

FY 2001/02
CONTINUING
DISCLOSURE ANNUAL
REPORT

\$198,015,000
REFUNDING REVENUE BONDS
(STATE WATER PROJECT REGIONAL
FACILITIES)
SERIES 1996A AND SERIES 1996B



March 14, 2003

Ms. Priscilla Dedoro
Bank of New York Western Trust Company
550 Kearny Street, Suite 600
San Francisco, CA 94108

RE: Central Coast Water Authority Fiscal Year 2001/02 Annual Report on
Continuing Disclosure for the \$198,015,000 Refunding Revenue Bonds
(State Water Project Regional Facilities), Series 1996A and Series 1996B

Robert W. Puddicombe
Chairman

Neil Jones
Vice Chairman

Dan Masnada
Executive Director

Hatch & Parent
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

Dear Priscilla:

Attached is the Fiscal Year 2001/02 Annual Report pursuant to the Continuing Disclosure Agreement between the Central Coast Water Authority and Bank of New York Western Trust Company (as successor Trustee).

Fiscal Year 2001/02 State Water Deliveries

A table showing deliveries during Fiscal Year 2001/02 to Santa Barbara and San Luis Obispo County State water contractors is attached.

Rate Coverage Reserve Fund

On December 18, 1997, the Authority Board of Directors established the Rate Coverage Reserve Fund. This fund provides a mechanism to allow 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 (refer to the attached Rate Coverage Reserve Fund Policy for additional information).

Under the provisions of the Rate Coverage Reserve Fund policy, Authority Contractors may deposit up to 25% of their estimated annual contract payments in cash with the Authority. The deposit amount on the first day of the fiscal year is then added to the net revenues for each participating Contractor when calculating Net Revenues for the year. The Rate Coverage Reserve Fund policy was approved by AMBAC, the Authority's bond insurer.

The following agencies elected to participate in the CCWA Rate Coverage Reserve Fund during Fiscal Year 2001/02 and have deposited the following amounts:

Project Participant	FY 2001/02 Rate Coverage Fund Deposit
City of Buellton	\$ 227,940
Carpinteria Valley Water District	750,000
City of Guadalupe	154,212
La Cumbre Mutual Water Company	343,866
Montecito Water District	956,320
City of Santa Maria	3,656,826
Santa Ynez, RWCD, I.D. #1 (City of Solvang)	511,478
Santa Ynez, RWCD, I.D. #1	368,717
County of San Luis Obispo (Shandon)	13,889
Avila Beach Community Services District	26,405
Oceano Community Services District	96,642
TOTAL:	\$ 7,106,295

Continuing Disclosure Annual Report

Consistent with Section 4 of the Continuing Disclosure Report, the Fiscal Year 2000/01 Annual Report includes the charts described under the captions, "Historic Water Connections and Sales Revenues," "Historic Water Deliveries," "Largest Customers," "Water System Rates and Charges," "Historic Operating Results" and "Debt Service Coverage" for each of the following Contractors:

- City of Santa Maria
- City of Santa Barbara
- City of Guadalupe
- City of Buellton
- Goleta Water District
- Montecito Water District
- Carpinteria Valley Water District
- La Cumbre Mutual Water Company
- Santa Ynez River Water Conservation District, Improvement District No. 1
(including the City of Solvang as an attachment)
- San Luis Obispo County Service Area No. 16, Improvement District No. 1
- City of Pismo Beach
- City of Morro Bay
- Avila Beach Community Services District
- Oceano Community Services District

Section 4 of the Continuing Disclosure Agreement requires that the Authority submit a copy of its audited financial statements. Five copies of the Authority's FY 2001/02 Comprehensive Annual Financial Report are enclosed.

Avila Community Services District

From the information presented to the Authority, the Avila Community Services District did not meet its coverage obligation for Fiscal Year 2001/02. The District's management personnel have indicated the District continues to explore various options to increase the District's water system revenues consistent with the plan outlined in the letter from the District included in the FY 2000/01 Continuing Disclosure Annual Report.

Oceano Community Services District

From the information presented to the Authority, the Oceano Community Services District did not meet its coverage obligation for Fiscal Year 2001/02. However, for FY 2002/03, the District increased its deposit in the CCWA rate coverage reserve fund to equal 25% of the District's estimated State Water payments for that year.

Project Participant Audited Financial Statements

The City of Guadalupe and the City of Santa Barbara have not yet submitted their FY 2001/02 audited financial statements to CCWA. As such, I was not able to confirm the coverage calculation amounts presented in this report to the audited financial statements for each city.

As you requested, copies of the audited financial statements for each of the Contractors will be sent to you at a later time.

If you have any questions, please call me at (805) 688-2292 extension 214.

Sincerely,



Ray A. Stokes
Deputy Director

RAS

Attachments

cc: Doug Brown, Stradling, Yocca, Carlson & Rauth
Dave Houston, Smith Barney

Central Coast Water Authority
Fiscal Year 2001/02 State Water Deliveries
Fiscal Year 2001/02 Continuing Disclosure Annual Report

Project Participant	Acre-Feet		
	Table A	Exchange	Net Deliveries
Lopez Turnout (SLO County)	1,951		1,951
Chorro Valley Turnout (SLO County)	2,421		2,421
City of Guadalupe	340		340
City of Santa Maria	11,454		11,454
Southern California Water Co.	217		217
Vandenberg Air Force Base	3,936		3,936
City of Buellton	503		503
Santa Ynez ID#1 (Solvang only)	-		-
Santa Ynez ID#1 (excluding Solvang)	343	2,447	2,790
Goleta Water District	3,233	(1,606)	1,627
Morehart Land Company	20		20
LaCumbre Mutual Water Co.	678		678
Raytheon Systems Co.	42		42
City of Santa Barbara	539	(157)	382
Montecito Water District	694	(342)	352
Carpinteria Valley Water District	342	(342)	-
TOTAL:	26,713	-	26,713

Central Coast Water Authority
Rate Coverage Reserve Fund Policy

Adopted: December 18, 1997

Rate Coverage Reserve Fund

During its December 18, 1997 regular meeting, the Board of Directors also adopted the "Rate Coverage Reserve Fund" policy as follows:

- Purpose:** The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).
- Contributions:** Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor which has elected to participate in the Rate Fund shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor's Contract Payments with respect to that year. A participating Contractor's initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund's creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty (60) days of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor's obligations until the subsequent July 1. For example: to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund's creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.
- Withdrawal:** A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority
Rate Coverage Reserve Fund Policy

Administration: Investments of deposits in the Rate Coverage Reserve Fund will be in Permitted Investments described in clause (A) of the definition thereof contained in the Indenture of Trust, dated as of November 1, 1996, with maturities of one year or less or in the Local Agency Investment Fund or in other investments approved in writing by AMBAC. Rate Fund investment earnings shall be credited to the Contractors account within the Fund except to the extent the Contractor directs the Authority to credit said earnings to the Contractor's payments obligations or as otherwise directed by the Contractor. Deposits and related earnings on deposits for each project participant will be accounted for on an individual project participant basis even if commingled for investment purposes. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the Rate Fund.

Use of Funds: Monies in the Rate Fund shall not be expended for any purpose, except upon approval of the Board of Directors (i) for emergency expenses, and (ii) to the extent necessary to supplement funds available from the O&M Reserve Fund provided that the Contractor submits written documentation to the Authority that it is in compliance with its WSA rate coverage obligations without considering the proposed expenditure from the fund.

FY 2001/02 CONTINUING DISCLOSURE

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SANTA BARBARA COUNTY

CITY OF BUELLTON

The information set forth below has been provided by the City of Buellton (the "City"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active domestic water connections to the City's water system for the five most recent fiscal years, together with the amount of its annual domestic water sales revenues. While the number of connections in 2002 increased by 5.0% over the number of connections during 2001, sales revenues for the year ended June 30, 2002 increased by only 0.9%. This was due to new home construction during the year, with many of the homes still not completed at June 30, 2002.

Historic Water Connections and Sales and Service Revenues

Fiscal Year Ending June 30	Connections	Water Sales Revenues
1998	1,043	\$ 964,878
1999	1,051	1,040,487
2000	1,082	1,111,867
2001	1,251	1,134,691
2002	1,314	1,144,605

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries and the source of that water in acre-feet per year.

*Historic Water Deliveries and Source of Water Delivered
(In acre-feet per year)*

Fiscal Year Ending June 30	Santa Ynez River Appropriation	Groundwater Basin	State Water	Total
1998	187	141	493	821
1999	157	125	578	860
2000	173	180	587	940
2001	240	281	463	984
2002	268	299	501	1,068

Total water deliveries for fiscal year 2002 were slightly greater than in 2001.

WATER SYSTEM RATES AND CHARGES

General. The City is not subject to the jurisdiction of, or regulation by, the State of California Public Utilities Commission. It is the City's policy to annually determine the adequacy of the water system rate structure after full consideration of expected operations, maintenance and capital costs. The City currently sets water charges to pay the cost of groundwater pumping, water treatment and current operation expenses for the water system, debt service with respect to its bonds, and coverage of its obligations under the Water Supply Agreement. Capital improvements and debt service payments are funded from water connection and user fees.

Water Service Charges. The City separates its customers into two classes of service – Municipal/Industrial and Golf Course Irrigation. Charges are associated with the water meter size (an additional dwelling unit fee of \$7.00 per dwelling unit) and quantity of water used. The City increased its water rates approximately 40% effective on July 25, 1995 and further increased the rates on July 26, 1996 by 15% on consumption price plus \$7.00 per additional dwelling unit. As a result, the Water Quantity Charge for municipal and industrial customers is now \$1.97 per 100 cubic feet. Golf Course Irrigation is based on a \$2500/month charge. The Water Meter Charges are set forth below:

Meter Size	Monthly Service Charge ¹
Up to ¾"	\$ 18.20
1"	20.65
1 ½"	25.48
2"	35.21
3"	54.60
4"	72.80
6"	103.11
8"	139.51

Collection Procedures. The City is on a monthly billing cycle, sending out bills for the prior month service. Payment is due upon receipt and is considered delinquent if not paid by the 20th day of the following month. If payment is not received, a delinquency notice appears on the next water bill. Currently 12% of the accounts, which account for approximately 9% of the Water System Revenues, are delinquent. The City reports, however, that upon receipt of such delinquent notices almost all of its customers pay delinquent amounts within two weeks. Water service for all accounts not paid in full within 55 days of the original billing date are discontinued by the City until full payment is made, including late penalties and a \$20.00 re-connection fee, if reinstated during business hours and \$53.00 after hours.

Connection Fees. The City charges connection fees for improvement or expansion of water treatment and distribution facilities to meet the requirements of community growth. The current connection fee for single-family residences is \$3,640. The current connection fee for commercial and all other uses and meter sizes will be based on \$5,200 per acre-foot per year of anticipated water use.

¹ Plus \$7.00 for each additional dwelling unit that is served by one meter.

The following table sets forth the ten largest customers of the City's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

LARGEST CUSTOMERS

Customer	Water Usage	Annual Payments
Ranch Club Mobile Estates	24,091	\$ 99,498
Rancho Santa Barbara Marriott	12,919	50,072
Rivergrove Mobile Home Park	10,323	39,348
Flying Flags RV Park	19,545	38,457
Zaca Creek Golf Course	310	31,480
Andersen's Restaurant	6,631	30,438
Days Inn	6,266	24,342
Andersen's Inn	5,530	20,016
Buellton Union School District	5,089	14,348
Motel 6	3,747	13,444
TOTAL	94,451	\$361,443

These ten customers accounted for approximately 32% of the City's water service revenues for fiscal year 2001/02.

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2001/02. These results have been derived from the City's audited financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF BUELLTON

<u>REVENUES</u>	<u>June 30, 2002</u>
Water Sales	\$ 1,144,605
Connection Fees	418,771
Other Fees & Income	30,260
Interest Income	54,858
TOTAL REVENUES:	<u>1,648,494</u>
<u>OPERATING EXPENSES</u>	
Operations & Maintenance Expenses	338,855
FmHA Debt Service ⁽¹⁾	48,000
TOTAL OPERATING EXPENSES:	<u>386,855</u>
NET REVENUES	1,261,639
Rate Coverage Reserve Fund Deposit	227,940
Adjusted Net Revenues	<u>1,489,579</u>
State Water Payments	<u>792,378</u>
Total Contract Payments	<u>792,378</u>
Coverage Ratio:	1.88
Available for Capital improvements and other purposes	\$ 469,261

(1) Debt service on a \$818,500 Farmers Home Administration Loan which obligation to pay is senior to the obligation to pay the Bonds.

Source: City of Buellton

Source: City of Buellton

CARPINTERIA VALLEY WATER DISTRICT

The information set forth below has been provided by the Carpinteria Valley Water District (the "District"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the District's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues (inclusive of monthly service charges):

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Ag.	%	Dom.	%	Ag.	%
	1998	3,659	90	424	10	\$3,358,739	67	\$1,664,270
1999	3,691	90	421	10	3,670,780	67	1,768,798	33
2000	3,714	90	423	10	3,545,276	65	1,897,541	35
2001	3,722	90	424	10	3,728,670	69	1,700,016	31
2002	3,729	90	426	10	4,079,548	69	1,808,704	31

All sales revenue numbers presented in the above table include monthly service charges as well as the unit cost of water. The December 1996 projections in the Official Statement did not include monthly service charges. Monthly service charges were doubled in FY 1996/97. They were raised 17.5% in FY 1997/98, while the unit cost of water remained unchanged. Monthly service charges and the unit cost of water remained unchanged in FY 1998/99, and in FY 1999/00. Monthly service charges for all water accounts were increased by \$1.16 in FY 2000/01, including a variation that all residential water accounts were increased an additional \$1.16 for each dwelling unit. The unit cost of water was also increased in FY 2000/01 by 1% for all categories of water users. In FY 2001/02 the monthly service charges for all water accounts were increased by 3%. The unit costs of water was increased in FY 2002/03 by 1%, for all categories of water users. The State Water Project monthly service charge saw an increase of 6.5% and the CIP monthly service charge was increased by \$1.50.

Following is a breakdown of sales revenues showing water revenues and monthly service charges, including fire protection and service revenue:

Fiscal Year Ending June 30	Water Revenue	Monthly Service Charge	Total
2001	\$3,083,936	\$2,244,750	\$5,428,686
2002	\$3,233,102	\$2,655,151	\$5,888,253

In FY 1997/98 total actual water revenues were approximately 8% lower than the previous year, due in large measure to reduced demand as a result of increased rainfall attributed to the El Nino weather pattern. The approximately 8% increase in water revenues for FY 1998/99, not including monthly service charges, reflects a more average demand than experienced in the FY 1997/98 El Nino year. The approximately 5% increase in water revenues for FY 1999/00 reflects a similar increase in actual acre feet of water sold, due in part to growth, but also dry weather. The nearly \$194,000 drop in water revenues for FY 2000/01 reflects the colder year reduction in irrigation sales, offset somewhat by the increased water rates. The approximate

\$450,000 increase in water revenue in FY 2001/02 is the result of a combination of rate increases for all customers and increased sales of water for irrigation purposes.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries and the source of that water in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries and Source of Water Delivered
(In acre - feet per year)¹
Deliveries*

Fiscal Year Ending June 30	Residential ²	Commercial	Public Authority	Industrial	Irrigation	Total
1998	1,601	357	127	123	1,830	4,038
1999	1,701	380	139	138	2,006	4,364
2000	1,741	386	132	131	2,230	4,620
2001	1,663	376	112	120	1,864	4,135
2002	1,688	398	129	128	1,995	4,338

Sources

Fiscal Year Ending June 30	Groundwater	Cachuma Project	Total
1998	795	3,291	4,107
1999	586	3,794	4,358
2000	1,131	3,529	4,660
2001	538	3,600	4,138
2002	298	3,950	4,248

MANAGEMENT DISCUSSION OF HISTORIC WATER CONNECTIONS, SALES REVENUES AND DELIVERIES

In FY 1997/98 total demand fell by over 400 acre-feet compared to the previous year as a result of the lengthy rainy season attributed to the El Nino weather pattern. Total demand for water in FY 1998/99 returned to a more normal level, but was slightly impacted by the La Nina pattern of lower than normal temperatures for the year. Total demand for water in FY 1999/00 increased due to a drier rainy season, and reflects a small amount of growth. In FY 00/01 total demand for water nearly dropped to the level of FY 97/98 due to a cooler weather pattern throughout the year, and a large reduction in water used for irrigation purposes. In FY 01/02 total demand for water returned to a more normal level as did in FY 98/99. Water demand was slightly impacted by the lower than normal temperatures.

¹ Unaccounted water due to general system loss, including leakage, line flushing and fire hydrant testing, averages 3% and is apportioned to all account types.

² Beginning in fiscal year 1996/97, the District reclassified certain multi-unit residential uses from commercial to residential.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2002, as determined by the amount of their respective annual payments:

Customer	Water Usage ³	Annual Payments
Casitas Village HOA	30,701	\$111,058
Villa Del Mar HOA	31,662	104,520
Carpinteria School District	26,473	90,513
B&H Flowers	57,192	87,372
Cate School	30,660	81,742
Ocean Breeze	37,906	62,936
Sandpiper Village	26,628	61,724
Norman Francis	34,965	54,853
H&M Roses	35,638	51,499
Westerlay Roses	<u>30,416</u>	<u>47,066</u>
	\$342,286	\$753,284

These ten customers accounted for approximately 12.8% of water service revenues for the year ended June 30, 2002.

WATER SYSTEM RATES AND CHARGES

General. The District is not subject to the jurisdiction of, or regulation by, the California Public Utilities Commission. The District annually determines the adequacy of the water system rate structure after full consideration of expected operations, maintenance and capital costs. The District currently sets water charges to pay water costs for purchased water, costs of groundwater pumping and current operating expenses for the water system. Capital improvements and debt service payments are funded from water charges and connection fees.

Water Service Charges. The District has separated its customer base into two classes of service – domestic and agricultural. Domestic service is further separated into two types: 1) residential and 2) commercial, industrial and public authority. On June 18, 1995, the Board established the following rates: \$1.91 per HCF for domestic-residential; \$2.16 per HCF for domestic-commercial, industrial and public authority; \$1.34 per HCF for agricultural. The water usage rates remained unchanged in 1996; but, as described below, monthly service charges were doubled to increase revenue necessary to offset State Water Project costs.

Water usage rates and monthly service charges were raised steadily between FY 1991/92 and FY 1998/99 primarily to address State Water Project and Cachuma Project renewal costs. The first rate increase was adopted by the Board of Directors on June 24, 1992, effective as of June 28, 1992. A subsequent rate increase was adopted June 16, 1993 and became effective June 28, 1993. A third rate increase was adopted by the Board of Directors on July 6, 1994 and became effective June 29, 1994. A fourth rate increase was adopted by the Board of Directors on June 14, 1995 and became effective June 29, 1995. The June 29, 1995 increase included new costs related to the Cachuma Project contract renewal and higher interim rates, as well as other costs related to the Cater Treatment Plant. The June 29, 1996 rate increase doubled the monthly service charge. It was followed by the most recent increase of 17.5% to the monthly service charge on June 29, 1997. The District did not raise its water consumption rates or monthly service charges in either FY 1998/99 or FY 1999/00. In FY 2000/01 the District raised its water consumption rates 1% for all categories of customers to adjust for inflation and also increased monthly service charges on all water accounts by \$1.16, with the variation that all residential accounts were increased by \$1.16 for each dwelling unit. The monthly service charge

³ Units of Hundred Cubic Feet

increase was the first of four projected to raise revenue to pay debt service on about \$9 million of Certificates of Participation (COPs) issued in May of 2001 to fund major capital improvements including covers for the Ortega and Carpinteria reservoirs and related other projects necessary for the covering projects.

A second monthly service charge increase of \$3.00 relative to the COP's occurred in FY 2001/02. In FY 02/03 the District's Capital Improvement Program (CIP) component of the Monthly Service Charge was increased by \$1.50 to \$5.66. The current domestic residential rate is \$1.95 per HCF, the current domestic – commercial, industrial and public authority rate is \$2.20 per HCF, and the current agricultural rate is \$1.37 per HCF.

A schedule of the District's current monthly service charges effective since July 1, 2002 is shown below:

Meter Size	Monthly Service Charge
5/8"	\$ 23.86
3/4"	32.80
1"	50.99
1 1/2"	96.34
2"	150.61
3"	295.83
4"	458.98
6"	912.29
8"	2,090.89

Connection Fees. For every new meter installation, the District charges the installation cost of the new service and meter plus a "Capital Cost Recovery Fee". The base charge component of Capital Cost Recovery Fees ranges from \$1,307 to \$150,303 depending on the size of the meter. In addition to the base charge, there is a "fully loaded equivalent State Water Project monthly service charge" component. This second component is an amount added to the base charge, equivalent to State Water Project monthly service charges that would have been paid beginning July 1, 1996. The Board of Directors adopted the Capital Cost Recovery Fees on July 16, 1997. A third component was added in September of 2000 to capture the monthly service charge increases necessary to fund the debt service for the \$9 million COPs issued in May of 2000, to pay for the District's Capital Improvement Program. A schedule of the District's current Capital Cost Recovery Fees, effective July 1, 2002, is shown below:

Meter Size	Capital Cost Recovery Fees
5/8"	\$3,015.52
3/4"	4,265.62
1"	7,076.42
1 1/2"	14,090.82
2"	22,494.02
3"	44,943.92

The District requires the Capital Cost Recovery Fee to be paid prior to accepting the installation fee deposit.

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2001/02. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

CARPINTERIA VALLEY WATER DISTRICT

REVENUES	June 30, 2002
Muni. & Ind. Water Sales	\$ 2,045,687
Agricultural Water Sales	1,187,415
Water Service Charge	2,462,772
Fire Protect & Service Revenue	192,511
Capital Cost Rec Fee	45,622
Interest Revenue	519,269
Other Income	22,922
Overhead charges	35,345
TOTAL REVENUES:	6,511,543
OPERATING EXPENSES	
Cost of Purchased Water	386,805
Pumping Expense	109,544
Treatment expense	682,232
Trans & Dist Exp	463,621
Customer Accounts	81,685
General & Admin. ⁽¹⁾	1,219,417
Cachuma Operating Expense	133,090
TOTAL OPERATING EXPENSES:	3,076,394
NET REVENUES	
Rate Coverage Reserve Fund Deposit	750,000
Adjusted Net Revenues	\$ 4,185,149
State Water Payments	2,329,012
Total Contract Payments	2,329,012
Coverage:	1.80
Additional Debt Service ⁽²⁾	\$ 748,784
Available for Capital improvements and other purposes	\$ 357,353

¹ Exclusive of depreciation.

² Debt service on \$1.95 million of Water Revenue Bonds (Cater Treatment Plant) due 2003 (subsequently paid in full).

Source: Carpinteria Valley Water District

GOLETA WATER DISTRICT

The information set forth below has been provided by the Goleta Water District (the "District"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the District's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Ag.	%	Dom.	%	Ag.	%
1998	14,376	98.59	206	1.41	11,669,400	89.70	1,340,636	10.30
1999	14,620	98.60	207	1.40	12,491,604	88.81	1,574,080	11.19
2000	14,839	98.04	297	1.96	13,156,760	88.18	1,763,055	11.82
2001	15,357	98.31	264	1.69	12,632,412	88.73	1,603,962	11.27
2002	15,430	98.17	287	1.83	13,245,252	87.29	1,927,993	12.71

The number of connections to the district's water system continues to increase steadily. Since 1998, the number of connections added to the system has increased at an average annual rate of 1.9%. Water service revenues have also continued to increase. Steadily increasing demand as well as increases in water service rates has caused revenues to grow at an average annual rate of 4% since 1998.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Historic Water Deliveries (In Acre-Feet per Year)

Fiscal Year Ending June 30	Agricultural Deliveries	Urban Deliveries	Total
1998	2,185	10,762	12,947
1999	2,471	10,169	12,641
2000	3,017	9,647	12,665
2001	3,448	9,279	12,727
2002	3,809	9,414	13,223

Changing weather conditions have a direct impact on total demand for water service, thus the amount of water delivered varies from year to year. However, as a result of a steady increase in the number of customers served, overall annual water deliveries have increased at an average annual rate of 0.5% since 1998.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
UCSB	773	\$940,883
Santa Barbara Municipal Airport	109	139,172
Bacara Resort Services, Inc.	148	207,011
George Cavelleto	428	185,802
Towbes Group	90	134,442
Goleta Union School District	91	116,338
Marvin Trevillian	59	84,468
Encina Royale, Inc.	57	83,811
Por La Mar Nursery	167	70,123
Raytheon (SB Research Center)	<u>73</u>	<u>56,336</u>
TOTAL	1,995	\$2,018,386

These ten customers accounted for approximately 12.3% of water service revenues for the year ended June 30, 2002.

WATER SYSTEM RATES AND CHARGES

The District's current rates and charges are as follows:

Agriculture	\$0.95/HCF
Urban	\$3.29/HCF
Recreation	\$2.38/HCF
Reclaimed	\$2.01/HCF

Meter Size	Monthly Charge
3/4"	\$ 6.20
1"	8.40
1 1/2"	13.76
2"	19.55
3"	32.66
4"	49.67
6"	90.62
8"	133.46
10"	176.30

The meter charges listed above were increased to these amounts in November 2001.

¹ Acre-Fect

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2001/02. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

GOLETA WATER DISTRICT

<u>REVENUES</u> ⁽¹⁾	<u>June 30, 2002</u>
Water Sales	\$ 15,111,870
Meter charges	1,384,929
Other Fees & Income	1,754,962
Interest Income	876,163
TOTAL REVENUES:	19,127,924
<u>OPERATING EXPENSES</u>	
Source of Supply	1,918,941
Well Expenses	77,694
Water Treatment	1,425,425
Transmission & Distribution	2,039,971
Recycled Water O&M	377,841
Customer Billings	620,233
Water Conservation Programs	129,031
General and Administrative	2,486,887
TOTAL OPERATING EXPENSES:	9,076,023
NET REVENUES	10,051,901
State Water Payments	6,363,680
Total Contract Payments	6,363,680
Coverage Ratio:	1.58
Other Debt Service ⁽²⁾	1,878,857
Available for Capital improvements and other purposes	\$ 1,809,364

Source: Goleta Water District

¹Exclusive of property taxes

²1993 COPS \$1,287,860; State Revolving Fund Loan \$519,489; and USBR loan (ID #1) \$71,508

CITY OF GUADALUPE

The information set forth below has been provided by the City of Guadalupe (the "City"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below. All numbers presented for the Fiscal Year ending June 30, 2002 are unaudited.

HISTORIC WATER CONNECTIONS AND SALES

The following table shows the number of active water connections to the City's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections	Sales Revenues
1998	1,577	\$809,553
1999	1,579	846,539
2000	1,592	957,764
2001	1,638	902,446
2002	1,714	889,048

The actual connections for FY 2001/02 have increased by a total of 76 new connections from the previous year due to new construction. The Riverview project continues to build new homes and apartments. The estimated number of services that will be added for FY 2002/03 will be approximately another 90 services or more. The actual sales revenues for FY 2001/02 increased less than one percent (1%), above the prior year because of an increase in commercial water usage and new connections. The city continues to anticipate the additional sales revenue which will result in actual revenue in the FY 2002/03 and ongoing as the developments progress into the future.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

Fiscal Year Ending June 30	Deliveries ¹
1998	652
1999	714
2000	711
2001	735
2002	741

¹Groundwater and State Water

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Customer	Water Usage ²	Annual Payments
Apio Cooler	36,141	\$117,458
Guadalupe Union School District	4,975	16,168
Waller Genetics	3,282	10,666
Lupe Alvarez	2,508	8,151
Guadalupe Cemetery	1,932	7,631
P&M Properties	1,771	5,755
Simplot Soilbuilders	1,645	4,732
Far Western Tavern	1,584	4,589
Playa, Inc.	1,033	4,218
McKenzie Junior High	<u>419</u>	<u>1,361</u>
TOTAL	55,290	\$180,729

These ten customers accounted for approximately 20% of water service revenues for the year ended June 30, 2002.

WATER SYSTEM RATES AND CHARGES

Consumption Charges. All classes of water users are charged the same rate. Specifically, all users pay \$19.45 monthly for the first six (6) units [one (1) unit = 100 cubic feet] as a minimum charge. For each unit above the base six (6) units the charge is \$3.25 per unit.

Connection Charges. The City charges connection fees for improvement or expansion of water treatment and distribution facilities as follows:

<u>Meter Size</u>	<u>Connection Charge</u>
¾"	\$1,549.77
1"	1,743.39
1 ½"	2,324.52
2"	4,649.33
3"	6,199.10
4"	8,653.96
6"	15,110.52

Immediate Availability Charges. On July 26, 1993, the City initiated a standby/availability charge on vacant parcels in the City. The charge was set at \$5.00 per month per parcel less than one (1) acre, and \$10.00 per month per acre for parcels larger than one (1) acre. The standby charge is added to the tax bill for each vacant parcel and is collected by the Santa Barbara County Tax Collector.

²HUNDRED CUBIC FEET

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2001/02. These results have been estimated by the City, but exclude certain non-cash items and include certain other adjustments. This table has not been audited by the City's auditor.

CITY OF GUADALUPE

<u>REVENUES</u>	<u>June 30, 2002</u>
M&I Sales	\$ 889,048
Connection Fees	316,562
Interest Income	16,179
Other Revenues ⁽¹⁾	35,227
TOTAL REVENUES:	<u>1,257,016</u>
<u>OPERATING EXPENSES</u>	
Salaries & Benefits	95,166
Operations & Maintenance ⁽²⁾	270,088
TOTAL OPERATING EXPENSES:	<u>365,254</u>
NET REVENUES	891,762
Rate Coverage Reserve Fund Deposit	154,212
Adjusted Net Revenues	<u>1,045,974</u>
State Water Payments	<u>549,327</u>
Total Contract Payments	<u>549,327</u>
Coverage Ratio:	1.90
Available for Capital improvements and other purposes	\$ 342,435

¹ Includes stand-by/availability charges.

² Exclusive of depreciation.

³ State water payments represent payments made for FY 2001/02.

Source: City of Guadalupe

LA CUMBRE MUTUAL WATER COMPANY

The information set forth below has been provided by the La Cumbre Mutual Water Company (the "Company"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the Company's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues (exclusive of monthly service charges).

Historic Water Connections and Sales Revenues

Fiscal Year Ending <u>December 31</u>	Connections					Sales Revenues				
	<u>Dom.</u>	<u>%</u>	<u>Ag.</u>	<u>%</u>	<u>Total</u>	<u>Dom.</u>	<u>%</u>	<u>Ag.</u>	<u>%</u>	<u>Total</u>
1997	1,398	98	27	2	1,425	\$1,883,002	95	97,611	5	\$1,980,613
1998	1,383	98	32	2	1,415	1,304,971	95	65,891	5	1,370,862
1999	1,389	98	32	2	1,421	1,552,380	95	84,978	5	1,637,358
2000	1,392	98	32	2	1,424	1,565,313	95	87,322	5	1,652,635
2001	1,400	98	29	2	1,429	1,395,710	96	56,753	4	1,452,463

Total water sales revenues for FY 2001 are lower than FY 2000 due to wet weather, lower water annual sales, 1,399 AF and 1,546 AF respectively. The water rate had been the same since October 1997. The rate was increased 8.33% January 2002.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Historic Water Deliveries (In Acre-Feet per Year)

Fiscal Year Ending <u>Dec. 31</u>	<u>Domestic Deliveries</u>	<u>Agricultural Deliveries</u>	<u>Total</u>
1997	1,512	121	1,633
1998	1,258	79	1,337
1999	1,438	103	1,541
2000	1,443	103	1,546
2001	1,327	72	1,399

As noted above water sales were lower in 2001 due to wet weather.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the Company's water system as of December 31, 2002, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage (HCF)</u>	<u>Annual Payment</u>
La Cumbre Golf & Country Club	25,350	\$66,803
Gael Trust	13,027	39,619
Timothy Pasquinelli	9,521	33,192
Elk Trust	9,898	28,330
Carriage Hill Association	4,252	19,209
Stephen Redding	5,862	16,583
Mariposa Land Development Co.	4,036	16,506
Laguna Blanca School	2,705	12,305
William Foley	3,828	10,650
Godwin Pelissero	<u>2,924</u>	<u>9,188</u>
TOTAL	81,403	\$252,385

These ten customers account for approximately 17% of all water service revenues in fiscal year 2000.

WATER SYSTEM RATES AND CHARGES

The District's current rates and charges are as follows:

	CURRENT (effective Oct. 6, 1997)
Residential and Commercial	\$2.40/HCF
Schools and Golf Courses	\$2.15/HCF
Agricultural	\$2.40 for first 90 HCF per bi-monthly billing and \$1.65 for excess

	CURRENT (effective Oct. 6, 1997)
<u>Item</u>	<u>Bi-Monthly Charge</u>
"A" less than 50 HCF/Year *	\$ 8.33
"B" less than 100 HCF/Year *	\$ 16.67
3/4" meter	\$ 25.00
1" meter	\$ 41.67
1 1/2" meter	\$ 83.33
2" meter	\$133.33
3" meter	\$250.00
4" meter	\$416.67
Fire Sprinkler System	\$ 17.50
Private Fire Hydrant	\$ 17.50

* This special bi-monthly charge is for 3/4" services that used less than the noted HCF for the previous year beginning on the last working day in December.

<u>Item</u>	<u>CURRENT (effective September 18, 2001)</u> <u>Connection Charge</u>
3/4" meter	\$ 5,544 + material and labor
1" meter	\$ 9,240 + material and labor
1 1/2" meter	\$18,480 + material and labor
2" meter	\$29,040 + material and labor
3" meter	\$55,440 + material and labor
4" meter	\$92,400 + material and labor
Fire Sprinkler System	\$ 1,320 + material & labor
Private Fire Hydrant	\$ 1,320 + material & labor

	<u>CURRENT (effective Nov. 15, 1998)</u>
Land Charges	\$20 per acre per bi-monthly period

Water service charges were adjusted in 1997 to produce more fixed income. Bi-monthly meter service charges were increased an average of 300 %. To offset this large increase in fixed fees, the basic water rate was decreased approximately 9%. The increased fixed income will balance the state water fixed expenses.

Service connection charges were also adjusted in 2001 to reflect the capital costs of state water. These were increased an average of 32%.

Land charges were adjusted in 1998 from \$10 to \$20 per acre per bi-monthly billing to produce more fixed income.

FISCAL YEAR 2001 OPERATING RESULTS

The following table is a summary of operating results of the water system of the Company for the Fiscal Year ended December 31, 2001. These results have been derived from the Company's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the Company's auditor.

LA CUMBRE MUTUAL WATER COMPANY

<u>REVENUES</u>	<u>Dec. 31, 2001</u>
Water Sales	\$ 1,461,097
Meter Charges	368,481
Land Charges	247,520
Connection Fees	8,400
Other Income	11,821
Rental income	81,192
Interest Income	97,958
TOTAL REVENUES:	<u>2,276,469</u>
<u>OPERATING EXPENSES</u>	
Water Source	161,334
Water Treatment	5,573
Transmission & Distribution	112,748
Admin. & General	332,628
Conservation	2,412
Taxes	50,477
Miscellaneous	6,245
TOTAL OPERATING EXPENSES:	<u>671,417</u>
NET REVENUES	1,605,052
Rate Coverage Reserve Fund Deposit	343,866
Adjusted Net Revenues	<u>1,948,918</u>
State Water Payments	<u>1,417,985</u>
Total Contract Payments	<u>1,417,985</u>
Coverage Ratio:	1.37
Available for Capital improvements and other purposes	\$ 187,067

Source: La Cumbre Mutual Water Co.

MONTECITO WATER DISTRICT

The information set forth below has been provided by the Montecito Water District (the "District"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the District's water system for the five most recent fiscal years, together with the amount of annual water sales revenues:

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenue			
	Domestic	%	Agricultural	%	Domestic	%	Agricultural	%
1998	4,174	99	64	1	\$4,367,044	94	\$266,237	6
1999	4,219	99	61	1	5,227,456	95	260,470	5
2000	4,275	99	64	1	5,907,658	95	326,511	5
2001	4,354	99	55	1	5,606,333	96	224,911	4
2002	4,398	99	55	1	6,087,213	96	251,523	4

The total actual connections for FY 2001/02 were 4,453. Domestic sales revenues for FY 2001/02 were \$6,087,213. Agricultural sales revenues for FY 2001/02 were \$251,523.

Water service charges and connection fee revenues were \$1,775,684 and \$708,400 respectively. The District's Board of Directors chose to increase fixed income sources to better match fixed expenses, rather than increase the variable income sources.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years:

Historic Water Deliveries and Water Production¹
(In acre-feet per year)

Fiscal Year Ending June 30	Agricultural	Deliveries Domestic	Total
1998	472	3,838	4,310
1999	448	4,365	4,813
2000	551	4,786	5,337
2001	376	4,533	4,909
2002	399	5,136	5,535

Actual water deliveries for FY 2001/02 are 5,535 acre-feet. Table 3 summarizes Water Production by source:

The following table summarizes Water Production by source.

Water Production By Sources¹
(In acre-feet per year)

Fiscal Year Ending June 30	Groundwater	Cachuma Project	Other ² Sources	Total
1998	129	2,313	2,346	4,788
1999	117	2,840	2,273	5,230
2000	90	2,736	2,746	5,572
2001	74	2,829	2,233	5,136
2002	83	2,474	2,932	5,489

¹ Total production exceeds total deliveries due to general system losses and water owed to the City of Santa Barbara; the District is presently rehabilitating its water system through its capital improvement program.

² Other sources include water from Jameson Lake and Fox and Alder Creeks, infiltration water from Doulton Tunnel, and beginning in 1997/98, water from the State Water Project.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system for Fiscal Year 2001/02, as determined by the amount of their respective annual payments:

Largest Customers

Customer	Water Usage ³	Annual Payment
Birnam Wood Golf Club	78,319	\$ 156,938
Valley Club of Montecito	57,649	105,275
Four Seasons Biltmore	41,720	188,607
Westmont College	40,624	118,715
Los Alisos Ranch	35,398	50,600
SB Cemetery	26,468	77,872
Casa Dorinda	20,007	71,649
Jackson Ranch	17,830	35,528
Nesbitt Associates Inc	15,905	27,763
Bill Meeker	<u>13,031</u>	<u>25,414</u>
	346,951	\$ 858,360

These ten customers accounted for approximately 10.4% of water service revenues in Fiscal Year 2002.

WATER SYSTEM RATES AND CHARGES

Water Service Charges. The District has separated its customer base into several classes of service. Rates charged to each class of customers vary. A schedule of the District's water rates and charges as of June 30, 2002 is as follows:

Meter Size	Meter Charge	Meter Size	Meter Charge
5/8" x 3/4"	\$19.72	2"	\$105.17
3/4"	19.72	3"	236.64
1"	32.87	4"	394.40
1-1/2"	59.16	6"	657.33

Quantity Water Rates in Addition to Monthly Service Charge

Commercial.....	\$ 4.25 per hcf ¹¹
Domestic.....	2.98 per hcf
Schools.....	2.77 per hcf
Recreational ¹²	1.69 per hcf
Agricultural ¹²	1.35 per hcf
East Valley Non-Potable.....	1.35 per hcf

³ Hundred cubic feet (hcf)

⁴ Recreational and Agricultural users with dwelling units on the property are charged 12 hcf per month at the domestic rate for each dwelling unit.

Connection Fees. The District charges connection fees to cover the costs of installing meters. (Please note that the District no longer installs 5/8"x 3/4" meters.) In addition, a Capital Cost Recovery Fee is charged as a buy-in fee for new customers to buy into the District's capital facilities. The breakdown of Connection and Capital Cost Recovery Fees as of June 30, 2002 is as follows:

Meter Size	Connection Fee	Capital Cost Recovery Fee
3/4"	\$ 1,125.00	\$ 6,185.00
1"	1,180.00	10,308.00
1-1/2"	1,740.00	18,554.00
2"	2,190.00	32,984.00

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2001/02. These results have been derived from the District's financial statements and exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditors:

MONTECITO WATER DISTRICT

<u>REVENUES</u> ⁽¹⁾	<u>June 30, 2002</u>
Water Sales	\$ 6,368,847
Water Service Charges	1,775,684
Connection/Capital Cost Recovery Fees	708,441
Water availability charge	310,140
Interest Income	201,234
Other Income	176,382
TOTAL REVENUES:	<u>9,540,728</u>
<u>OPERATING EXPENSES</u>	
Water Purchased	582,497
Pumping	242,375
Water Treatment	741,437
General & Administrative	1,353,321
Operations & Maintenance	833,066
TOTAL OPERATING EXPENSES:	<u>3,752,696</u>
NET REVENUES	5,788,032
Rate Coverage Reserve Fund Deposit	956,320
Adjusted Net Revenues	<u>6,744,352</u>
State Water Payments	3,433,729
Total Contract Payments	<u>3,433,729</u>
Coverage Ratio:	1.96
Other Debt Service ⁽²⁾	1,368,602
Available for Capital improvements and other purposes	\$ 985,701

(1) Excludes taxes and assessments.

(2) Inclusive of the Cachuma Project Authority Bonds, the 1993 Department of Water Resources Loan and the 1998A Montecito Water District Revenue Certificates of Participation.

Source: Montecito Water District

CITY OF SANTA BARBARA

The information set forth below has been provided by the City of Santa Barbara (the "City"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the City's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Historic Water Connections and Sales Revenues

Fiscal Year Ending <u>30-Jun</u>	Connections		Sales Revenues	
	<u>Dom.</u>	<u>%</u>	<u>Dom.</u>	<u>%</u>
1998	25,076	100	\$18,220,227	100
1999	25,169	100	19,742,981	100
2000	25,233	100	21,196,803	100
2001	25,267	100	21,298,011	100
2002	25,388	100	21,121,848	100

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

<u>Fiscal Year Ending June 30</u>	<u>Urban Deliveries</u>
1998	13,124
1999	13,961
2000	14,881
2001	14,618
2002	14,575

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
City of Santa Barbara	84,828	\$124,366
Fess Parker's Double Tree Inn	27,086	104,574
Montecito Country Club	60,883	88,740
St. Francis Hospital	19,309	72,238
S. B. Cottage Hospital	13,967	57,790
S. B. Zoological Foundation	10,432	44,486
La Colina Jr. High School	10,121	41,948
Heide Probstel Trust	10,032	40,447
National Retail Partners, LLC	8,790	36,335
Montecito Country Club	<u>9,758</u>	<u>35,667</u>
	255,206	\$646,591

These ten customers accounted for approximately 4.7% of the annual water consumption for Fiscal Year 2001/02.

¹ Hundred Cubic Feet

Water System Rates and Charges During FY 2001/02

Customer Class	Water Service Rates
Single Family Residential	First 4 HCF @ \$2.22 Next 16 HCF @ \$3.71 All other @ \$3.92
Multi-Family Residential 1-4 dwelling units	First 4 HCF per dwelling unit @ \$2.22 Next 8 HCF per dwelling unit @ \$3.71 All other @ \$3.92
Multi-Family Residential 5+ dwelling units	First 4 HCF per dwelling unit @ \$2.22 Next 8 HCF per dwelling unit @ \$3.71 All other @ \$3.92
Commercial	100% of base allotment ² @ \$3.71 per HCF; All other @ \$3.92
Industrial	100% of base allotment ² @ \$3.71 per HCF; All other @ \$3.92
Irrigation - Residential	Billed as if used through associated residential meter, OR annual allotment of 654 HCF/acre @ \$3.71; all other @ \$3.92
Irrigation - Recreation/Parks/Schools	Annual allotment of 1,404 HCF/acre @ \$1.75 Next 240 HCF/acre/year @ \$3.71 All other @ \$3.92
Irrigation - Commercial	100% of base allotment ² @ \$3.71 per HCF; All other @ \$3.92
Irrigation - Agriculture	Annual allotment of 870 HCF/acre @ \$1.40 Next 240 HCF/acre/year @ \$3.71 All other @ \$3.92
Recycled Water	All usage @ \$1.40/HCF
Outside City Limits	130% of corresponding in-City rates

Monthly Service Charges for Water Meters by Size During FY 2001/02

Meter Size	Monthly Service Charge
5/8"	\$ 5.84
3/4"	8.77
1"	14.61
1 1/2"	29.20
2"	46.72
3"	93.44
4"	146.00
6"	292.00
8"	467.21
10"	671.61

Connection Charges During Fiscal Year 2001/02

	5/8" Meter	1" Meter
Connection Charges on 1" Service:	\$1,558	\$1,767
Buy-in Fee (per detached single family residence)	1,505	3,762
	<u>\$3,063</u>	<u>\$5,529</u>

² Base allotment = average monthly consumption during most recent January – June period.

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2001/02. These results have been derived from the City's financial statements and exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SANTA BARBARA

REVENUES	June 30, 2002
M&I Sales	\$ 21,121,848
Utility Users Tax	572,123
JPA Reimbursement	1,217,569
Interest Income	1,741,111
Other Revenues	473,111
TOTAL REVENUES:	25,125,762
OPERATING EXPENSES	
Salaries & Benefits	4,360,212
Materials & Supplies	9,567,269
Interest Expense ⁽¹⁾	133,865
Other	106,518
TOTAL OPERATING EXPENSES:	14,167,864
NET REVENUES	10,957,898
State Water Payments	3,965,732
Parity Debt Service ⁽²⁾	1,366,367
Total Contract Payments	5,332,099
Coverage Ratio:	2.06
Available for Capital improvements and other purposes	\$ 5,625,799

¹ Includes 1988 and 1991 DWR Water Reclamation Loans and a Goleta Water District obligation.

² Represents debt service on the 1994 Water Revenue Refunding Bonds and the 1992 Water COP's, which are on a parity with payments to the Authority under the Water Supply Agreement.

Coverage calculations take into consideration both payments to the Authority under the Water Supply Agreement and Parity Debt Service.

Source: City of Santa Barbara

CITY OF SANTA MARIA

The information set forth below has been provided by the City of Santa Maria (the "City"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER AND WASTEWATER CONNECTIONS AND SALES AND SERVICE REVENUES

The following table shows the number of active water and wastewater connections to the City's water system for the five most recent fiscal years, together with the amount of its annual water and wastewater sales revenues.

Historic Water and Wastewater Connections and Sales and Service Revenues

Fiscal Year Ending June 30	Connections ¹	Water Sales Revenues	Wastewater Service Revenues
1998	16,406	\$11,577,701	\$3,000,771
1999	16,586	12,518,274	3,035,157
2000	16,798	13,430,453	3,226,812
2001	17,189	14,985,470	3,589,063
2002	17,735	16,350,234	3,786,941

HISTORIC WATER DELIVERIES

The City records the volume of water delivered by its water system. Over the past five years, the volume of water delivered by the City has fluctuated, ranging from a low of approximately 11,003 acre-feet in fiscal year 1998 to a high of approximately 12,990 acre-feet in fiscal year 2002. The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Historic Water Deliveries In Acre-Feet per Year

Fiscal Year Ending June 30	Deliveries
1998	11,003
1999	12,807
2000	11,992
2001	12,216
2002	12,990

¹ All domestic.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2002 as determined by the amount of their respective annual payments.

Largest Water Customers

Customer ²	Water Usage ³	Annual Payments
City of Santa Maria	178,625	\$ 574,550
Santa Maria Elementary School	84,931	264,060
VG Apartments LLC	71,428	149,480
Allan Hancock College	60,885	171,315
Casa Grande Mobile Homes	54,906	161,345
Mission Linen Supply	31,519	106,953
Pictsweet Frozen Foods	34,030	98,347
Marian Hospital	30,954	86,270
Culligan Water Conditioning	27,149	75,447
El Capitan Trailer Park	<u>21,781</u>	<u>46,944</u>
TOTAL	596,208	\$ 1,734,711

The ten largest water customers accounted for approximately 11.5% of water service by volume in fiscal year 2002.

The following table sets forth the ten largest customers of the City's wastewater system as of June 30, 2002 as determined by the amount of their respective annual payments.

Largest Wastewater Customers as of June 30, 2002

Customer	Wastewater Usage ³	Annual Payments
Frozsun Foods	221,431	\$ 156,176
Casa Grande Mobile Homes	67,329	54,536
SP Village Green LLC	59,568	36,598
Pictsweet	32,865	35,494
Mission Linen	31,211	39,638
Culligan	24,669	27,136
El Capitan Trailer Park	21,613	12,968
Holiday Inn	17,212	10,557
Mary Jane Mori Apts	14,673	10,184
Vineyard Apartments	<u>16,927</u>	<u>6,365</u>
TOTAL	507,498	\$ 389,652

The ten largest wastewater customers accounted for approximately 13.8% of wastewater service by volume in fiscal year 2002.

² Some food processors use private well water for their operations and therefore do not appear as largest water customers. However, their wastewater is treated by the City and they are among the largest wastewater customers.

³ Hundred Cubic Feet

WATER AND WASTEWATER SYSTEM RATES AND CHARGES

General. The City is not subject by statute to the jurisdiction of, or regulation by, the California Public Utilities Commission. City staff annually determines the adequacy of Water and Wastewater System rate structure after full consideration of expected operations, maintenance, and capital costs. The City currently sets water and wastewater charges to pay water costs for purchased water, wastewater treatment costs, costs of groundwater pumping and current operating expenses for the Water and Wastewater System. Capital improvements are funded from water/wastewater charges and from connection fees.

Water Service Charges. A schedule of the City's current bi-monthly water rates and charges as of July 1, 2002 is set forth below:

Bi-Monthly Service Charges for Water Meters by Size

Meter Size	Inside City
¾"	\$ 33.42
1"	52.42
1 ¼"	62.16
1 ½"	82.86
2"	114.58
3"	248.66
4"	414.46
6"	1,036.30

Capacity Charge

1 – 1000 cubic feet	\$ 1.821 per 100 cubic feet
1001 – 2000 cubic feet	2.160 per 100 cubic feet
2001 – 3000 cubic feet	2.525 per 100 cubic feet
Above 3001 cubic feet	2.875 per 100 cubic feet

Wastewater Treatment Charges. A schedule of the City's current bi-monthly wastewater treatment rates and charges as of July 1, 2002 is set forth below:

Bi-Monthly Wastewater Rates

Single Family Residence	\$ 17.24
Multiple Apartments:	
2 Rooms or Less	12.20
3 + Rooms	13.26
Mobile Homes (number of spaces)	12.20
Motel/Hotel (per unit)	8.50
	<i>Per 100 cubic feet</i>
Office Buildings	1.01
Restaurants	2.41
Commercial	1.46
Food Processing	1.41
Machinery	1.17
Miscellaneous	1.17

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water and wastewater system of the City for Fiscal Year 2001/02. These results have been derived from the City's financial statements and exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SANTA MARIA

<u>REVENUES</u>	<u>June 30, 2002</u>
Water & Wastewater Fees & Charges	\$ 20,137,175
Other Revenues	881,950
Interest Income	1,489,731
TOTAL REVENUES:	<u>22,508,856</u>
<u>OPERATING EXPENSES</u>	
Salaries, Wages & Benefits	1,918,991
Materials & Supplies	874,741
Equipment Maintenance & Operation	344,348
Contracts & Services	2,215,767
Bad Debts	41,350
TOTAL OPERATING EXPENSES:	<u>5,395,197</u>
NET REVENUES	17,113,659
Rate Coverage Fund Deposit	3,656,826
TOTAL NET REVENUES:	<u>20,770,485</u>
State Water Payments	10,081,569
Total Contract Payments	<u>10,081,569</u>
Coverage Ratio:	2.06
Available for Capital improvements and other purposes	\$ 7,032,090

Source: City of Santa Maria

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, Improvement
District #1**

The information set forth below has been provided by the Santa Ynez River Water Conservation District, Improvement District No. 1 (the "District"), with the exception of the information presented for the City of Solvang. The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

Solvang has represented to the District that the information presented for the City is accurate, and the District has (i) relied on this information in preparing this information, and (ii) not independently investigated that information. The District makes no representations or warranties as to the accuracy or completeness of any information set forth in the City's continuing disclosure information.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the District's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections				Sales Revenues \$					
	Dom.	%	Ag.	%	Dom.	%	Ag.	%	Solvang	%
1998	2,131	96	89	4	\$1,621,071	80	\$352,100	17	\$ 60,675	3
1999	2,171	96	95	4	2,036,028	83	373,028	15	59,095	2
2000	2,180	97	82	3	2,308,777	79	417,924	14	205,223	7
2001	2,122	95	116	5	2,074,129	67	763,336	25	253,250	8
2002	2,256	96	80	4	2,332,950	65	818,995	23	353,215	10

The actual FY 2001/2002 total water sales revenues are approximately 12 percent higher than the FY 2000/01 revenues due to water rate increases, and an increase in agricultural and limited agricultural water use resulting from the conversion of fallow, grazing and open space acreage to vineyards. In addition, mild spring and average temperatures with the annual average precipitation during the rain season resulted in a slight decrease in domestic (except for the City of Solvang) and rural residential water revenues.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Historic Water Deliveries (in acre feet)

Fiscal Year Ending June 30	Ag. Deliveries ⁽¹⁾	Domestic	Solvang	Total
1998	1,925	2,522	95	4,542
1999	2,105	2,784	74	4,963
2000	2,222	3,135	293	5,650
2001	2,808	2,403	362	5,573
2002	2,742	2,630	487	5,859

Note (1) Ag deliveries include Limited Agriculture deliveries. Limited Agricultural is defined with the Rural Residential/Limited Agricultural (RR/LA) classification for metered water use. The amount of Limited Agricultural water is a portion of the total metered use for the RR/LA classification above 70 hundred cubic feet (hcf).

The FY 2001/02 actual overall water deliveries are about 5 percent higher than FY 2000/01 due to, increases in domestic use because of dry spring and higher than average summer temperatures and below average precipitation during the rain season. However, there was a slight decrease in agricultural water and limited agricultural use resulting from the conversion of fallow or grazing lands, vineyards using drip irrigation systems, and conversion of agriculture uses to residential uses. The FY 2001/02 water usage and revenues reflect an increase in water rates and meter charges and typical water usage in below average rainfall years.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
City of Solvang	487	\$353,215
Gainey Ranch/Vineyard	181	58,496
Rancho Marcelino Water Company	81	57,937
Santa Ynez Valley Farming	306	47,453
Dunn School	78	41,610
Old College Ranch/Indian Ditch Ranch	136	34,616
Santa Ynez Band of Chumash Indians	23	25,002
S.Y. Valley Union High School	68	21,650
Buttonwood Farm	123	20,866
Douglas Herthel	<u>20</u>	<u>20,847</u>
TOTAL	1,573	\$681,692

These ten customers accounted for approximately 19.4% of the water service revenues for Fiscal Year 2001/02.

¹ Acre Feet

WATER SYSTEM RATES AND CHARGES

The District's current rates and charges are as follows:

Monthly Meter Charge

Meter Size	Domestic/Limited Agricultural	Agricultural
5/8" - 3/4"	\$ 18.20	
3/4"	21.80	
1"	36.40	
1 1/2"	72.70	\$ 40.00
2"	115.50	63.00
3"	232.20	125.00
4"	327.50	174.00
6"	726.50	388.00
8"	1,162.50	

Consumption Charge:

Domestic	Rural Residential / Limited Agricultural	Agriculture
\$1.60 per HCF	1st 70: \$1.60 per HCF Over 70: \$0.38 per HCF	\$0.28 per HCF
Temporary Rate \$2.42 per HCF	(Conn. Fee \$50.00; minimum chg.: \$25.00)	Cachuma Park & City of Solvang \$1.60 per HCF

Connection Charges. The following prices include Capital Facilities Charges:

Connection Charge

Meter Size	Meter Only	Service and Meter
5/8" - 3/4"	\$ 2,470.25	\$3,557.00 Short Side (3/4" service) 4,779.59 Long Side (3/4" service)
3/4"	\$ 2,955.17	\$4,042.32 Short Side (3/4" service) 5,264.51 Long Side (3/4" service)
3/4"		\$4,068.37 Short Side (1" service) 5,295.56 Long Side (1" service)
1"	\$ 4,847.45	\$5,960.65 Short Side (1" service) 7,182.84 Long Side (1" service)
(2) 5/8" - 3/4"		\$6,107.98 Short (1" double service) 7,330.17 Long (3/4" double service)
1 1/2"	\$ 9,652.56	\$10,966.37 Short Side (2" service) 12,188.56 Long Side (2" service)
2"	\$15,364.81	\$16,678.62 Short Side (2" service) 17,900.81 Long Side (2" service)
3"	\$30,624.98	*see below

Fire Service Connection Fee: \$400 per inch of diameter of Service size

Capital Facilities Charge on Larger Services:

Meter Size	Charge	
3"	\$ 29,632.00	+ Serv. & Meter Costs
4"	\$ 41,670.00	+ Serv. & Meter Costs
6"	\$ 92,600.00	+ Serv. & Meter Costs
8"	\$ 148,160.00	+ Serv. & Meter Costs

Installation Charge: The meter and service installation charge shall equal the cost of installation as determined by the District from time to time.

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2001/02. These results have been derived from the District's financial statements and exclude certain non-cash items and include certain other adjustments. The table has not been audited by the Districts auditor.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT, IMPROVEMENT DISTRICT, NO. 1

<u>REVENUES</u>	<u>June 30, 2002</u>
M&I Water Sales	\$ 2,332,950
Ag. Water Sales	818,995
Water Sales to City of Solvang	353,215
SWP Revenue from City of Solvang ⁽¹⁾	1,924,538
Connection Fees	270,047
Special Assessments ⁽²⁾	789,332
Other Fees & Income	43,283
Interest Income	313,576
TOTAL REVENUES:	<u>6,845,936</u>
<u>OPERATING EXPENSES</u>	
Water Purchased	176,864
Pumping	674,804
Water Treatment	43,411
Transmission & Distribution	422,819
Other Expenses/Legal	231,356
Administration & General	790,356
TOTAL OPERATING EXPENSES:	<u>2,339,610</u>
NET REVENUES	4,506,326
Rate Coverage Reserve Fund Deposit	880,195
Adjusted Net Revenues	<u>5,386,521</u>
State Water Payments (Includes Solvang)	<u>2,912,443</u>
Total Contract Payments	<u>2,912,443</u>
Coverage Ratio:	1.85
Other Debt Service ⁽³⁾	\$ 455,811
Available for Capital improvements and other purposes	\$ 1,138,072

(1) City of Solvang payments based on State water payments calculated for FY 2001/02 on a cash basis.

(2) Special assessment levied to pay operation and maintenance expenses for the water system.

(3) Debt service on 1993 Cachuma Project Authority Revenue Bonds, exclusive of general obligation portion.

Source: Santa Ynez Improvement District #1

CITY OF SOLVANG

Except as otherwise noted, the information set forth below has been provided by the City of Solvang (the "City"). Neither the Central Coast Water Authority (the "Authority") nor the Santa Ynez River Water Conservation District, Improvement District No. 1 (the "District") makes any representations or warranties as to the accuracy or completeness of any of the information set forth below except to the extent that either of them is identified as the source thereof.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the City's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1998	1,854	\$ 1,764,735	1,275
1999	1,887	1,857,632	1,558
2000	2,005	2,105,851	1,524
2001	1,890	2,616,048	1,549
2002	1,893	3,108,477	1,594

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Largest Customers as of June 30, 2002

Customer	Water Usage ¹	Annual Payments
Rancho Santa Ynez Mobile Estate	27,921	\$128,863
Alisal Guest Ranch	18,674	76,519
Lutheran Home	10,056	53,622
Alisal Oak Apartments	5,750	48,610
Royal Scandinavian Inn	8,177	44,533
Solvang School	12,852	39,942
Oak Park Apartments	4,652	35,118
Danish Country Inn	4,486	21,017
Quality Inn	3,678	17,177
Alisal Golf Courses	<u>1,692</u>	<u>15,785</u>
TOTAL	97,938	\$451,186

¹ Hundred Cubic Feet

Monthly Service Charges for Water Meters by Size

<u>Meter Size</u>	<u>Inside City</u>	<u>Outside City</u>
5/8"	\$36.74	\$ 37.99
3/4"	37.99	39.87
1"	40.49	43.62
1 1/2"	46.74	52.99
2"	54.24	64.24
3"	74.24	94.24
4"	90.49	118.62
6"	159.24	221.74

Source: City of Solvang

Quantity Charges

<u>Inside City</u>	<u>Outside City²</u>
\$2.22/ccf	\$3.33/ccf

² The City has approximately eleven customers which receive the City's surplus water at a rate of 1½ times the standard rate.

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2001/02. These results have been derived from the City's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SOLVANG

<u>REVENUES</u>	<u>June 30, 2002</u>
Water Sales	\$ 3,108,477
Other Fees & Income	101
Interest Income	90,567
TOTAL REVENUES:	<u>3,199,145</u>
<u>OPERATING EXPENSES</u>	
Operating Expenses ⁽¹⁾	<u>992,031</u>
TOTAL OPERATING EXPENSES:	<u>992,031</u>
NET REVENUES	2,207,114
Rate Coverage Fund Deposit	<u>511,478</u>
Adjusted Net Revenues	<u>2,718,592</u>
State Water Payments	1,844,616
Total Contract Payments	<u>1,844,616</u>
Coverage Ratio:	1.47
Other Debt Service	143,811
Available for Capital improvements and other purposes	\$ 218,687

(1) Operating expenses per City of Solvang audited financial statements exclusive of State Water Payments and depreciation expense.

Source: City of Solvang

SAN LUIS OBISPO COUNTY

AVILA COMMUNITY SERVICES DISTRICT

The information set forth below has been provided by the Avila Beach Community Services District (the "District"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the District's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections	Sales Revenues
1998	157	\$91,035
1999	157	89,043
2000	157	95,589
2001	169	114,721
2002	171	125,791

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries and the source of that water in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

Fiscal Year Ending June 30	Deliveries ¹
1998	64
1999	51
2000	45
2001	38
2002	44

¹ All Lopez Project Water

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Customer	Water Usage ²	Annual Payments
SLO Co Park Irrigation	2,063	\$ 11,981
Western Inns	1,731	10,005
Villa Avila	1,210	6,993
P. Prather	979	5,912
Port San Luis Lifeguard	555	3,283
Unocal/Cal Poly Pier	512	2,988
Dun Sailing	495	2,861
SLO Co Park Restrooms	495	2,861
Top of Hill Apartments	373	2,155
Unocal Tank Farm	<u>286</u>	<u>4,537</u>
TOTAL	8,699	\$ 53,576

These ten customers accounted for approximately 42% of water service revenues in fiscal year 2001/02.

RATES AND CHARGES

	Domestic/ Residential	Commercial	Institutional
Consumption Charge ³	\$28.90	\$28.90	\$28.90
Meter Charge	\$0.00	\$0.00	\$0.00
Connection Charge ⁴	Varies	Varies	Varies
Immediate Availability Charge	\$0.00	\$0.00	\$0.00
Other Charges ⁵	\$5.78	\$5.78	\$5.78

The rates and charges shown above reflect recent increases that went into effect after June 30, 2000. The water rate increase adopted by the District's Board of Directors targets a 70% increase in revenues, and connection fees approximately doubled.

² Hundred Cubic Feet

³ Minimum consumption charge

⁴ Varies from \$4,780.57 to \$11,951.43 based on anticipated use for residential use for residential customers. Commercial charges based on \$17,057.09 per acre-foot and the anticipated use.

⁵ All customers charged \$5.78 per cubic foot for consumption above 5 cubic feet.

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for fiscal year 2001/02. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

AVILA COMMUNITY SERVICES DISTRICT

(Formerly Avila Beach County Water District)

REVENUES	June 30, 2002
Water Sales	\$ 125,791
Interest	8,483
Other	5,258
TOTAL REVENUES:	139,532
OPERATING EXPENSES	
Lopez Water	38,904
Operations	32,935
General & Administrative	26,908
TOTAL OPERATING EXPENSES:	98,747
NET REVENUES	40,785
Rate Coverage Fund Deposit	26,405
Adjusted Net Revenues	67,190
State Water Payments	83,658
Total Contract Payments	83,658
Coverage Ratio:	0.80
Available for Capital improvements and other purposes	\$ (42,873)

Source: Avila Community Services District

Source: Avila Beach Community Services District

CITY OF MORRO BAY

The information set forth below has been provided by the City of Morro Bay (the "City"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the City's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections ¹	Sales Revenues
1998	4,949	\$3,578,066
1999	5,010	3,585,083
2000	5,118	3,641,293
2001	5,198	3,785,189
2002	5,251	3,857,137

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

Fiscal Year Ending June 30	Deliveries
1998	1,402
1999	1,363
2000	1,397
2001	1,238
2002	1,253

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
San Luis Coastal School District	2,469,200	\$ 290,198
City of Morro Bay	2,464,500	208,817
Inn at Morro Bay	933,100	139,504
Pacific Care Center	901,100	108,817
Mission Linen	759,300	98,048
Department of Recreation & Parks	722,100	77,518
Morro Dunes Trailer Park	555,100	49,372
Silver City Mannor 1 & 2	410,300	43,035
Accor Economy Lodge	383,000	47,593
Ascot Inn & Ascot Suites	<u>295,100</u>	<u>31,615</u>
TOTAL	9,892,800	\$1,094,518

These ten customers accounted for approximately 28% of water services revenues in fiscal year 2001/02.

¹ Cubic Feet

OCEANO COMMUNITY SERVICES DISTRICT

The information set forth below has been provided by the Oceano Community Services District (the District) except as noted. The Central Coast Water Authority (the Authority) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.
 Historic Water Connections and Sales Revenues

The following table shows the number of active water connections to the District's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections	Sales Revenues
1998	1,848	\$1,057,473
1999	1,888	1,073,437
2000	1,913	1,094,398
2001	1,942	1,093,686
2002	1,956	1,101,900

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
 (In acre-feet per Year)*

Fiscal Year Ending June 30	Urban Deliveries
1998	799
1999	806
2000	841
2001	814
2002	815

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
Caritas Corp/Mobile Home Park	14,020	\$ 39,124
Lucia Mar Unified School District	8,412	27,894
Sand and Surf Transient RV Park	7,876	25,891
Oceano 1 Condo Home Owners Assoc.	8,005	22,427
Duna Vista Mobile Home Park	5,640	19,267
State of California (Park Facility)	4,858	17,734
Porticos Mobile Home Park	5,543	16,168
Pleasant Hill Mobile Home Manor	4,648	12,628
PTI Inc. Pismo Sands RV Park	3,182	12,044
Encanto Ridge Home Owners Assoc.	<u>4,005</u>	<u>11,532</u>
TOTAL	66,189	\$204,709

These ten customers accounted for approximately 18.8% of water service revenues in fiscal year 2001/02.

RATES AND CHARGES

Bi-Monthly Charges for Non-Residential Accounts. The following bi-monthly charges for water service for non-residential accounts were established April 12, 1997:

Meter Size	Domestic/Residential	Bi-Monthly Non-Residential Charge
5/8"	\$23.94	\$ 29.15
3/4"		36.55
1"		58.40
1 1/2"		109.20
2"		172.30
3"		276.95
4"		473.80
6"		741.30

The minimum bi-monthly charge, as listed, allows six hundred cubic feet of water. Additional needs shall be charged at the metered rate of:

7 - 25 ccf	\$2.25/ccf
Additional Needs	\$2.95/ccf

¹ Hundred cubic feet

Bi-monthly Charges for Residential Accounts. The minimum bi-monthly charges for residential accounts will be \$23.94, which will allow six hundred cubic feet. Additional needs shall be charged at the metered rate of:

7 - 25 ccf	\$2.25/ccf
Additional Needs	\$2.95/ccf

For meters serving more than one residential dwelling unit, the minimum bi-monthly charge shall be calculated at \$3.99 multiplied by six (hundred cubic-feet), multiplied by the number of dwelling units served. All consumption above the minimum, but less than the amount equal to twenty-five multiplied by the number of dwelling units, shall be charged at the metered rate of \$2.24/ccf. Additional needs shall be charged at the metered rate of \$2.95/ccf.

For those properties that are outside the District boundaries but are receiving District water or sewer services, not on an emergency basis, there will be a \$7.10 administration charge per billing period.

Connection Charges

Meter Size	Domestic/Residential	Bi-Monthly Non-Residential Charge
5/8"	\$675	\$ 675
3/4"		950
1"		1,350
1 1/2"		2,700
2"		5,400
3"		10,800
4"		18,900
6"		43,200

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for FY 2001/02. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

OCEANO COMMUNITY SERVICES DISTRICT

<u>REVENUES</u>	<u>June 30, 2002</u>
Water Sales	\$ 1,101,900
Service Charges	64,860
Other Income	4,800
Interest Income	37,493
TOTAL REVENUES:	<u>1,209,053</u>
<u>OPERATING EXPENSES</u>	
Administration & General	348,249
Personnel	97,578
Utilities	13,700
Maintenance and Repairs	27,259
Subtotal:	<u>486,786</u>
1979 Revenue Bond	19,390
CSC Note	62,578
TOTAL OPERATING EXPENSES:	<u>568,754</u>
NET REVENUES	640,299
Rate Coverage Fund Deposit	96,642
Adjusted Net Revenues	<u>736,941</u>
State Water Payments	<u>683,399</u>
Total Contract Payments	<u>683,399</u>
Coverage Ratio:	1.08
Available for Capital improvements and other purposes	\$ (43,100)

Source: Oceano Community Services District

CITY OF PISMO BEACH

The information set forth below has been provided by the City of Pismo Beach (the "City"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the City's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections ¹	Sales Revenues
1998	4,359	\$1,018,641
1999	4,155	1,118,375
2000	4,110	1,632,551
2001	4,158	1,710,063
2002	4,233	1,751,585

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

Fiscal Year Ending June 30	Urban Deliveries
1998	1,803
1999	1,959
2000	2,078
2001	1,983
2002	2,219

¹ The connections for 1998 through 2000 have been corrected. An error was discovered in the computer program which counted some meters twice.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Customer	Water Usage ²	Annual Payments
The Cliffs Hotel	17,711	\$ 24,869
Shore Cliff Lodge	13,113	22,036
Hacienda del Pismo Mobile Home Park	11,599	21,884
Seacrest Motel II	12,309	21,213
Pismo Beach Mobile Home Park	12,111	20,379
Oxford Suites	9,793	17,898
Motel 6	9,385	15,546
Pismo Coast Village RV Park	4,594	13,138
Kon Tiki	6,556	11,543
Pismo Lighthouse Suite	<u>5,021</u>	<u>8,710</u>
	102,192	\$ 177,216

These ten customers accounted for approximately 10.1 % of water service revenues in fiscal year 2001/02.

Rates and Charges
Bi-monthly fixed charges are as follows:

Meter Size		
All Meters		
5/8" & 3/4"	\$	19.58
1"		38.94
1-1/2"		67.90
2"		109.94
3"		213.21
4"		329.38
6"		781.20
	Single Family	All Other Metered
	<u>Residential</u>	<u>Users</u>
Consumption Charge:		
0-15 HCF	\$1.16/HCF	\$1.29/HCF
16 HCF and higher	\$1.47/HCF	\$1.29/HCF
Construction Meter		\$2.59/HCF
Connection Charges:		
A) State Water Supply Fee	\$5,821.74 per equivalent dwelling unit	
B) Special Tax Levy FY 2001-02	\$133.40 per year per equivalent dwelling unit.	

² Hundred cubic feet

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for FY 2001/02. These results have been derived from the City's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF PISMO BEACH

REVENUES	June 30, 2002
Water Service Charge	\$ 1,751,810
State Water Impact Fee	491,394
Interest	94,801
Assessments	962,272
Other Revenues	3,724
TOTAL REVENUES:	3,304,001
OPERATING EXPENSES	
Admin & General	377,299
Lopez Contract Payments ⁽¹⁾	402,818
Operations & Maintenance	329,984
Utilities	69,718
TOTAL OPERATING EXPENSES:	1,179,819
NET REVENUES	2,124,182
State Water Payments	1,197,934
Total Contract Payments	1,197,934
Coverage Ratio:	1.77
Available for Capital improvements and other purposes	\$ 926,248

(1) The Lopez obligation was previously reported as parity debt in the 1996 Revenue Bond official statement. The City has determined that this is not a debt obligation but is instead a contract obligation. Therefore, the amount is presented as an operating expense.

Source: City of Pismo Beach

COUNTY OF SAN LUIS OBISPO C.S.A. NO. 16, ID#1

The information set forth below has been provided by the County of San Luis Obispo (the "County") on behalf of San Luis Obispo County Service Area No. 16, Improvement District No. 1 (the "District"). The Central Coast Water Authority (the "Authority") makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active water connections to the District's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections	Sales Revenues
1998	236	\$122,088
1999	234	143,398
2000	243	142,129
2001	244	153,137
2002	304	195,366

The number of connections in FY 2001/02 increased by approximately 24% over the number of connections in FY 2000/01, and sales revenues for the same periods increased by approximately 27%. These increases can be attributed to new housing construction.

HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries
(In acre-feet per Year)*

Fiscal Year Ending June 30	Total Production	Total Sold	Park Irrigation
1998	103.1	69.1	23.7
1999	118.9	82.9	26.7
2000	121.6	81.6	28.3
2001	134.6	88.1	30.5
2002	143.4	103.8	26.4

The actual water deliveries for FY 2001/02 are approximately 10% higher than actual water deliveries for FY 2000/01.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2002, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
Caltrans	1,116	\$4,600
Shandon School	609	2,499
Shandon Park	564	2,415
Residence	542	1,924
Residence	376	1,356
Residence	376	1,281
Residence	365	1,239
Residence	363	1,325
Residence	346	1,169
Residence	<u>334</u>	<u>1,180</u>
TOTAL	4,991	\$18,988

These ten customers accounted for approximately 10% of water service revenues in fiscal year 2001/02.

¹ Hundred Cubic Feet

FISCAL YEAR 2002 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for fiscal year 2001/02. These results have been derived from the County's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the County's auditor.

SAN LUIS OBISPO COUNTY SERVICE AREA NO. 16, IMPROVEMENT DISTRICT NO. 1

<u>REVENUES</u>	<u>June 30, 2002</u>
Water Service Charge	\$ 195,366
New Services	15,750
Water Availability	9,632
Connection Fees	142,800
Interest	17,197
Other	13,371
TOTAL REVENUES:	<u>394,116</u>
<u>OPERATING EXPENSES</u>	
Utilities	16,004
General & Administrative	51,794
Operations & Maintenance	90,707
TOTAL OPERATING EXPENSES:	<u>158,505</u>
NET REVENUES	235,611
Rate Coverage Fund Deposit	13,889
Adjusted Net Revenues	<u>249,500</u>
State Water Payments	<u>50,657</u>
Total Contract Payments	<u>50,657</u>
Coverage Ratio:	4.93
Available for Capital improvements and other purposes	\$ 184,954

Source: San Luis Obispo County