100	9,800	12,600	1,500	13.51%
5500.15	Minor Tools and Equipment	5,000	7,225	6,000	6,000	6,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	500	-	500	250	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,668,861	802,454	1,196,329	1,300,000	1,379,033	182,704	15.27%
5500.35	Maintenance Supplies/Hardware	18,000	7,791	18,000	11,000	18,000	-	0.00%
5500.40	Safety Supplies	7,000	5,448	7,000	5,100	11,500	4,500	64.29%
5500.45	Fuel and Lubricants	29,700	27,109	42,000	31,200	42,000	-	0.00%
5500.50	Seed/Erosion Control Supplies	5,000	5,448	5,000	3,500	5,000	-	0.00%
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		1,742,800	865,939	1,285,929	1,366,850	1,474,633	188,704	14.67%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	63,500	71,599	82,731	81,500	87,679	4,948	5.98%
5600.20	Lab Tools and Equipment	13,650	3,183	10,080	-	14,230	4,150	41.17%
5600.30	Lab Testing	29,065	22,314	28,423	10,500	28,423	-	0.00%
Total Monitoring Expenses:		106,215	97,097	121,234	92,000	130,332	9,098	7.50%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	132,000	127,724	135,000	132,000	135,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	6,500	10,430	8,000	4,500	8,000	-	0.00%
5700.30	Building Maintenance	28,600	18,322	27,100	24,000	34,600	7,500	27.68%
5700.40	Landscape Maintenance	5,000	3,902	5,000	3,900	5,000	-	0.00%
Total Repairs and Maintenance:		172,100	160,378	175,100	164,400	182,600	7,500	4.28%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	31,639	21,442	29,479	32,196	38,312	8,833	29.96%
5400.20	Legal Services	-	-	-	-	-	-	N/A
5400.30	Engineering Services	15,000	6,796	15,000	19,273	42,500	27,500	183.33%
5400.40	Permits	36,800	38,789	55,430	54,000	56,880	1,450	2.62%
5400.50	Non-Contractual Services	-	752	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		83,439	67,779	99,909	105,469	137,692	37,783	37.82%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	19,000	5,619	18,500	7,000	18,500	-	0.00%
5300.20	Mileage Reimbursement	500	201	500	-	500	-	0.00%
5300.30	Dues and Memberships	34,850	7,903	10,100	10,240	10,240	140	1.39%
5300.40	Publications	750	550	1,000	1,000	1,000	-	0.00%
5300.50	Training	14,400	6,026	16,250	9,200	23,250	7,000	43.08%
5300.60	Advertising	1,500	-	1,500	1,500	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	5,000	8,433	7,000	5,000	7,000	-	0.00%
Total General and Administrative:		76,000	28,733	54,850	33,940	61,990	7,140	13.02%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	7,310	13,292	9,000	8,913	9,000	-	0.00%
5800.30	Electric-Fixed	90,874	101,280	114,912	114,912	121,116	6,204	5.40%
5800.31	Electric-Variable	137,789	66,332	80,459	97,000	138,086	57,627	71.62%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	3,500	3,621	4,285	3,400	7,525	3,240	75.61%
5800.60	Waste Disposal	5,845	2,853	6,130	3,837	6,130	-	0.00%
Total Utilities:		245,318	187,378	214,786	228,062	281,857	67,071	31.23%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	81,458	89,518	102,170	88,048	131,339	29,169	28.55%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	17,240	5,448	22,800	7,686	22,800	-	0.00%
5900.50	Non-Capitalized Equipment	10,000	4,244	10,000	-	10,000	-	0.00%
5900.60	Computer Expenses	76,101	78,532	92,779	68,000	93,180	401	0.43%
5900.70	Appropriated Contingency	65,851	-	72,061	-	80,830	8,769	12.17%
Total Other Expenses:		250,650	177,742	299,810	163,734	338,149	38,339	12.79%
TOTAL OPERATING EXPENSES		\$ 5,205,355	\$ 3,653,196	\$ 4,951,896	\$ 4,674,570	\$ 5,639,430	\$ 687,534	13.88%

(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 2023/24 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$85,551 for the FY 2022/23 salary pool.

FY 23/24 Requested Budget	1,822,247
FY 22/23 Estimated Actual	1,579,671
Increase (Decrease)	242,577

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 23/24 Requested Budget	91,112
FY 22/23 Estimated Actual	78,984
Increase (Decrease)	12,129

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

Description: Funds for stand-by pay for one Distribution
employee assigned to stand-by duty on a 24-hour basis.
Based on \$2.55 per hour (5% of average hourly rate) for 8,760 hours
for WTP operators, and 8,760 hours at \$2.86 per hour for
Instrumentation and Control employee stand-by pay (2/3 to WTP
and 1/3 to Distribution).

FY 23/24 Requested Budget	39,049
FY 22/23 Estimated Actual	37,826
Increase (Decrease)	1,223

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Funds for shift employee pay for WTP
operators is based on \$2.55 per hour (5% of average hourly rate)
for 8,760 hours of shift pay.

FY 23/24 Requested Budget	22,328
FY 22/23 Estimated Actual	16,444
Increase (Decrease)	5,885

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 23/24 Requested Budget	459,129
FY 22/23 Estimated Actual	379,259
Increase (Decrease)	79,870

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 31.986% contribution rate for FY 2022/23 which includes the required Unfunded Accrued Liability (UAL) payment.

Required Contributions	\$ 256,038	18.336%
UAL current fiscal year	145,611	13.650%
UAL additional payment	57,480	fixed
TOTAL \$	459,129	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 23/24 Requested Budget	28,921
FY 22/23 Estimated Actual	18,314
Increase (Decrease)	10,608

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

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 23/24 Requested Budget	271,179
FY 22/23 Estimated Actual	126,738
Increase (Decrease)	144,442

Description: Funds for employer paid portion of health insurance for WTP employees. Based on employee 2023 Café Plan elections. Includes an estimated 5% premium increase in 2024 plan rates.

	<i>2023 Allowance</i>		<i>2024 Allowance Est</i>	
Family	\$	21,713	\$	22,799
Emp + 1		16,702		17,537
Employee only		8,351		8,769

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

FY 23/24 Requested Budget	45,481
FY 22/23 Estimated Actual	32,631
Increase (Decrease)	12,850

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 80 and economy of size rate of 90%. Based on a 3% premium increase over FY 2022/23

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

FY 23/24 Requested Budget	100,887
FY 22/23 Estimated Actual	70,681
Increase (Decrease)	30,205

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

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

FY 23/24 Requested Budget	19,837
FY 22/23 Estimated Actual	57,554
Increase (Decrease)	(37,717)

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

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

FY 23/24 Requested Budget	51,404
FY 22/23 Estimated Actual	33,343
Increase (Decrease)	18,061

Description: Funds for the self-funded dental/vision plan. The plan provides \$4,179 per year per family for dental and vision expenses. Budgeted amount is \$3,135 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

FY 23/24 Requested Budget	9,393
FY 22/23 Estimated Actual	6,483
Increase (Decrease)	2,910

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 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 \$250,000.

FY 23/24 Requested Budget	10,575
FY 22/23 Estimated Actual	10,233
Increase (Decrease)	341

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 23/24 Requested Budget	1,910
FY 22/23 Estimated Actual	-
Increase (Decrease)	1,910

\$	660	4 physicals @ \$165 each
\$	1,250	10 Respiratory and Audio Exam @ \$125 each
\$	1,910	Total

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 23/24 Requested Budget	1,000
FY 22/23 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentives and 457 K. Plan

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

FY 23/24 Requested Budget	51,226
FY 22/23 Estimated Actual	46,234
Increase (Decrease)	4,992

EAAP	\$	2,680
457 K Plan		48,546
TOTAL:	\$	51,226

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 23/24 Requested Budget	-
FY 22/23 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

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

FY 23/24 Requested Budget	3,000
FY 22/23 Estimated Actual	2,500
Increase (Decrease)	500

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 23/24 Requested Budget	3,500
FY 22/23 Estimated Actual	3,000
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

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

FY 23/24 Requested Budget	18,500
FY 22/23 Estimated Actual	7,000
Increase (Decrease)	11,500

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 23/24 Requested Budget	500
FY 22/23 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 23/24 Requested Budget	10,240
FY 22/23 Estimated Actual	10,240
Increase (Decrease)	-

\$	540	AWWA dues
	7,500	Water Research Foundation dues
	1,200	Certification
	1,000	CWEA
\$	10,240	TOTAL

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 23/24 Requested Budget	1,000
FY 22/23 Estimated Actual	1,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 23/24 Requested Budget	23,250
FY 22/23 Estimated Actual	9,200
Increase (Decrease)	14,050

\$	16,250	Employee training, including safety
\$	7,000	Confined Space Training Tier I and II
\$	23,250	Total

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 23/24 Requested Budget	1,500
FY 22/23 Estimated Actual	1,500
Increase (Decrease)	-

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 23/24 Requested Budget	7,000
FY 22/23 Estimated Actual	5,000
Increase (Decrease)	2,000

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description: Outside professional services including:

FY 23/24 Requested Budget	38,312
FY 22/23 Estimated Actual	32,196
Increase (Decrease)	6,116

\$	4,400	Fire system/extinguisher inspection
	2,700	Security
	4,500	Crane inspection
	1,540	Oil, coolant and diesel analysis
	4,000	Emergency generator/forklift service
	5,000	Equipment Calibration
	1,100	Fit testing equipment certification/service
	2,200	Safety Equipment (fall hoist, ect)
	5,360	Man Down Monitoring Fee
	7,512	Personnel Team Building
\$	38,312	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

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

FY 23/24 Requested Budget	42,500
FY 22/23 Estimated Actual	19,273
Increase (Decrease)	23,227

\$	10,000	General Engineering
	5,000	Cathodic Protection
	15,000	PLC Support
	12,500	Safety Consultant
\$	42,500	TOTAL

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required WTP permits.

FY 23/24 Requested Budget	56,880
FY 22/23 Estimated Actual	54,000
Increase (Decrease)	2,880

\$	2,500	RWQCB NPDES
	38,750	Drinking Water Program
	9,250	ELAP Lab Accreditation
	1,760	Emergency Generator Permit
	4,620	Hazardous Materials Fees
\$	56,880	TOTAL

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 23/24 Requested Budget	12,600
FY 22/23 Estimated Actual	9,800
Increase (Decrease)	2,800

\$	6,600	Uniform Service (\$550 per month)
	3,000	Blue jean pants (\$300/yr emp allowance)
	2,500	Boots (\$250/yr employee allowance)
	500	Misc. uniform requirements (jackets, etc.)
	12,600	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 23/24 Requested Budget	6,000
FY 22/23 Estimated Actual	6,000
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

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

FY 23/24 Requested Budget	500
FY 22/23 Estimated Actual	250
Increase (Decrease)	250

\$ 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 23/24 Requested Budget	1,379,033
FY 22/23 Estimated Actual	1,300,000
Increase (Decrease)	79,033

(1) WTP Plant: \$87.38 per acre foot and 13,962 acre feet of requests
 (2) Santa Ynez Pumping Station: \$8.30/AF for 1,992 AF pumped water
 (3) Tank 5 and 7 Chlorination at \$18.79/AF for 7,583 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 23/24 Requested Budget	18,000
FY 22/23 Estimated Actual	11,000
Increase (Decrease)	7,000

\$ 18,000 Maintenance Supplies/Hardware

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

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

FY 23/24 Requested Budget	11,500
FY 22/23 Estimated Actual	5,100
Increase (Decrease)	6,400

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 23/24 Requested Budget	5,000
FY 22/23 Estimated Actual	3,500
Increase (Decrease)	1,500

\$ 5,000 Erosion maintenance

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

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

FY 23/24 Requested Budget	42,000
FY 22/23 Estimated Actual	31,200
Increase (Decrease)	10,800

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 23/24 Requested Budget	87,679
FY 22/23 Estimated Actual	81,500
Increase (Decrease)	6,179

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 23/24 Requested Budget	14,230
FY 22/23 Estimated Actual	-
Increase (Decrease)	14,230

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 23/24 Requested Budget	28,423
FY 22/23 Estimated Actual	10,500
Increase (Decrease)	17,923

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

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 23/24 Requested Budget	135,000
FY 22/23 Estimated Actual	132,000
Increase (Decrease)	3,000

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 23/24 Requested Budget	8,000
FY 22/23 Estimated Actual	4,500
Increase (Decrease)	3,500

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 23/24 Requested Budget	34,600
FY 22/23 Estimated Actual	24,000
Increase (Decrease)	10,600

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	20,000	Janitorial service
	3,000	HVAC
	7,400	Janitorial Supplies
\$	34,600	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 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 23/24 Requested Budget	5,000
FY 22/23 Estimated Actual	3,900
Increase (Decrease)	1,100

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for propane gas service to the WTP.

FY 23/24 Requested Budget	9,000
FY 22/23 Estimated Actual	8,913
Increase (Decrease)	87

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 23/24 Requested Budget	121,116
FY 22/23 Estimated Actual	114,912
Increase (Decrease)	6,204

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

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

FY 23/24 Requested Budget	138,086
FY 22/23 Estimated Actual	97,000
Increase (Decrease)	41,086

\$	9.89	\$/AF
	13,962	AF
\$	138,086	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 23/24 Requested Budget	-
FY 22/23 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 23/24 Requested Budget	7,525
FY 22/23 Estimated Actual	3,400
Increase (Decrease)	4,125

\$	4,285	General Phones
\$	3,240	Tablet Service
\$	7,525	TOTAL

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 23/24 Requested Budget	6,130
FY 22/23 Estimated Actual	3,837
Increase (Decrease)	2,293

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

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 23/24 Requested Budget	131,339
FY 22/23 Estimated Actual	88,048
Increase (Decrease)	43,291

\$	81,262	Property and auto coverage based on the apportionment provided by JPIA.
\$	50,077	General liability and E&O based on salary proportions.
\$	131,339	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 23/24 Requested Budget	22,800
FY 22/23 Estimated Actual	7,686
Increase (Decrease)	15,114

\$	2,700	Copier lease (\$225 per month)
	10,100	Motorized equipment
	10,000	Lagoon cleaning
\$	22,800	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 23/24 Requested Budget	10,000
FY 22/23 Estimated Actual	-
Increase (Decrease)	10,000

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 23/24 Requested Budget	93,180
FY 22/23 Estimated Actual	68,000
Increase (Decrease)	25,180

\$	89,505	CompuVision, Annual Service Agreements and Software Subscriptions
\$	3,675	Software, New Computers and other computer services.
\$	93,180	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 23/24 Requested Budget	80,830
FY 22/23 Estimated Actual	-
Increase (Decrease)	80,830



Tank 5 Inlet Vault, February 2022

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 10.60
- 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 2023/24 O&M Budget \$ 3,304,037
- O&M Budget decrease over FY 2022/23 \$ (204,306)
 - Fixed cost increase over FY 2022/23 \$ 373,035
 - Variable cost decrease over FY 2022/23 \$ (577,341)
- Percentage decrease (5.82%)
- Fixed O&M expenses \$ 3,033,205
- Variable O&M expenses \$ 270,832
- FY 2023/24 budgeted electrical cost \$ 135.96 per acre-foot

Significant Accomplishments during FY 2022/23

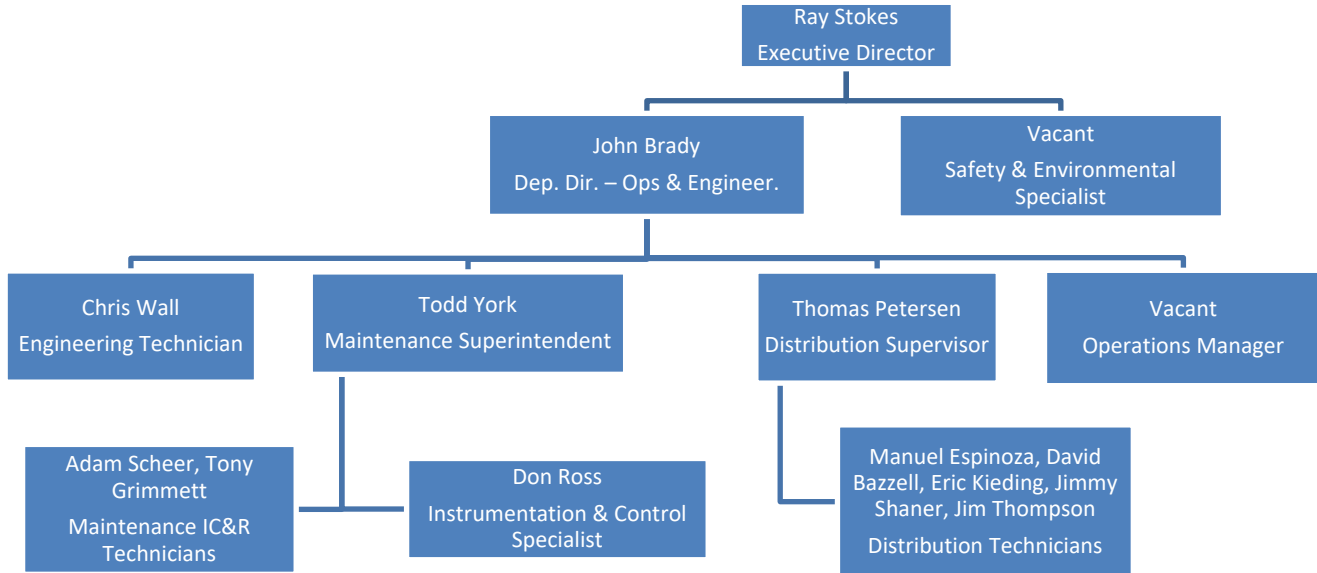
- TBD

Significant Goals for FY 2023/24

- TBD

Central Coast Water Authority
Distribution Department
 Fiscal Year 2023/24 Budget

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



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

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

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

The Distribution Maintenance and Instrumentation and Control staff are supported by the Maintenance Superintendent and Deputy Director of Operations, who provide long term planning and establish priorities. The Operations Manager will oversee CCWA’s capital improvement projects and planning of construction and oversight of construction.

Central Coast Water Authority
Distribution Department
Fiscal Year 2023/24 Budget

The Operations Manager is responsible for capital improvement projects, planning and oversight of construction activities and supervision of staff, policy, and internal relationships.

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

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 2023/24 Budget

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

DWR REACHES

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

CCWA (Authority) REACHES

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

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

Distribution Allocation of Operating Expenses by Financial Reach

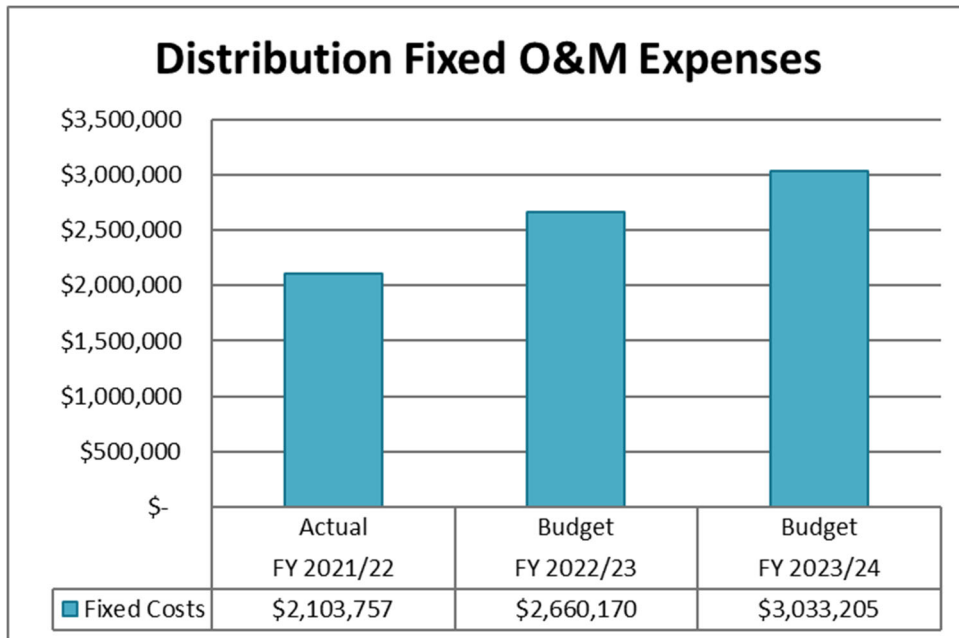
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2021/22 actual operating expenses for each reach. The financial reach allocation percentages are adjusted 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 2023/24 Budget

Distribution Department Financial Reach Allocation			
Financial Reach	FY 2023/24 Allocation Percentage	FY 2022/23 Allocation Percentage	Increase (Decrease)
Reach 33B	16.26%	19.36%	-3.10%
Reach 34	8.07%	9.30%	-1.23%
Reach 35	4.47%	2.54%	1.93%
Reach 37	2.23%	2.57%	-0.34%
Reach 38	3.29%	3.24%	0.05%
Mission Hills II	14.95%	13.82%	1.13%
Santa Ynez I	17.21%	17.13%	0.08%
Santa Ynez II	33.52%	32.04%	1.48%
TOTAL:	100.00%	100.00%	0.00%

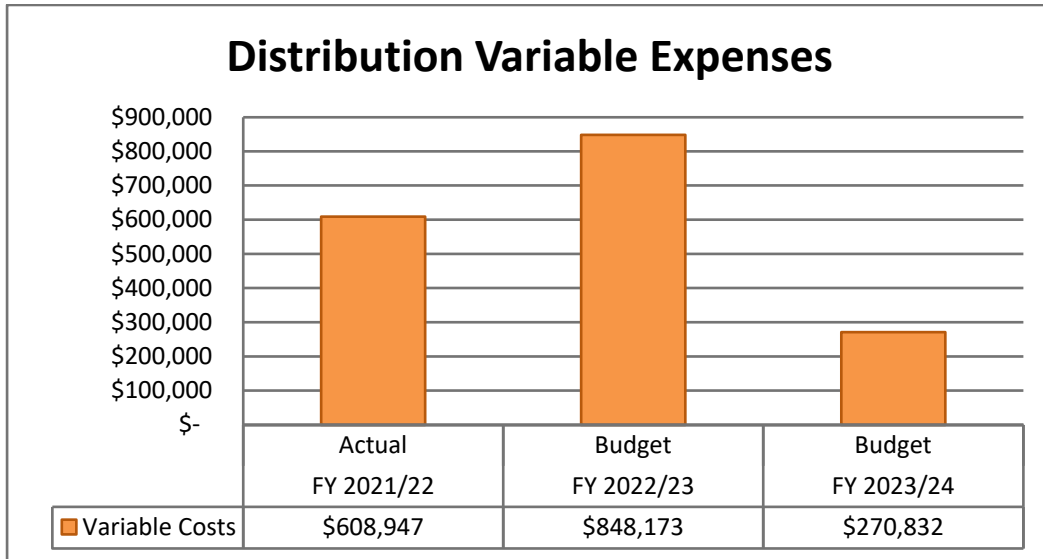
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

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 2023/24 fixed O&M costs are \$373,035 higher than the prior year budget amount.



Central Coast Water Authority
Distribution Department
 Fiscal Year 2023/24 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 2023/24 variable O&M costs are \$577,341 lower than the prior year budget amounts.



The following table shows the allocation of the Distribution Department variable O&M costs (electrical costs) for the Fiscal Year 2023/24 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$135.96/AF
Goleta	1,449	\$ 197,006
Morehart	84	11,421
La Cumbre	359	48,810
Raytheon	-	-
Santa Barbara	-	-
Montecito	-	-
Carpinteria	100	13,596
Total South Coast:	1,992	\$ 270,832
<small>(1) Excludes water deliveries exchanged with Santa Ynez ID#1.</small>		

Central Coast Water Authority
Distribution Department
Fiscal Year 2023/24 Budget

Fiscal Year 2023/24 Operating Expense Budget

The Fiscal Year 2023/24 Distribution Department operating expense budget is \$3,304,037, which is \$204,306 lower than the previous year's budget of \$3,508,343, a decrease of 5.82%. The personnel expense section of the Distribution Department budget represents approximately 64% of the budget. Utilities comprise 10%, with other expenses making up the balance of the budget. The chart on page 158 shows percentage of the various components of the Distribution Department operating expense budget. Variable O&M costs are included in the supplies and equipment and utilities categories.

Personnel Expenses Personnel expenses are increasing by about \$226,895 attributed to the following:

- The FY 2023/24 total Distribution Department salaries and wages budget is held to an increase of only \$126,803 when compared to the prior fiscal year budget due to an increase in the Consumer Price Index for December 2022 and the addition of an operations manager.
- Health insurance, dental/vision plan expenses and cafeteria plan benefits combined are increasing by \$40,780. This is due to; 1) The 2023 CalPERS health insurance plan with the lowest premiums increased by 18.40% over the 2022 premiums, as opposed to the increase of 5% budgeted for the calendar year 2023; 2) The FY 2023/24 Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2024. The health plan estimates are based on the elections of each employee at the time the budget is prepared.
- Workers' Compensation costs are decreasing by \$5,475 due to a 22% decrease in the Experience modification rate for CCWA.
- CalPERS retirement expenses are increasing by \$16,490 over the prior fiscal year. The CCWA employer paid portion for "Classic" members in FY 23/24 is 31.596% as compared to the prior year amount of 29.121%, for a 2.475 % increase. CCWA "Classic" member employees began paying 50% of the increase in the "normal" PERS employer contribution in FY 2017/18. As of FY 2023/24 the Distribution Department has 7 CalPERS PEPRA member employee. The PEPRA employer contribution rate in FY 2023/24 decreased from 8.26% in FY 2022/23 to 8.00% in FY 2023/24 for a decrease in employer paid PEPRA contribution rate of 0.26%.
- The FY 2023/24 Budget includes a \$53,067 deposit into the Retiree Benefit Trust Program. This amount is based on actuarial assumptions for the required minimum contribution under PEMHCA and the additional vested portion of retiree only premiums, based on employees who are 62 years of age or older and retire from CCWA having completed at least 10 years of service with CCWA.

Central Coast Water Authority
Distribution Department
Fiscal Year 2023/24 Budget

Repairs and Maintenance Repairs and maintenance costs are increasing by about \$14,250 because of an increase in anticipated equipment repair and maintenance expenses.

Professional Services Professional Services costs are increasing by approximately \$87,772 due to environmental services required by regulatory agencies and legal cost associated with the negotiation of a long term Warren Act contract.

General and Administrative General and Administrative costs are increasing by \$4,500 due to increased employee safety training expenses.

Utility Expenses Utility expenses are decreasing by \$572,453 largely due to savings in variable electric costs due to lower estimated deliveries and lower projected cost per AF.

Other Expenses Other expenses are increasing by approximately \$28,645 due to anticipated increase in insurance and computer expenses.

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

Central Coast Water Authority
Distribution Department
 Fiscal Year 2023/24 Budget

The following table shows the FY 2023/24 O&M budget for the various CCWA Turnouts.

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

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

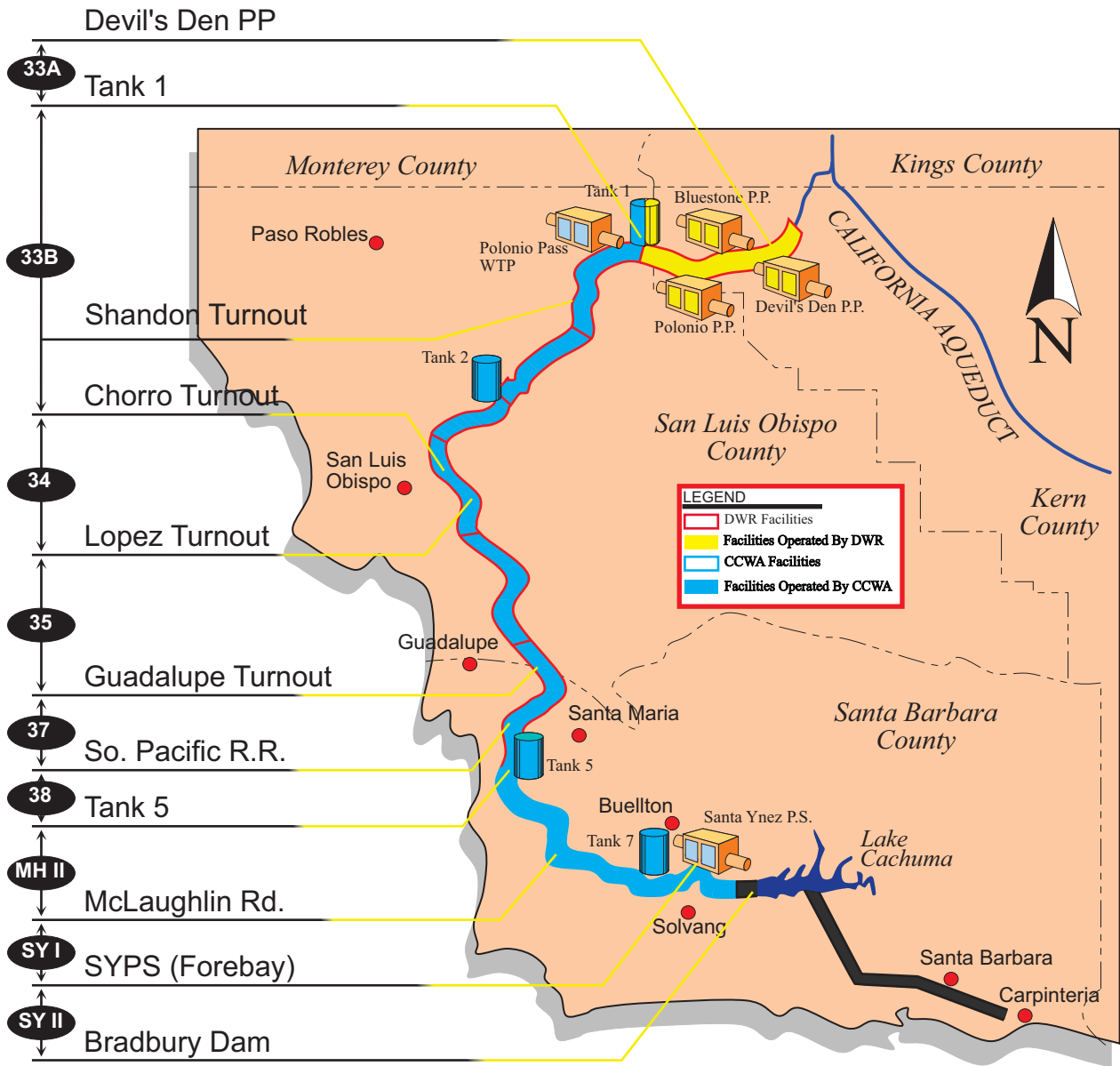
Central Coast Water Authority
Distribution Department
 Fiscal Year 2023/24 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2021/22	Auth. FY 2022/23	Requested FY 2023/24	Over FY 2021/22	Over FY 2022/23
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.40	0.40	0.40	-	-
Operations Manager ⁽³⁾	-	-	0.40	0.40	0.40
Safety & Environmental Specialist ⁽⁴⁾	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 ⁽⁵⁾	0.40	0.40	0.40	-	-
Maintenance/IC&R Technicians ⁽⁶⁾	0.40	0.40	0.40	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.20	10.20	10.60	0.40	0.40

PERSONNEL WAGE SUMMARY						
Position Title	No.	Position Classification	Minimum	Maximum	FY 2022/23	Allocation
	of Emp.		Monthly Salary	Monthly Salary	Total Annual Salary	to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 298,850	\$ 74,713
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 209,053	\$ 83,621
Operations Manager ⁽³⁾	1	46	\$ 12,387	\$ 15,112	\$ 141,665	\$ 56,666
Safety & Environmental Specialist ⁽⁴⁾	1	38	\$ 10,432	\$ 12,727	\$ 126,000	\$ 94,500
Distribution Supervisor	1	34	\$ 9,574	\$ 11,680	\$ 122,580	\$ 122,580
Engineering Technician	1	21	\$ 7,242	\$ 8,836	\$ 99,727	\$ 99,727
Instrumentation & Control Specialist	1	28	\$ 8,417	\$ 10,268	\$ 114,955	\$ 114,955
Maintenance Superintendent ⁽⁵⁾	1	38	\$ 10,432	\$ 12,727	\$ 135,836	\$ 54,334
Maintenance/IC&R Technicians ⁽⁶⁾	2	26	\$ 8,063	\$ 9,837	\$ 203,266	\$ 40,653
Distribution Technicians	5	19	\$ 6,938	\$ 8,464	\$ 463,214	\$ 463,214
FY 2023/24 Salary Pool						\$ 59,357
TOTAL:						\$ 1,264,321

- (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 Operations Manager is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
- (4) The Safety/Environmental Specialist (previously Regulatory Spec.) is allocated to Water Treatment Plant (25%) and Distribution (75%).
- (5) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).
- (6) The two Maintenance IC&R Technicians are allocated to Water Treatment Plant (80%) and Distribution (20%).

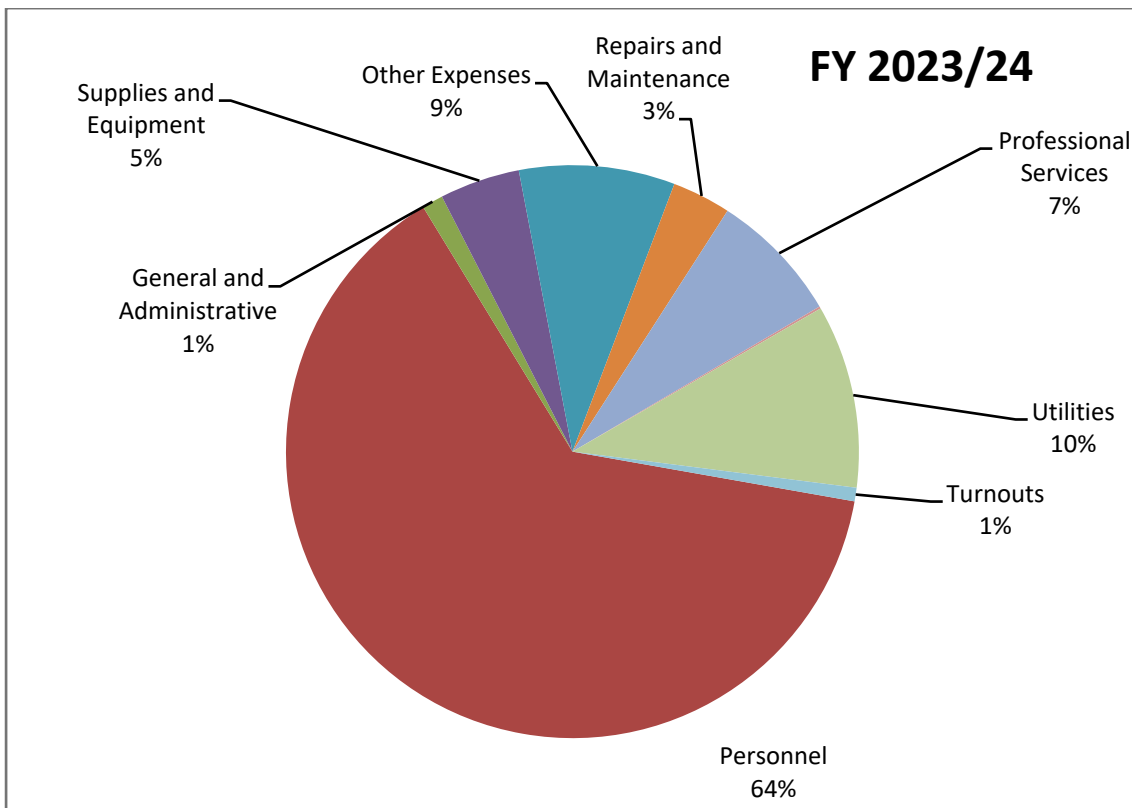
COASTAL BRANCH FINANCIAL REACHES



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

Central Coast Water Authority
Distribution Department
 Fiscal Year 2023/24 Budget

Item	FY 2023/24 Budget
Personnel	\$ 2,106,684
Office Expenses	4,000
Supplies and Equipment	148,295
Monitoring Expenses	-
Repairs and Maintenance	108,860
Professional Services	243,935
General and Administrative	39,251
Utilities	338,957
Other Expenses	289,037
Turnouts	25,018
TOTAL:	\$ 3,304,037

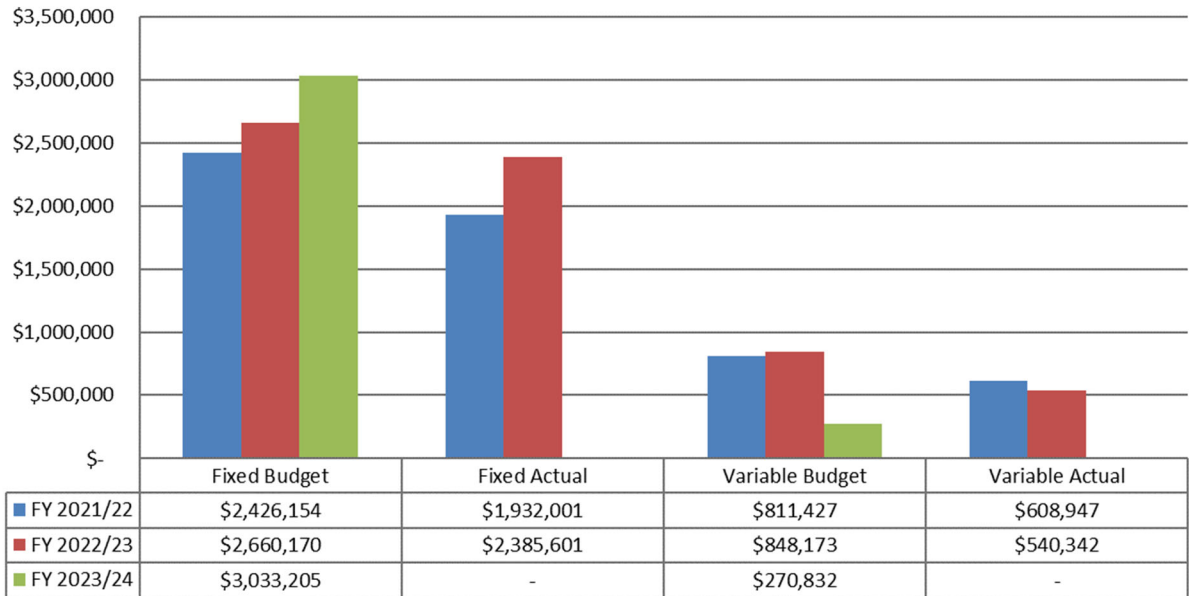


Central Coast Water Authority
Distribution Department
 Fiscal Year 2023/24 Budget

Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget
Personnel Expenses	\$ 1,784,507	\$ 1,474,026	\$ 1,879,789	\$ 1,661,991	\$ 2,106,684
Office Expenses	4,000	2,419	4,000	1,829	4,000
Supplies and Equipment	102,911	103,260	142,210	107,459	148,295
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	91,700	104,644	94,610	56,468	108,860
Professional Services	103,733	161,819	156,163	106,714	243,935
General and Administrative	34,250	22,821	34,751	16,678	39,251
Utilities	880,839	683,040	911,410	598,836	338,957
Other Expenses	210,496	145,485	260,392	360,969	289,037
Turnouts	25,144	15,188	25,018	15,000	25,018
Total Operating Expenses	\$ 3,237,580	\$ 2,712,704	\$ 3,508,343	\$ 2,925,943	\$ 3,304,037
Fixed Operating Expenses ⁽¹⁾	\$ 2,426,154	\$ 2,103,757	\$ 2,660,170	\$ 2,385,601	\$ 3,033,205
Variable Operating Expenses	811,427	608,947	848,173	540,342	270,832
Total Operating Expenses	\$ 3,237,580	\$ 2,712,704	\$ 3,508,343	\$ 2,925,943	\$ 3,304,037

(1) Does not include Capital and Non-Capital Projects.

**Distribution Budget and Actual
 Fixed and Variable Expenses**



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>PERSONNEL EXPENSES</u>		UPDATED						
5000.10	Full-Time Regular Wages	\$ 1,071,503	\$ 1,091,800	\$ 1,137,518	\$ 1,036,008	\$ 1,264,321	\$ 126,803	11.15%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	69,677	77,614	74,009	104,149	81,193	7,184	9.71%
5000.40	Standby Pay	26,283	23,825	28,485	23,169	29,932	1,447	5.08%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	283,558	(15,764)	326,010	254,465	342,500	16,490	5.06%
5100.15	Medicare Taxes	17,514	16,723	18,206	11,674	19,992	1,786	9.81%
5100.20	Health/Dental/Vision Plans	219,439	191,972	200,635	132,208	241,415	40,780	20.33%
5100.25	Workers' Compensation	35,686	34,048	35,272	19,418	29,797	(5,475)	-15.52%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	47,063	44,604	45,297	46,823	53,067	7,770	17.15%
5100.50	Long-Term Disability	5,274	4,980	5,600	3,498	6,236	636	11.35%
5100.55	Life Insurance	4,460	3,747	4,582	5,763	7,171	2,589	56.51%
5100.60	Employee Physicals	450	420	495	-	1,745	1,250	252.53%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs/457 Plan	2,600	-	2,680	24,414	28,315	25,635	956.53%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	57	-	402	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
Total Personnel Expenses:		1,784,507	1,474,026	1,879,789	1,661,991	2,106,684	226,895	12.07%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	1,500	589	1,500	725	1,500	-	0.00%
5200.30	Miscellaneous Office Expenses	2,500	1,830	2,500	1,104	2,500	-	0.00%
Total Office Expenses:		4,000	2,419	4,000	1,829	4,000	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	7,421	8,184	8,605	6,802	9,955	1,350	15.69%
5500.15	Minor Tools and Equipment	5,000	1,646	5,000	5,000	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	-	1,000	-	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	8,126	10,000	8,616	10,000	-	0.00%
5500.40	Safety Supplies	7,000	11,326	7,000	6,370	11,735	4,735	67.64%
5500.45	Fuel and Lubricants	63,990	71,728	106,105	76,171	106,105	-	0.00%
5500.50	Seed/Erosion Control Supplies	8,000	1,820	4,000	4,000	4,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	431	500	500	500	-	0.00%
Total Supplies and Equipment:		102,911	103,260	142,210	107,459	148,295	6,085	4.28%
<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 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	55,000	67,312	55,000	30,152	70,000	15,000	27.27%
5700.20	Vehicle Repairs and Maintenance	15,000	24,521	20,000	15,000	20,000	-	0.00%
5700.30	Building Maintenance	17,200	7,958	15,110	8,315	15,260	150	0.99%
5700.40	Landscape Maintenance	4,500	4,853	4,500	3,000	3,600	(900)	-20.00%
Total Repairs and Maintenance:		91,700	104,644	94,610	56,468	108,860	14,250	15.06%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	83,633	12,797	134,723	43,612	156,205	21,482	15.95%
5400.20	Legal Services	-	137,110	-	40,000	50,000	50,000	N/A
5400.30	Engineering Services	15,000	4,470	15,000	18,702	30,000	15,000	100.00%
5400.40	Permits	5,100	7,443	6,440	4,400	7,730	1,290	20.03%
5400.50	Non-Contractual Services	-	-	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		103,733	161,819	156,163	106,714	243,935	87,772	56.21%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	20,000	5,370	20,001	7,820	20,001	-	0.00%
5300.20	Mileage Reimbursement	150	-	150	-	150	-	0.00%
5300.30	Dues and Memberships	2,500	5,145	3,000	2,900	3,000	-	0.00%
5300.40	Publications	1,000	3,402	1,000	1,000	1,000	-	0.00%
5300.50	Training	8,500	8,298	8,500	4,552	13,000	4,500	52.94%
5300.60	Advertising	1,500	-	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	326	-	-	-	-	N/A
5300.80	Postage	600	279	600	406	600	-	0.00%
Total General and Administrative:		34,250	22,821	34,751	16,678	39,251	4,500	12.95%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2023/24 Administration/O&M Budget

Account Number	Account Name	FY 2021/22 Budget	FY 2021/22 Actual	FY 2022/23 Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	Change from FY 2022/23 Budget	Percent Change FY 2022/23 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	1,010	1,230	1,070	1,300	1,070	-	0.00%
5800.30	Electric Fixed	56,903	60,818	48,001	43,416	48,605	604	1.26%
5800.31	Electric-Variable	811,427	608,947	848,173	540,342	270,832	(577,341)	-68.07%
5800.40	Water	2,500	2,173	2,500	2,294	2,500	-	0.00%
5800.50	Telephone	5,500	6,247	7,525	6,979	10,765	3,240	43.06%
5800.60	Waste Disposal	3,500	3,626	4,141	4,505	5,185	1,044	25.21%
Total Utilities:		880,839	683,040	911,410	598,836	338,957	(572,453)	-62.81%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	51,004	55,316	62,619	64,636	80,222	17,603	28.11%
5900.30	Non-Capitalized Projects ⁽¹⁾	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	24,100	7,516	39,100	120,078	39,500	400	1.02%
5900.50	Non-Capitalized Equipment	10,000	4,269	10,000	-	10,000	-	0.00%
5900.60	Computer Expenses	78,313	70,902	97,494	84,255	100,331	2,837	2.91%
5900.70	Appropriated Contingency	47,079	7,482	51,179	92,000	58,984	7,805	15.25%
Total Other Expenses:		210,496	145,485	260,392	360,969	289,037	28,645	11.00%
Turnouts		25,144	15,188	25,018	15,000	25,018	-	0.00%
TOTAL OPERATING EXPENSES		\$ 3,237,580	\$ 2,712,704	\$ 3,508,343	\$ 2,925,943	\$ 3,304,037	(204,306)	-5.82%

(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 2023/24 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$59,357 for FY 2022/23 salary pool.

FY 23/24 Requested Budget	1,264,321
FY 22/23 Estimated Actual	1,036,008
Increase (Decrease)	228,313

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 23/24 Requested Budget	81,193
FY 22/23 Estimated Actual	104,149
Increase (Decrease)	(22,956)

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 23/24 Requested Budget	-
FY 22/23 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services:

FY 23/24 Requested Budget	-
FY 22/23 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 23/24 Requested Budget	29,932
FY 22/23 Estimated Actual	23,169
Increase (Decrease)	6,763

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 \$2.46 per hour for a Distribution employee. Instrumentation and Control employee hourly rate is \$2.86 (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 23/24 Requested Budget	342,500
FY 22/23 Estimated Actual	254,465
Increase (Decrease)	88,035

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 31.986% contribution rate for FY 2023/24, which includes the required Unfunded Accrued Liability (UAL) payment.

Required Contributions	\$ 186,071	18.336%
UAL current fiscal year	112,155	13.650%
UAL additional payment	44,274	fixed amount
	\$ 342,500	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 23/24 Requested Budget	19,992
FY 22/23 Estimated Actual	11,674
Increase (Decrease)	8,318

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 23/24 Requested Budget	206,123
FY 22/23 Estimated Actual	74,257
Increase (Decrease)	131,866

Description: Funds for the employer paid portion of health insurance for Distribution employees. Based on employee 2023 Café Plan elections. Includes an estimated 5% premium increase in 2024 rates.

	<i>2023 Allowance</i>		<i>2024 Allowance Est</i>	
Family	\$	21,713	\$	22,799
Emp + 1		16,702		17,537
Employee only		8,351		8,769

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 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 80 and an economy of size rate of 90%. Based on a 3% premium increase over FY 2022/23

FY 23/24 Requested Budget	29,797
FY 22/23 Estimated Actual	19,418
Increase (Decrease)	10,379

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 23/24 Requested Budget	53,067
FY 22/23 Estimated Actual	46,823
Increase (Decrease)	6,245

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 23/24 Requested Budget	3,320
FY 22/23 Estimated Actual	34,971
Increase (Decrease)	(31,651)

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$4,179 per year per family for dental and vision expenses. Budgeted amount is \$3,134 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 23/24 Requested Budget	31,971
FY 22/23 Estimated Actual	22,980
Increase (Decrease)	8,991

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 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 23/24 Requested Budget	6,236
FY 22/23 Estimated Actual	3,498
Increase (Decrease)	2,738

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 \$250,000.

FY 23/24 Requested Budget	7,171
FY 22/23 Estimated Actual	5,763
Increase (Decrease)	1,408

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 23/24 Requested Budget	1,745
FY 22/23 Estimated Actual	-
Increase (Decrease)	1,745

	495	3 physicals at \$165 each
\$	1,250	10 Respiratory and Audio Exam @ \$125 each
\$	1,745	Total

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 23/24 Requested Budget	1,000
FY 22/23 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs/457 K Plan

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

FY 23/24 Requested Budget	28,315
FY 22/23 Estimated Actual	24,414
Increase (Decrease)	3,901

\$	2,680	EAAP
	25,635	457 K Plan
\$	28,315	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 23/24 Requested Budget	-
FY 22/23 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 23/24 Requested Budget	1,500
FY 22/23 Estimated Actual	725
Increase (Decrease)	775

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 23/24 Requested Budget	2,500
FY 22/23 Estimated Actual	1,100
Increase (Decrease)	1,400

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 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 23/24 Requested Budget	20,001
FY 22/23 Estimated Actual	8,000
Increase (Decrease)	12,001

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 23/24 Requested Budget	150
FY 22/23 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 23/24 Requested Budget	3,000
FY 22/23 Estimated Actual	2,900
Increase (Decrease)	100

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 23/24 Requested Budget	1,000
FY 22/23 Estimated Actual	1,000
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 23/24 Requested Budget	13,000
FY 22/23 Estimated Actual	4,600
Increase (Decrease)	8,400

\$	8,500	Employee Training, including safety
\$	4,500	
\$	13,000	Total

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 23/24 Requested Budget	1,500
FY 22/23 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 23/24 Requested Budget	600
FY 22/23 Estimated Actual	410
Increase (Decrease)	190

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

FY 23/24 Requested Budget	156,205
FY 22/23 Estimated Actual	43,612
Increase (Decrease)	112,593

\$	100,000	Environmental Services, Required by Reg Agency
	16,500	Cathodic protection, Crane inspections
	3,400	Emergency generator and forklift service
	1,800	Hydraulic package oil analysis
	3,715	Fire extinguisher and SCBA inspections
	4,930	Personnel Team Building
	12,500	Safety Consultant
	5,360	Man Down Monitoring Fee
	1,500	Forklift Service
	550	SCBA Inspection
	1,500	Crane Inspections
	4,450	Security
\$	156,205	TOTAL

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description:

FY 23/24 Requested Budget	50,000
FY 22/23 Estimated Actual	40,000
Increase (Decrease)	10,000

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 23/24 Requested Budget	30,000
FY 22/23 Estimated Actual	18,702
Increase (Decrease)	11,298

\$	15,000	General Services (SCADA, GIS, etc)
\$	15,000	PLC Support
	30,000	Total

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 23/24 Requested Budget	7,730
FY 22/23 Estimated Actual	4,400
Increase (Decrease)	3,330

\$	3,450	Low Threat Discharge Permit
	1,795	Diesel Permit
	2,485	SYPP, Tank 7 and 5 Business Plan
\$	7,730	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

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

FY 23/24 Requested Budget	-
FY 22/23 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 23/24 Requested Budget	9,955
FY 22/23 Estimated Actual	6,802
Increase (Decrease)	3,153

\$	4,020	Uniform Service (\$335 month)
	2,700	Blue jean pants (\$150/year employee allowance)
	2,250	Boots (\$250/year employee allowance)
	985	Misc. uniform requirements (jackets, etc.)
\$	9,955	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 23/24 Requested Budget	5,000
FY 22/23 Estimated Actual	5,000
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 23/24 Requested Budget	-
FY 22/23 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 23/24 Requested Budget	1,000
FY 22/23 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 23/24 Requested Budget	-
FY 22/23 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 23/24 Requested Budget	10,000
FY 22/23 Estimated Actual	6,400
Increase (Decrease)	3,600

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

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 23/24 Requested Budget	11,735
FY 22/23 Estimated Actual	6,370
Increase (Decrease)	5,365

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 23/24 Requested Budget	106,105
FY 22/23 Estimated Actual	76,171
Increase (Decrease)	29,934

\$	97,000	Vehicles
	2,370	Emergency Generator Sets
	4,365	Lubricants
	2,370	Miscellaneous
\$	106,105	TOTAL

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 23/24 Requested Budget	4,000
FY 22/23 Estimated Actual	4,000
Increase (Decrease)	-

\$	1,000	Seed
	1,000	Plants and materials
	2,000	Erosion control
\$	4,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 23/24 Requested Budget	500
FY 22/23 Estimated Actual	500
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 23/24 Requested Budget	70,000
FY 22/23 Estimated Actual	30,200
Increase (Decrease)	39,800

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 23/24 Requested Budget	20,000
FY 22/23 Estimated Actual	15,000
Increase (Decrease)	5,000

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 23/24 Requested Budget	15,260
FY 22/23 Estimated Actual	8,315
Increase (Decrease)	6,945

\$	3,675	Janitorial Service
	1,785	Pest Control
	5,800	HVAC, includes quarterly inspection
	4,000	Minor building repairs
\$	15,260	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

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

FY 23/24 Requested Budget	3,600
FY 22/23 Estimated Actual	3,000
Increase (Decrease)	600

\$	3,600	SYPF (\$300 month avg)
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**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

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

FY 23/24 Requested Budget	1,070
FY 22/23 Estimated Actual	1,300
Increase (Decrease)	(230)

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 23/24 Requested Budget	48,605
FY 22/23 Estimated Actual	43,416
Increase (Decrease)	5,189

\$	17,215	Suite B & C	\$ 1,435/month
	1,626	ISO vaults (2)	\$ 136/month
	9,866	Tanks (3)	\$ 822/month
	3,385	Rectifiers (11)	\$ 282/month
	4,909	EDV	\$ 409/month
	11,604	SYPF	\$ 967/month
\$	48,605	TOTAL	

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 23/24 Requested Budget	270,832
FY 22/23 Estimated Actual	540,342
Increase (Decrease)	(269,509)

	1,992	Acre feet pumped
	\$135.96	Cost per acre foot
	\$270,832	TOTAL

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 23/24 Requested Budget	2,500
FY 22/23 Estimated Actual	2,294
Increase (Decrease)	206

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 23/24 Requested Budget	10,765
FY 22/23 Estimated Actual	6,979
Increase (Decrease)	3,786

\$	7,525	General Phone
\$	3,240	Tablet Service
\$	10,765	Total

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 23/24 Requested Budget	5,185
FY 22/23 Estimated Actual	4,505
Increase (Decrease)	680

\$	4,260	Trash service
	925	Hazardous waste removal
\$	5,185	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 23/24 Requested Budget	80,222
FY 22/23 Estimated Actual	64,636
Increase (Decrease)	15,586

\$	45,477	Property and Auto Insurance as apportioned by JPIA.
\$	34,745	General liability and E&O insurance pro rated by salary percentages.
\$	80,222	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects along the pipeline on facilities which are not owned by CCWA or do not qualify for capitalization under the CCWA capitalization policy. See the Capital and Non-Capital Projects in the "Projects" section of the budget for details on these projects which are now classified as non-operating expenses beginning in FY 2018/19.

FY 23/24 Requested Budget	-
FY 22/23 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2023/24 BUDGET**

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

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

FY 23/24 Requested Budget	39,500
FY 22/23 Estimated Actual	120,078
Increase (Decrease)	(80,578)

\$	4,000	Portable toilets (4) \$1,000/year each
	7,500	General equipment rental
	3,000	Mowing
	25,000	Cachuma Lake bypass pipeline
\$	39,500	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 23/24 Requested Budget	10,000
FY 22/23 Estimated Actual	-
Increase (Decrease)	10,000

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 23/24 Requested Budget	100,331
FY 22/23 Estimated Actual	84,300
Increase (Decrease)	16,031

\$	91,721	CompuVision, Annual Service Agreements, and Software Subscriptions
\$	8,610	Software, New Computers, DSL Allowance and other computer services.
\$	100,331	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

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

FY 23/24 Requested Budget	58,984
FY 22/23 Estimated Actual	92,000
Increase (Decrease)	(33,016)



Tank 5 Inlet Vault Portable Chloramination Trailer, February 2022

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 2023/24 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 2023/24 is \$2,602,215 and consists of 11 Capital Improvement Projects representing \$2,126,670 of the budget, and a budget of \$475,545 for 10 Non-Capital Projects.

Capitalization Criteria

The Authority capitalizes project expenditures and fixed asset purchases for those projects and assets that (1) are greater than \$10,000 and (2) have an estimated useful life longer than five years, with the exception of computer related equipment which is amortized over three years.

Principles used to determine what constitutes Capitalization:

- Fixing a defect or design flaw
- Creating an addition, physical enlargement or expansion
- Creating an increase in capacity, productivity or efficiency
- Rebuilding property after the end of its economic useful life
- Replacing a major component or structural part of the property
- Adapting property to a new or different use

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. Currently, it is not yet known if funds will need to be carried over from FY 2022/23 into FY 2023/24.

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

The FY 2023/24 CIP and NCP expenditures are entirely funded from Project Participant Assessments.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

The following table shows the allocation of the FY 2023/24 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 2023/24 Capital Improvement Projects (CIP)						
Capital Projects	Specific		Water Treatment			Total
	Financial Reach	Administration	Plant	Distribution	Turnouts	
MIB and Geosmin Analyzer	WTP	\$ -	\$ 262,500	\$ -	\$ -	\$ 262,500
WTP Office Building	WTP	-	714,000	-	-	714,000
Actuators	WTP	-	34,020	-	-	34,020
Granular Activated Carbon (GAC) Filter Media Replacement.	WTP	-	78,750	-	-	78,750
Repair of Corroded Risers of Air Vacuum/Air Release (AVAR) Valves – Phase 3	SYI	-	-	426,090	-	426,090
SYPP Surge Tank Pedestal Repair	SYII	-	-	367,500	-	367,500
Permanent Bypass Piping System TM.	SYII	-	-	78,750	-	78,750
Serving and Expanding Portable Dosing Equipment	DIST	-	-	68,040	-	68,040
Right-of-Way Mower	DIST	-	-	11,340	-	11,340
Trailer for Tractor	DIST	-	-	22,680	-	22,680
Expansion of the Nutronics Hyperconverge System	ADM/DIST/WTP	21,000	21,000	21,000	-	63,000
Total Capital Projects:		\$ 21,000	\$ 1,110,270	\$ 995,400	\$ -	\$ 2,126,670
FY 2023/24 Non-Capital Projects (NCP)						
Maintenance, Repairs & Equipment Projects	Financial Reach	ADM	WTP	DIST	Turnouts	Total
Lower Containment, Caustic Blending Pump and Fill Station Repair Lining	WTP	\$ -	\$ 98,175	\$ -	\$ -	\$ 98,175
WTP Control Room – Flooring and countertop	WTP	-	26,250	-	-	26,250
Quantum I/O Card Upgrade.	34	-	-	85,050	-	85,050
Carpet Replacement for Suite B of the Buellton Administration Office and the Santa Ynez Pumping Plant	DIST/SYII	-	-	31,500	-	31,500
Santa Ynez Pumping Plant (SYPP) Water Quality Instrumentation.	SYII	-	-	56,700	-	56,700
New Document Management System	ADM/DIST/WTP	14,700	14,700	14,700	-	44,100
New Financial System Software	ADMIN	44,100	-	-	-	44,100
Tablets	WTP/DIST	-	2,835	2835	-	5,670
Replace Management Server and Windows 2012 R2 Operating System.	ADMIN	5,250	-	-	-	5,250
CMMS/GIS Optimization	WTP/DIST	-	39,375	39,375	-	78,750
Total Maintenance, Repair & Equipment Projects:		\$ 64,050	\$ 181,335	\$ 230,160	\$ -	\$ 475,545
TOTAL CAPITAL and NON-CAPITAL PROJECTS:		\$ 85,050	\$ 1,291,605	\$ 1,225,560	\$ -	\$ 2,602,215

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

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

Description:	MIB and Geosmin Analyzer
Department:	WTP
Expanded Description	This project will include the purchase of a gas chromatography and mass spectrometry instrument, which will allow the CCWA laboratory to analyze for MIB and Geosmin on a near real time basis. The project will also include costs for assistance with the installation of the instrument at the CCWA laboratory and training of staff.
Estimated Charge - Contractor	\$250,000
Contingency (5%)	<u>12,500</u>
Subtotal without CCWA Labor	\$262,500
CCWA Labor	<u>5,490</u>
Total Cost	\$267,990
Operating Budget Impact:	CCWA currently relies upon the Kern County Water Agency Laboratory to analyze water samples for MIB and Geosmin. In 2022, the number of samples that could be analyzed by Kern County Water Agency was reduced to two per week and the analytical results would require one week to receive. At the time, there were no other alternative laboratories that could exceed this level of service. Considering that operating a treatment system requires more timely results and in greater number, it would be highly beneficial for CCWA to develop its own capability to analyze MIB and Geosmin through purchasing an analyzer.

Description:	WTP Office Building
Department:	WTP
Expanded Description	This is the final phase of the WTP staff office project and has been combined with a project to provide sleeping. The design is complete and this phase will include construction of the building, coupled with engineering inspections. The design provides office space for four staff and also provides sleeping quarters for WTP Operators.
Estimated Charge - Contractor	\$680,000
Contingency (5%)	<u>34,000</u>
Subtotal without CCWA Labor	\$714,000
CCWA Labor	<u>26,034</u>
Total Cost	\$740,034
Operating Budget Impact:	This project was initiated following a review of the office space needs of the WTP. One finding of the review was that offices in the lower level of the Operations Building were not compliant with the American Disabilities Act (ADA) requirements. It was also recognized that there are certain safety concerns for the night operator. From review of safety studies, the most hazardous time for a night shift worker is the drive home. Consequently, the project was modified to provide a small single occupancy sleeping quarters for the night shift operator. This would provide the option to the night operator to sleep before driving home. Most operators have a 30-minute drive home following a night shift. This project will provide ADA compliant office space

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

	and provide an additional safety feature for the plant operation, which will reduce the costs associated with non-compliance fines and potential injuries.
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Description:	Actuators
Department:	WTP
Expanded Description	This project is to replace the filter control valve actuators. The existing actuators are well past their service life and need to be replaced to ensure reliable filter operation. This is the last phase of replacing the filter control valve actuators in the filter gallery.
Estimated Charge - Material	\$30,000
Tax (8%)	2,400
Contingency (5%)	<u>1,620</u>
Subtotal without CCWA Labor	\$34,020
CCWA Labor	<u>8,532</u>
Total Cost	\$42,552
Operating Budget Impact:	The filters of the Water Treatment Plant serve a vital element of the water treatment operations. The function of the filters is to removal 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.

Description:	Granular Activated Carbon (GAC) Filter Media Replacement
Department:	WTP
Expanded Description	This project provides supplemental funding for a carryover GAC replacement project which was delayed due to inflation and supply issues. The supplemental funding is needed to include the replacement of the sand layer of the filter. The sand has been in place since original construction and needs to be replaced.
Estimated Charge - Contractor	\$75,000
Contingency (5%)	<u>3,750</u>
Subtotal without CCWA Labor	\$78,750
CCWA Labor	<u>8,364</u>
Total Cost	\$87,114
Operating Budget Impact:	As a result of a special study, it was determined that filter media replacement every three years was not necessary for compliance with water quality regulations. It was concluded that the filter media should be replaced if its hydraulic characteristics began to degrade. Based on CCWA's on-going filter media monitoring program, it was determined that media in Filter #1, #3 and #5 requires replacement at this time.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

Description:	Repair of Corroded Risers of Air Vacuum/Air Release (AVAR) Valves – Phase 3
Department:	SYI
Expanded Description	This is a four-phase project to repair corroded riser piping of identified AVAR valves along the pipeline. A Technical Memorandum was prepared by HDR Engineering to develop the scope of the repair and cost estimates. Four phases are required to both spread the cost over time as well as to size the phases so that they can be completed within the timeframe of a normal winter shutdown. The most corroded risers will be repaired first and the least corroded risers will be repaired in the later phase of the project.
Estimated Charge - Contractor	\$405,800
Contingency (5%)	<u>20,290</u>
Subtotal without CCWA Labor	\$426,090
CCWA Labor	<u>21,735</u>
Total Cost	\$389,235
Operating Budget Impact:	AVAR Valves are an important components of a proper pipeline operation. They facilitate purging of air that may have entered the pipeline and they also prevent the generation of a vacuum pressure within the pipeline. These functions serve to allow efficient conveyance of water through the pipeline and also prevent damage associated with pressure transients. The corroded risers have the potential to leak. This may necessitate the need to isolate the AVAR through closing its isolation valve, which eliminates the protective function of the AVAR Valves for the pipeline operation. Without these protections, the pipeline may be subjected to significant damage.

Description:	SYPP Surge Tank Pedestal Repair
Department:	SYII
Expanded Description	The pedestal supporting the surge tank at the Santa Ynez Pumping Plant has become deteriorated, with deep cracks near the edges of the pedestal. A detailed structural investigation was conducted and it was determined that the pedestal needed to be replaced and the mounting of the surge tank will need to be modified to prevent future damage. A detailed design has been prepared and a competitive bid will be solicited from qualified contractors.
Estimated Charge - Contractor	\$350,000
Contingency (5%)	<u>17,500</u>
Subtotal without CCWA Labor	\$367,500
CCWA Labor	<u>21,735</u>
Total Cost	\$389,235
Operating Budget Impact:	The surge tank at the Santa Ynez Pumping Plant is an important hydraulic control for the pumping operation. It provides a mechanism to attenuate the occurrence of pressure transients within the pipeline between the pumping plant and Bradbury Dam. If the concrete pedestal upon which the surge tank is mounted fails, the surge tank will need to be isolated to control any leakage and repaired. The cost of repairing the surge tank pedestal is much less than

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

	costs for repairing a damaged surge tank and any damage to the pipeline arising from an unmitigated pressure transient.
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Description:	Permanent Bypass Piping System TM
Department:	SYII
Expanded Description	A high-density polyethylene (HDPE) pipeline has been in use to convey water to Lake Cachuma to specifically by-pass the Bradbury Dam Penstock, which is the original delivery point for CCWA water. This project is intended to begin long term planning for a permanent bypass pipeline and the eventual replacement of the portion of the 1960's era CCWA pipeline within the Santa Ynez riverbed. An additional aim of the project to be in position to take advantage of the US Bureau of Reclamation Plan to install a pipeline across the Stilling Basin and combine efforts to build pipelines across the Stilling Basin.
Estimated Charge - Contractor	\$75,000
Contingency (5%)	<u>3,750</u>
Subtotal without CCWA Labor	\$78,750
CCWA Labor	<u>9,917</u>
Total Cost	\$88,667
Operating Budget Impact:	A portion of the CCWA pipeline from the Santa Ynez Pumping Plant and Lake Cachuma was constructed in the 1960's within the Santa Ynez Riverbed. Prior to CCWA purchasing this portion of the pipeline in the mid-1990's, an assessment of the pipeline's remaining service life was completed and the assessment suggested a remaining service life of approximately 20 years. While the condition of the pipeline is closely monitored by CCWA staff and there are no significant issues with the pipeline, the eventual replacement of the pipeline is a significant project that will require a number of years to plan, permit and construct. Through advanced planning, the pipeline can be replaced in the most cost-effective manner and allow time to arrange for financing, environmental review and permitting.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

Description:	Serving and Expanding Portable Dosing Equipment
Department:	DIST
Expanded Description	CCWA currently has two trailer mounted dichlorination dosing systems and one trailer mounted chloramination system. The two dichlorination systems have been in service for over 20 years and required a complete rebuild. In addition, two trailer mounted emergency eyewash and shower systems are needed to accompany deployment of the chemical dosing units. This project will include the costs to re-equip the two dichlorination trailers and the costs to build two new trailer mounted emergency eyewash and shower systems meeting applicable safety standards.
Estimated Charge – Material\$	\$60,000
Tax (8%)	4,800
Contingency (5%)	<u>3,240</u>
Subtotal without CCWA Labor	\$68,040
CCWA Labor	<u>7,330</u>
Total Cost	\$75,370
Operating Budget Impact:	Periodically, water will need to be drained from the CCWA pipeline for maintenance and other reasons. When water is drained from the pipeline, it is typically released to stormwater conveyance systems or to streams of creeks. To comply with water quality regulations, all chloraminated water must be dechlorinated before it can be released to stormwater conveyance systems or streams or creeks. In addition, safety measures need to be provided whenever chemical dosing is being performed. Through implementing this project, CCWA will have reliable dichlorination systems for use in pipeline maintenance activities as well as to provide required safety equipment.

Description:	Right-of-Way Mower
Department:	DIST
Expanded Description	As part of the fire protection measures of the pipeline Right-of-Way, all access roads to pipeline appurtenances are mowed during the spring time. This ensures that dry weeds will not be sufficiently present within the access road to create a fire hazard through contact with CCWA vehicles. The existing mower is at the end of its useful service life and replacement is needed.
Estimated Charge - Material	\$10,000
Tax (8%)	800
Contingency (5%)	<u>540</u>
Subtotal without CCWA Labor	\$11,340
CCWA Labor	<u>1,038</u>
Total Cost	\$12,378
Operating Budget Impact:	Fire threatens the integrity of CCWA facilities and facilities near the pipeline as well as threatens CCWA employee and public safety. This fire mitigation measure will reduce the potential of fire being ignited on the pipeline Right-of-Way from CCWA activities. The potential costs associated with firefighting and recovery will also be avoided through implementing this measure

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

Description:	Trailer for Tractor
Department:	DIST
Expanded Description	Distribution staff mows the pipeline right-of-way as a fire prevention measures on an annual basis. This project is to purchase a trailer to transport the tractor to mowing locations along the pipeline.
Estimated Charge - Material	\$20,000
Tax (8%)	1,600
Contingency (5%)	<u>1,080</u>
Subtotal without CCWA Labor	\$22,680
CCWA Labor	<u>727</u>
Total Cost	\$23,407
Operating Budget Impact:	The existing trailer used to transport the tractor for the annual right-of-way mowing is over 20 years old and has reached the end of its anticipated service life.

Description:	Expansion of the Nutronics Hyperconverge System
Department:	ADM/DIST/WTP
Expanded Description	Due to the expanding amount of data collected and stored by CCWA, the Hyper converge system needs to be equipped with an additional node. This will significantly increase the resiliency of the CCWA network operation as well as increase storage capacity.
Estimated Charge - Contractor	\$60,000
Contingency (5%)	<u>3,000</u>
Subtotal without CCWA Labor	\$63,000
CCWA Labor	<u>2,411</u>
Total Cost	\$65,411
Operating Budget Impact:	The CCWA operation requires the generation and use of a substantial amount of data and also requires real time communication. The expansion of the Hyperconverge system is needed to accommodate the growth of the volume of data.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 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:	Lower Containment, Caustic Blending Pump and Fill Station Repair Lining
Department:	WTP
Expanded Description	This project will address three specific areas of the Water Treatment Plant where degraded concrete has been observed: (1) the Lower Containment Structure that receives stormwater or potential chemical leakages from the Chemical Tank Farm, (2) the concrete containment beneath the caustic blending pump and (3) the concrete containment beneath the chemical fill ports. These three areas are designed to intermittently hold chemical or stormwater or a combination of both.
Estimated Charge - Contractor	\$93,500
Contingency (5%)	<u>4,675</u>
Subtotal without CCWA Labor	\$98,175
CCWA Labor	<u>6,676</u>
Total Cost	\$104,851
Operating Budget Impact:	Concrete can be degraded from certain chemicals and environmental conditions. Once the surface starts to degrade, it is important to repair and service the area to prevent potential corrosion of the embedded steel rebar. If the embedded steel rebar corrodes, it will cause a spalling issue where thicker section of concrete will break off from the concrete structure and thus creating a more expensive repair.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

Description:	WTP Control Room – Flooring and Countertop
Department:	WTP
Expanded Description	The Control Room at the Polonio Pass Water Treatment Plant is a key facility to reliably operate the plant and is occupied by the Operator-in-Charge on a 24 hours per day and seven days per week basis. The last remodeling of the control room occurred over ten years ago and the floor coverings and countertops are in need of replacement. This project will include retaining the services of a contractor to replace floor covering and countertops.
Estimated Charge - Contractor	\$25,000
Contingency (5%)	<u>1,250</u>
Subtotal without CCWA Labor	\$26,250
CCWA Labor	<u>2,402</u>
Total Cost	\$28,652
Operating Budget Impact:	As with all equipment, proper maintenance will extend the service life. The floor covering and countertops of the Control Room have been properly maintained as well as inspected for signed of the end of service life. Based on the most recent inspection of these systems, it is time to replace these components. Through proactively replacing equipment before the end of it useful service life, breakdown events and related impacts to operations are avoided. The costs to respond to breakdown events is much higher than costs for the proactive replacement of equipment before the end of its service life.

Description:	Quantum I/O Card Upgrade
Department:	REACH 34
Expanded Description	The existing Process Logic Controller Input/Output Cards for the Energy Dissipation Valve Facility is outdated and no longer supported by the manufactures. This project will upgrade I/O card to current technology, consistent with the other pipeline facilities and Water treatment Plant.
Estimated Charge - Material	\$75,000
Tax (8%)	6,000
Contingency (5%)	<u>4,050</u>
Subtotal without CCWA Labor	\$85,050
CCWA Labor	<u>12,636</u>
Total Cost	\$97,686
Operating Budget Impact:	Manufacturers will develop new improved products as technology advances with time. Eventually, manufacturer will stop supporting older products as that equipment passes its anticipated useful service life. To maintain a resilient operation, it is important to migrate to new technology through time to take advantage of the improved operation and efficiencies.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

Description:	Carpet Replacement for Suite B of the Buellton Administration Office and the office space of the Santa Ynez Pumping Plant
Department:	DIST/SYII
Expanded Description	The carpet in both of these locations have been in place for over 15 years and have significant wear. This project will include retaining a contractor to remove the existing carpet and the installation of new carpet.
Estimated Charge - Contractor	\$30,000
Contingency (5%)	<u>1,500</u>
Subtotal without CCWA Labor	\$31,500
CCWA Labor	<u>1,038</u>
Total Cost	\$32,538
Operating Budget Impact:	As with all equipment, proper maintenance will extend the service life. The floor coverings of Suite B of the Buellton Administrative Office and of the Santa Ynez Pumping Plant have been properly maintained as well as inspected for signed of the end of service life. Based on the most recent inspection of these areas, it is time to replace the floor coverings. Through proactively replacing equipment before the end of it useful service life, breakdown events and related impacts to operations are avoided. The costs to respond to breakdown events is much higher than costs for the proactive replacement of equipment before the end of its service life.

Description:	Santa Ynez Pumping Plant (SYPP) Water Quality Instrumentation
Department:	SYII
Expanded Description	The SYPP conveys water to Lake Cachuma and is authorized through a contract with the US Bureau of Reclamation. One of the requirements of the contract is to fully dechlorinate the water prior to delivering it to the lake. To comply with this requirement, the SYPP is designed to shut down operation if there is a detectable concentration of chlorine (>0.03 mg/l) or if bisulfite concentration is less than 0.1 mg/l or greater than 1.0 mg/l. This project will install new water quality instruments on the discharge piping of the plant and will be used for the shutdown sequence. This will provide a more appropriate location for the instrumentation responsible for triggering a shutdown and will also provide redundancy in water quality monitoring.
Estimated Charge - Material	\$50,000
Tax (8%)	4,000
Contingency (5%)	<u>2,700</u>
Subtotal without CCWA Labor	\$56,700
CCWA Labor	<u>7,379</u>
Total Cost	\$64,079
Operating Budget Impact:	Full compliance with the contract with the US Bureau of Reclamation allows continued use of the excess capacity of the Cachuma project for conveying and storing CCWA water. If the contract provisions are violated, there is the potential that the Bureaus facilities will become

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

	unavailable for CCWA's use. This would result in no way to convey CCWA water to the South Coast Participants.
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Description:	New Document Management System
Department:	ADM/DIST/WTP
Expanded Description	The existing CCWA document management systems is Imanage Desksite. This system will no longer be supported by the software vender. Consequently, a new document management systems is needed. This project will include purchasing the new software package and licensing as well as technical support.
Estimated Charge - Contractor	\$42,000
Contingency (5%)	<u>2,100</u>
Subtotal without CCWA Labor	\$44,100
CCWA Labor	<u>3,595</u>
Total Cost	\$47,695
Operating Budget Impact:	A document management system is a computerized system used to store, share, track and manage files or documents. It is desirable to utilize a digital system for document management to allow for searching capability, access control and storage. In addition, a digital system can be backed up and preserved by a variety of technique. The features of a document management systems significantly reduces staff time in filing and retrieving documents.

Description:	New Financial System Software
Department:	ADM
Expanded Description	The existing CCWA Financial System Software is Microsoft Dynamic SL. This system will no longer be supported by the software vender. Consequently, a new Financial System Software is needed. This project will include purchasing the new software package and licensing as well as technical support.
Estimated Charge - Contractor	\$42,000
Contingency (5%)	<u>2,100</u>
Subtotal without CCWA Labor	\$44,100
CCWA Labor	<u>16,908</u>
Total Cost	\$61,008
Operating Budget Impact:	A Financial System Software is special application software that records all the financial activity within an organization. Basic features of this system not only include all the modules of accounting software like accounts payable, accounts receivable, ledger, reporting modules and payroll but also to explore alternative investment choices and calculate statistical relationships. Primarily, the goal of the financial software is to record, categorize, analyze, compile, interpret and then present an accurate and updated financial report for the business.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

Description:	Tablets
Department:	DIST/WTP
Expanded Description	As part of optimizing the use of the CCWA Computerized Maintenance Management Systems, Work Orders will be issued and completed in electronic format. These tablets will utilized to receive Work Order Assignments, collect data related to completing the assigned task and will only communicate with CCWA network using CCWA secured dual factor authentication protocol. A total of 12 Tablets are needed to launch this expansion of the CMMS system
Estimated Charge - Material	\$5,000
Tax (8%)	400
Contingency (5%)	<u>270</u>
Subtotal without CCWA Labor	\$5,670
CCWA Labor	<u>2,411</u>
Total Cost	\$8,081
Operating Budget Impact:	These tablets will help advance the existing CCWA CMMS from a primarily paper documented system to complete digital format system. This will allow a more complete view into Work Order generation, assignment and completion. It will also facilitate analysis and better follow-up on inspection findings or other important follow-up information. Through making work assignments of staff more efficient and prioritizing important follow-up actions, overall labor costs will be minimized and the service life of CCWA equipment and facilities will be maximized.

Description:	Replace Management Server and Windows 2012 R2 Operating System
Department:	ADM
Expanded Description	The Management Server is a physical server that allows remote access by our network management consultant, CompuVision. The server is used to provide a secured portal into the CCWA network. All IP connected devices within the CCWA network are monitored for functionality, capacity and for security purposes. The portal is also utilized to deploy scheduled software updates and other security measures. The current Management Server is past its service life and requires replacement. The operating system also requires migration to current Operating System
Estimated Charge - Contractor	\$5,000
Contingency (5%)	<u>250</u>
Subtotal without CCWA Labor	\$5,250
CCWA Labor	<u>2,411</u>
Total Cost	\$7,661

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

Operating Budget Impact:	Through providing this system, CCWA can utilize experts in network operations and security. This optimizes the network operations through maintaining the network to follow best practices of the industry.
Description:	CMMS/GIS Optimization
Department:	DIST/WTP
Expanded Description	The CCWA existing software packages for the Computerized Maintenance Management System and the Geographical Information Systems were developed with in-house staff. Due to other pressing duties, these programs have not been developed to the extent needed to adequately capture institutional knowledge, which is part of the CCWA succession plan. To optimize the use of these two software packages, a consulting firm will be retained to review the state of software package development, evaluate the existing data hierarchy, consider the need to migrate to a complete digital format, identify efficient methods of monitoring work flow and to help coordinate the updating of work orders to ensure they are consistent with current operation and maintenance manuals.
Estimated Charge - Contractor	\$75,000
Contingency (5%)	<u>3,750</u>
Subtotal without CCWA Labor	\$78,750
CCWA Labor	<u>23,338</u>
Total Cost	\$102,088
Operating Budget Impact:	There are limitations to the current development state of the CMMS and GIS software packages, primarily related to a limited number of power users, unutilized software features and reliance on paper work orders for assigning work as well as for documentation. The aim of the project is to accomplish three goals: (1) ensure that the capabilities of the software packages are fully utilized, which will allow a more transparent view of work order issuance, assignment and completion, (2) to move towards a more complete digital format, which will allow for analysis and better follow-up on inspection findings and (3) to upgrade the software packages so that they will be able to integrate into an asset management software system in the future. Through achieving these three goals, the work assignments of staff will become more efficient and will prioritize important follow-up actions, which will reduce the overall labor costs and optimize the service life of CCWA equipment and facilities

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

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
Fiscal Year 2023/24 Budget

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 2023/24 Budget

FORMAL EXTRAORDINARY PROJECT PROGRAM

CCWA staff and an experienced engineering consultant worked together to develop a formal Extraordinary Project Program (EPP). As the various facilities and systems that are operated and maintained by CCWA age, there will be a need for projects to replace, refurbish and improve those facilities and systems. Not only will the number of these kinds of projects increase but their magnitude in both costs and potential impact on operations will increase as well. In addition, the Board may find that the CCWA System can be improved or modified to provide additional benefits to CCWA Participants. Consequently, there is a need to carefully consider what specific projects are needed or desired by the Board and to plan and schedule their implementation. The project identification, planning, prioritization and scheduling steps were foundational in the preparation of the formal EPP.

Another important purpose of a formal EPP is that it provides a format in which to communicate to the Board a more comprehensive long range plan for the CCWA system operation and development. In the past, Staff presented projects to the Board through the annual budgeting process. All projects were funded on a current year basis and included in the Authority's draft budget, which was submitted to the Board of Directors for approval. Because this process did not provide a full view of multi-year projects nor provide a definitive long term plan, in Fiscal Year 2017/18 Staff developed the formal EPP to adequately communicate to the Board the current work of careful planning and prioritizing of projects.

As with all EPPs, the basic elements include the following:

- Identification of Projects. Since the purpose of a formal EPP is to communicate the long term development plans for the CCWA System, it is important to identify the size of the projects to bring to the Board's attention. For the purposes of initial evaluation, CCWA staff has used \$75,000 as the threshold level in which to include a project in the EPP. The Board may decide to increase or decrease this threshold level.

In terms of identifying projects, there are two kinds of projects: (1) projects identified through routine facility assessments and (2) projects that improve the CCWA system and provide additional benefits to CCWA Participants, such as expanding the water treatment plant.

- Identify Funding for Projects. For the CCWA operation, all funding of projects occurs through the annual budgeting process for the CCWA operation. However, for large projects, the Board may decide to direct staff to pursue grant funding opportunities. Since applying for grants is a project in itself and may require an extended timeframe to secure a grant, this may be the first step in developing a project.

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
Fiscal Year 2023/24 Budget

- **Budgeting Project.** A formal EPP allows the Board to fully consider the costs and schedule of a multi-year project. In addition, annual updates of the EPP will allow updates to project costs estimates and other important updates for the Board to consider. This is an improvement on the prior method of submitting projects on a current year budget basis only.
- **Implementing Projects.** A standard project management approach is utilized in organizing and implementing projects. Every project is described, in terms of cost and schedule, as a multi-phased project to include the phases shown below:
 - **Project initiation.** Once a project is identified, staff will need to prepare a description of the project as well as provide justification for the project. This is the very early stages of the project and is the basis for initial approval. If the project is approved, the next step will be implemented.
 - **Planning/Predesign.** For large projects, preliminary engineering is required to estimate the order of magnitude scope and cost of the project. Either staff or a consulting engineer can be utilized in developing these estimates. Following this step, the Board may want to provide additional review as to whether to approve the project for further development.
 - **Design.** Once a project has been approved by the Board, the project will be designed by a consulting engineering firm. If the design contract exceeds \$30,000, staff will request approval from the Board before awarding the contract, consistent with the CCWA Purchasing Policies. Generally, the design will be incorporated into a Request-For-Bids (RFB) document, using CCWA's standard contracts and front end specifications for public works projects.
 - **Construction Bid and Award.** Once the RFB is finalized, it will be advertised as required by public procurement regulations. The competitive bidding process will follow established public works project protocol. Once bids have been publicly opened, the Bids will be reviewed to determine if the contractor is responsible and if the Bid was responsive to Bid Documents. Once this process is completed, the lowest responsible and responsive Bid will be presented to the Board for consideration for contract award.
 - **Construction.** The construction phase will include the efforts of CCWA staff and engineering inspectors to closely monitor the progress of the construction to ensure adherence to the requirements of the Contract Documents as well as identify potential changes to the work that may be to CCWA's benefit. Staff will provide periodic

Central Coast Water Authority
Capital, Non-Capital & Extraordinary Projects
 Fiscal Year 2023/24 Budget

updates to the Board and may also potentially request modifications of the work underway.

- Post Construction. This step is critical in terms of releasing the contractor from the project through verifying work was completed as required by the Contract Documents, all releases from future contractor and subcontractor claims have been secured and that as built records are completed.

CCWA staff prepared the following table to show the current thinking of the long term projects over a ten year planning horizon. As indicated earlier, CCWA staff proposes to utilize the services of an experienced engineering consultant to assist with the development of a formal EPP. This process will likely include collaboration with participants to gain consensus with a long term plan for the CCWA System.

Conceptual Capital Improvement Program (Threshold = \$75,000)											
Major Facilities	Total Budget	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33
Network											
SCADA Upgrade - 2Yr	\$400,000						\$200,000	\$200,000			
Distribution General											
Air Vac Replacement - 4 Phase	\$405,800	\$405,800									
Pavement Overlays (Mesa Verde Road)	\$200,000				\$200,000						
Tank 7 Access Road Overlay	\$100,000		\$100,000								
SYPP Surge Tank Pedestal	\$350,000	\$350,000									
Water Treatment Plant											
MIB and Geosmin Analyzer	\$250,000	\$405,000									
Granular Activated Carbon	\$1,200,000								\$400,000	\$400,000	\$400,000
Permanent Install of PAC System - 1 Yr	\$650,000		\$650,000								
West Slope Drainage Improvements - 2 Yr	\$425,000			\$75,000	\$350,000						
Sludge Collector System - 3 year	\$675,000		\$225,000	\$225,000	\$225,000						
Lining of Chlorine Contact Basin - 3 Yr	\$1,125,000			\$375,000	\$375,000	\$375,000					
Lining of Filters - 4 Yr	\$920,000						\$306,667	\$306,667	\$306,667		
Lining Lower Containment and Fill Station	\$93,500	\$93,500									
Polymer Mixer Tank - 2 Phases	\$200,000		\$75,000	\$125,000							
Slurry Seal Access Road - 1 Yr	\$125,000				\$125,000						
Staff Office and Operator Sleeping Quarters	\$500,000	\$680,000									
Lagoon C French Drain	\$475,000		\$475,000								
EDV											
Hydraulic Package Refurbishment - 1 Yr	\$125,000	\$75,000	\$125,000								
Bradbury Dam											
Permanent Bypass Piping System - 2 Yr	\$400,000	\$75,000	\$75,000	\$250,000							
Estimated Yearly Totals		\$2,084,300	\$1,725,000	\$1,050,000	\$1,275,000	\$375,000	\$506,667	\$506,667	\$706,667	\$400,000	\$400,000



Double Rainbow SM Turnout March 2022

Reserves and Cash Management

The Reserves and Cash Management section of the 2023/24 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

<u>FY 23/24 Total Reserve Balances</u>	\$17,489,434
• O&M Reserve Fund	\$ 2,000,000
• Rate Coverage Reserve Fund	\$ 9,601,020
• DWR Reserve Fund	\$ 5,888,414

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2023/24 Budget

This section of the Budget discusses the three cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund, and the DWR Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

Operations and Maintenance Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2023/24 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 Space 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 2023/24 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 2023/24 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, 2021. Participation in the fund for FY 2022/23 is not yet known. Prior to June 30, 2022, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2022/23.

FY 2022/23 Rate Coverage Reserve Fund

Project Participant	FY 2022/23 Deposit
City of Buellton	\$ 277,920
Carpinteria Valley Water District	869,350
City of Guadalupe	193,139
La Cumbre Mutual Water Company	404,809
Montecito Water District	1,510,580
City of Santa Maria	5,224,134
Santa Ynez, RWCD, I.D. #1 (Solvang)	639,135
Santa Ynez, RWCD, I.D. #1	466,069
County of San Luis Obispo (Shandon)	15,884
TOTAL:	\$ 9,601,020

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2023/24 Budget

DWR Reserve Fund Policy

During its March 28, 2019 regular meeting, the Board of Directors approved a “DWR Reserve Fund Policy” as follows:

Purpose: The DWR Reserve Fund is intended to provide a funding source for payments to the State of California Department of Water Resources (DWR) when there is a difference between estimates used to prepare the DWR portion of the annual CCWA budget and the actual amounts billed to the Authority by DWR.

Contributions: Contributions to the DWR Reserve Fund are voluntary. Project Participants wanting to participate in the DWR Reserve Fund shall notify the Authority of such intent. The Authority will in turn, notify the participating Project Participant of its “Target DWR Reserve Fund Amount” (Target Amount). The Target Amount will be equal to the participating Project Participant’s proportional share of a \$10 million allocation of DWR Transportation Minimum OMP&R charges as calculated in the most recent DWR Statement of Charges at the time the DWR Reserve Fund Policy is approved by the CCWA Board of Directors, and updated periodically.

Funding of each participating Project Participant’s share of the DWR Reserve Fund will come from a combination of (1) CCWA Operating Expense budget surpluses, if any (2) Interest earnings on funds held in all other accounts on behalf of the participating Project Participant and (3) excess amounts, if any, from any of the DWR Statement of Charges cost components.

After the participating Project Participant’s share of the DWR Reserve Fund has been fully funded up to the participating Project Participant’s Target Amount, the credits, interest earnings and excess DWR amounts will be returned to the participating Project Participant as a credit against future bills from the Authority.

If the balance of the participating Project Participant’s DWR Reserve Fund falls below the Target Amount, the Authority will retain the credits listed above until the balance once again equals the Target Amount.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2023/24 Budget

Withdrawal: A participating Project Participant may withdraw from the DWR Reserve Fund by notifying the Authority in writing of its request to withdraw its funds on deposit in the DWR Reserve Fund. Within 60 days, the Authority will either credit the funds on deposit against the participating Project Participant's next invoice from the Authority, or at the request of the participating Project Participant, issue a check for the refund of the deposit amount.

Administration: The Treasurer shall invest funds held in the DWR Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. DWR Reserve Fund investment earnings shall be redeposited into the DWR Reserve Fund for each participating Project Participant up to the Target Amount. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the DWR Reserve Fund.

Use of Fund: Monies held in the DWR Reserve Fund may be used by the Authority to fund the difference between the estimates used for billing purposes to the participating Project Participants for the annual DWR Statement of Charges (all fixed cost components) and the actual Statement of Charges received from DWR.

The following table shows the DWR Reserve funding target, fund balance as of June 30, 2022, the estimated transfer for FY 2022/23 and the balance remaining to fully fund the DWR Reserve Fund by project participant:

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2023/24 Budget

DWR Reserve Fund Target and Fund Balance

Project Participant	Table A Amount	% of Table A	DWR Reserve Fund Target ⁽¹⁾	DWR Reserve Fund Balance ⁽²⁾	Estimated Transfer for FY 2022/23	Remaining Funds to Meet Target
Guadalupe	550	1.41%	\$ 140,744	\$ 131,358	\$ 9,386	\$ 0
Santa Maria	16,200	41.46%	4,145,555	\$ 4,198,093	-	(52,538)
Golden State Water Co.	500	1.28%	127,949	\$ 89,035	12,542	26,372
Vandenberg SFB ⁽³⁾	5,500	14.07%	-	\$ -	-	-
Buellton	578	1.48%	147,909	\$ 138,295	9,615	(0)
Santa Ynez (Solvang)	1,500	3.84%	383,848	\$ 342,048	41,800	(0)
Santa Ynez	500	1.28%	127,949	\$ 180,741	-	(52,792)
Goleta ⁽³⁾	4,500	11.52%	-	\$ -	-	-
Morehart Land	200	0.51%	51,180	\$ 48,595	2,585	(0)
La Cumbre	1,000	2.56%	255,898	\$ 176,980	17,317	61,601
Raytheon	50	0.13%	12,795	\$ 11,999	795	0
Santa Barbara	3,000	7.68%	767,695	\$ 466,187	11,042	290,466
Montecito ⁽³⁾	3,000	7.68%	-	\$ -	-	-
Carpinteria ⁽³⁾	2,000	5.12%	-	\$ -	-	-
TOTAL	39,078	100.00%	\$ 6,161,523	5,783,332	\$ 105,082	\$ 273,109

(1) Participation in the DWR Reserve Fund is voluntary. The initial reserve fund target set \$10 million was reduced based on project participants opting out of the DWR Reserve.
 (2) The table above shows credits as of Jan 31, 2023 transferred to the DWR Reserve Fund and the estimated amount to be transferred on June 30, 2023 from the following sources: CCWA O&M credits and interest earnings on all reserve and deposit accounts.
 (3) Project participants opting out of participating in the DWR Reserve Fund.

Cash Management

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants and any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

CCWA Investment Pool

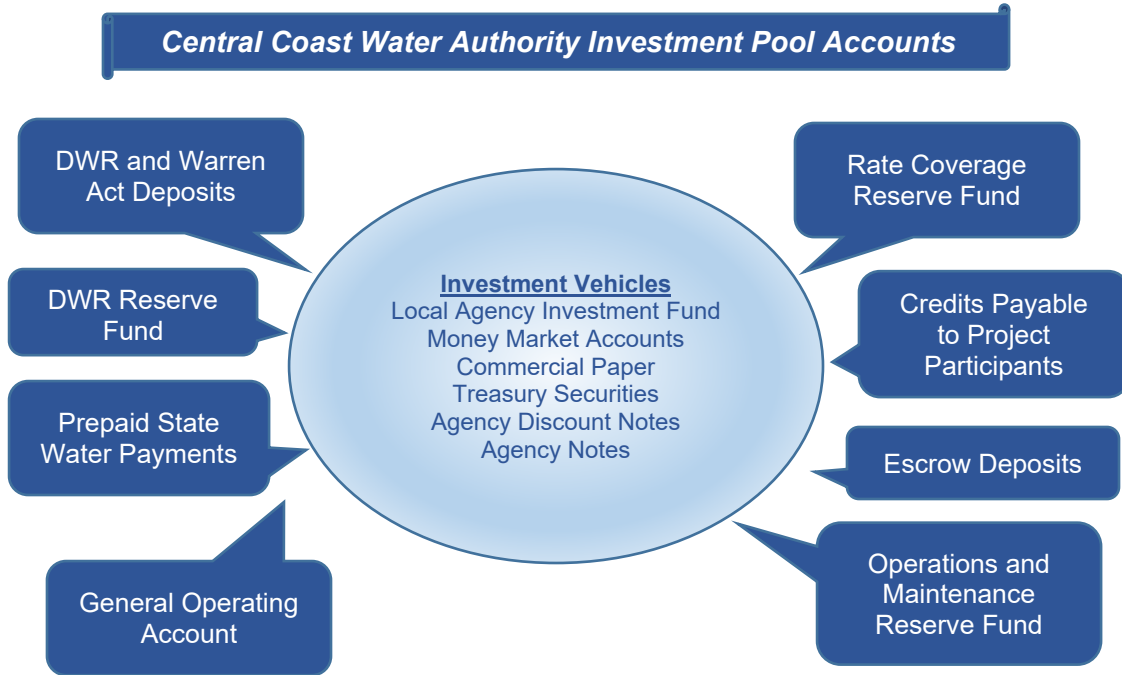
Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2023/24 Budget

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 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.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2023/24 Budget

The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.



Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Department of Water Resources Reserve Fund – a voluntary fund in which certain Project Participants have various credits and earnings held to cover DWR Statement of Charges volatility [described in this section of the budget].

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2023/24 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.
- 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.