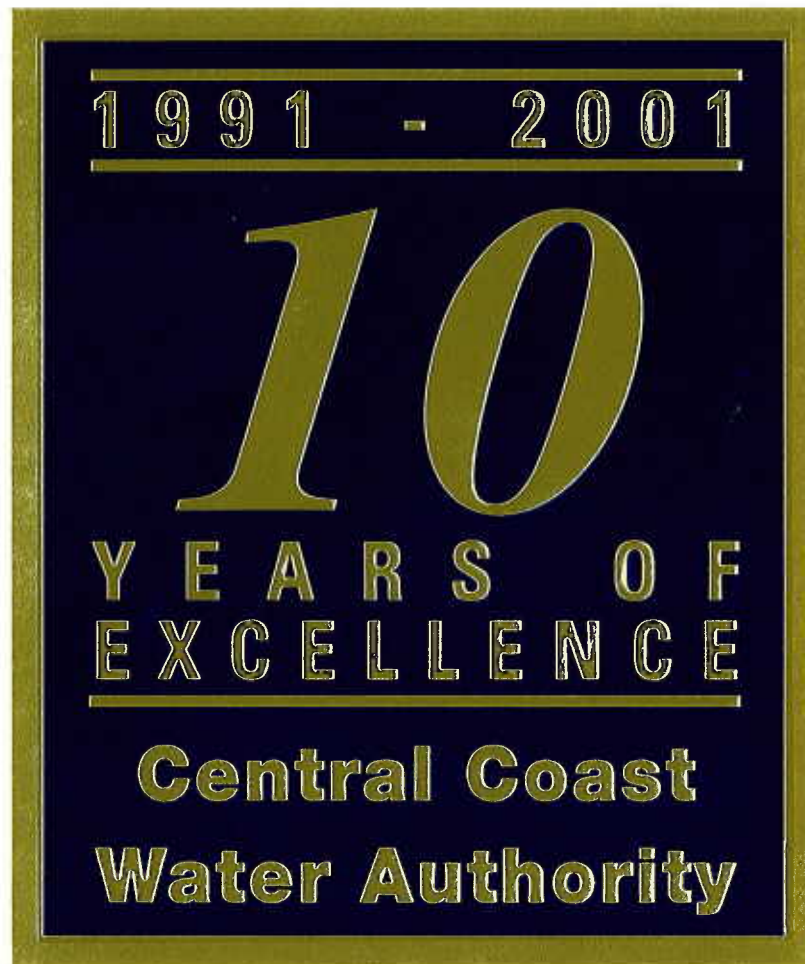


Central Coast Water Authority

A California Joint Powers Authority



Fiscal Year 2001/02 Budget

CENTRAL COAST WATER AUTHORITY

ANNUAL BUDGET

FISCAL YEAR 2001/02

PREFACE

This year the Central Coast Water Authority is celebrating its tenth anniversary. The Authority was formed as a result of the June 4, 1991 State Water Project local bond elections, which passed in eleven of fourteen communities throughout Santa Barbara County (ten of the eleven communities ultimately contracted for State water with the Authority). The effective date of the Authority's formation was August 1, 1991 and the first Board of Directors meeting was held on September 26, 1991.

In recognition of this momentous occasion, the title page of each section of this budget contains a photograph of a historic or notable event during the Authority's ten-year history. The principal subject matter of the photos is not of project construction or facilities. Instead most of the photos emphasize the human element comprising the Authority's past. The rest of the budget document contains photos of Authority Board members and employees at work – the human element comprising the Authority's present.

Reflecting on the numerous significant accomplishments over the past decade, the Authority recognizes they would not have been possible without the extraordinary vision pursued by many for decades leading to the successful 1991 vote. Without their undying efforts and persistence to bring State water to the Central Coast, the Authority would not have been formed. As a result, the opportunity to preserve the natural environment of the Central Coast and the quality of life of its residents for generations to come would have been lost – if not forever or for another generation, most likely for another decade or more.

In celebration of its tenth anniversary, the Authority expresses its deepest and heartfelt appreciation to all the individuals that pursued the vision of State water and contributed to its formation, those that implemented the vision by building both the project facilities and the organization, those that are responsible for its current successes and accomplishments and those that will come in the future in fulfillment of the mission "to provide San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water."

June 5, 1991 Santa Barbara News Press

State water wins handily



Katy Crawford, left, Tim Campbell, Betty Mazzetti Hatch, Pete Gherini and other state water proponents celebrate the state water vote Tuesday.

Central Coast Water Authority

Mission:

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

Objectives:

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





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

**PRESENTED TO
Central Coast Water Authority,
California**

**For the Fiscal Year Beginning
July 1, 2000**

Anne Spray Kinsey *Jeffrey L. Ewell*
President Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Central Coast Water Authority for its annual budget for the fiscal year beginning July 1, 2000.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

*California Society of
Municipal Finance Officers*

Certificate of Award


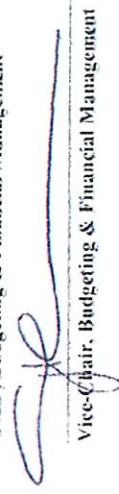
Excellence in Operational Budgeting 2000-2001

Presented to

Central Coast Water Authority

This certificate recognizes the achievement of Excellence in Operational Budgeting and reflects an outstanding budget document and the underlying budgeting process through which the budget is implemented.

February 26, 2001


Chair, Budgeting & Financial Management

Vice-Chair, Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management



Central Coast Water Authority

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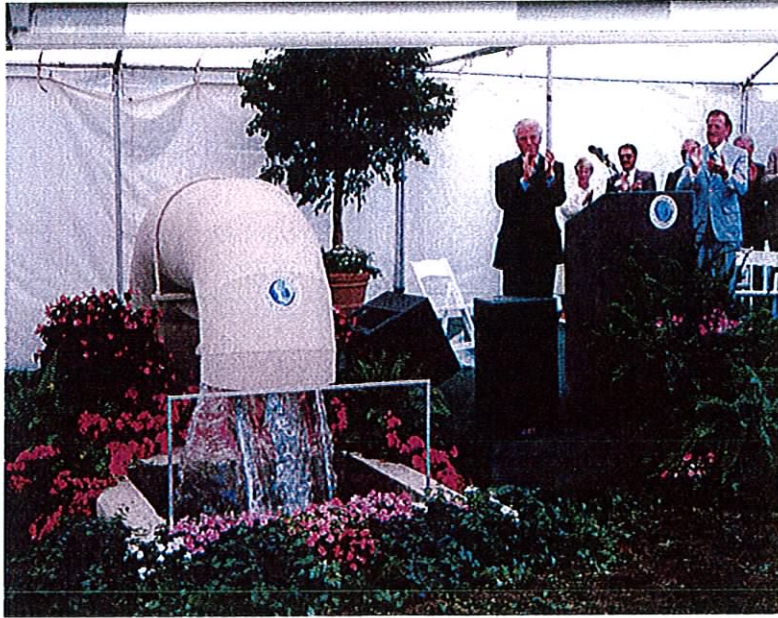
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Joint California Department of Water Resources and Central Coast Water Authority Ribbon Cutting and Dedication Ceremony at the Central Coast Water Authority Santa Ynez Pumping Facility on July 18, 1997. Pictured in the foreground of the photo from left to right: Michael Madigan, California Water Commission Vice Chairman, and Robert Puddicombe, Chairman of the Central Coast Water Authority Board of Directors.

Budget Forward

The Budget Forward section of the FY 2001/02 Budget contains the Executive Director's Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

Highlights

General Information

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

Operational Information

• Polonio Pass Water Treatment Plant Design Capacity	43 million gallons per day
• Authority Pipeline (in miles)	42
• Coastal Branch Phase II Pipeline (in miles)	101
• Total Pipeline Operated By the Authority (in miles)	130
• Number of water storage tanks	5
• Number of turnouts	10
• Number of full-time equivalent Positions	25.50

Central Coast Water Authority
Reader's Guide
Fiscal Year 2001/02 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 eight (8) major sections as follows with sub-sections included in each major section:

- I. **BUDGET FORWARD** An introductory section that contains the transmittal letter from the Authority's Executive Director to the Board of Directors; 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. **NON-OPERATING EXPENSES** The non-operating expense section of the budget is comprised of Capital Improvement Projects, Debt Management and Reserves and Cash Management. The section includes narrative, graphs and tables on each section.
- VII. **FOUR YEAR FINANCIAL PLAN** The four year financial plan section of the budget provides the four year pro forma projections for each project participant.
- VIII. **APPENDIX** The appendix includes a glossary of terms and other items relevant to the Authority's budget.

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



April 26, 2001

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Submitted herewith is the Fiscal Year (FY) 2001/02 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 representatives, you play an important role in making decisions regarding the direction the organization will take in FY 2001/02.

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

Financial control is the traditional function of a budget. A budget also contains a vast amount of other information. Such data includes 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 four consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award and the California Society of Municipal Finance Officers (CSMFO) "Award of Excellence in Operational Budgeting." We will also submit the FY 2001/02 Budget for consideration of both of these awards.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2000/01:

Water Deliveries

During FY 2000/01, estimated deliveries by CCWA to the Santa Barbara and San Luis Obispo County project participants will be about 24,000 acre-feet. The FY 1999/00 deliveries were 26,462 acre-feet. The decrease from the prior year is due to (1) the current 35% entitlement allocation for 2001 by the Department of Water Resources (DWR) as a result of dry year conditions in northern California (which affect deliveries to all CCWA project participants) and (2) spilling of Lake Cachuma this spring as a result of locally wet conditions (which affect deliveries to South Coast project participants). The graph on the following page shows water deliveries since CCWA commenced operations in August 1997.

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

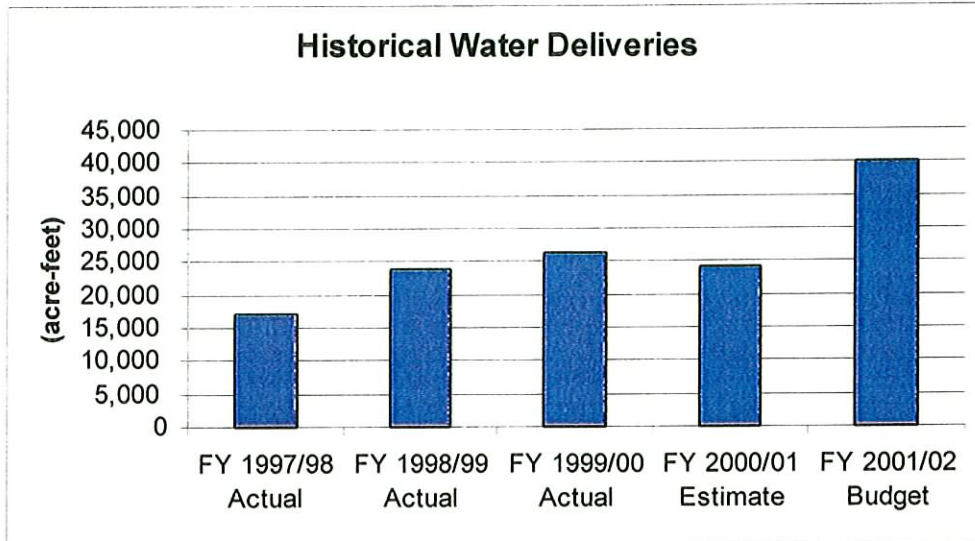
Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

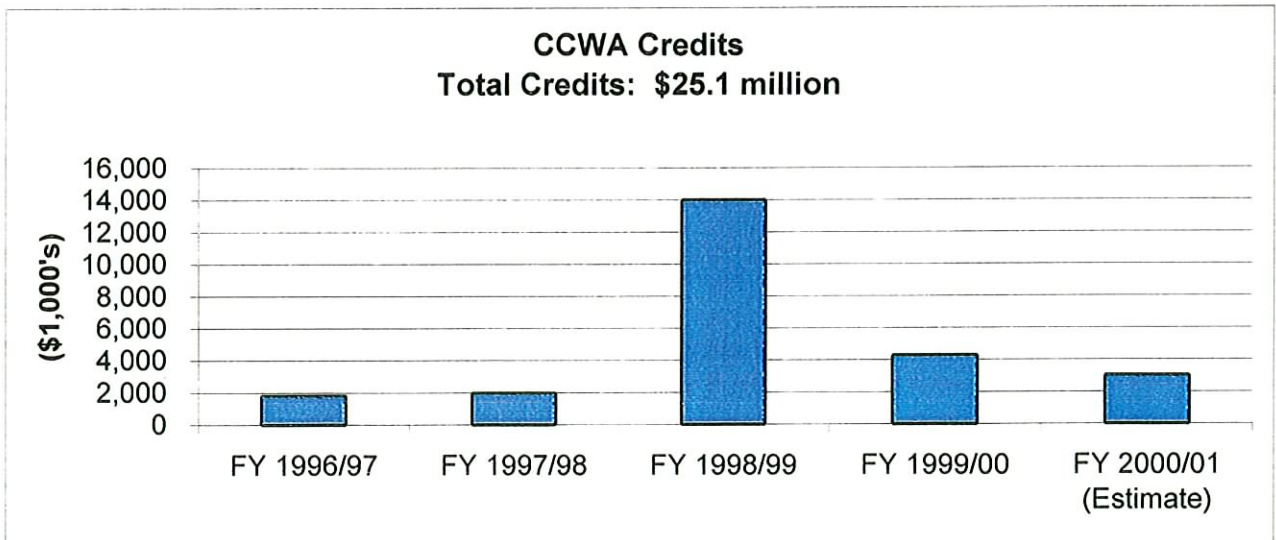
Associate Member

La Cumbre Mutual
Water Company



CCWA Credits

For the fifth consecutive year, actual CCWA operating expenses are projected to be less than budgeted. For Fiscal Years 1996/97 to 2000/01, CCWA has provided approximately \$25.1 million in credits to its project participants. These credits include \$3.9 million for unexpended operating expenses, \$11.3 million for interest income and \$9.9 million for debt service and other credits. The following graph shows the credits that have been given to the CCWA project participants during each of the last five fiscal years.



City of Solvang Litigation

The litigation between the Santa Ynez River Water Conservation District, Improvement District #1 and the City of Solvang was completed last year in favor of the District. CCWA had intervened in this litigation to protect the interest of all CCWA project participants and the validity of their Water Supply Agreements. In January the District reimbursed \$147,990 to CCWA for part of the legal fees incurred by CCWA in its intervention and the City of Solvang also paid \$19,379 to CCWA for the portion of its legal fees awarded by the Court.

Schedule C and Reach 5B/6 Pipeline Inspection

CCWA completed video inspections of portions of Schedule C of the CCWA pipeline last October and portions of the Reach 5B/6 of the Coastal Branch Phase II pipeline last December. The results of the two inspections showed that the overall condition of the pipeline interior is good. However, isolated occurrences of mortar-lining damage were observed in Reach 5B/6. CCWA and the original Reach 5B/6 construction contractor will jointly conduct a comprehensive inspection of the Reach 5B/6 pipeline during FY 2001/02 and make repairs as needed.

March 2001 Storm Damage

In March a 150-foot section of the CCWA pipeline was exposed on the south side of the Santa Ynez River due to excessive rainfall and spill releases from Lake Cachuma, which caused erosion of the banks on both sides of the river. Initial repairs were made to the exposed pipeline to mitigate against additional damage until final repairs are made this coming summer.

The Santa Barbara County Administrator signed a Proclamation for a Local Emergency for Santa Barbara County due to the severe storms in early March. As a result, the County was granted a "Director's Concurrence" from the Governor's Office of Emergency Services. This Director's Concurrence makes CCWA eligible for 75% reimbursement of part, if not all, its repairs costs under the Natural Disaster Assistance Act (NDAA).

On the north side of the Santa Ynez River, several hundred feet of bank were also eroded away in early March, leaving a thirty-foot cliff close to a vertical section of the CCWA pipeline adjacent to the "micro-tunnel" section underneath the river. CCWA is developing contingency plans to deal with possible additional erosion and exposure of the pipeline. CCWA is also investigating the possibility of NDAA funding to cover 75% of the cost to implement the contingency plan.

Taste and Odor Episodes

During September and October 2000 (and for a short period during September 1999), CCWA experienced episodes of earthy/musty taste and odor of treated State water, principally in the City of Santa Maria. The source of these taste and odor episodes was determined to be natural by-products of algae that occasionally bloom in various areas of the Bay/Delta and California Aqueduct.

Although no specific action is proposed during FY 2001/02 to address this issue, CCWA staff will be working with the CCWA Operating Committee to develop a possible solution for implementation in the future if a similar episode is experienced this coming summer.

Lake Cachuma Facility Inspection

Prior to the end of this fiscal year, CCWA will engage a diving contractor to perform an underwater inspection of the facilities used to deliver State water to Lake Cachuma. This inspection, which will be closely coordinated with the Cachuma Operation and Maintenance Board and the United States Bureau of Reclamation, is essential to ensure CCWA continues to most cost effectively and efficiently deliver State water to its South Coast project participants.

Awards and Competitions

Over the past year, CCWA received the GFOA "Distinguished Budget Presentation" award and the CSMFO "Award for Excellence in Operational Budgeting" for the FY 2000/01 Budget and the GFOA "Excellence in Financial Reporting" award for the FY 1999/00 Comprehensive Annual Financial Report. Additionally, for the first time, CCWA received the CSMFO "Award for Outstanding Financial Reporting" for its FY 1999/00 Comprehensive Annual Financial Report.

I congratulate Darin Dargatz, David Renelle and Michael Steinbock, CCWA Water Treatment Plant Operators, for earning a Grade 3 Distribution Certificate, Grade 2 Operator Certificate and a Grade 4 Operator Certificate, respectively.

I also congratulate Ron Cline for his promotion to CCWA Regulatory Specialist last November and welcome Eric Kieding, our new Distribution Technician to the organization.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2001 and 2002, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 38,673 and 39,117 acre-feet, respectively. As of May, DWR's entitlement allocation for 2001 is 35%. Consequently, certain CCWA project participants elected to participate in the DWR 2001 Dry Year Purchase Water program as well as purchasing water from DWR Turnback Pools A and B. CCWA will also continue to identify and implement mechanisms to enhance supply reliability and offset water shortages due to drought.

Monterey Amendment Litigation

On September 15, 2000, the Third District Court of Appeal reversed a favorable trial court ruling in *Planning and Conservation League v. Department of Water Resources and Central Coast Water Authority*, ordering the preparation of a new environmental impact report (EIR) regarding the "Monterey" Amendments to the State Water Contract. The Court of Appeal ruled the original EIR was not adequate and should have been prepared by DWR rather than CCWA.

CCWA will strive to preserve the numerous financial and water supply benefits of the Monterey Amendments through its membership in the State Water Contractors and association with DWR.

Permitting of Project Operations

Last year we committed to you that we would complete the permitting process for project operations by the end of FY 2000/01. Although we have made progress, we have not yet achieved this goal.

Coordination and timely response from state and federal regulatory agencies continue to challenge CCWA staff and its environmental consultants, but we are in the final stages of legal review for the Habitat Conservation Plan (HCP) and should have the approved document in hand before the end of FY 2000/01. Once the HCP is complete, operations permits can be acquired from the United States Army Corps of Engineers. CCWA consultants estimate a six-month approval process from the Corps.

Remediation of March 2001 Storm Damage

CCWA will complete final repairs to the 150-foot section of the pipeline exposed on the south side of the Santa Ynez River. CCWA will also pursue NDAA reimbursement of 75% of its costs. Initial funding for this work will be from the CCWA Operating Reserve Fund.

CCWA will complete its contingency plan and pursue NDAA cost reimbursement to deal with possible additional erosion and exposure of the vertical section of pipeline on the north side of the Santa Ynez River.

Comprehensive Reach 5B/6 Inspection and Repairs

CCWA will conduct a comprehensive inspection of Reach 5B/6 in October and November. The original Reach 5B/6 contractor will assist CCWA in the inspection and make any necessary repairs as part of the inspection program. The FY 2001/02 budget includes \$250,000 for this work.

Zurich Storm Damage Insurance Claim

During FY 2001/02, CCWA will continue to pursue collection of insurance proceeds from Zurich Insurance Company for the 1994-1995 storm damage during construction of the CCWA pipeline. The FY 2001/02 budget includes \$100,000 for legal fees associated with the insurance claim.

CCWA Display at Vista Del Lago Visitors Center

CCWA is working with DWR and the State Water Contractors to develop a display for the Vista Del Lago Visitors Center along the I-5 freeway at Pyramid Lake. The display will focus on (1) construction of the Coastal Branch Phase II project and CCWA facilities in an environmentally sensitive manner and (2) the unprecedented collaborative effort between DWR and CCWA to most cost effectively and efficiently bring State water to the Central Coast.

California Power Issues

One of the challenges facing CCWA during FY 2001/02 will be the ongoing statewide power crisis. Increases in power costs have resulted in higher payments to DWR for variable O&M costs and higher electrical costs at the Santa Ynez Pumping Facility, which are borne by the Santa Ynez II reach (i.e., South Coast) project participants.

FY 2001/02 BUDGET SUMMARY

The FY 2001/02 budget calls for total project participant payments of \$42.6 million compared to the FY 2000/01 budget of \$39.9 million, a \$2.7 million increase. These amounts include \$2.6 million in CCWA credits for FY 2001/02 and \$4.5 million for FY 2000/01.

The following table compares the FY 2001/02 Budget and the FY 2000/01 Budget:

Budget Item	FY 2000/01 Budget	FY 2001/02 Budget	Increase (Decrease)
<u>CCWA Expenses</u>			
CCWA Operating Expenses	\$ 4,273,625	\$ 4,503,952	\$ 230,327
Revenue Bond Debt Service Payments	10,425,454	10,357,208	(68,246)
Capital Improvement Projects ⁽¹⁾	54,229	88,026	33,797
Non-Annual Recurring Expenses	202,115	413,321	211,206
Total CCWA Expenses:	14,955,423	15,362,507	407,084
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	26,892,863	27,803,178	910,315
DWR Variable Costs	2,241,193	1,690,270	(550,923)
Warren Act and Trust Fund Payments	275,152	378,972	103,820
Total Pass-Through Expenses:	29,409,208	29,872,420	463,212
Subtotal Gross Budget:	44,364,631	45,234,926	870,295
CCWA Credits	(4,485,326)	(2,630,034)	1,855,292
TOTAL:	\$ 39,879,305	\$ 42,604,893	\$ 2,725,587

(1) Excludes capital expenditures funded from non-annual recurring expenses and revenue bond fund and capital deposits.

CCWA Operating Expense Budget

The FY 2001/02 CCWA operating expense budget totals \$4,503,952, which is \$230,327 higher than the FY 2000/01 operating expense budget, a 5.39% increase.

The table on the following page shows the allocation between the fixed and variable CCWA O&M expenses for FY 2001/02 and FY 2000/01.

	FY 2000/01 Budget	FY 2001/02 Budget	Increase (Decrease)
Fixed O&M	\$ 3,563,985	\$ 3,591,296	\$ 27,311
Variable O&M	709,640	912,656	203,016
Total:	\$ 4,273,625	\$ 4,503,952	\$ 230,327

The following is a list of the major highlights of the operating expense budget. Additional highlights and detailed explanations are available in the departmental sections of the budget. As the table above shows, the majority of the CCWA O&M expense budget increase is attributed to variable expenses (chemicals and power).

Water Deliveries

Total requested water deliveries for FY 2001/02 is 40,123 acre feet compared to the FY 2000/01 requested deliveries of 33,949 acre feet, an increase of 6,174 acre feet.

Since the final DWR entitlement allocation for 2001 will be less than 50%, the CCWA variable expense allocation is based on 50% of the requested water deliveries for the second half of calendar year 2001 and 100% of requested deliveries for the first half of calendar year 2002.

Personnel Expenses

Personnel expenses are increasing about \$73,000, which includes the following changes from the prior year:

- The FY 2001/02 Budget includes a \$96,450 salary pool for employee salary treatment approved by the CCWA Board of Directors on March 22, 2001 (Note: the expected increase in regular wages budget-to-budget is \$56,591, less than the salary pool amount because of new employees earning less than previous employees in the same positions and the adjustment of the Accounting Technician from a full-time position to a ¾ time position).
- PERS retirement expenses are lower than the previous fiscal year due to a decrease in the employer contribution rate for FY 2001/02.
- Temporary services are increasing by about \$5,200 for an increase in the part-time lab associate at the water treatment plant from 16 to 24 hours per week.

Supplies and Equipment

Supplies and equipment expenses are increasing by about \$25,000 for the following reasons:

- Chemical expense increase of \$32,670 primarily resulting from an increase in the chemical unit cost from \$14 to \$15 per acre foot.
- Fuel and lubricants increase of \$10,500 to more accurately reflect actual expenses.
- The increases shown above are partially offset by decreases in spare parts and seed/erosion control supplies.

Professional Services

Professional services are decreasing by \$45,800 for the following reasons:

- Reduced legal fees by \$30,000 due to the completion of litigation between the City of Solvang and Santa Ynez ID#1.
- Additional decreases for engineering services of \$10,000 and non-contractual services of \$7,000.

Utilities

Utility expenses are increasing by about \$170,000 due to an increase in electrical expenses at the Santa Ynez Pumping Facility.

Other Expenses

Other expenses are increasing by about \$16,000 for the following reasons:

- Non-capitalized equipment expense increase of \$15,000 due to the increase in the CCWA capitalization policy from \$1,000 to \$2,500 for fixed asset purchases.
- Other miscellaneous increases of about \$11,000 for equipment rental, computer expenses and appropriated contingency (appropriated contingency remains at 2.50% of total expenses).
- The increases shown above are partially offset by decreases for insurance claim deductibles of \$5,000 and a decrease in insurance expense of \$4,900.

CCWA Capital Improvement Projects

The FY 2001/02 Budget includes \$172,847 for capital improvements. This includes \$88,026 funded from project participant fixed assessments, \$59,574 from non-annual recurring expense deposits and \$25,247 from revenue bond and capital deposits.

Please refer to the "Capital Improvements" section of the FY 2001/02 Budget for additional information.

Non-Annual Recurring Expense Deposits

Non-annual recurring expense (NARES) deposits for FY 2001/02 are \$413,321 compared to the FY 2000/01 amount of \$202,115, an increase of \$211,206.

The FY 2001/02 NARES budget includes \$250,000 for the Reach 5B/6 comprehensive inspection and repairs (see the "Reserves" section of the budget for a detailed explanation of the Reach 5B/6 inspection and repairs), which are allocated to financial reaches 35, 37 and 38. These costs will be transferred from the NARES accounts as expenditures are incurred for the inspection and repair.

Regional Water Treatment Plant Allocation and Exchange Agreement Modifications

The FY 2001/02 fixed, capital and variable regional water treatment plant allocation (and associated credit) is \$1,250,662. The FY 2001/02 fixed, capital and variable exchange agreement modifications total \$323,186.

CCWA 1996 Revenue Bond Debt Service

CCWA 1996 revenue bond debt service for FY 2001/02 totals \$10.4 million, which includes \$697,904 in bond reserve fund guaranteed investment contract interest income credits and \$413,362 for interest income credits earned on debt service payments in FY 2000/01.

Warren Act and Trust Fund Payments

The FY 2001/02 Budget includes \$378,972 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 6,534 acre feet of water delivered to Lake Cachuma.

CCWA Credits

The FY 2001/02 budget includes the following credits:

CCWA O&M Credits	\$	1,022,665
O&M Reserve Fund Interest Income		69,288
Rate Coverage Reserve Fund Interest		108,579
Prepayments and Other Credits		1,429,502
	\$	<u>2,630,033</u>

DWR Fixed Charges

The DWR fixed charges for FY 2001/02 total \$28.3 million, a \$0.9 million increase over the prior fiscal year for principally the following reasons:

- Exclusion of rate management funds credits for the first half of calendar year 2002 (\$1.8 million) due to cash flow restrictions at DWR (see the "DWR" section of the budget for further information).
- First full year of repayment for the deferral of 1997-2000 charges of \$1.2 million.
- The increases listed above are partially offset by decreased Transportation Minimum OMP&R charges of \$951,000, credits for Transportation Capital charges of \$689,000, DWR account interest income credits of \$370,000 and other interest credits of \$400,000 from DWR.

DWR Variable Charges

The DWR variable charges for FY 2001/02 total \$1.7 million, a \$0.5 million decrease from the prior fiscal year for principally the following reasons:

- Off-Aqueduct credits of \$980,000 for prior year return of bond cover, DWR credits and interest income.
- Variable OMP&R increases of \$268,000 for a slightly higher unit rate for the first half of calendar year 2002 (Note: the Variable OMP &R unit rate may change during the fiscal year due to ongoing state-wide power issues).

CONCLUSION

I am proud of the accomplishments achieved during the previous fiscal year by CCWA's skilled and dedicated staff. Since CCWA will be celebrating its tenth anniversary in September, it is only fitting that we also reflect on the organization's numerous significant accomplishments over the past decade. In short, we have realized the extraordinary vision pursued for decades by those before us.

I look forward to the challenges and opportunities that lie ahead for FY 2001/02. I also renew staff's strong commitment to continue fulfilling CCWA's mission "to provide San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water."

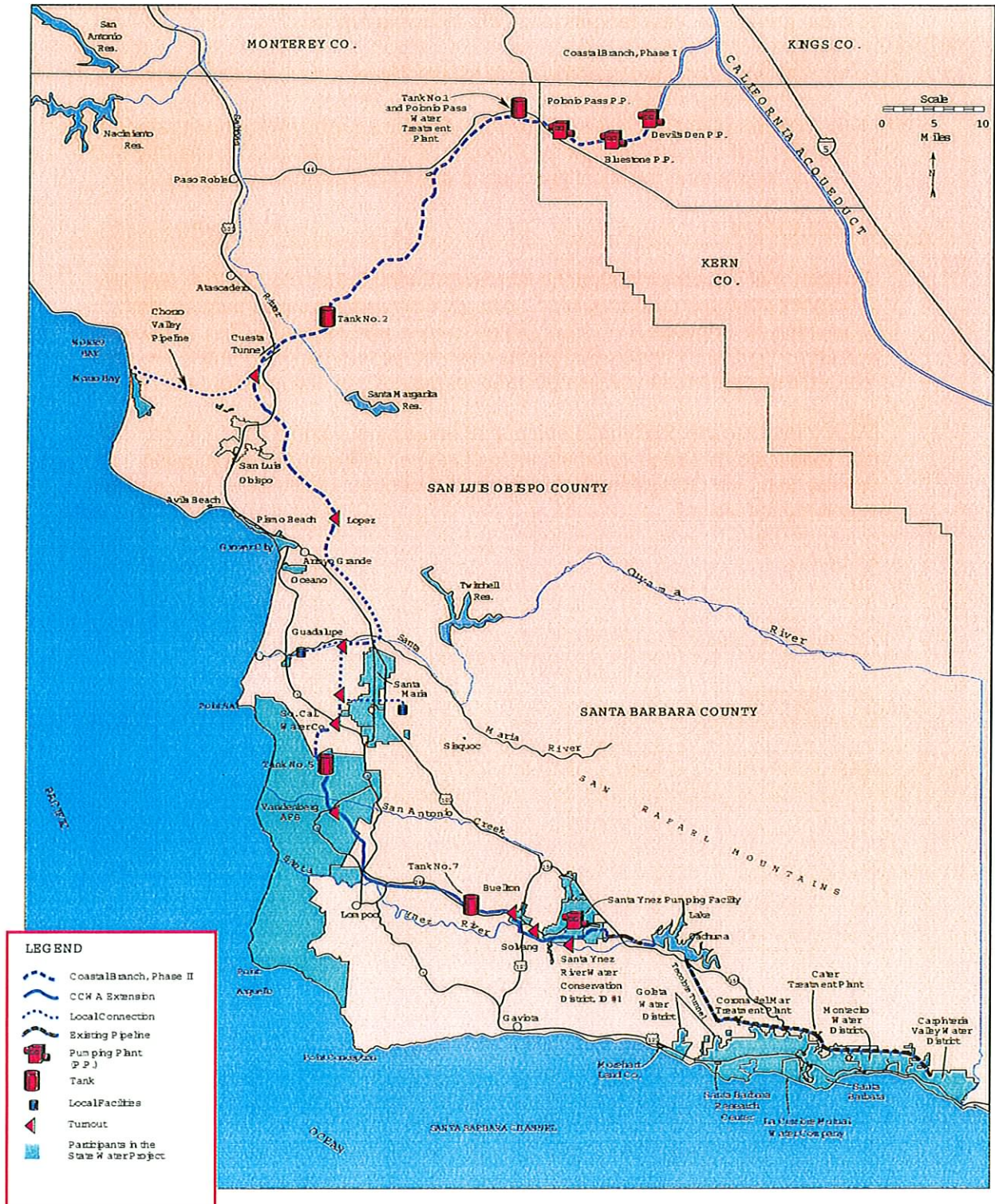
Sincerely,



Dan Masnada
Executive Director

RAS

Project Map



PROJECT MAP OF COASTAL BRANCH PHASE II

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2001/02 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 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 24 full-time and 2 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 Board of Directors is weighted roughly in proportion to the entity's allocation of State water entitlement. The following table outlines the voting percentage for each member of the CCWA Board of Directors.

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2001/02 Budget

CCWA Committees

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

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

Santa Barbara County Project Participants

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

Santa Barbara County Project Participant Entitlement

<u>Agency</u>	<u>Entitlement ⁽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
Southern California Water Company	500
Vandenberg Air Force Base	<u>5,500</u>
TOTAL	39,078

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2001/02 Budget

San Luis Obispo County Water Purchasers

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

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

Water Supply Agreements

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority in order to provide for the development, financing, construction, operation and maintenance of the Authority 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' entitlement 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 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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2001/02 Budget

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

State Water Project

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

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

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

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

The water treatment plant receives raw water from the Coastal Branch Phase II and, after treatment, returns the water to the Coastal Branch Phase II. The plant is sized at 43 million gallons per day, and is sized to accommodate the maximum annual entitlement. The plant uses conventional modern treatment units for filtration and disinfection of surface water in conformance with the relevant regulations of the California Department of Health Services.

Central Coast Water Authority
Budget Process
Fiscal Year 2001/02 Budget

Fiscal Year Budget

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

Four Year Financial Plan

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

The Four Year Financial Plan is prepared as an informational tool only 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. *A condensed version of the Four Year Financial Plan is found in the Appendix to this document.*

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

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

Committee Review of the Budget

The initial review of the budget is presented to the Finance and Operating Committees each March. Each of these Committees provides input to staff regarding the requested budget. As required by California's Brown Act and Public Records Act, both meetings are posted at least 72 hours, and typically one week, in advance of the meetings inviting the public to attend and provide input regarding the proposed budget.

Central Coast Water Authority
Budget Process
Fiscal Year 2001/02 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 April regular Board meeting. The budget is approved by motion and majority vote by the Board. All of these meetings are posted for public participation.

Budget Amendment Process

The budget may be amended during the year by Board action only. 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 2001/02

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

CCWA FINANCIAL SCHEDULE FISCAL YEAR 2001/2002

	FY 2000/01												FY 2001/02											
	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M
BUDGET	Budget Planning Cycle Budget Expenditure Cycle																							
1.0	Receive DWR Statement of Charges (for following calendar year)																							
1.1	Prepare Project Participant Delivery Forecast																							
1.2	Submit 5-YR Delivery Forecast to DWR																							
1.3	Submit Delivery Forecast and Warren Act Payment to USBR																							
1.4	Prepare Draft Budget*																							
1.5	Submit Preliminary Budget to Operating Committee																							
1.6	Submit Preliminary Budget to Finance Committee																							
1.7	Submit Preliminary Budget to Board of Directors																							
1.8	Board Approval of Final Budget																							
1.9																								
REVENUE																								
2.0	Project Participant Assessment Billings (CCWA Fixed Expenses)																							
2.1	SLO WTP and Coastal Branch Phase II Billing (CCWA Fixed Expenses)																							
2.2	Project Participant DWR Billings (Fixed Expenses)																							
2.3	Project Participant Bond Payment Billings																							
2.4	CCWA and DWR Variable Cost Billings																							
2.5																								
EXPENSES																								
3.0	CCWA Expenses																							
3.1	Administration / O&M Payments																							
3.1.1	Warren Act Payment																							
3.1.2	MOU Trust Fund Payments																							
3.1.3	CCWA Project Funds																							
3.2	Semi-Annual Bond Payment																							
3.2.1	DWR Payments																							
3.3	Semi Annual DWR Capital Cost Payment																							
3.3.1	Semi Annual DWR Coastal Branch Extension Payment																							
3.3.2	Monthly DWR Minimum and Variable OMP&R Cost Payment																							
3.3.3																								
WATER TRANSFERS AND SALES																								
4.0	CCWA Turnback Pool Sales																							
4.1	DWR Turnback Pool Sales																							
4.2																								

*Contains the FY 2001/2002 Budget and the Four-Year Budget Plan for FY 2002/03 through FY 2005/06

DWR Statement Received
 CCWA Board / Committee Milestone
 DWR Statement Received
 SLO WTP Billing Due Date/Period
 Participant's Bond Payment Due Date/Period
 CCWA Staff Milestone
 Participant's DWR Billing Due Date/Period
 Participant's Assessment Due Date/Period
 CCWA Staff Milestone
 DWR Payment/Period
 CCWA Expense Period/Payment
 Participant's Task/Milestone

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2 January 2001

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2001/02 Budget

Budget Reporting

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

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

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

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II

Santa Ynez I

Santa Ynez II

DWR Reaches

Reach 33B

Reach 34

Reach 35

Reach 37

Reach 38

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

Financial Statement Reporting

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2001/02 Budget

The Fiscal Year 2001/02 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 where the Authority has been in the past and where it is going in the future.

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

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

BUDGET POLICIES

- The primary budgetary objective is to provide the highest possible level of service to the Authority's project participants without impairing the Authority's sound financial condition. Continual efforts will be made to improve productivity, lower costs and enhance services.
- The Authority will endeavor to keep current expenditures less than current revenues. Current expenditures are defined as operating expenses, debt payments and capital improvement expenditures. The Authority will strive to operate within the approved budgetary amounts to avoid subsequent billings to the member agencies and other project participants for over-expenditures.
- The Authority will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports comparing actual revenues and expenditures/expenses to budgeted amounts.
- Laws and policies limiting revenue sources and expenditures must be explicitly addressed in the budget process.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2001/02 Budget

- No Unfunded Mandates The Board of Directors will not establish a goal or policy without also providing the necessary funding to accomplish those goals or policies.
- Budget Change Policy The adopted budget may only be changed by Board action. Budget change requests may be made by staff to the Board of Directors at a regularly scheduled Board meetings. The Board will then consider the requests based on staff's recommendations and approve or deny the requests by a majority vote.
- Bond Coverage Policy The project participants have covenanted to collect sufficient revenues to maintain net revenues of 125% of all State water payments made to the Central Coast Water Authority. Net revenues are defined as gross revenues minus operating expenses and excluding depreciation. The Authority staff will assist project participants in guaranteeing compliance with this covenant.
- Reconciliation of Charges The Authority will endeavor to reconcile differences between actual expenditures incurred and amounts billed to the member agencies and other project participants in a timely manner. Under-expenditures in the budget will be returned to project participants as credits in subsequent billings.
- Investment Income Allocation The Authority will endeavor to provide timely allocation of investment income to the member agencies and other project participants for payments covering 1996 revenue bond debt service and DWR charges.
- DWR Charges and Credits The Authority will endeavor to provide sufficient information to the member agencies and other project participants regarding the DWR charges to enable them to gain a full understanding of the charges. Additionally, the Authority will provide credits given by DWR on the next available billing sent to the project participants.
- Four Year Financial Plan In conjunction with preparation of the fiscal year budget, the Authority will also prepare and make available a four year financial plan which provides estimates of the total State water costs for the four-year period.
- Annual Allocation of Recurring Expenditures (Non-Annual Recurring Expenses – i.e., "NARES") The Authority will endeavor to identify non-annual recurring operating expenses and capital expenditures and allocate a portion of such expenditures over a number of years prior to the anticipated expenditure to eliminate large variances in the annual operating assessments to the project participants.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2001/02 Budget

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

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

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

The CCWA Board of Directors shall administer the Executive Director'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.

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.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2001/02 Budget

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.

INVESTMENT POLICY

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

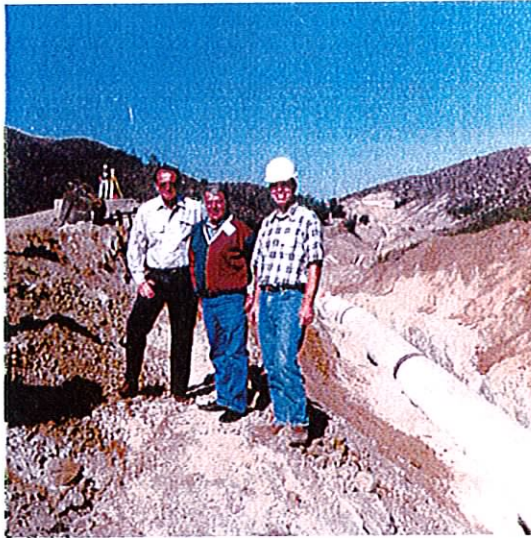
For further information on the Authority's investment policy, please refer to the Appendix section of this document.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2001/02 Budget

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 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 interest parties and opportunities will be provided for customer input prior to final adoption of the budget.
- Accounting System The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. The Authority will strive to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association.
- Budget Awards The Authority will annually submit its budget to the Government Finance Officers' Association for consideration of the Distinguished Budget Presentation Award and to the California Society of Municipal Finance Officers for its Excellence in Operational Budgeting award.





Legislative Tour of the Coastal Branch Phase II Pipeline Construction on November 6, 1995. Pictured in the photo from left to right: California Assemblymen Brooks Firestone and Dominic Cortese and Bruce Bumworth, Central Coast Water Authority Deputy Director.

Budget Summary

The Budget Summary section of the FY 2001/02 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document. Additionally, graphs and tables showing the projected expenditures through FY 2004/05 are included in this section.

Highlights

Budget Summary

• FY 2001/02 Gross Budget	\$45,234,926
• FY 2000/01 Gross Budget	<u>\$42,779,126</u>
Increase:	\$ 2,455,800
• FY 2001/02 CCWA Credits	\$2,630,033
• FY 2000/01 CCWA Credits	<u>\$4,485,326</u>
Decrease:	(\$ 1,855,293)
• FY 2001/02 Net Budget (After CCWA Credits)	\$42,604,893
• FY 2000/01 Net Budget (After CCWA Credits)	<u>\$38,293,800</u>
Increase:	\$ 2,725,588

Significant Budget Changes

- No DWR Rate Management Funds credit for calendar year 2002 (\$1.8 million)
- CCWA Operating Expense Budget increase (\$230,000)
- Non-Annual Recurring Expense (NARES) increase for the Reach 5B/6 pipeline inspection and repairs (\$250,000)

Central Coast Water Authority
Budget Summary
Fiscal Year 2001/02 Budget

	FY 2000/01			FY 2001/02 Budget	Change from FY 2000/01 Budget	Change from FY 2000/01 Actual
	FY 1999/00 Actual	FY 2000/01 Budget	Estimated Actual			
Beginning Cash Balance	\$ 2,227,057	\$ 2,389,422	\$ 2,445,654	\$ 2,580,288		
SOURCES OF CASH						
CCWA Operating Expenses	4,223,736	4,273,625	4,273,625	4,503,952	230,327	230,327
Debt Service Payments	8,167,168	10,425,454	10,425,454	10,357,208	(68,246)	(68,246)
Capital Improvement Projects	81,409	54,229	54,229	88,026	33,797	33,797
Non-Annual Recurring Expenses	222,602	202,115	202,115	413,321	211,206	211,206
Investment Income	225,801	-	200,000	-	-	(200,000)
CCWA Credits	-	(4,485,326)	(4,485,326)	(2,630,033)	1,855,293	1,855,293
Subtotal Revenues	12,920,716	10,470,097	10,670,097	12,732,473	2,262,376	2,062,376
<u>Pass-Through Expenses</u>						
DWR Fixed Costs	23,212,375	26,892,863	27,094,699	27,803,178	910,315	708,479
DWR Variable Costs	1,493,592	2,241,193	481,362	1,690,270	(550,923)	1,208,908
Warren Act Charges	4,187	275,152	47,642	378,972	103,820	331,330
Subtotal Pass-Through Expenses	24,710,154	29,409,208	27,623,703	29,872,420	463,212	2,248,717
TOTAL SOURCES OF CASH	37,630,870	39,879,305	38,293,800	42,604,893	2,725,588	4,311,093
USES OF CASH						
<u>CCWA Operating Expenses</u>						
Personnel	2,013,613	2,069,203	1,945,142	2,142,097	72,894	196,955
Office Expenses	22,191	22,100	20,135	20,900	(1,200)	765
Supplies and Equipment	407,503	541,362	401,811	566,237	24,875	164,426
Monitoring Expenses	56,682	87,000	61,159	87,000	-	25,841
Repairs and Maintenance	176,160	161,125	150,404	163,998	2,873	13,594
Professional Services	551,805	479,847	629,625	434,047	(45,800)	(195,578)
General and Administrative	101,295	134,421	95,610	125,102	(9,319)	29,492
Utilities	225,942	456,690	194,802	626,582	169,892	431,780
Other Expenses	158,041	321,877	230,803	337,990	16,113	107,186
Total Operating Expenses	3,713,232	4,273,625	3,729,490	4,503,952	230,327	774,462
<u>Other Expenditures</u>						
Warren Act Charges	4,187	275,152	47,642	378,972	103,820	331,330
Capital Improvement Projects ⁽¹⁾	131,696	121,710	121,710	397,600	275,890	275,890
CCWA Credits	-	(4,485,326)	(4,485,326)	(2,630,033)	1,855,293	1,855,293
1996 Revenue Bond Debt Service	8,167,168	10,425,454	10,425,454	10,357,208	(68,246)	(68,246)
Unexpended O&M Assessments	690,023	-	744,135	-	-	-
Total Other Expenditures	8,993,074	6,336,990	6,853,615	8,503,747	2,166,757	2,394,267
Total CCWA Expenditures	12,706,306	10,610,615	10,583,105	13,007,698	2,397,083	3,168,728
<u>DWR Charges</u>						
Fixed DWR Charges	23,212,375	26,892,863	26,406,030	27,803,178	910,315	1,397,148
Variable DWR Charges	1,493,592	2,241,193	2,039,146	1,690,270	(550,923)	(348,876)
DWR Credits	-	-	(869,115)	-	-	-
Total DWR Charges	24,705,967	29,134,056	27,576,061	29,493,448	359,392	1,048,272
TOTAL USES OF CASH	37,412,273	39,744,671	38,159,166	42,501,146	2,756,475	4,217,000
Ending Cash Balance	\$ 2,445,654	\$ 2,524,056	\$ 2,580,288	\$ 2,684,035	\$ 159,979	103,747
Non-Annual Recurring Balance	445,653	524,055	580,288	684,035		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ 0	\$ 0	\$ 0	\$ -		

(1) Excludes bond fund and capital deposit funded CIP expenditures and includes Reach 5B/6 exp enditures for FY 2001/02.

**Central Coast Water Authority
Total Expenditures Summary
Fiscal Year 2001/02 Budget**

Project Participant	Unadjusted Operating Expense ⁽¹⁾	Exchange Agreement Adjustment SYPF Power	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Adjustment Variable	Regional WTP Allocation	Regional WTP Credit	Adjusted Charge	Warren Act Charges ⁽²⁾	1996		Subtotal FY 2000/01 CCWA	Non-Annual Recurring Expenses	CCWA Credits	Total FY 2001/02 CCWA
									Revenue	Bond Debt Service				
Guadalupe	43,982	-	-	-	\$17,794	-	\$61,776	-	162,867	\$224,644	4,188	(\$12,283)	\$ 216,550	
Santa Maria	1,303,210	-	-	-	\$522,335	-	1,825,545	-	1,825,545	1,825,545	150,172	(633,334)	1,342,383	
SCWC	40,689	-	-	-	\$16,123	-	56,812	-	-	56,812	4,635	(455)	60,992	
Vandenberg AFB	514,282	-	-	-	\$178,080	-	692,363	-	-	692,363	68,612	(21,020)	739,955	
Buellton	63,035	-	-	-	\$18,566	-	81,601	-	288,563	370,164	7,464	(4,885)	372,743	
Santa Ynez (Solvang)	163,585	-	-	-	\$48,490	-	212,076	-	610,385	822,460	19,371	(1,295)	840,536	
Santa Ynez	45,604	-	\$300,034	31,277	\$103,610	\$0	480,526	-	227,436	707,962	17,663	(142,222)	583,403	
Goleita	1,019,107	(136,721)	(\$214,842)	(22,396)	\$87,322	(\$522,929)	409,541	244,735	2,790,448	3,444,723	41,337	(132,609)	3,353,452	
Morehart Land	31,777	-	-	-	\$6,238	(\$22,586)	15,429	6,264	95,355	117,048	1,837	(23,353)	95,531	
La Cumbre	204,269	-	-	-	\$32,305	(\$120,097)	116,477	63,800	456,431	636,709	9,180	(787,783)	(141,894)	
Raytheon (SBR)	10,213	-	-	-	\$1,624	(\$6,005)	5,833	3,190	26,857	35,880	459	(4,235)	32,105	
Santa Barbara	345,419	-	-	-	\$89,592	(\$318,048)	116,963	46,861	1,709,992	1,826,955	27,496	(43,034)	1,811,416	
Montecito	445,072	(29,389)	(\$46,181)	(4,814)	\$79,084	(\$283,646)	160,126	46,861	1,497,900	1,704,887	27,522	(307,190)	1,425,219	
Carpinteria	278,674	(24,826)	(\$39,011)	(4,067)	\$49,498	(\$177,352)	83,116	14,122	1,151,709	1,248,947	18,360	(503,998)	763,309	
Shandon	4,534	-	-	-	-	-	4,534	-	13,296	17,830	282	(233)	17,879	
Chorro Valley	132,080	-	-	-	-	-	132,080	-	1,040,099	1,172,179	7,204	(1,531)	1,177,853	
Lopez	137,308	-	-	-	-	-	137,308	-	285,870	423,178	7,538	(10,576)	420,140	
TOTAL:	4,783,041	(\$190,935)	(\$0)	(\$0)	\$1,250,662	(\$1,250,662)	\$4,591,978	\$378,972	\$10,357,208	\$15,328,285	\$413,321	(2,630,033)	\$13,111,573	

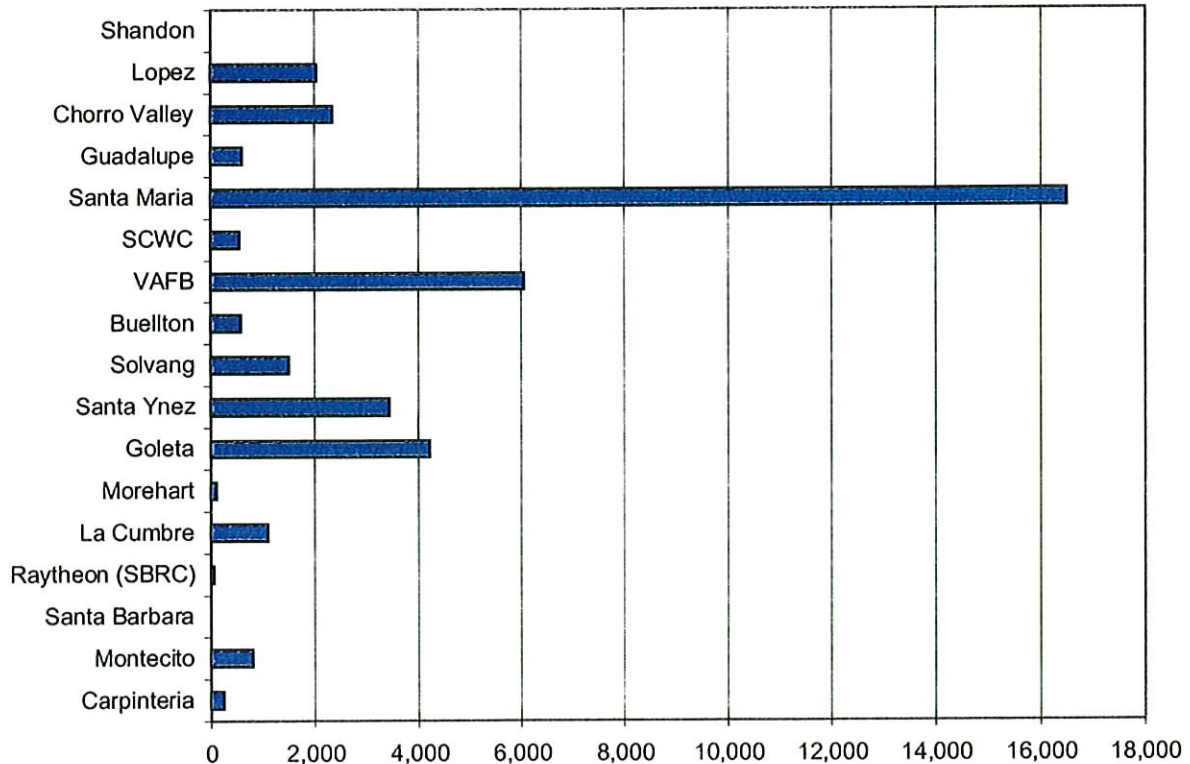
(1) Includes capital improvement projects.
(2) Adjusted for Santa Ynez Exchange Agreement modifications.

Project Participant	Transportation Capital Through Reach 35	Transportation Capital Through Reach 37	Transportation Capital Through Reach 38	DWR FIXED CHARGES			DWR VARIABLE CHARGES			Delta Water Charges	Total Fixed	Total Variable	DWR Interest Income	Total DWR Charges	TOTAL DWR and CCWA
				Transportation Capital	Transportation OMP&R	Transportation Minimum	Water System Revenue Bond	Off-Aqueduct Charges	Variable OMP&R						
Guadalupe	\$ 308,541	\$ -	\$ -	\$ 36,287	\$ 17,665	\$ 13,600	\$ 376,094	\$ 1,069	\$ 25,240	\$ 26,309	\$ 26,309	\$ (7,272)	\$ 395,131	\$ 611,661	
Santa Maria	9,127,038	323,157	-	1,068,829	518,634	392,578	11,430,236	39,915	646,551	686,446	686,446	(223,907)	11,892,775	13,235,159	
SCWC	275,512	9,974	-	32,989	15,999	12,371	346,843	-	18,293	18,293	18,293	(11,951)	353,186	414,177	
Vandenberg AFB	3,036,151	109,714	179,906	362,874	175,989	136,002	4,000,635	-	240,197	240,197	240,197	(27,588)	4,213,243	4,953,199	
Buellton	326,473	11,530	18,906	38,135	18,536	14,310	427,890	1,879	23,809	25,688	25,688	(4,399)	449,179	821,922	
Santa Ynez (Solvang)	849,368	29,922	49,065	94,909	47,016	33,738	1,104,018	-	24,039	24,039	24,039	(27,350)	1,100,667	1,941,203	
Santa Ynez	286,140	9,974	16,355	37,046	16,981	15,744	382,241	-	18,304	18,304	18,304	(5,126)	395,419	978,822	
Goleita	2,534,485	89,766	147,196	296,897	143,388	100,834	3,312,965	91,464	165,215	256,678	256,678	(4,289)	3,491,095	6,844,547	
Morehart Land	110,399	3,950	6,542	13,195	6,444	4,192	144,752	2,596	1,903	4,499	4,499	(8,731)	144,962	240,493	
La Cumbre	576,657	19,948	32,710	65,977	31,998	24,741	752,031	30,762	61,560	92,322	92,322	(331)	835,623	693,729	
Raytheon (SBR)	28,185	997	1,636	3,299	1,667	1,230	37,014	297	2,447	2,744	2,744	(331)	39,427	71,531	
Santa Barbara	1,701,584	59,844	98,130	197,931	95,994	56,360	2,209,842	96,370	-	96,370	96,370	(57,716)	2,248,496	4,059,912	
Montecito	1,691,956	59,844	98,130	197,931	95,994	66,243	2,210,098	97,545	41,073	138,618	138,618	(51,043)	2,297,672	3,722,862	
Carpinteria	1,118,067	39,896	65,420	131,954	63,996	44,209	1,463,544	43,667	16,096	59,763	59,763	(35,507)	1,487,799	2,251,109	
Goleita 2500 AF	23,438	-	-	60,180	9,011	56,144	148,773	-	-	-	-	-	148,773	148,773	
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL:	\$ 21,993,994	\$ 768,555	\$ 713,997	\$ 2,638,433	\$ 1,259,311	\$ 972,287	\$ 28,346,576	\$ 405,564	\$ 1,284,706	\$ 1,690,270	\$ (543,398)	\$ 29,493,448	\$ 42,604,893		

Central Coast Water Authority
FY 2001/02 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	2,031	-	2,031
Chorro Valley	2,338	-	2,338
Guadalupe	605	-	605
Santa Maria	16,495	-	16,495
SCWC	550	-	550
VAFB	6,050	-	6,050
Buellton	578	-	578
Solvang	1,500	-	1,500
Santa Ynez	700	2,742	3,442
Goleta	6,183	(1,963)	4,220
Morehart	108	-	108
La Cumbre	1,100	-	1,100
Raytheon (SBRC)	55	-	55
Santa Barbara	-	-	-
Montecito	1,230	(422)	808
Carpinteria	600	(357)	243
TOTAL:	40,123	-	40,123

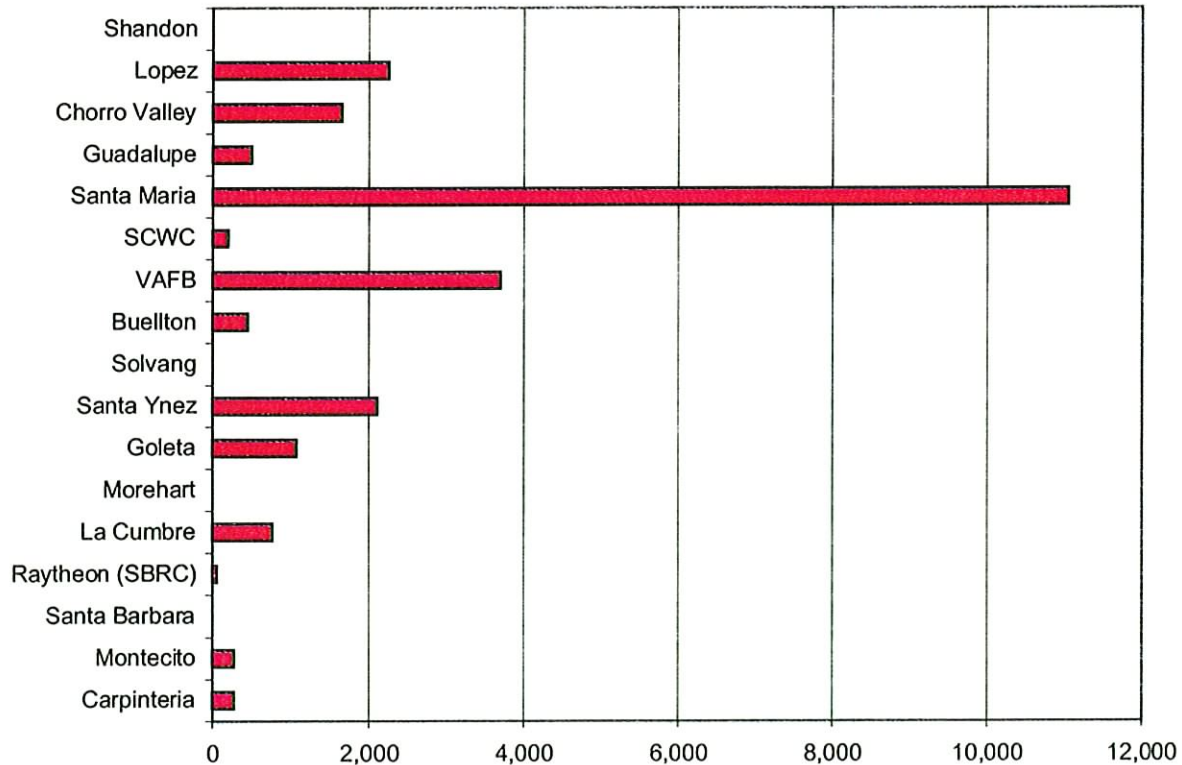
FY 2001/02 Deliveries (Acre Feet)



Central Coast Water Authority
FY 2000/01 Estimated Actual Deliveries (Acre Feet)

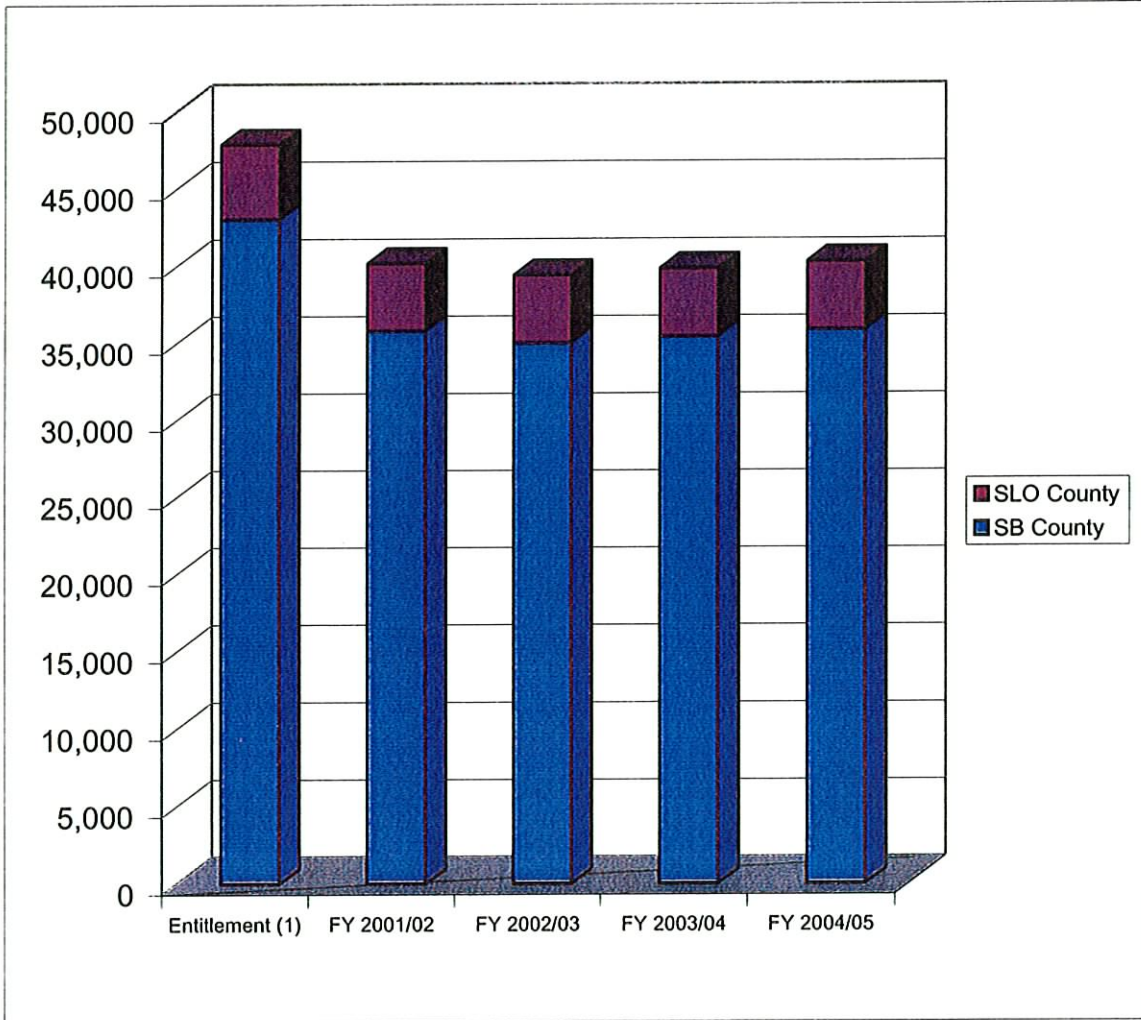
Project Participant	Est. Actual Deliveries	Exchange Deliveries	Est. Actual Deliveries
Shandon	-	-	-
Lopez	2,251	-	2,251
Chorro Valley	1,650	-	1,650
Guadalupe	494	-	494
Santa Maria	11,047	-	11,047
SCWC	199	-	199
VAFB	3,689	-	3,689
Buellton	449	-	449
Solvang	-	-	-
Santa Ynez	500	1,607	2,107
Goleta	2,129	(1,061)	1,068
Morehart	1	-	1
La Cumbre	765	-	765
Raytheon (SBRC)	55	-	55
Santa Barbara	-	-	-
Montecito	546	(273)	273
Carpinteria	546	(273)	273
TOTAL:	24,321	-	24,321

FY 2000/01 Estimated Actual Deliveries (Acre Feet)



Central Coast Water Authority
Requested State Water Deliveries
 FY 2001/02 to FY 2004/05

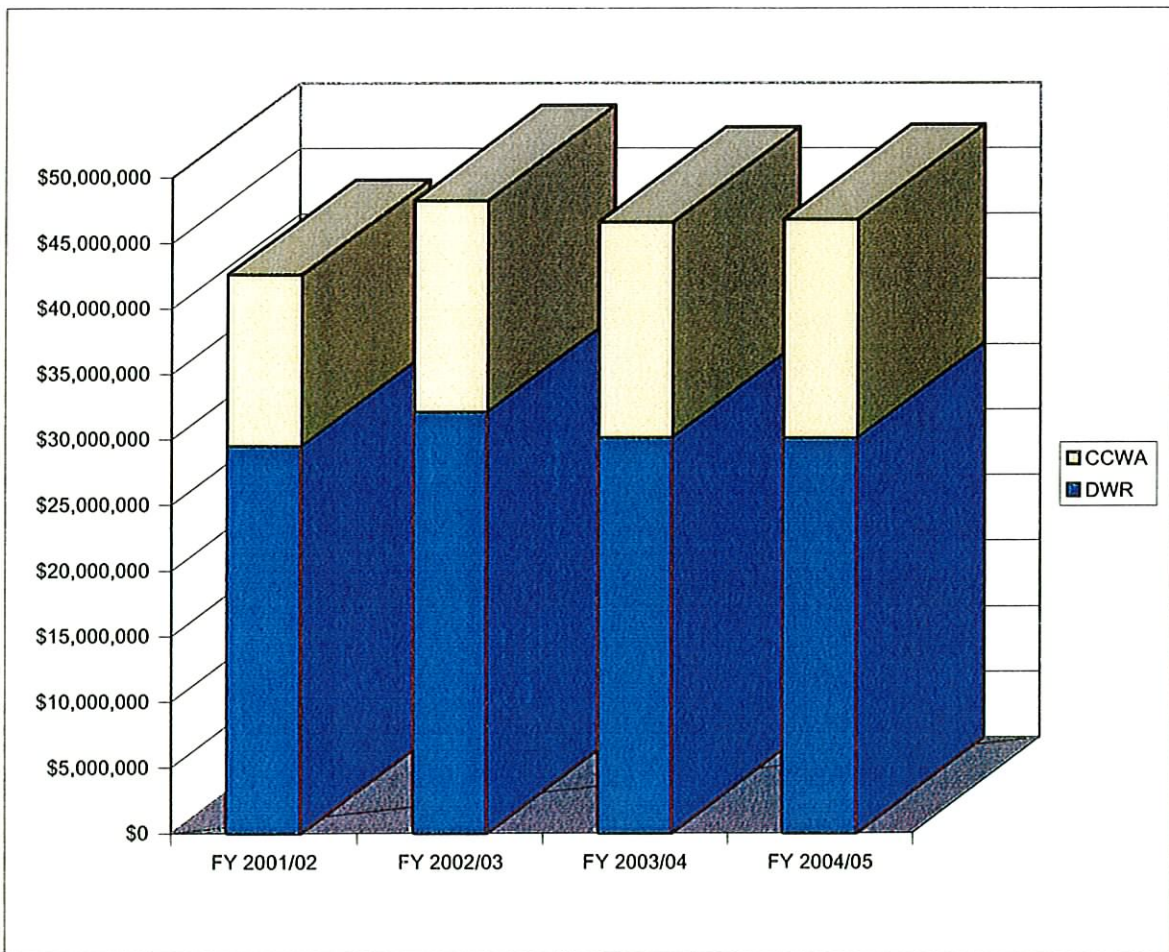
Entitlement ⁽¹⁾	47,816	AF
FY 2001/02	40,123	AF
FY 2002/03	39,336	AF
FY 2003/04	39,762	AF
FY 2004/05	40,198	AF



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

Central Coast Water Authority
Total DWR and CCWA SWP Charges
 FY 2001/02 to 2004/05

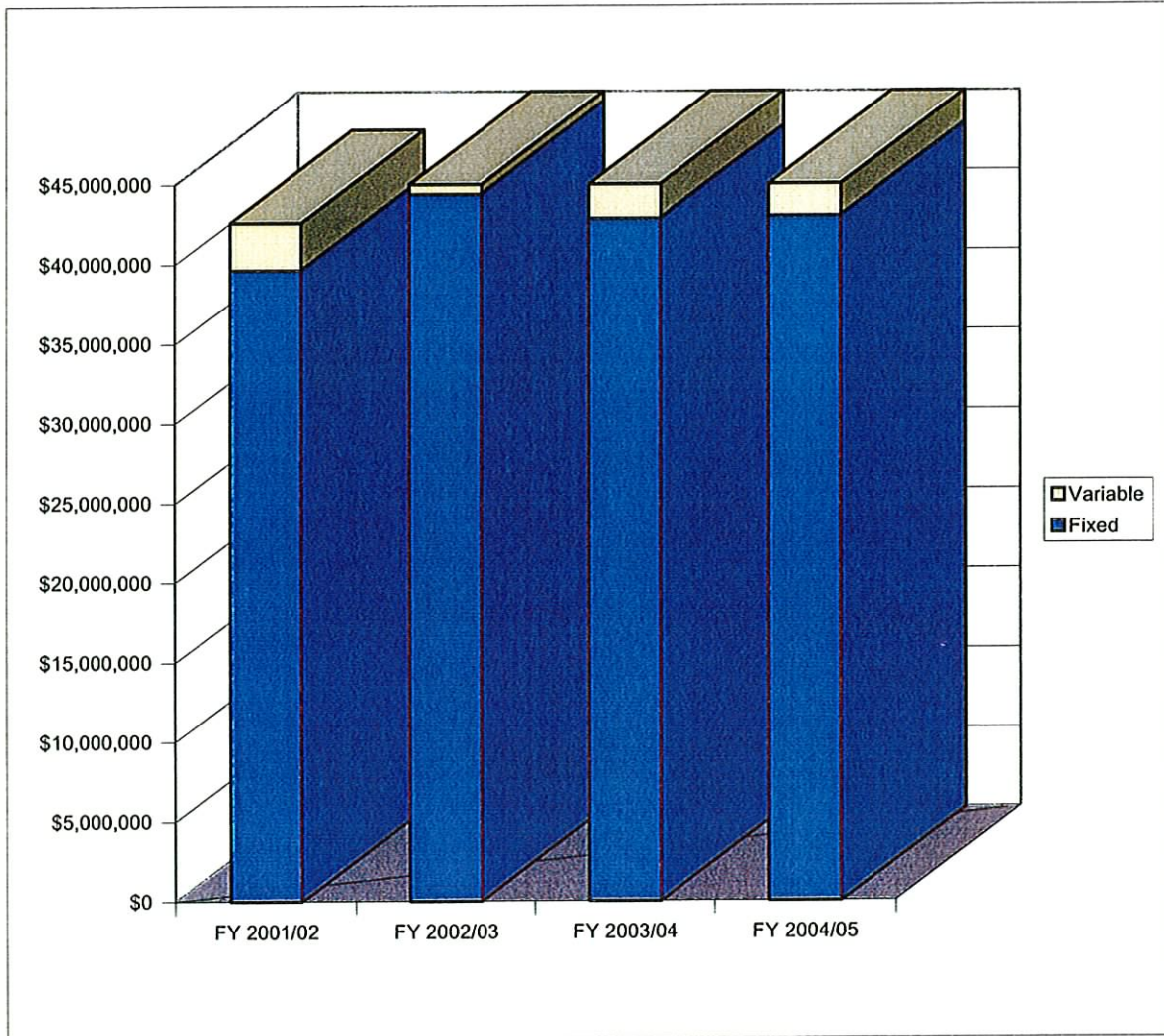
<u>Fiscal Year</u>	<u>DWR</u>	<u>CCWA</u>	<u>Total</u>
FY 2001/02	\$29,493,448	\$13,111,573	\$42,604,893
FY 2002/03	\$32,097,381	\$16,181,462	\$48,278,843
FY 2003/04	\$30,133,562	\$16,489,952	\$46,623,514
FY 2004/05	\$30,073,166	\$16,750,664	\$46,823,830



FY 2001/02 charges net of CCWA credits.

Central Coast Water Authority
Total Fixed and Variable SWP Charges
 FY 2001/02 through 2004/05

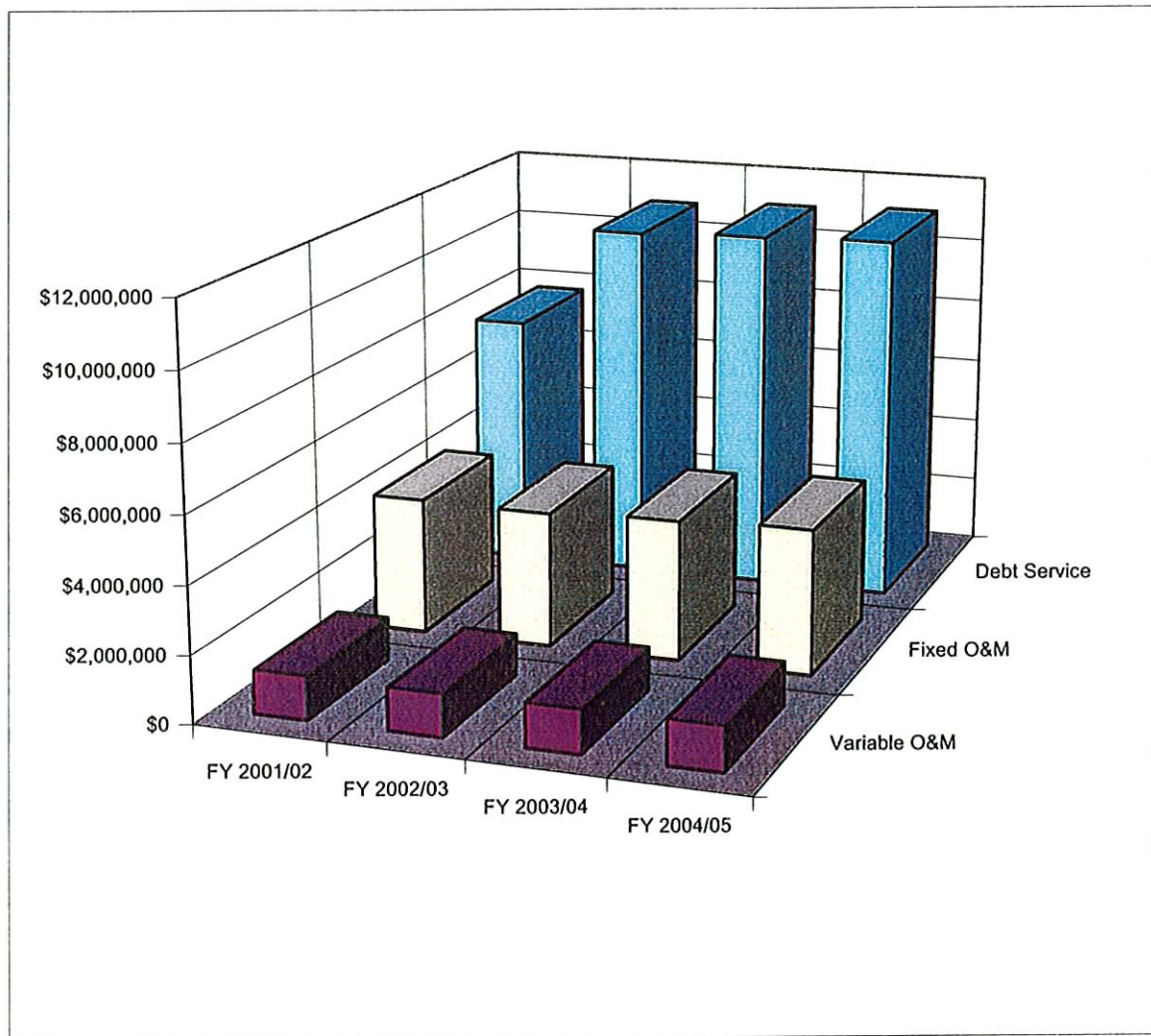
<u>Fiscal Year</u>	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>
FY 2001/02	\$39,623,123	\$2,981,898	\$42,604,893
FY 2002/03	\$44,371,112	\$3,907,731	\$48,278,843
FY 2003/04	\$42,819,957	\$3,803,557	\$46,623,514
FY 2004/05	\$42,965,531	\$3,858,299	\$46,823,830



FY 2001/02 charges net of CCWA credits.

Central Coast Water Authority
CCWA Estimated Charges
 FY 2001/02 to 2004/05

<u>Fiscal Year</u>	<u>Variable O&M</u>	<u>Fixed O&M</u>	<u>Debt Service</u>	<u>Total</u>
FY 2001/02	\$1,291,628	\$4,092,770	\$7,727,175	\$13,111,441
FY 2002/03	\$1,241,525	\$4,059,436	\$10,880,501	\$16,181,462
FY 2003/04	\$1,282,759	\$4,199,319	\$11,007,874	\$16,489,952
FY 2004/05	\$1,310,723	\$4,339,207	\$11,100,734	\$16,750,664



FY 2001/02 charges net of CCWA credits.



Joint California Department of Water Resources and Central Coast Water Authority Groundbreaking Ceremony at Vandenberg Air Force Base on April 18, 1994. Pictured in the photo from left to right: Clinton Milne, San Luis Obispo County Engineer; David Kennedy, Director of the Department of Water Resources; Douglas Wheeler, California Secretary of Resources; Curtis Tunnell, Chairman of the Central Coast Water Authority Board of Directors; Brigadier General Lance Lord, Vandenberg Air Force Base Commanding Officer; and Dan Masnada, Central Coast Water Authority Executive Director.

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2001/02 Budget includes information on the Authority's revenues, pass-through receipts and narrative explanations on the Authority's billing procedures and cash management.



Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2001/02 Budget

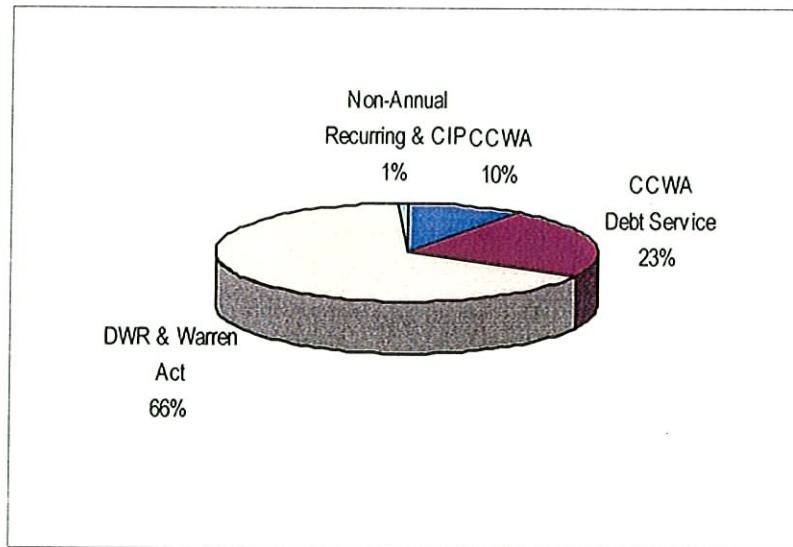
The Authority Revenue budget is comprised of payments made by member agencies and other project participants for Authority operating expenses, debt service on the Authority revenue bonds and investment income. Additionally, there are other payments made by the project participants that are treated as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

Revenues and Other Sources of Cash

Revenues	FY 2000/01		
	FY 1999/00 Actual	Estimated Actual	FY 2001/02 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 4,223,736	\$ 4,273,625	\$ 4,503,952
Debt Service Payments	8,167,168	10,425,454	10,357,208
Capital Improvement Projects (CIP)	81,409	54,229	88,026
Non-Annual Recurring Expenses	222,602	202,115	413,321
Investment Income	225,801	200,000	-
Subtotal Revenues	12,920,716	15,155,423	15,362,507
Pass-Through Expenses			
DWR Fixed Costs	23,212,375	27,094,699	28,346,576
DWR Variable Costs	1,493,592	481,362	1,690,270
DWR Account Interest	-	-	(543,398)
Warren Act Charges ⁽¹⁾	4,187	47,642	378,972
Subtotal Pass Through Expenses	24,710,154	27,623,703	29,872,420
CCWA Credits	-	(4,485,326)	(2,630,033)
TOTAL SOURCES OF CASH	\$ 37,630,870	\$ 38,293,800	\$ 42,604,893

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2001/02 Budget



FY 2000/01 Actual Cash Receipts

The actual cash receipts for FY 2000/01 were less than the actual expenditures for the year because of credits given to the project participants for (1) unexpended operating expense assessments for FY 1999/00, (2) interest income for FY 1999/00, (3) differences between the DWR actual fixed payments and the budgeted fixed payments and (4) debt service credits from the project closeout.

CCWA Operating Expense Revenues

The Authority 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 Appendix to this document for further information on the Exchange Agreement*). These Exchange Agreement modifications decrease the electrical costs at the Santa Ynez Pumping Facility. This modified amount is billed to the affected member agencies.

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2001/02 Budget

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

Project Participant	Original CCWA Operating Expenses ⁽¹⁾	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Adjustment SYPF Power	Exchange Agreement Adjustment Cap. and Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 43,982	\$ 17,794	\$ -	\$ -	\$ -	\$ -	\$ 61,776
Santa Maria	1,303,210	522,335	-	-	-	-	1,825,545
SCWC	40,689	16,123	-	-	-	-	56,812
Vandenberg AFB	514,282	178,080	-	-	-	-	692,363
Buellton	63,035	18,566	-	-	-	-	81,601
Santa Ynez (Solvang)	163,585	48,490	-	-	-	-	212,076
Santa Ynez	45,604	103,610	-	-	300,034	31,277	480,526
Goleta	1,019,107	87,322	(322,929)	(136,721)	(214,842)	(22,396)	409,541
Morehart Land	31,777	6,238	(22,586)	-	-	-	15,429
La Cumbre	204,269	32,305	(120,097)	-	-	-	116,477
Raytheon (SBRC)	10,213	1,624	(6,005)	-	-	-	5,833
Santa Barbara	345,419	89,592	(318,048)	-	-	-	116,963
Montecito	445,072	79,084	(283,646)	(29,389)	(46,181)	(4,814)	160,126
Carpinteria	278,874	49,498	(177,352)	(24,826)	(39,011)	(4,067)	83,116
Shandon	4,534	-	-	-	-	-	4,534
Chorro Valley	132,080	-	-	-	-	-	132,080
Lopez	137,308	-	-	-	-	-	137,308
TOTAL:	\$ 4,783,041	\$ 1,250,662	(\$ 1,250,662)	(\$ 190,935)	\$ -	\$ -	\$ 4,591,978

(1) Includes \$645,921 for the gross Santa Ynez Pumping Facility power costs and \$88,026 in capital expenditures.

The adjusted total CCWA Operating Expense revenues, including capital improvement projects for Fiscal Year 2001/02, are **\$4,591,978**.



James Odam, Distribution Technician.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2001/02 Budget

Debt Service Payments

The debt service payments on the 1996 Revenue Bonds issued by the Authority are paid entirely by the financing participants based on their proportional share of the project capital costs. Payments by the financing participants for debt service are treated as revenue by the Authority.

For Fiscal Year 2001/02, total revenue for debt service payments will be \$10,357,208, or about \$36,613 less than the FY 2000/01 payment. The following table shows each financing participant's share of the debt service.

Financing Participant	FY 2000/01	FY 2001/02	
	Actual Debt Service Payments	Debt Service Revenue	Difference
Avila Beach	\$ 14,203	\$ 13,992	\$ (210)
California Men's Colony	120,240	118,450	(1,790)
County of SLO	128,075	126,166	(1,909)
Cuesta College	60,125	59,229	(896)
Morro Bay	747,404	736,255	(11,149)
Oceano	104,038	102,488	(1,550)
Pismo Beach	171,955	169,390	(2,566)
Shandon	13,496	13,296	(201)
Guadalupe	165,293	162,867	(2,426)
Buellton	292,988	288,563	(4,425)
Santa Ynez (Solvang)	618,293	610,385	(7,909)
Santa Ynez	231,502	227,436	(4,066)
Goleta	2,831,156	2,790,448	(40,708)
Morehart Land	91,014	95,355	4,341
La Cumbre	435,617	456,431	20,814
Raytheon (SBRC)	27,242	26,857	(385)
Santa Barbara	1,741,145	1,709,992	(31,153)
Montecito	1,431,681	1,497,900	66,218
Carpinteria	1,168,351	1,151,709	(16,642)
TOTAL:	\$ 10,393,821	\$ 10,357,208	\$ (36,613)

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2001/02 Budget

FY 2001/02 CCWA Credits

The following table shows a summary of the FY 2001/02 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits
Guadalupe	\$2,772	\$1,835	\$ 7,675	\$ -	\$12,283
Santa Maria	-	-	-	633,334	633,334
SCWC	8	447	-	-	455
Vandenberg AFB	2,538	18,481	-	-	21,020
Buellton	2,943	1,942	-	-	4,885
Santa Ynez (Solvang)	(0)	1,295	-	-	1,295
Santa Ynez	140,553	1,669	-	-	142,222
Goleta	117,482	15,127	-	-	132,609
Morehart Land	4,331	672	-	18,350	23,353
La Cumbre	16	885	16,545	770,336	787,783
Raytheon (SBRC)	18	45	-	4,172	4,235
Santa Barbara	32,973	10,061	-	-	43,034
Montecito	250,000	10,154	47,036	-	307,190
Carpinteria	460,000	6,675	37,323	-	503,998
Shandon	233	-	-	-	233
Oceano CSD	-	-	-	3,309	3,309
Chorro Valley	1,531	-	-	-	1,531
Lopez	7,267	-	-	-	7,267
TOTAL:	\$1,022,665	\$69,288	\$108,579	\$1,429,502	\$2,630,033

Investment Income and Cash Management

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

The Authority's Treasurer is responsible for the investment of all Authority funds within the parameters of the Board adopted Investment Policy (*see the Appendix for a copy of the CCWA Investment Policy*).

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2001/02 Budget

Bank Account Cash Balances

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

Debt Service Payments

Payments made by the financing participants for debt service payments on the 1996 Revenue Bonds are held in a separate account and invested in accordance with the Authority Investment Policy with investment maturities corresponding to the debt service payment dates. Investment income within this account is allocated to the financing participants based on the proportional amount initially paid.

Investment Income

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

DWR Payment Investments

Payments made by project participants for subsequent payment to DWR are held in a separate account and invested in accordance with CCWA 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 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 2001/02 Budget

Pass-Through Expenses

Certain amounts paid to the Authority by the project participants are treated as "pass-through" expenses for purposes of the budget. These expenses include payments to DWR and Warren Act charges.

As these expenses are paid by the project participants to the Authority, they are recorded as a liability, payable to the respective project participants. They are not considered revenues.

Warren Act Charges

Warren Act charges represent the cost of wheeling water through Cachuma Project facilities. These costs are paid to the U.S. Bureau of Reclamation for each acre-foot of water delivered to the lake.

There are two components to the Warren Act charges: (1) Trust Fund payments of \$43 an acre-foot and (2) Warren Act charges of \$15 per acre foot. For Fiscal Year 2001/02, the charges are based on deliveries to Lake Cachuma of 6,534 acre feet.

The following table represents the Fiscal Year 2001/02 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 2001/02 DWR Fixed Charges	FY 2001/02 DWR Variable Charges	DWR Account Interest Income	FY 2001/02 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$376,094	\$26,309	(\$7,272)	\$ -	\$395,131
Santa Maria	11,430,236	686,446	(223,907)	-	11,892,775
SCWC	346,843	18,293	(11,951)	-	353,186
Vandenberg AFB	4,000,635	240,197	(27,588)	-	4,213,243
Buellton	427,890	25,688	(4,399)	-	449,179
Santa Ynez (Solvang)	1,104,018	24,039	(27,390)	-	1,100,667
Santa Ynez	382,241	18,304	(5,126)	-	395,419
Goleta	3,461,338	256,678	(78,149)	244,735	3,884,603
Morehart Land	144,752	4,499	(4,289)	6,264	151,226
LaCumbre	752,031	92,322	(8,731)	63,800	899,423
Raytheon (SBRC)	37,014	2,744	(331)	3,190	42,617
Santa Barbara	2,209,842	96,370	(57,716)	-	2,248,496
Montecito	2,210,098	138,618	(51,043)	46,861	2,344,534
Carpinteria	1,463,544	59,763	(35,507)	14,122	1,501,921
Shandon	-	-	-	-	-
Chorro Valley	-	-	-	-	-
Lopez	-	-	-	-	-
TOTAL:	\$28,346,576	\$1,690,270	(\$543,398)	\$378,972	\$29,872,420

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2001/02 Budget

Authority Billing Procedures

All expenses of the Authority including operating expenses, debt service payment, 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 Authority charges. The Master Water Treatment Agreement, the Agreement for Construction, Operation and Maintenance of the Chorro Valley and Lopez Turnouts and the Agreement for Coastal Branch Operations and Maintenance provide the guidelines to be followed when billing the San Luis Obispo County project participants for the Authority charges.

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



*David Renelle, Water Treatment
Plant Maintenance Technician.*

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 are 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.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2001/02 Budget

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2001/02 for each project participant.

Project Participant	FY 2001/02 CCWA Operating Expenses ⁽¹⁾	FY 2001/02 Non-Annual Recurring	FY 2001/02 Debt Service Payments	FY 2001/02 DWR Costs	FY 2001/02 Warren Act Charges ⁽²⁾	FY 2001/02 CCWA Credits	FY 2001/02 Total Payments
Guadalupe	\$61,776	\$4,188	\$ 162,867	\$395,131	\$0	\$ (12,283)	\$611,681
Santa Maria	1,825,545	150,172	-	11,892,775	-	(633,334)	13,235,159
SCWC	56,812	4,635	-	353,186	-	(455)	414,177
Vandenberg AFB	692,363	68,612	-	4,213,243	-	(21,020)	4,953,199
Buellton	81,601	7,464	288,563	449,179	-	(4,885)	821,922
Santa Ynez (Solvan)	212,076	19,371	610,385	1,100,667	-	(1,295)	1,941,203
Santa Ynez	480,526	17,663	227,436	395,419	-	(142,222)	978,822
Goleta	409,541	41,337	2,790,448	3,639,868	244,735	(132,609)	6,993,320
Morehart Land	15,429	1,837	95,355	144,962	6,264	(23,353)	240,493
La Cumbre	116,477	9,180	456,431	835,623	63,800	(787,783)	693,729
Raytheon (SBRC)	5,833	459	26,857	39,427	3,190	(4,235)	71,531
Santa Barbara	116,963	27,496	1,709,992	2,248,496	-	(43,034)	4,059,912
Montecito	160,126	27,522	1,497,900	2,297,672	46,861	(307,190)	3,722,892
Carpinteria	83,116	18,360	1,151,709	1,487,799	14,122	(503,998)	2,251,109
Shandon	4,534	282	13,296	N/A	-	(233)	17,879
Chorro Valley	132,080	7,204	1,040,099	N/A	-	(1,531)	1,177,853
Lopez	137,308	7,538	285,870	N/A	-	(10,576)	420,140
TOTAL:	\$4,591,973	\$413,321	\$10,357,208	\$29,493,448	\$378,972	(\$2,630,033)	\$42,604,893

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





Symbolic Passing of the Baton from the California Department of Water Resources to the Central Coast Water Authority during the Special Luncheon at the Historic Palacio del Rio in Santa Ynez Following the July 18, 1997 Joint Ribbon Cutting and Dedication Ceremony. Pictured in the photo from left to right: David Kennedy, Director of the Department of Water Resources, and Robert Puddicombe, Chairman of the Central Coast Water Authority Board of Directors.

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2001/02 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 2001/02 DWR charges.

Highlights

Total FY 2001/02 DWR Charges \$29,493,448

- DWR Fixed Charges \$28,346,576
- DWR Variable Charges \$ 1,690,270
- DWR Account Interest Income Credit \$ (543,398)

Fixed Charge Highlights

- Total fixed charge increase over FY 2000/01 of \$898,000
- Rate Management Funds Credit excluded for calendar year 2002 (\$1,800,000)
- First full year of repayment of 1997-2000 deferral of charges (\$1,148,000)

Variable Charge Highlights

- Total variable charge decrease over FY 2000/01 of \$551,000
- Variable OMP&R unit rate for 2001: \$43.36
- Variable OMP&R unit rate for 2002: \$49.93

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2001/02 Budget

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 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 entitlement. 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 are 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 2001/02 DWR Charges

The DWR charges for the first half of FY 2001/02 are based on the 2001 Statement of Charges. The DWR charges for the second half of FY 2001/02 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 \$484 million. Coastal Branch Extension capital charges are based on debt service from DWR's November 1996 Series Q revenue bond financing and include deferral of principal through 2008.

The fixed DWR charges are allocated to the various project participants based on their State water entitlement allocation. The variable DWR charges are allocated based on project participant requested deliveries. San Luis Obispo County pays DWR directly for its DWR costs. The table on page 63 shows fixed and variable DWR costs for each project participant.

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2001/02 Budget

The FY 2001/02 DWR fixed charges total \$28,346,576, which is \$898,407 more than the FY 2000/01 Budget.

- Transportation capital charges are increasing by approximately \$2,111,000 because of the repayment of the 1997-2000 deferred charges commencing in 2001 (\$1,148,089) and no rate management funds credits for calendar year 2002 (\$1,635,289; see the discussion in this section entitled "*Other DWR Charges and Credits*"). These increases are partially offset by DWR credits from FY 2000/01 in the amount of \$688,833.
- Coastal Branch Phase II Extension (i.e., Reaches 37 and 38) transportation charges are decreasing by about \$109,000 compared to the FY 2000/01 amount. This decrease is attributed to the debt service reserve interest income (\$300,000) partially offset by repayment of the 1997-2000 deferred charges commencing in 2001 (\$80,095) and no rate management funds credits for calendar year 2002 (\$105,923; see the discussion in this section entitled "*Other DWR Charges and Credits*").
- Transportation Minimum OMP&R charges are decreasing by about \$951,000 over the prior year budget due to a correction in the 2001 charges by DWR. The charges were overstated in last year's projections because incorrect data was previously used for projected costs in Reaches 31A and 33A.
- Water System Revenue Bond Charges are lower by approximately \$153,000 for interest income credits from DWR.
- Delta Water Charges for FY 2001/02 are about \$972,000 which is the same as the prior year budget. Delta Water Charges for FY 2001/02 are partially offset by credits for water sold in the DWR 2000 Turnback Pool program.

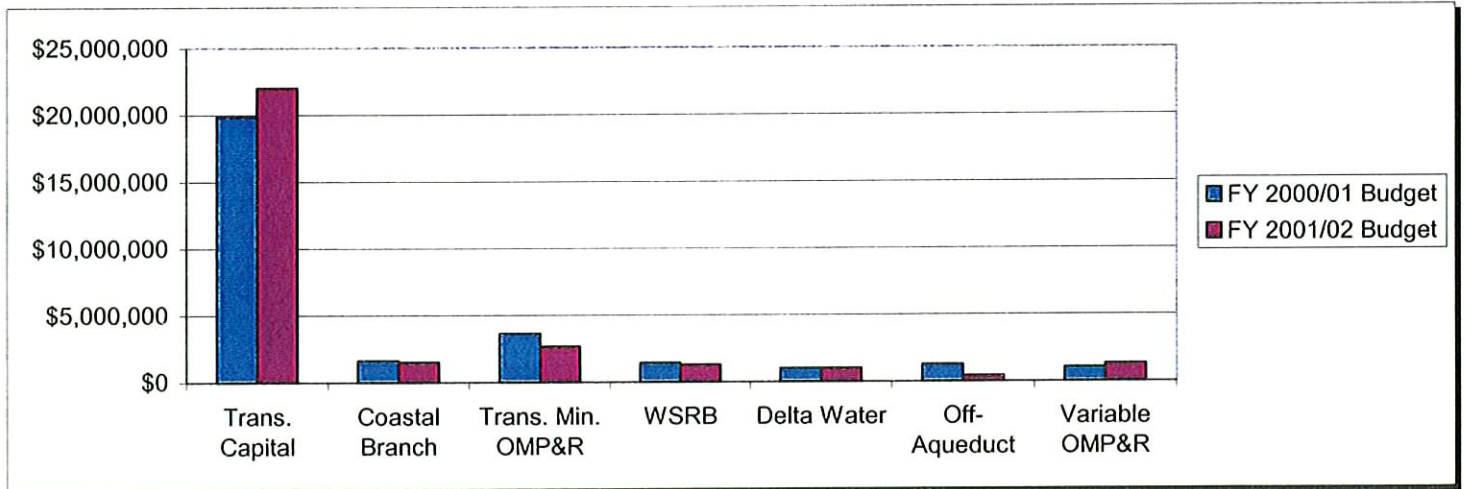
The DWR variable charges for FY 2001/02 total \$1,690,270, which is \$550,923 lower than the FY 2000/01 budgeted variable payments.

- Off-aqueduct charges are decreasing by about \$819,000 due to (1) return of off-aqueduct bond cover from the prior year, (2) credits for prior year payments in excess of the actual amount incurred for the year and (3) surplus money fund interest payments from DWR.
- Variable OMP&R charges are increasing by approximately \$268,000 due to an increase in the unit rate for calendar year 2002 and lower available credits from the prior fiscal year when compared to the FY 2000/01 budget.

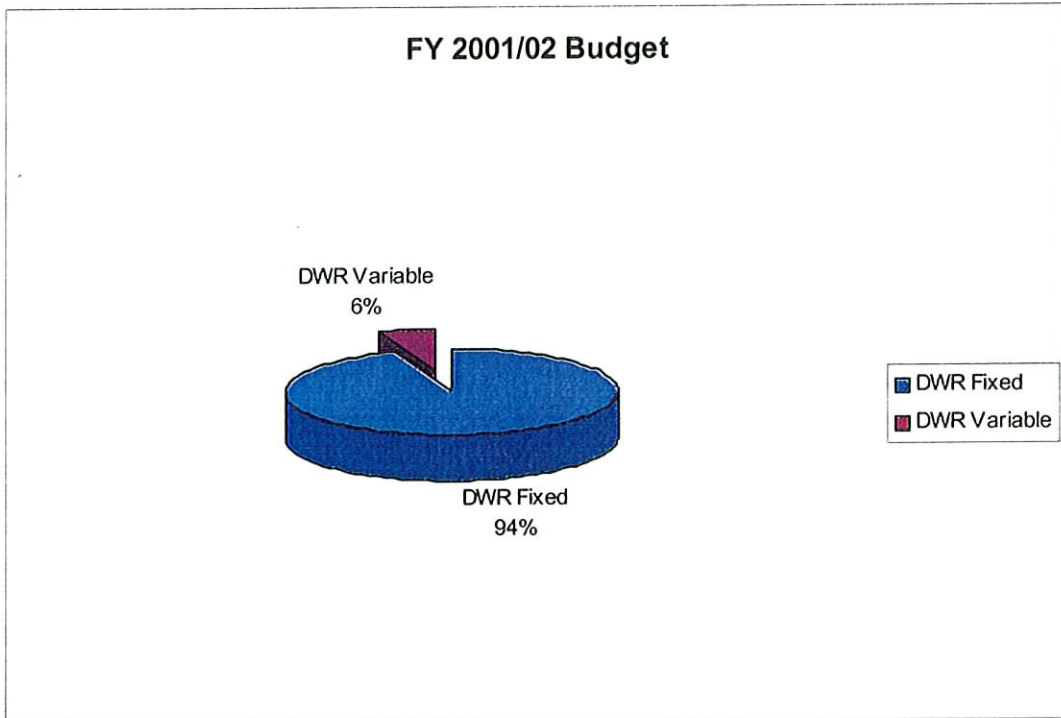
Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2001/02 Budget

The following table provides a comparison of the FY 2000/01 and FY 2001/02 DWR budget. The FY 2001/02 charges are also partially offset by \$543,398 in investment income earned in the DWR account during FY 2000/01 compared to the prior year credit amount of \$555,305, a decrease of \$11,907.

DWR Fixed and Variable Cost Comparison			
Cost Component	FY 2000/01 Budget	FY 2001/02 Budget	Increase (Decrease)
Transportation Capital	\$ 19,882,949	\$ 21,993,994	\$ 2,111,045
Coastal Branch Phase II	1,591,808	1,482,551	(109,257)
Transportation Minimum OMP&R	3,589,227	2,638,433	(950,795)
Water System Revenue Bond	1,412,349	1,259,311	(153,038)
Delta Water Charges	971,836	972,287	451
Subtotal Fixed DWR Charges	27,448,169	28,346,576	898,407
Off-Aqueduct Charges	1,224,852	405,564	(819,288)
Variable OMP&R	1,016,341	1,284,706	268,365
Subtotal Variable DWR Charges	2,241,193	1,690,270	(550,923)
DWR Account Investment Income	(555,305)	(543,398)	11,907
Total DWR Charges	\$ 29,134,057	\$ 29,493,448	\$ 359,391



Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2001/02 Budget



Arva "Bud" Webb, Water Treatment Plant Operator

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

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

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

The following table shows the Transportation Capital Costs for Reaches 1 through 35 for FY 2001/02 by project participant.

TRANSPORTATION CAPITAL CHARGES

Project Participant	Entitlement	Percentage	Reaches 1 to 35 ⁽¹⁾	Deferral of Charges	One-Shot Adjustment	Rate Management Funds Credit	FY 2000/01 (Credits) Additional Charge ⁽²⁾	FY 2001/02 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 327,002	\$ 16,142	\$ (1,237)	\$ (22,989)	\$ (10,377)	\$ 308,541
Santa Maria	16,200	41.46%	9,631,694	475,453	(36,434)	(677,138)	(266,536)	9,127,038
SCWC	500	1.28%	297,274	14,674	(1,125)	(20,899)	(14,413)	275,512
VAFB	5,500	14.07%	3,270,019	161,419	(12,370)	(229,893)	(153,026)	3,036,151
Buellton	578	1.48%	343,649	16,964	(1,300)	(24,160)	(8,681)	326,473
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	884,522	44,023	(3,374)	(62,110)	(13,694)	849,368
Santa Ynez ⁽³⁾	500	1.28%	304,576	14,674	(1,125)	(21,488)	(10,498)	286,140
Goleta	4,500	11.52%	2,675,470	132,070	(10,121)	(188,094)	(74,841)	2,534,485
Morehart	200	0.51%	118,910	5,870	(450)	(8,360)	(5,571)	110,399
La Cumbre	1,000	2.56%	594,549	29,349	(2,249)	(41,799)	(3,194)	576,657
Raytheon (SBRC)	50	0.13%	29,727	1,467	(112)	(2,090)	(807)	28,185
Santa Barbara	3,000	7.68%	1,783,647	88,047	(6,747)	(125,396)	(37,967)	1,701,584
Montecito	3,000	7.68%	1,783,647	88,047	(6,747)	(125,396)	(47,595)	1,691,956
Carpinteria	2,000	5.12%	1,189,098	58,698	(4,498)	(83,597)	(41,633)	1,118,067
Subtotal:	39,078	100.00%	\$ 23,233,786	\$ 1,146,897	\$ (87,887)	\$ (1,633,407)	\$ (688,833)	\$ 21,970,556
Goleta Additional Entitlement	2,500	5.50%	24,129	1,191	-	(1,882)	-	23,438
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-
TOTAL:	45,486		\$ 23,257,915	\$ 1,148,089	\$ (87,887)	\$ (1,635,289)	\$ (688,833)	\$ 21,993,994

(1) Reach 36 was deleted during project design. DWR Reaches to the end of Coastal Branch Phase II consist of Reaches 1 to 35. The Coastal Branch extension consists of Reaches 37 and 38.

(2) Credits or additional amount due from FY 2000/01 transportation capital reconciliation.

(3) Adjusted for transfer of the Solvang 150 acre foot drought buffer entitlement to Santa Ynez.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2001/02 Budget

Transportation Charges - Reaches 37 and 38 This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River.

The following table shows the Coastal Branch Extension Transportation Capital charges for Reaches 37 and 38. The charges are allocated according to DWR's estimated construction costs for the project with 51.84% allocated to Reach 37 and 48.16% allocated to Reach 38.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant			<i>Reach 37</i>		Net Reach 37 Transp. Costs
	Entitlement	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	492,579	(169,422)	323,157
SCWC	500	1.30%	15,203	(5,229)	9,974
VAFB	5,500	14.28%	167,234	(57,520)	109,714
Buellton	578	1.50%	17,575	(6,045)	11,530
Santa Ynez (Solvang)	1,500	3.89%	45,609	(15,687)	29,922
Santa Ynez	500	1.30%	15,203	(5,229)	9,974
Goleta	4,500	11.68%	136,828	(47,062)	89,766
Morehart	200	0.52%	6,081	(2,092)	3,990
La Cumbre	1,000	2.60%	30,406	(10,458)	19,948
Raytheon (SBRC)	50	0.13%	1,520	(523)	997
Santa Barbara	3,000	7.79%	91,218	(31,375)	59,844
Montecito	3,000	7.79%	91,218	(31,375)	59,844
Carpinteria	2,000	5.19%	60,812	(20,916)	39,896
Total:	38,528	100.00%	1,171,487	(402,932)	\$ 768,555

Project Participant			<i>Reach 38</i>		<i>FY 2001/02</i>	
	Entitlement	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	Transportation Capital Charges
Guadalupe	-	0.00%	-	-	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	323,157
SCWC	-	0.00%	-	-	-	9,974
VAFB	5,500	25.20%	274,225	(94,320)	179,906	289,619
Buellton	578	2.65%	28,819	(9,912)	18,906	30,436
Santa Ynez (Solvang)	1,500	6.87%	74,789	(25,724)	49,065	78,987
Santa Ynez	500	2.29%	24,930	(8,575)	16,355	26,329
Goleta	4,500	20.62%	224,366	(77,171)	147,196	236,961
Morehart	200	0.92%	9,972	(3,430)	6,542	10,532
La Cumbre	1,000	4.58%	49,859	(17,149)	32,710	52,658
Raytheon (SBRC)	50	0.23%	2,493	(857)	1,636	2,633
Santa Barbara	3,000	13.74%	149,578	(51,447)	98,130	157,974
Montecito	3,000	13.74%	149,578	(51,447)	98,130	157,974
Carpinteria	2,000	9.16%	99,718	(34,298)	65,420	105,316
Total:	21,828	100.00%	1,088,326	(374,329)	\$ 713,997	\$ 1,482,551

(1) Includes repayment of the Deferral of Charges repayment, \$80,095, credits for the return of bond cover, \$451,963, and Rate Management Funds Credits, \$105,923, for 2001 only.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2001/02 Budget

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

The following table shows the Transportation Charge-Minimum OMP&R charges for FY 2001/02.

TRANSPORTATION MINIMUM OMP&R

Project Participant	Entitlement	Percentage	Reaches 1 to 35	One-Shot Adjustment	FY 2001/02	
						Transportation Minimum OMP&R
Guadalupe	550	1.41%	36,287	-	\$	36,287
Santa Maria	16,200	41.46%	1,068,829	-		1,068,829
SCWC	500	1.28%	32,989	-		32,989
VAFB	5,500	14.07%	362,874	-		362,874
Buellton	578	1.48%	38,135	-		38,135
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	94,909	-		94,909
Santa Ynez ⁽¹⁾	500	1.28%	37,046	-		37,046
Goleta	4,500	11.52%	296,897	-		296,897
Morehart	200	0.51%	13,195	-		13,195
La Cumbre	1,000	2.56%	65,977	-		65,977
Raytheon (SBRC)	50	0.13%	3,299	-		3,299
Santa Barbara	3,000	7.68%	197,931	-		197,931
Montecito	3,000	7.68%	197,931	-		197,931
Carpinteria	2,000	5.12%	131,954	-		131,954
Subtotal:	39,078	100.00%	\$ 2,578,253	\$ -	\$	2,578,253
Goleta Additional Entitlement	2,500	-	60,180	-	\$	60,180
CCWA Drought Buffer	3,908	-	-	-		-
TOTAL:	45,486		\$ 2,638,433	\$ -	\$	2,638,433

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

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2001/02 Budget

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

The following table shows the Water System Revenue Bond Surcharge for FY 2001/02.

WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Entitlement	Percentage	Gross WSRB Charges	Return of Bond Cover	FY 2000/01 WSRB Credits ⁽²⁾	FY 2001/02 WSRB Charges
Guadalupe	550	1.41%	\$ 30,811	\$ (12,155)	\$ (991)	\$ 17,665
Santa Maria	16,200	41.46%	907,528	(358,028)	(30,866)	518,634
SCWC	500	1.28%	28,010	(11,050)	(961)	15,999
VAFB	5,500	14.07%	308,111	(121,553)	(10,570)	175,989
Buellton	578	1.48%	32,380	(12,774)	(1,070)	18,536
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	82,590	(32,583)	(2,991)	47,016
Santa Ynez ⁽¹⁾	500	1.28%	29,450	(11,618)	(851)	16,981
Goleta	4,500	11.52%	252,091	(99,452)	(9,251)	143,388
Morehart	200	0.51%	11,204	(4,420)	(340)	6,444
La Cumbre	1,000	2.56%	56,020	(22,100)	(1,922)	31,998
Raytheon (SBRC)	50	0.13%	2,801	(1,105)	(29)	1,667
Santa Barbara	3,000	7.68%	168,061	(66,301)	(5,766)	95,994
Montecito	3,000	7.68%	168,061	(66,301)	(5,766)	95,994
Carpinteria	2,000	5.12%	112,040	(44,201)	(3,843)	63,996
Subtotal	39,078	100.00%	\$ 2,189,158	\$ (863,642)	\$ (75,216)	\$ 1,250,300
Goleta Additional Entitlement	2,500	-	\$ 14,882	(5,871)	-	\$ 9,011
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 2,204,040	\$ (869,513)	\$ (75,216)	\$ 1,259,311

(1) Adjusted for the transfer of Solvang 150 acre foot drought buffer entitlement to Santa Ynez.
 (2) WSRB credits include \$869,513 return of bond cover for one half of 2000 and one half of 2001.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2001/02 Budget

Delta Water Charges This is a unit charged applied to each acre-foot of State water entitlement net of Table A entitlement reductions (see "Table A Entitlement 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 entitlement reductions are assumed for FY 2001/02.

The following table shows the Delta Water Charges for FY 2001/02.

DELTA WATER CHARGE									
Project Participant	Entitlement Including Drought Buffer ⁽¹⁾	Percentage	Gross Delta Water Charges	Rate Management Funds Credit	Turnback Pool B Credits	Other Credits (Amount Due)	FY 2001/02 Delta Water Charges		
Guadalupe	605	1.41%	\$ 14,491	(904)	-	\$ 13	\$	13,600	\$
Santa Maria	17,820	41.46%	426,831	(26,633)	(8,051)	431	-	392,578	-
SCWC	550	1.28%	13,174	(822)	-	19	-	12,371	-
VAFB	6,050	14.07%	144,912	(9,042)	-	132	-	136,002	-
Buellton	636	1.48%	15,234	(951)	-	27	-	14,310	-
Santa Ynez (Solvang)	1,500	3.49%	35,929	(2,242)	-	52	-	33,738	-
Santa Ynez	700	1.63%	16,767	(1,046)	-	24	-	15,744	-
Goleta	4,950	11.52%	118,564	(7,398)	(10,512)	180	-	100,834	-
Morehart	220	0.51%	5,270	(329)	(737)	(22)	-	4,182	-
La Cumbre	1,100	2.56%	26,348	(1,644)	-	38	-	24,741	-
Raytheon (SBRC)	55	0.13%	1,317	(82)	-	(5)	-	1,230	-
Santa Barbara	3,300	7.68%	79,043	(4,932)	(17,790)	39	-	56,360	-
Montecito	3,300	7.68%	79,043	(4,932)	(7,907)	39	-	66,243	-
Carpinteria	2,200	5.12%	52,695	(3,288)	(5,271)	73	-	44,209	-
Subtotal	42,986	100.00%	\$ 1,029,615	\$ (64,246)	\$ (50,268)	\$ 1,041	\$	916,143	\$
Goleta Additional Entitlement	2,500	5.50%	\$ 59,881	(3,736)	-	-	-	56,144	-
TOTAL:	45,486	-	\$ 1,089,496	\$ (67,982)	\$ (50,268)	\$ 1,041	\$	972,287	\$

(1) No Table A entitlement reductions for calendar years 2001 or 2002.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2001/02 Budget

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

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

The following table shows the Off-Aqueduct charges for FY 2001/02.

OFF-AQUEDUCT CHARGES

Project Participant	Entitlement Allocation		2001		2002		FY 2000/01	TOTAL
	Entitlement	Allocation Percentage	Off-Aqueduct ⁽²⁾	One-Half Year	Off-Aqueduct ⁽³⁾	One-Half Year	(Credits) Charges ⁽⁴⁾	FY 2001/02 Off-Aqueduct
Guadalupe	605	1.33%	\$ 17,956	\$ 8,978	\$ 17,384	\$ 8,692	\$ (16,601)	\$ 1,069
Santa Maria	17,820	39.18%	528,881	264,441	512,039	256,019	(480,545)	39,915
SCWC	550	1.21%	16,323	8,162	15,804	7,902	(38,666)	-
VAFB	6,050	13.30%	179,558	89,779	173,840	86,920	(182,588)	-
Buellton	636	1.40%	18,876	9,438	18,275	9,137	(16,696)	1,879
Santa Ynez (Solvang) ⁽⁶⁾	1,500	3.30%	44,519	22,259	43,101	21,550	(68,216)	-
Santa Ynez ⁽⁷⁾	700	1.54%	20,775	10,388	20,114	10,057	(24,822)	-
Goleta	7,450	16.38%	221,109	110,555	214,068	107,034	(126,125)	91,464
Morehart	220	0.48%	6,529	3,265	6,321	3,161	(3,830)	2,596
La Cumbre	1,100	2.42%	32,647	16,323	31,607	15,804	(1,365)	30,762
Raytheon (SBRC)	55	0.12%	1,632	816	1,580	790	(1,309)	297
Santa Barbara	3,300	7.25%	97,941	48,970	94,822	47,411	(12)	96,370
Montecito	3,300	7.25%	97,941	48,970	94,822	47,411	1,163	97,545
Carpinteria	2,200	4.84%	65,294	32,647	63,215	31,607	(20,588)	43,667
	45,486	100.00%	\$ 1,349,983	\$ 674,992	\$ 1,306,992	\$ 653,496	\$ (980,199)	\$ 405,564

(1) Off-aqueduct charges are billed to the project participants in four equal installments based on the calendar year DWR charges.

(2) Source: DWR invoice dated July 1, 2000.

(3) Source: Attachment #3, July 1, 2000 DWR Invoice.

(4) Credits for reconciliation of 2000 off-aqueduct charges, return of bond cover and SMIF interest.

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

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

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2001/02 Budget

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

The following table shows the Variable OMP&R charges for FY 2001/02.

VARIABLE OMP&R CHARGES

Project Participant	July 1, 2001 to Dec 31, 2001				Jan 1, 2002 to June 30, 2002				FY 2000/01 Credits ⁽³⁾	TOTAL FY 2001/02 Var. OMP&R
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	\$43.36/AF ⁽¹⁾ 2001 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	\$49.93/AF ⁽²⁾ 2002 Var OMP&R		
Guadalupe	320	-	320	\$ 13,875	285	-	285	\$ 14,230	\$ (2,865)	\$ 25,240
Santa Maria	8,564	-	8,564	371,321	7,931	-	7,931	396,001	(120,792)	646,531
SCWC	288	-	288	12,487	262	-	262	13,082	(7,276)	18,293
VAFB	3,285	-	3,285	142,432	2,765	-	2,765	138,059	(40,294)	240,197
Buellton	303	-	303	13,138	275	-	275	13,731	(3,060)	23,809
Santa Ynez (Solvang)	750	-	750	32,519	750	-	750	37,448	(45,928)	24,039
Santa Ynez ⁽⁴⁾	268	1,904	2,172	11,620	432	838	1,270	21,570	(14,886)	18,304
Goleta	3,710	(1,404)	2,306	160,860	2,473	(559)	1,914	123,479	(119,124)	165,215
Morehart	50	-	50	2,168	58	-	58	2,896	(3,161)	1,903
La Cumbre	624	-	624	27,056	476	-	476	23,767	10,737	61,560
Raytheon (SBRC)	25	-	25	1,084	30	-	30	1,498	(135)	2,447
Santa Barbara	-	-	-	-	-	-	-	-	-	-
Montecito	595	(261)	334	25,798	635	(162)	473	31,706	(16,431)	41,073
Carpinteria	360	(239)	121	15,609	240	(117)	123	11,983	(11,496)	16,096
Total	19,142	-	19,142	\$ 829,967	16,612	-	16,612	\$ 829,451	\$ (374,712)	\$ 1,284,706

(1) Source: DWR invoice dated July 1, 2000, Attachment 5.

(2) Source: DWR Bulletin 132-98 page B-104.

(3) Credits for FY 1999/00 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.

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

Other DWR Charges and Credits

Deferral of Coastal Branch Phase II Debt Service Payments The Coastal Branch Phase II portion of the pipeline constructed by DWR is higher than originally projected by DWR in 1992.

In order to partially offset the near-term impact of the increased costs of the DWR facilities, DWR agreed to defer payments of \$1,250,000 per year in 1997, 1998, 1999 and 2000 (the amount of the deferral is shared proportionately on the basis of allocated costs among the Santa Barbara and San Luis Obispo County project participants). Beginning with calendar year 2001, DWR is recovering the deferred amounts with interest by increasing the amount which would have otherwise been payable to it over five years.

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their entitlement allocation. This election eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced. No Table A entitlement reductions are assumed for calendar year 2001 or 2002.

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2001/02 Budget

Turnback Pool Sales This represents elections by project participants to “turnback” a portion of their State water in a given year. The initial amount of the turnback water, designated as Pool A, must be submitted for sale by February 15 of each year. The water is then sold by DWR to other State water contractors by March 1. The sellers receive half the Delta Water Rate (about \$11.97 per AF) for each acre-foot of water sold in Pool A. Any water that is not sold in Pool A is placed in Pool B for possible sale, unless the sellers indicate otherwise.

The second “pool” of water to be sold, designated as Pool B, must be submitted for sale by March 15 of each year and is sold by DWR by April 1. The sellers receive one-fourth



Aase Frederick, Water Treatment Plant Secretary

of the Delta Water Rate (about \$5.99 per AF) for each acre-foot sold in Pool B. Any water that is not sold in Pool B to other State water contractors or purchased by DWR is sold by DWR to the highest bidder.

Rate Management Funds Credit This is a credit given to project participants by DWR and represents a return of revenue bond reserves that are no longer required by revenue bond covenants and other credits from DWR as provided in the Monterey Amendments to the State Water Contracts (Amendment No. 16 to the Santa Barbara County Flood Control and Water Conservation District State Water Contract).

Cash flow projections by DWR indicate rate management funds credits will not be available for calendar year 2002 due to an increase in power costs and other extraordinary expenses for DWR. The Authority normally receives approximately \$3.6 million per year in rate management funds credits. However, for FY 2001/02, the budget includes only \$1.8 million in rate management funds credits representing the calendar year 2001 credits.

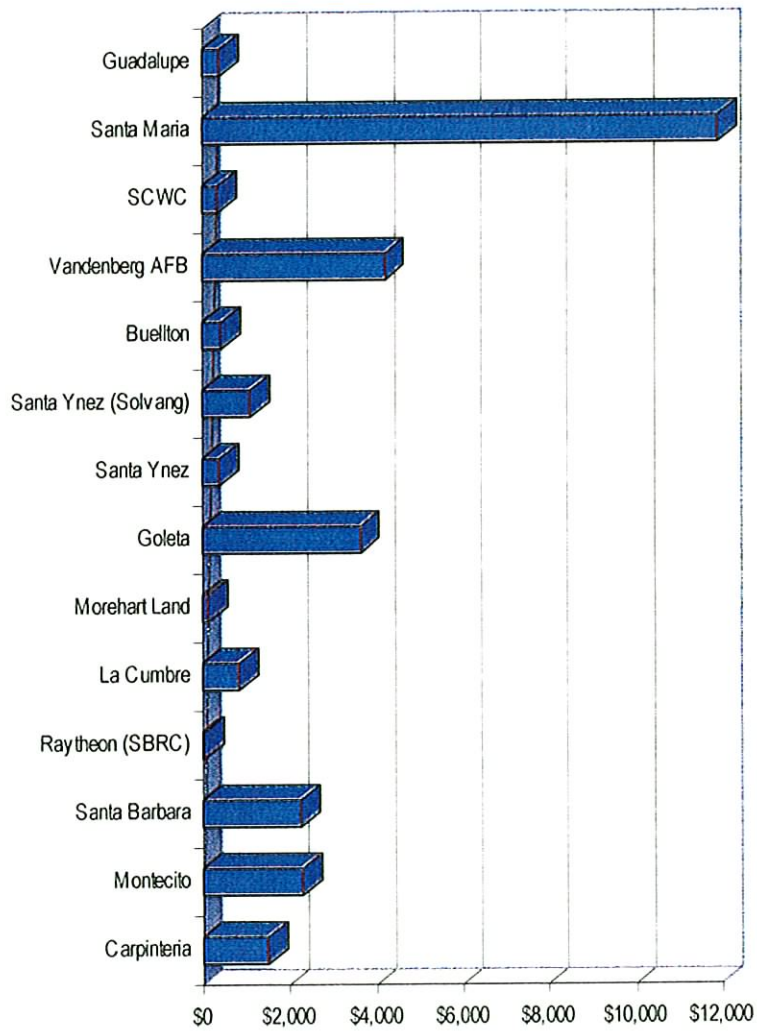
CCWA Turnback Pool

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 entitlement is available and (2) filling the Authority's project participant delivery requests is only possible by acquiring unused entitlement from other project participants

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

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2001/02 Budget

Total FY 2001/02 DWR Costs (in \$1,000's)



Central Coast Water Authority
DWR Charges
 Fiscal Year 2001/02 Budget

Project Participant	DWR FIXED CHARGES										DWR VARIABLE CHARGES				
	Transportation Capital Through Reach 35 ⁽¹⁾	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aquoduct Charges	Variable OMP&R	Total Variable	DWR Account Interest	Total DWR Charges			
Guadalupe	\$ 308,541	\$ -	\$ -	\$ 36,287	\$ 17,665	\$ 13,600	\$ 376,094	\$ 1,069	\$ 25,240	\$ 26,309	\$ (7,272)	\$ 395,131			
Santa Maria	9,127,038	323,157	-	1,068,829	518,634	392,578	11,430,236	39,915	646,591	686,446	(223,907)	11,892,775			
SCWC	275,512	9,974	-	32,989	15,999	12,371	346,843	-	18,293	18,293	(11,951)	353,186			
Vandenberg AFB	3,036,151	109,714	179,906	362,874	175,989	136,002	4,000,635	-	240,197	240,197	(27,588)	4,213,243			
Buellton	326,473	11,530	18,906	38,135	18,536	14,310	427,890	1,879	23,809	25,688	(4,399)	449,179			
Santa Ynez (Solvang)	849,368	29,922	49,065	94,909	47,016	33,738	1,104,018	-	24,039	24,039	(27,390)	1,100,667			
Santa Ynez	286,140	9,974	16,355	37,046	16,981	15,744	382,241	-	18,304	18,304	(5,126)	395,419			
Goleta	2,534,485	89,766	147,196	296,897	143,388	100,834	3,312,565	91,464	165,215	256,678	(78,149)	3,491,095			
Morehart Land	110,399	3,990	6,542	13,195	6,444	4,182	144,752	2,596	1,903	4,499	(4,289)	144,962			
La Cumbre	576,657	19,948	32,710	65,977	31,998	24,741	752,031	30,762	61,560	92,322	(8,731)	835,623			
Raytheon (SBRC)	28,185	997	1,636	3,299	1,667	1,230	37,014	297	2,447	2,744	(331)	39,427			
Santa Barbara	1,701,584	59,844	98,130	197,931	95,994	56,360	2,209,842	96,370	-	96,370	(57,716)	2,248,496			
Montecito	1,691,956	59,844	98,130	197,931	95,994	66,243	2,210,098	97,545	41,073	138,618	(51,049)	2,297,672			
Carpinteria	1,118,067	39,896	65,420	131,954	63,996	44,209	1,463,544	43,667	16,096	59,763	(35,507)	1,487,799			
Goleta 2500 AF	23,438	-	-	60,180	9,011	56,144	148,773	-	-	-	-	148,773			
Total	\$ 21,993,994	\$ 768,555	\$ 713,997	\$ 2,638,433	\$ 1,259,311	\$ 972,287	\$ 28,346,576	\$ 405,564	\$ 1,284,706	\$ 1,690,270	\$ (543,398)	\$ 29,493,448			

(1) Reach 36 was deleted during project design.



Association of California Water Agencies' (ACWA's) Theodore Roosevelt Environmental Award of Excellence in Conservation and Natural Resources Management Presented to the Central Coast Water Authority for "Environmental Mitigation and Protection Program for Constructing State Water Regional Treatment and Distribution Facilities for San Luis Obispo and Santa Barbara Counties" on December 2, 1999 at ACWA's Fall 1999 Conference in San Diego. Pictured in the photo from left to right: Dan Masnada, Central Coast Water Authority Executive Director, and Robert Puddicombe, Chairman of the Central Coast Water Authority Board of Directors.

Operating Expenses

The Operating Expenses section of the FY 2001/02 Budget contains a summary of the consolidated department operating expenses, non-annual recurring expenses and allocation of the Authority's operating expenses to its project participants.

Highlights

Summary Information

• Total FY 2001/02 Operating Expenses	\$4,503,952
• Fixed expense increase	\$ 27,311
• Variable expense increase	<u>\$ 203,016</u>
• Increase over FY 2000/01 Budget	\$ 230,327
• Percentage increase	5.39%
• FY 2001/02 non-annual recurring expense deposits (all departments)	\$ 413,321

Significant Operating Expense Changes

- Includes salary pool for FY 2001/02 of \$96,450.
- Chemical costs budgeted at \$15 an acre-foot.
- CCWA Variable expense allocation for the second half of calendar year 2001 based on 50% of requested deliveries and 100% of requested deliveries for the first half of calendar year 2002.
- Increase in electrical costs of \$170,000.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2001/02 Budget

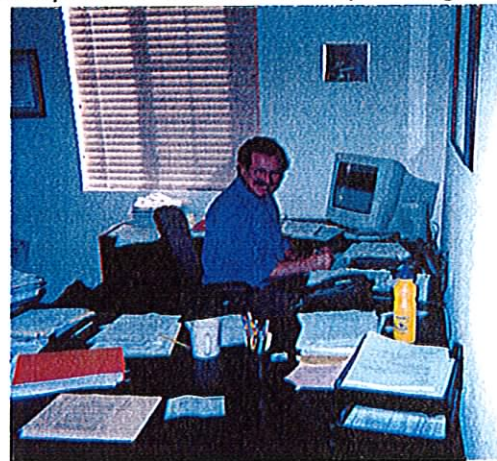
The Operating Expense section of the Authority's budget includes all expenses for the day-to-day operations of the Authority. These expenses include personnel, office expenses, supplies and equipment, monitoring expenses, repairs and maintenance, professional services, general and administrative and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

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

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

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

The Operations and Maintenance staff comprise the bulk (20) of the 25.50 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. All operations and maintenance activities for the Authority are overseen by the Operations Manager.



William Brennan, Operations Manager

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 2001/02. 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 Appendix to this document for further information about the 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 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 2001/02 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2001/02 budget are as follows:

- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$190,935.
- Decrease in Warren Act charges of \$159,036 (Warren Act charges are not included in the Operating Expense budget).

Fixed and Variable Operating Expenses

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

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

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

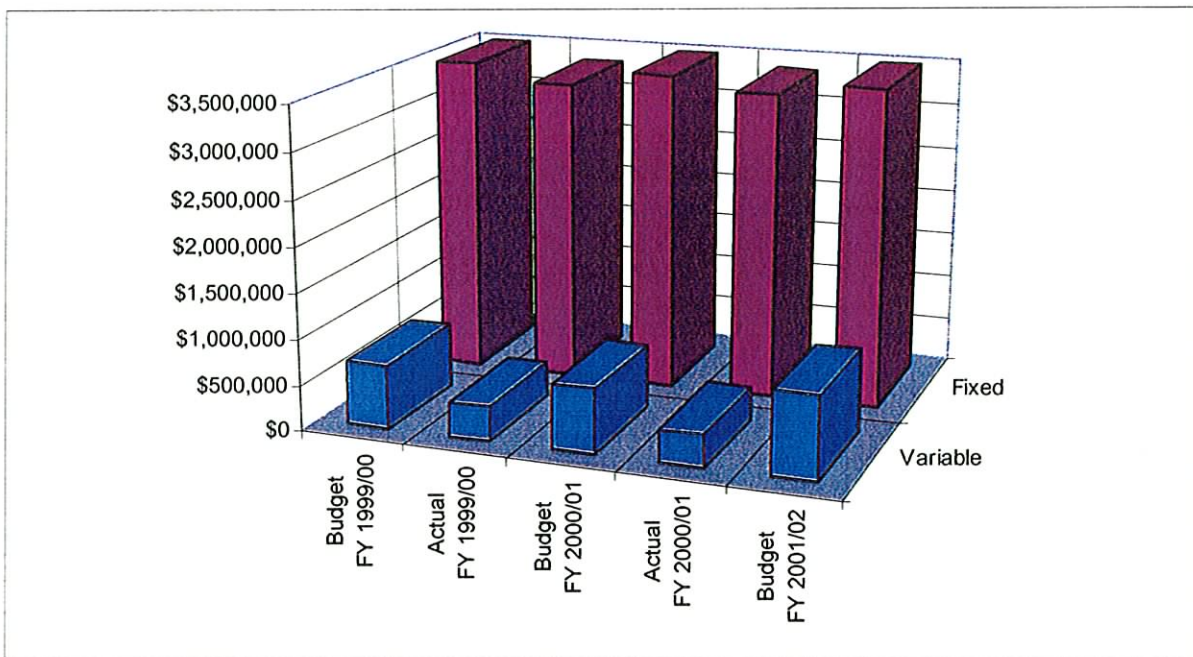


*Dwight Ferguson, Maintenance
Instrumentation IC&R Technician*

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2001/02 Budget

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

	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget
Fixed O&M	\$ 3,527,566	\$ 3,325,293	\$ 3,563,985	\$ 3,371,194	\$ 3,591,296
Variable O&M	696,170	376,120	709,640	358,296	912,656
Total:	\$ 4,223,736	\$ 3,701,413	\$ 4,273,625	\$ 3,729,490	\$ 4,503,952



The Fiscal Year 2001/02 Consolidated Departmental Operating Expense Budget totals \$4,503,952 (excludes non-annual recurring expenses), which is \$230,327 higher than the Fiscal Year 2000/01 Budget, a 5.39% increase. Explanations for the various changes within the budget are found in the departmental operating expense budgets that follow.

Approximately 45% of the operating expense budget represents personnel expenses. This is followed by 12% for supplies and equipment and the balance comprised of other expenses.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2001/02 Budget

Authority Variable Expense Delivery Basis

DWR's preliminary 2001 entitlement allocation is 20% and is anticipated to not exceed 50% for the year. The Authority's variable expenses are based on 50% of project participants' delivery requests for the second half of calendar year 2001, with the exception of Water Treatment Plant regional water treatment allocation and exchange agreement charges and credits (which are based on 100% of project participants' delivery requests). For the first half of calendar year 2002, the Authority's variable expenses are based on 100% of project participants' delivery requests. The DWR Variable OMP&R charges included under *DWR Charges* are based on 100% of project participants' delivery requests for the entire fiscal year.

The chart on page 72 provides a detailed breakdown of the components of the FY 2001/02 budget.

Non-Annual Recurring Expenses

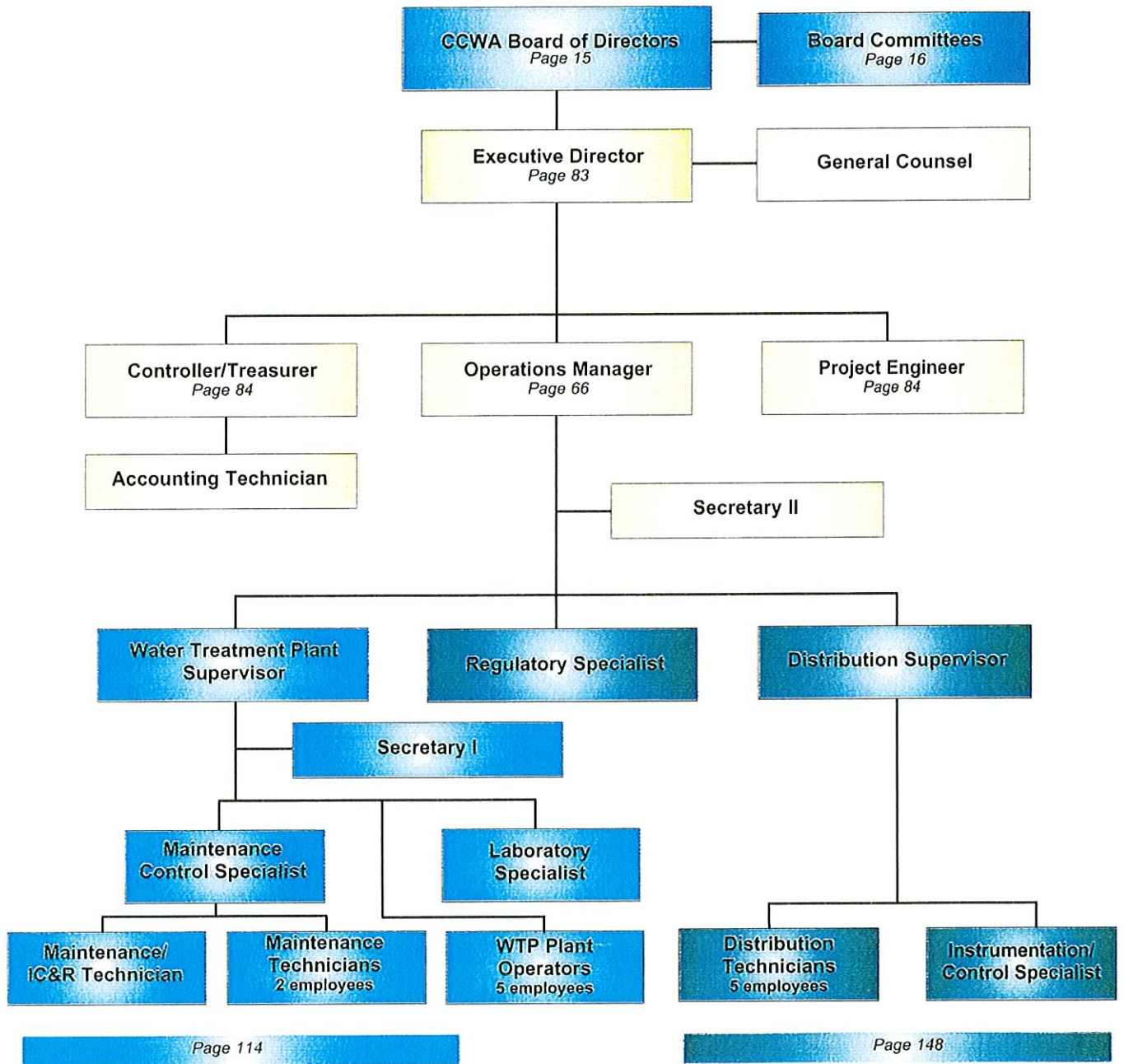
As part of the budget process, certain expenses which occur periodically are identified and charged to the project participants over a number of years to minimize fluctuations in the annual assessments. The following table shows the FY 2001/02 non-annual recurring expenses by department. Please refer to the departmental tabs for further information regarding non-annual recurring expenses.

Consolidated Departments
FY 2001/02 Non-Annual Recurring Expenses

Financing Participant	Water Treatment			FY 2000/01 Interest Income	FY 2001/02 Non-Annual Recurring Expenses
	Administration Department	Plant Department	Distribution Department		
Shandon	\$ -	\$ 363	\$ 20	\$ (100)	\$ 282
Chorro Valley	-	8,489	456	(1,741)	7,204
Lopez	-	8,685	669	(1,816)	7,538
Guadalupe	203	2,491	1,954	(459)	4,188
Santa Maria	5,970	73,371	84,552	(13,721)	150,172
So Cal Water Co.	184	2,265	2,610	(423)	4,635
VAFB	2,027	24,910	46,596	(4,921)	68,612
Buellton	213	2,618	5,206	(573)	7,464
Santa Ynez (Solvang)	553	6,794	13,511	(1,486)	19,371
Santa Ynez	184	13,470	4,504	(495)	17,663
Goleta	1,658	1,991	42,464	(4,776)	41,337
Morehart Land	74	88	1,887	(213)	1,837
La Cumbre	369	442	9,436	(1,067)	9,180
Raytheon (SBRC)	18	22	472	(53)	459
Santa Barbara	1,106	1,327	28,309	(3,246)	27,496
Montecito	1,106	1,327	28,309	(3,220)	27,522
Carpinteria	737	885	18,873	(2,135)	18,360
TOTAL:	\$ 14,400	\$ 149,538	\$ 289,828	\$ (40,446)	\$ 413,321

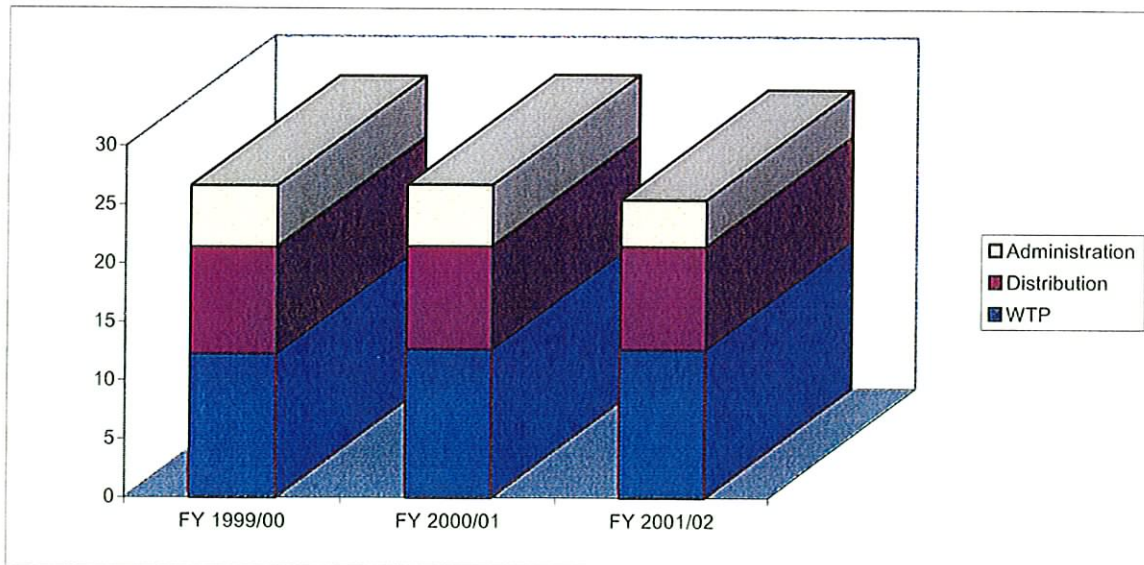
Organization Chart

Fiscal Year 2001/02



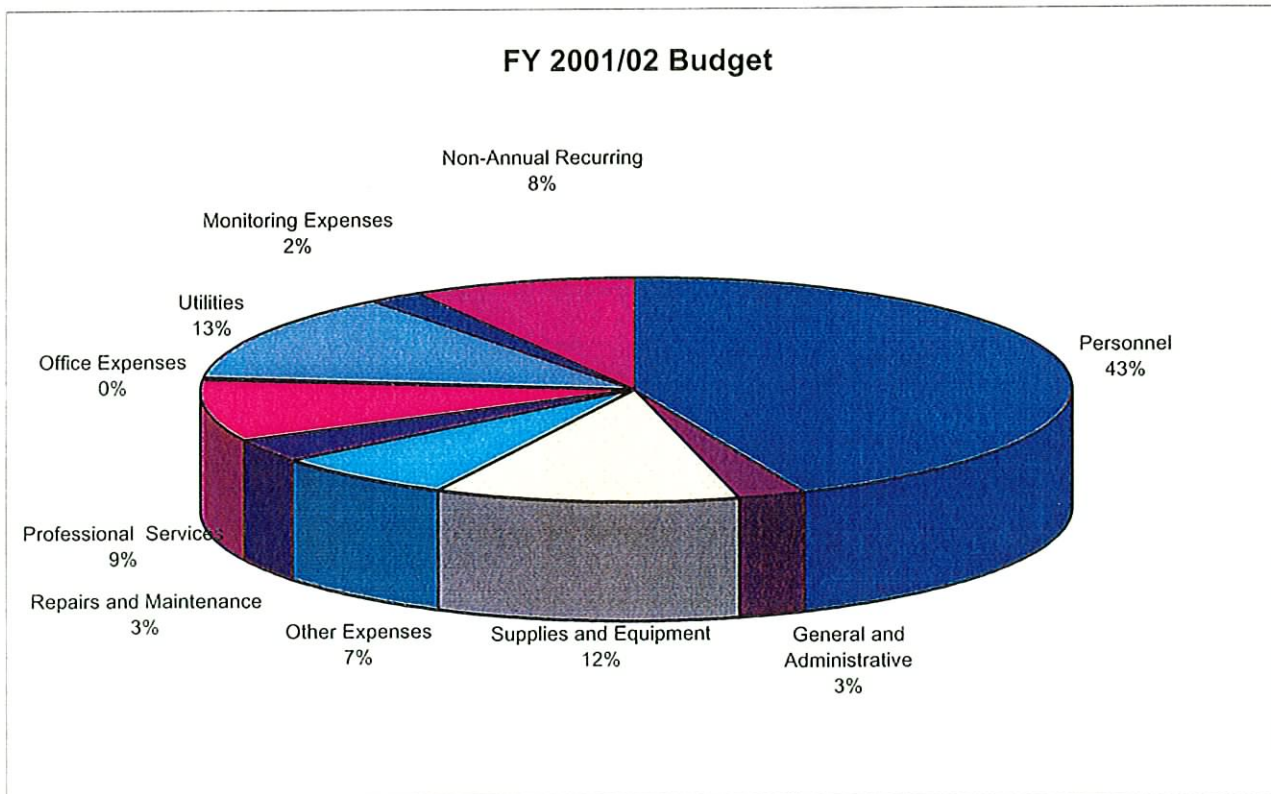
Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2001/02 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized	Authorized	Requested	Over	Over
	FY 1999/00	FY 2000/01	FY 2001/02	FY 1999/00	FY 2000/01
Executive Director	1	1	1	0	0
Operations Manager	1	1	1	0	0
Controller and Treasurer	1	1	1	0	0
Project Engineer	1	1	1	0	0
Regulatory Specialist	1	1	1	0	0
Accounting Technician	1	1	0.75	-0.25	-0.25
Administrative Assistant	1	1	0	-1	-1
Secretary I	0.60	0.75	0.75	0.15	0
Secretary II	1	1	1	0	0
WTP Supervisor	1	1	1	0	0
Distribution Supervisor	1	1	1	0	0
Maintenance Control Specialist	1	1	1	0	0
Laboratory Specialist	1	1	1	0	0
Instrumentation Specialist	1	1	1	0	0
Maintenance Technician	2	2	2	0	0
Maintenance/IC&R Technician	0	1	1	1	0
WTP Operator	6	5	5	-1	0
Distribution Technician	5	5	5	0	0
TOTAL:	26.6	26.75	25.50	-1.1	-1.25



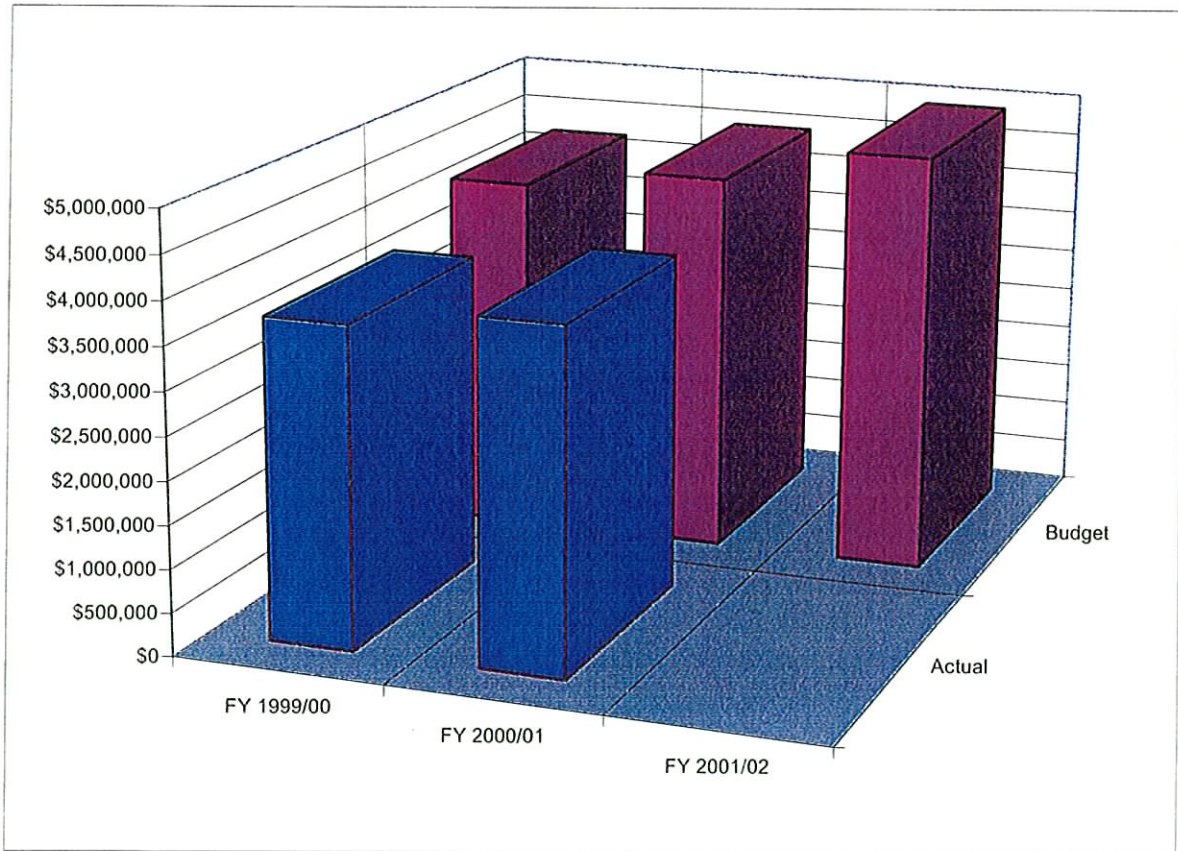
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2001/02 Budget

Item	FY 2001/02 Budget
Personnel	\$ 2,142,097
Office Expenses	20,900
Supplies and Equipment	566,237
Monitoring Expenses	87,000
Repairs and Maintenance	163,998
Professional Services	434,047
General and Administrative	125,102
Utilities	626,582
Other Expenses	337,990
Non-Annual Recurring	413,321
TOTAL:	\$ 4,917,273



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2001/02 Budget

Item	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget
Personnel	\$ 1,982,047	\$ 2,001,794	\$ 2,069,203	\$ 1,945,142	\$ 2,142,097
Office Expenses	23,600	22,191	22,100	20,135	20,900
Supplies and Equipment	662,812	407,503	541,362	401,811	566,237
Monitoring Expenses	100,500	56,682	87,000	61,159	87,000
Repairs and Maintenance	160,705	176,160	161,125	150,404	163,998
Professional Services	472,867	551,805	479,847	629,625	434,047
General and Administrative	136,733	101,295	134,421	95,610	125,102
Utilities	375,570	225,942	456,690	194,802	626,582
Other Expenses	309,803	158,041	321,877	230,803	337,990
Subtotal	\$ 4,224,636	\$ 3,701,413	\$ 4,273,625	\$ 3,729,490	\$ 4,503,952
Non-Annual Recurring	\$ 222,602	\$ 222,602	\$ 202,115	\$ 202,115	\$ 413,321
TOTAL:	\$ 4,447,238	\$ 3,924,015	\$ 4,475,740	\$ 3,931,605	\$ 4,917,273



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change from FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,437,512	\$ 1,437,165	\$ 1,477,275	\$ 1,398,040	\$ 1,533,866	\$ 56,591	3.83%
5000.20	Overtime	69,999	80,651	72,028	60,003	74,521	2,493	3.46%
5000.40	Standby Pay	12,500	12,417	6,000	10,444	10,300	4,300	71.67%
5000.50	Shift Differential Pay	11,000	11,267	11,000	10,732	11,000	-	0.00%
5100.10	PERS Retirement	198,578	195,406	197,014	192,075	190,366	(6,648)	-3.37%
5100.15	Medicare Taxes	21,859	23,145	22,465	22,521	24,094	1,630	7.25%
5100.20	Health Insurance	111,825	119,823	140,982	101,922	146,542	5,560	3.94%
5100.25	Workers' Compensation	24,492	27,573	30,612	39,223	31,936	1,323	4.32%
5100.30	Vehicle Expenses	4,320	2,345	4,320	5,012	4,320	-	0.00%
5100.35	IRC 457-Employer Paid	8,000	16,132	16,000	16,250	17,000	1,000	6.25%
5100.40	Cafeteria Plan Benefits	11,279	9,647	8,677	9,086	11,639	2,961	34.13%
5100.45	Dental/Vision Plan	30,313	31,833	31,563	38,123	30,000	(1,563)	-4.95%
5100.50	Long-Term Disability	8,670	8,466	8,900	9,691	9,061	161	1.81%
5100.55	Life Insurance	7,279	7,002	7,250	6,651	6,771	(479)	-6.61%
5100.60	Employee Physicals	2,470	1,755	2,470	2,230	2,850	380	15.38%
5000.30	Temporary Services	17,500	16,863	28,195	21,023	33,380	5,185	18.39%
5100.70	Safety Incentive Program	2,700	-	2,700	1,948	2,700	-	0.00%
5100.65	Employee Education Reimbursement	1,750	305	1,750	169	1,750	-	0.00%
Total Personnel Expenses:		1,982,047	2,001,794	2,069,203	1,945,142	2,142,097	72,894	3.52%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change from FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	-	-	-	-	-	-	N/A
5200.20	Office Supplies	18,800	17,133	16,800	15,578	15,600	(1,200)	-7.14%
5200.30	Misc. Office Expenses	4,800	5,058	5,300	4,556	5,300	-	0.00%
	Total Office Expenses:	23,600	22,191	22,100	20,135	20,900	(1,200)	-5.43%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	15,092	15,379	15,092	11,554	15,317	225	1.49%
5500.15	Minor Tools and Equipment	16,000	19,652	17,000	8,681	16,000	(1,000)	-5.88%
5500.20	Spare Parts	50,000	14,250	25,000	23,859	10,000	(15,000)	-60.00%
5500.25	Landscape Equip. and Supplies	5,000	1,429	3,500	699	3,500	-	0.00%
5500.30	Chemicals-Fixed	2,520	4,051	2,520	6,496	-	(2,520)	-100.00%
5500.31	Chemicals-Variable	494,450	287,027	408,000	285,878	440,670	32,670	8.01%
5500.35	Maintenance Supplies/Hardware	22,000	25,268	22,000	21,158	28,000	6,000	27.27%
5500.40	Safety Supplies	10,500	4,662	8,000	9,701	8,000	-	0.00%
5500.45	Fuel and Lubricants	24,750	27,326	24,750	31,085	35,250	10,500	42.42%
5500.50	Seed/Erosion Control Supplies	22,000	8,458	15,000	2,701	9,000	(6,000)	-40.00%
5500.55	Backflow Prevention Supplies	500	-	500	-	500	-	0.00%
	Total Supplies and Equipment:	662,812	407,503	541,362	401,811	566,237	24,875	4.59%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	30,000	26,016	27,000	20,388	27,000	-	0.00%
5600.20	Lab Tools and Equipment	5,500	3,719	5,000	867	5,000	-	0.00%
5600.30	Lab Testing	65,000	26,947	55,000	39,904	55,000	-	0.00%
	Total Monitoring Expenses:	100,500	56,682	87,000	61,159	87,000	-	0.00%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change from FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	110,925	136,222	109,725	107,404	114,750	5,025	4.58%
5700.20	Vehicle Repairs and Maintenance	13,500	9,100	11,500	14,418	13,000	1,500	13.04%
5700.30	Building Maintenance	32,400	23,294	32,600	24,988	29,100	(3,500)	-10.74%
5700.40	Landscape Maintenance	3,880	7,545	7,300	3,595	7,148	(152)	-2.08%
Total Repairs and Maintenance:		160,705	176,160	161,125	150,404	163,998	2,873	1.78%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	197,120	178,227	186,100	232,289	186,800	700	0.38%
5400.20	Legal Services	170,000	285,937	170,000	284,938	140,000	(30,000)	-17.65%
5400.30	Engineering Services	50,000	14,180	40,000	30,716	30,000	(10,000)	-25.00%
5400.40	Permits	10,500	9,398	9,000	12,496	9,500	500	5.56%
5400.50	Non-Contractual Services	20,900	43,240	49,900	44,339	42,900	(7,000)	-14.03%
5400.60	Accounting Services	24,347	20,825	24,847	24,847	24,847	-	0.00%
5400.70	Payroll Service	-	-	-	-	-	-	N/A
Total Professional Services:		472,867	551,805	479,847	629,625	434,047	(45,800)	-9.54%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change from FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	34,600	28,163	37,000	22,380	28,500	(8,500)	-22.97%
5300.20	Mileage Reimbursement	2,250	247	850	310	850	-	0.00%
5300.30	Dues and Memberships	46,913	37,310	42,751	45,269	54,582	11,831	27.67%
5300.40	Publications	4,770	6,975	5,520	7,407	6,670	1,150	20.83%
5300.50	Training	31,500	19,058	31,500	7,303	22,000	(9,500)	-30.16%
5300.60	Advertising	900	-	900	2,203	1,200	300	33.33%
5300.70	Printing and Binding	6,000	3,945	6,000	6,000	4,000	(2,000)	-33.33%
5300.80	Postage	9,800	5,597	9,900	4,737	7,300	(2,600)	-26.26%
Total General and Administrative:		136,733	101,295	134,421	95,610	125,102	(9,319)	-6.93%
<u>UTILITIES</u>								
5800.10	Other Utilities	-	-	-	2,899	-	-	N/A
5800.20	Natural Gas	3,300	1,285	2,500	2,899	3,700	1,200	48.00%
5800.30	Electric-Fixed	108,700	86,646	96,300	77,230	101,976	5,676	5.89%
5800.35	Electric-Variable	200,100	89,093	301,640	72,418	471,986	170,346	56.47%
5800.40	Water	2,280	2,735	3,420	2,769	3,420	-	0.00%
5800.50	Telephone	54,000	42,424	47,640	35,156	39,440	(8,200)	-17.21%
5800.60	Waste Disposal	7,190	3,759	5,190	4,330	6,060	870	16.76%
Total Utilities:		375,570	225,942	456,690	194,802	626,582	169,892	37.20%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change from FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	108,195	99,047	111,100	109,522	106,200	(4,900)	-4.41%
5900.20	Insurance Claim Deductibles	5,000	-	5,000	-	-	(5,000)	-100.00%
5900.30	Facilities Rent	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	28,830	25,000	30,330	40,690	33,830	3,500	11.54%
5900.50	Non-Capitalized Equipment	40,000	3,857	35,000	33,652	50,000	15,000	42.86%
5900.60	Computer Expenses	24,760	30,138	36,212	46,939	38,107	1,895	5.23%
5900.70	Appropriated Contingency	103,018	-	104,235	-	109,852	5,618	5.39%
Total Other Expenses:		309,803	158,041	321,877	230,803	337,990	16,113	5.01%
TOTAL OPERATING EXPENSES		\$ 4,224,636	\$ 3,701,413	\$ 4,273,625	\$ 3,729,490	\$ 4,503,952	\$ 230,327	5.39%

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 FY 2001/02 Budget

Project Participant	Administration Department			Water Treatment Plant Department Fixed Costs						Total Fixed WTP Costs
	Entitlement	Percentage	Administration Expenses	Entitlement	Percentage	WTP Fixed	WTP Fixed and Capital Retirement	Exchange Fixed and Capital Adjustments		
Shandon	-	-	\$ -	100	0.23%	\$ 3,852	-	-	3,852	90,051
Chorro Valley	-	-	-	2,338	5.32%	90,051	-	-	-	92,131
Lopez	-	-	-	2,392	5.45%	92,131	-	-	-	37,609
Guadalupe	550	1.41%	10,030	550	1.25%	21,184	16,425	-	-	1,107,761
Santa Maria	16,200	41.46%	295,433	16,200	36.90%	623,965	483,796	-	-	34,190
Southern California Water Co.	500	1.28%	9,118	500	1.14%	19,258	14,932	-	-	376,092
VAFB	5,500	14.07%	100,301	5,500	12.53%	211,840	164,252	-	-	39,524
Buellton	578	1.48%	10,541	578	1.32%	22,262	17,261	-	-	102,570
Santa Ynez (Solvang)	1,500	3.84%	27,355	1,500	3.42%	57,775	44,796	-	-	416,111
Santa Ynez	500	1.28%	9,118	500	1.14%	19,258	96,819	300,034	-	(234,683)
Goleta	4,500	11.52%	82,065	4,500	10.25%	173,324	(193,165)	(214,842)	-	(7,527)
Morehart Land	200	0.51%	3,647	200	0.46%	7,703	(15,230)	-	-	(37,636)
La Cumbre	1,000	2.56%	18,237	1,000	2.28%	38,516	(76,152)	-	-	(1,882)
Raytheon (SBRC)	50	0.13%	912	50	0.11%	1,926	(3,808)	-	-	(112,907)
Santa Barbara	3,000	7.68%	54,710	3,000	6.83%	115,549	(228,456)	-	-	(126,948)
Montecito	3,000	7.68%	54,710	3,000	6.83%	115,549	(196,316)	(46,181)	-	(87,133)
Carpinteria	2,000	5.12%	36,473	2,000	4.55%	77,033	(125,154)	(39,011)	-	1,691,177
TOTAL:	39,078	100.00%	\$ 712,650	43,908	100.00%	\$ 1,691,177	\$ 0	-	-	\$ 1,691,177

Project Participant	Distribution Department Fixed Costs										Total Fixed Operating Costs	
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II	Total Fixed Distribution Costs			
Shandon	625	-	-	-	-	-	-	-	-	-	625	4,476
Chorro Valley	14,609	-	-	-	-	-	-	-	-	-	14,609	104,660
Lopez	14,946	6,468	-	-	-	-	-	-	-	-	21,414	113,545
Guadalupe	3,437	1,487	1,299	-	-	-	-	-	-	-	6,223	53,862
Santa Maria	101,224	43,805	38,270	23,371	-	-	-	-	-	-	206,669	1,609,863
Southern California Water Co.	3,124	1,352	1,181	721	-	-	-	-	-	-	6,379	49,687
VAFB	34,366	14,872	12,993	7,935	15,930	52,677	-	-	-	-	138,772	615,166
Buellton	3,612	1,563	1,365	834	1,674	5,536	9,905	-	-	-	24,488	74,553
Santa Ynez (Solvang)	9,373	4,056	3,543	2,164	4,345	14,367	25,704	-	-	-	63,551	193,477
Santa Ynez	3,124	1,352	1,181	721	1,448	4,789	8,568	-	-	-	21,184	446,413
Goleta	28,118	12,168	10,630	6,492	13,034	43,100	77,113	61,863	-	-	252,517	99,899
Morehart Land	1,250	541	472	289	579	1,916	3,427	2,749	-	-	11,223	7,343
La Cumbre	6,248	2,704	2,362	1,443	2,896	9,578	17,136	13,747	-	-	56,115	36,716
Raytheon (SBRC)	312	135	118	72	145	479	857	687	-	-	2,806	1,836
Santa Barbara	18,745	8,112	7,087	4,328	8,689	28,733	51,409	41,242	-	-	168,345	110,148
Montecito	18,745	8,112	7,087	4,328	8,689	28,733	51,409	41,242	-	-	168,345	96,106
Carpinteria	12,497	5,408	4,725	2,885	5,793	19,155	34,273	27,495	-	-	112,230	61,571
TOTAL:	274,354	112,134	92,315	55,593	63,221	209,062	279,801	189,026	1,275,495	\$	3,679,322	

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 FY 2001/02 Budget

Project Participant	Distribution Department Variable Costs										Total Distribution Variable Costs	
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II				
Shandon	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chorro Valley	0	-	-	-	-	-	-	-	-	-	-	0
Lopez	0	0	0	0	0	0	0	0	0	0	0	0
Guadalupe	0	0	0	0	0	0	0	0	0	0	0	0
Santa Maria	0	0	0	0	0	0	0	0	0	0	0	0
Southern California Water Co.	0	0	0	0	0	0	0	0	0	0	0	0
VAFB	0	0	0	0	0	0	0	0	0	0	0	0
Buellton	0	0	0	0	0	0	0	0	0	0	0	0
Santa Ynez (Solvang)	0	0	0	0	0	0	0	0	0	0	0	0
Santa Ynez	0	0	0	0	0	0	0	0	0	0	0	0
Goleta	0	0	0	0	0	0	0	0	0	0	0	0
Morehart Land	0	0	0	0	0	0	0	0	0	0	0	0
La Cumbre	0	0	0	0	0	0	0	0	0	0	0	0
S.B. Research	0	0	0	0	0	0	0	0	0	0	0	0
Santa Barbara	0	0	0	0	0	0	0	0	0	0	0	0
Montecito	0	0	0	0	0	0	0	0	0	0	0	0
Carpinteria	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 454,986

Project Participant	Water Treatment Plant Variable Costs					TOTAL FIXED AND VARIABLE OPERATING COSTS
	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs	Total Variable Operating Costs	
Shandon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,476
Chorro Valley	26,669			26,669	26,669	131,329
Lopez	23,165			23,165	23,165	136,710
Guadalupe	6,901	1,369		8,270	8,270	62,132
Santa Maria	188,154	38,539		226,693	226,693	1,836,556
Southern California Water Co.	6,274	1,191		7,464	7,464	57,151
VAFB	69,011	13,828		82,839	82,839	698,005
Buellton	6,593	1,305		7,898	7,898	82,451
Santa Ynez (Solvang)	17,110	3,695	31,277	20,805	20,805	214,281
Santa Ynez	7,985	6,791	(22,396)	46,053	46,053	492,467
Goleta	70,528	(42,442)		5,689	299,513	399,412
Morehart Land	1,232	(1,117)		115	7,635	14,978
La Cumbre	12,547	(11,640)		908	77,505	114,221
S.B. Research	627	(573)		55	3,884	5,720
Santa Barbara	-	(8,246)	0	-	-	110,148
Montecito	14,030	(4,814)		970	57,231	153,338
Carpinteria	6,844	(2,700)		77	17,032	78,602
TOTAL:	\$ 457,670	\$ 0	\$ (0)	\$ 457,670	\$ 912,656	\$ 4,591,978





Joint California Department of Water Resources and Central Coast Water Authority Ribbon Cutting and Dedication Ceremony at the Central Coast Water Authority Santa Ynez Pumping Facility on July 18, 1997. Pictured in the photo from left to right: Robert Puddicombe, Chairman of the Central Coast Water Authority Board of Directors, and the four Polonio Pass Water Treatment Plant dedicatees – Curtis Tunnell; James Stubchaer; Timothy Nanson, representing Clinton Milne, and Stanley Hatch. The inscription on the dedication plaque, which is mounted inside the main entrance at the treatment plant, reads "Their vision and perseverance will help preserve the natural environment of the Central Coast and the quality of life of its residents for generations to come."

Administration Department

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

Highlights

Department Information

- Number of employees 4
- Number of Board members 8
- Number of Authority Committees 4
- Board of Directors meetings Fourth Thursday of each month
- Operating Committee meetings Second Thursday, quarterly
- Finance Committee meetings Fourth Thursday, quarterly
- Other Committee meetings As needed

Budget Information

- Total FY 2001/02 O&M Budget \$708,025
- Non-Annual Recurring Expense deposits \$ 14,400
- **Total Administration Department FY 2001/02 Budgeted Expenses \$722,425**
- O&M Budget decrease over FY 2000/01 \$ (33,310)

Significant Accomplishments During FY 2000/01

- Received GFOA and CSMFO Budget and CAFR awards for the fourth consecutive year.
- Completed litigation as intervener in the City of Solvang vs. Santa Ynez River Water Conservation District, ID#1.

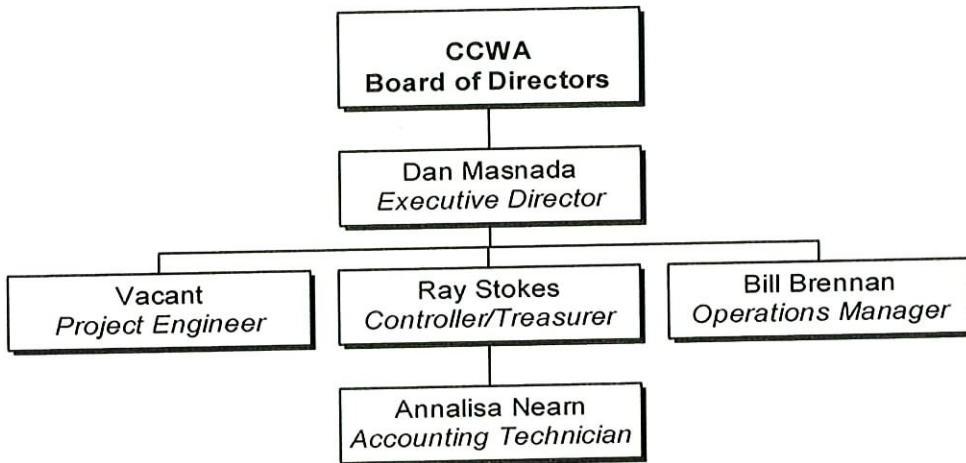
Significant Goals for FY 2001/02

- Protect CCWA's interest with regard to the various outstanding lawsuits.
- Preserve benefits of Monterey Amendment (Amendment No. 16 to the State Water Contract) to CCWA's project participants and their customers.
- Identify and implement mechanisms to firm up water supply reliability as needed.

Central Coast Water Authority
Administration Department
Fiscal Year 2001/02 Budget

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 (1) Board of Directors and various Authority committees and (2) operations and maintenance departments of the Authority.

CCWA Administrative Staff



Dan Masnada, Executive Director

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 directors of all departments and is responsible for implementation of policies established by the Board of Directors.

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

The Executive Director also represents the Authority on the Board of Directors of the State Water Contractors (SWC), a non-profit mutual benefit corporation whose purposes are:

- To complete State Water Project (SWP) facilities defined in the State Water Contracts.

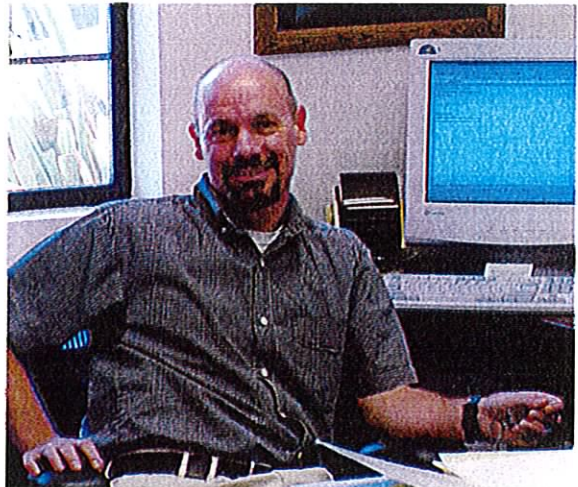
Central Coast Water Authority
Administration Department
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- To assure proper and effective operation of the SWP.
- To protect and acquire water rights needed for the SWP.
- To review litigation affecting the SWP.
- To present views of the SWC membership to legislative and administrative agencies and the public.
- To undertake studies affecting the SWP.
- To maintain a public information program about the SWP.

ACCOUNTING AND FINANCE

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

The Controller and Treasurer serves as the chief financial officer, Treasurer and coordinator of the employee benefits program for the Authority. The department deals with daily finance/accounting activities including payrolls and audits, preparing the operating and capital budgets, preparing the comprehensive financial reports, investments, debt management, risk management, cash management and bank relations.



Ray A. Stokes, Controller and Treasurer

In addition, the department is responsible for the workers' compensation program and the employee benefits program which includes health insurance, life insurance, dental and vision insurance, deferred compensation, Section 125 cafeteria plan and the Public Employees' Retirement System (PERS) for the Authority. The Accounting and Finance department includes a staff of one full-time Controller and Treasurer and one part-time Accounting Technician.

ENGINEERING

The Engineering Department consists of a Project Engineer. This department is responsible for evaluating, designing and implementing operational and capital improvements for the Authority. Engineering projects involve oversight of professional consultants and detailed analysis and design for work performed in-house. Additionally, the Project Engineer is charged with the responsibility for construction contract administration and management. Additional secondary duties include in-house administration and maintenance of the computer network system.

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2000 ACCOMPLISHMENTS AND 2001 GOALS

The following pages list all of the Authority's 2000 goals and their status (i.e., "Accomplishments") and the Authority's 2001 goals. The 2000 accomplishments and 2001 goals that are the responsibility of the Water Treatment Plant and Distribution Departments are repeated in the Water Treatment Plant and Distribution Department sections of this budget. Also included is a table of performance indicators ("Service Efforts and Accomplishments") for the Administration Department.

2000 ACCOMPLISHMENTS

Goal	<u><i>Administration and Accounting</i></u>	<u>Status</u>
Implement project costing module for Solomon accounting system [1/00]		Deferred to 2001.
Prepare and submit FY 1998/99 report of continuing disclosure to Bond Trustee [3/00]		Done 3/00.
Review and implement recommended changes to CCWA data and information security policy [4/00]		Done 7/00.
Prepare the FY 2000/01 Administration/O&M Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the "Distinguished Budget Presentation" award [7/00]		Done 8/00.
Complete closeout of remaining revenue bond fund and capital deposit expenditures [7/00]		Most of the bond funds and capital deposits will be expended or earmarked for expenditure by 6/01.
Review and, if appropriate, implement interest rate swap of a portion of CCWA's revenue bond debt service [7/00]		Not implemented because 8/00 poll of project participants resulted in lack of "critical mass" to achieve savings target.
Prepare a Comprehensive Annual Financial Report for FY 1999/00 in conformance with GFOA standards and submit it to GFOA for the "Excellence in Financial Reporting" award [11/00]		Done 12/00.
Present annual financial overview to the Santa Barbara County Board of Supervisors [11/00]		Done 11/21/00.
Develop Accounting Department policies and procedures manual (including risk management policies and procedures) [12/00]		Deferred to 2001.

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Administration and Accounting (continued)

<u>Goal</u>	<u>Status</u>
Participate and represent CCWA's interests in State Water Contractors Association	Ongoing. Dan Masnada elected SWC Secretary Treasurer effective FY 2000/01.
Protect CCWA's interest with regard to the following lawsuits:	
<ul style="list-style-type: none"> • Solvang v. SYRWCD, ID#1 appeal – Court of Appeal judgment in favor of ID#1 4/00. • Mountain Cascade, Inc. v. Zurich Insurance Company • Adam v. City of Santa Maria et al and related cases (Santa Maria groundwater basin litigation) 	<ul style="list-style-type: none"> • Court of Appeal judgment in favor of SYID#1 4/00. City Council voted not to appeal to State Supreme Court. • Ongoing. • Ongoing.

Contracts

Obtain approval of and implement Amendment 19 to the State Water Contract (including "Phase 2" issues)	On hold until DWR has prepared and certified a revised EIR in accordance with the Court of Appeal ruling in the PCL et al vs. DWR and CCWA lawsuit.
Consider Table A entitlement reduction and, if appropriate, implement a State Water Contract amendment in accordance with Amendment 19	Not possible until Amendment 19 is implemented.

Design and Construction

Complete final test of Water Treatment Plant and Distribution control system [2/00]	Done 8/00.
Compile DWR project records, final reports and as-built drawings [4/00]	Done 12/00.
Complete minor electrical modifications of Polonio Pass Water Treatment Plant [5/00]	Completed 12/00; notice of completion will be presented to CCWA Operating Committee and Board for approval 1/01.
Update CCWA as-built drawings to reflect project start-up and subsequent modifications [9/00]	Completion deferred to 2001.
Participate in technical advisory committee regarding Bradbury Dam outlet works	Ongoing.
Cooperate with Santa Barbara County et. al. in Santa Rosa Creek restoration project	Ongoing.

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DWR Coordination

<u>Goal</u>	<u>Status</u>
Complete stenciling of mile markers on Reach 1-6 vaults [5/00]	Done 5/00.
Complete resolution of Reach 2 construction claims [12/00]	Done 11/00.
Review DWR final project costs and allocation of said costs to CCWA [12/00]	On schedule. Completed initial review of final cost data 12/00. Final review to be completed 2/01.
Make necessary changes and modifications to Valve Vault Facility that were not made by DWR or its contractors [12/00]	Nitrogen system has been repaired. New hydraulic lines will be installed in 2001.

Environmental and Safety

Complete annual review and, if required, modifications of all safety plans and procedures [4/00]	Done 3/00.
Review and revise as appropriate environmental field requirements, staffing and tasks [4/00]	Done 3/00.
Complete HCP (Habitat Conservation Plan) and Section 10 permitting for red legged frogs and other endangered species [6/00]	HCP completed and Section 10 permit application will be submitted 1/01 to U.S. Army Corps of Engineers for approval.
Provide First Responder Training to all required personnel [7/00]	Deferred to 2001 for new Regulatory Specialist to implement.
Institute and conduct annual safety review of all facilities with all recommendations to be reviewed by the Regulatory Specialist and management [6/00] and implement recommended corrections [8/00]	Done 11/00.
Update all safety and hazmat plans to comply with regulatory changes [9/00]	Done 12/00.
Ensure United States Bureau of Reclamation obtains Section 7 permit for release of State water from Lake Cachuma Project facilities to Santa Ynez River [11/00]	Done 12/00.

Central Coast Water Authority
Administration Department
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Environmental and Safety (continued)

<u>Goal</u>	<u>Status</u>
Continue five-year monitoring program for DWR Reaches 1-6 and CCWA Schedules A, B and C [ongoing]	Ongoing. As of 12/00, the following recoveries have been achieved in accordance with regulatory agency requirements: Grasslands - 96% Chaparral - 31% Coastal scrub - 95% Riparian - 80% Freshwater marsh - 100%; signed off.

Post 2000 Goals

<u>Goal</u>	<u>Status</u>
Implement water transfers as requested by project participants	CCWA project participants bought and sold 1,300 af in CCWA Turnback Pool A and sold 8,392 af in DWR Turnback Pool B during 2000.
Identify and implement opportunities to firm up water supply reliability as needed	-

Service Efforts and Accomplishments

	Estimated		
	Actual FY 1999/00	Actual FY 2000/01	Projected FY 2001/02
Workload			
Public presentations on State Water	12	6	6
State Water Contractor meetings attended	12	35	40
Maximum investment portfolio (millions)	\$ 66	\$ 62	\$ 65
Efficiency			
Annual return on investment portfolio	5.60%	6.37%	5.30%
# of months investment policy not in compliance with investment policy	0	0	0
Operating cost per employee (thousands)	\$ 125	\$ 126	\$ 177
Total budget cost per employee (all departments in millions)	\$ 1.38	\$ 1.43	\$ 1.67
Consulting expense as a percent of O&M budget	15%	17%	10%
Effectiveness			
GFOA Certificate of Achievement Awarded	Yes	Yes	Yes
GFOA Distinguished Budget Presentation Awarded	Yes	Yes	Yes
CSMFO Excellence in Operational Budgeting Awarded	Yes	Yes	Yes
Receive ACWA Theodore Roosevelt Environmental Award (one time only)	Yes	N/A	N/A

Central Coast Water Authority
Administration Department
Fiscal Year 2001/02 Budget

2001 GOALS

Administration and Accounting

Implement project costing module for Solomon accounting system [1/01]

Prepare and submit FY 1999/00 report of continuing disclosure to Bond Trustee [3/01]

Implement CCWA web site financial section for use by CCWA project participants [6/01]

Develop Accounting Department policies and procedures manual (including risk management policies and procedures) [6/01]

Prepare the FY 2001/02 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the "Distinguished Budget Presentation" award [7/01]

Plan and implement CCWA ten-year anniversary celebration [8/01]

Analyze preventative maintenance and purchasing software options and implement as appropriate [10/01]

Prepare a Comprehensive Annual Financial Report for FY 1999/00 in conformance with GFOA standards and submit it to GFOA for the "Excellence in Financial Reporting" award [11/01]

Make CCWA financial presentation to the Santa Barbara County Board of Supervisors [11/01]

Complete closeout of remaining revenue bond fund and capital deposit expenditures [12/01]

Participate and represent CCWA's interests in State Water Contractors Association [ongoing]

Implement water transfers and sales as requested by project participants [ongoing]

Protect CCWA's interest with regard to the following lawsuits:

- Adam v. City of Santa Maria, et al. and related cases (Santa Maria groundwater basin litigation)
- Mountain Cascade, Inc. vs. Zurich Insurance Company
- Planning and Conservation League, et al. vs. Department of Water Resources, et al. (Monterey Amendments litigation)

Central Coast Water Authority
Administration Department
Fiscal Year 2001/02 Budget

Contracts

Competitively bid and execute new bulk chemical contracts [6/01]

Preserve benefits of Monterey Amendment (Amendment No. 16 to the State Water Contract) to CCWA's project participants and their customers [12/01]

DWR Coordination

Complete review of DWR final project costs and allocation of said costs to CCWA [2/01]

Complete modifications to Valve Vault Facility that were not made by DWR or its contractors [4/01]

Engineering

Update instrumentation documentation to reflect installed configurations [3/01]

Close out contract for Polonio Pass Water Treatment Plant (PPWTP) electrical modifications [2/01] and obtain cost reimbursement from PPWTP consultants and contractors [6/01]

Inspect Lake Cachuma discharge tower and Bradbury Dam outlet works [6/01]

Identify [3/01] and implement as appropriate alternatives to "Switch 56" backup and Bradbury Dam and Chorro turnout communication links [8/01]

Update CCWA as-built drawings to reflect project start-up and subsequent modifications [10/01]

Conduct five-year warranty inspection of Reaches 5B and 6 and coordinate repair of any deficiencies with Kenko, Inc. [12/01]

Develop procedures and schedule for the five-year inspection of Coastal Branch Phase II pipeline and facilities downstream of PPWTP and CCWA pipeline and facilities including Tanks 1 (treated), 2, 5 and 7 [12/01]

Coordinate PPWTP electrical survey by CH2MHill and Montgomery Watson and implement and implement modifications identified in the survey [12/01]

Participate in technical advisory committee regarding Bradbury Dam outlet works [ongoing]

Cooperate with Santa Barbara County et al. in Santa Rosa Creek restoration project [ongoing]

Central Coast Water Authority
Administration Department
Fiscal Year 2001/02 Budget

Environmental and Safety

Review and update training requirements for all positions [3/01]

Provide First Responder Training to all required personnel [7/01]

Complete HCP (Habitat Conservation Plan) and Section 10 permitting for red-legged frogs and other endangered species [3/01] and obtain project operating permits from U.S. Army Corps of Engineers [8/01]

Continue five-year monitoring program for DWR Reaches 1-6 and CCWA Schedules A, B and C [ongoing]

Post 2001 Goals

Obtain approval of and implement Amendment 19 to the State Water Contract (including "Phase 2" issues)

Consider Table A entitlement reduction and, if appropriate, implement a State Water Contract amendment in accordance with Amendment 19

Identify and implement mechanisms to firm up water supply reliability as needed

Identify and implement mechanisms to offset shortages due to drought

Consider San Luis Obispo County membership in CCWA if requested

Work with State Water Contractors and DWR to develop and implement a multi-year water transfer policy

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 entitlement.

The Administration Department operating expense budget for Fiscal Year 2001/02 is decreasing by \$33,310, or 4.49% when compared to the FY 2000/01 Budget. The total FY 2001/02 budget is \$708,025 compared to the FY 2000/01 budget of \$741,335. The following items represent the major changes in the Administration Department budget.



Karen King, Secretary II

Central Coast Water Authority
Administration Department
Fiscal Year 2001/02 Budget

Personnel Expenses Total personnel expenses are increasing approximately \$7,000 due to the possible salary increases for FY 2001/02 partially offset by savings associated with Accounting Technician position change from full-time to part-time (3/4 time).

Professional Services The professional services budget is decreasing by \$40,000 due to the settlement of the City of Solvang vs. Santa Ynez River Water Conservation District, ID#1 litigation in which CCWA was an intervener (\$30,000), and a decrease in non-capitalized engineering services (\$10,000).

General and Administrative General and administrative expenses are increasing by about \$6,000 due to an increase in the State Water Contractors dues for increased expenses associated with the Monterey Amendment and other litigation, partially offset by a decrease in (1) printing and binding expenses attributed to printing Authority documents in-house and (2) postage expenses.

Utilities Utility expenses are decreasing by about \$8,600 due to a decrease in telephone (\$7,200) and electrical expenses (\$1,500).

Non-Annual Recurring Expenses

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

FY 2001/02 Non-Annual Recurring Expenses

The FY 2001/02 Administration Department non-annual recurring expenses total \$14,400 for the replacement of vehicles based on the Authority's ten-year vehicle replacement schedule (\$10,400) and future computer replacements (\$4,000).



Annalisa Neam, Accounting Technician

The table on the following page shows the allocation of the FY 2001/02 non-annual recurring expenses for the Administration Department.

Central Coast Water Authority
Administration Department
 Fiscal Year 2001/02 Budget

Administration Department
FY 2001/02 Non-Annual Recurring Expenses

Financing Participant	Entitlement	Percentage	FY 2001/02 Non-Annual Recurring Expenses
Guadalupe	550	1.41%	\$ 203
Santa Maria	16,200	41.46%	5,970
SCWC	500	1.28%	184
VAFB	5,500	14.07%	2,027
Buellton	578	1.48%	213
Santa Ynez (Solvang)	1,500	3.84%	553
Santa Ynez	500	1.28%	184
Goleta	4,500	11.52%	1,658
Morehart Land	200	0.51%	74
La Cumbre	1,000	2.56%	369
Raytheon (SBRC)	50	0.13%	18
Santa Barbara	3,000	7.68%	1,106
Montecito	3,000	7.68%	1,106
Carpinteria	2,000	5.12%	737
TOTAL:	39,078	100.00%	\$ 14,400

Central Coast Water Authority
Personnel Services Summary
Administration Department
 Fiscal Year 2001/02 Budget

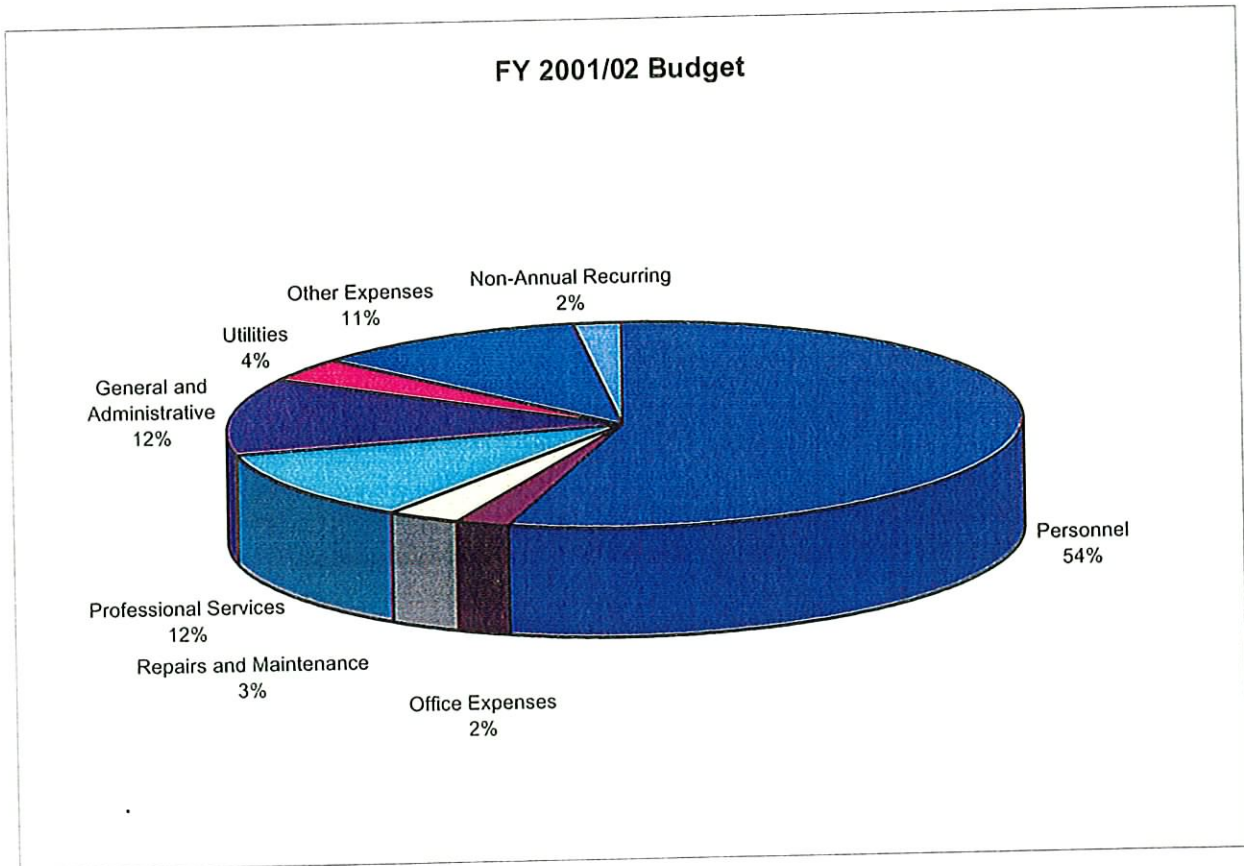
PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth.	Auth.	Requested	Over	Over
	FY 1999/00	FY 2000/01	FY 2001/02	FY 1999/00	FY 2000/01
Executive Director	1	1	1	0	0
Controller/Treasurer	1	1	1	0	0
Project Engineer ⁽¹⁾	0.25	0.25	0.25	0	0
Accounting Technician	1	1	0.75	-0.25	-0.25
Administrative Assistant	1	1	0	-1	-1
Secretary	1	1	1	0	0
TOTAL:	5.25	5.25	4	-1.25	-1.25

PERSONNEL WAGE SUMMARY			
Position Title	Position Classification	Maximum	FY 2000/01
		Monthly Salary	Current Salary
Executive Director	N/A	N/A	\$ 122,638
Controller/Treasurer	24	\$ 7,608	\$ 82,992
Project Engineer ⁽¹⁾	23	\$ 7,219	\$ 19,776
Accounting Technician	11	\$ 3,846	\$ 28,766
Secretary II	8	\$ 3,285	\$ 30,202
FY 2001/02 Salary Pool			\$ 19,081
TOTAL:			\$ 303,455

(1) The Project Engineer is allocated to Administration (25%), Water Treatment Plan (20%) and Distribution (55%).

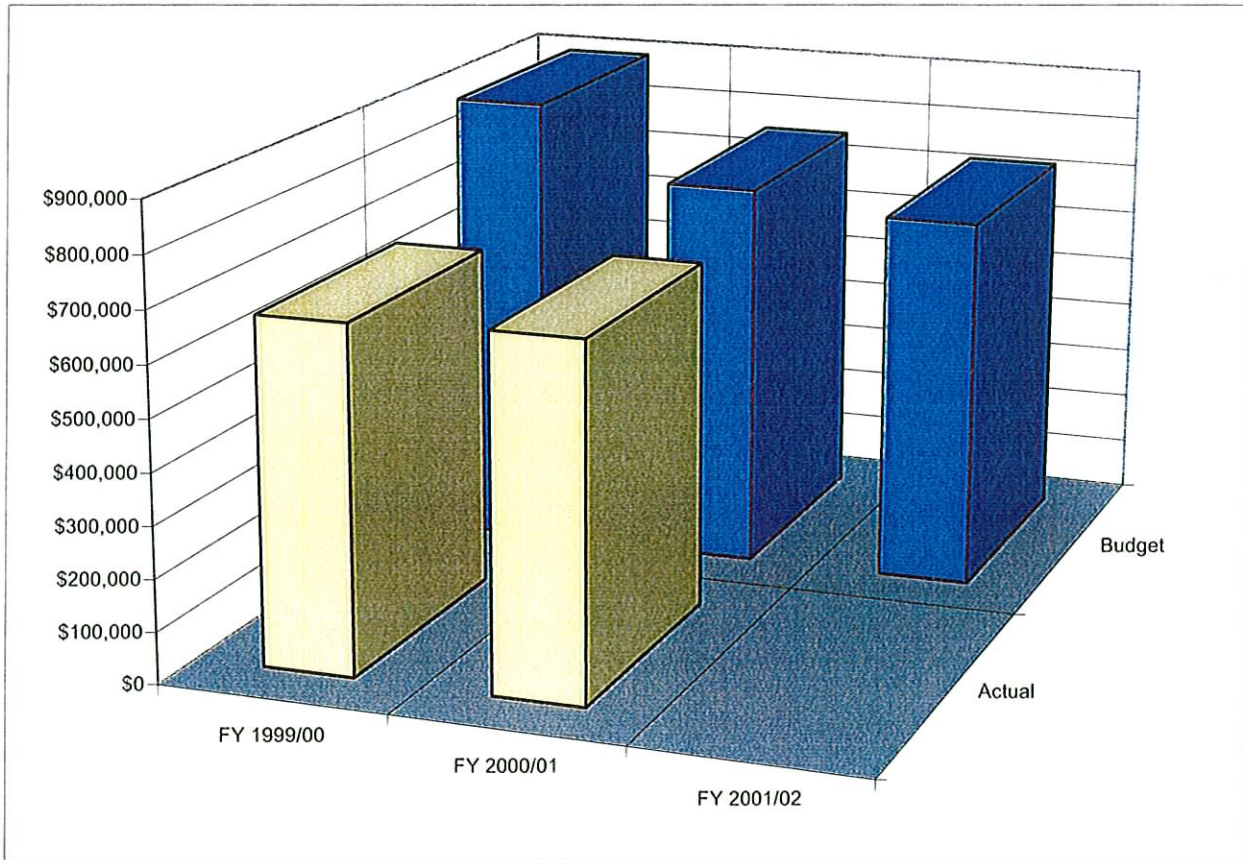
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2001/02 Budget

Item	FY 2001/02 Budget
Personnel	\$ 396,304
Office Expenses	14,500
Repairs and Maintenance	22,650
Professional Services	83,247
General and Administrative	84,602
Utilities	27,420
Other Expenses	79,302
Non-Annual Recurring	14,400
TOTAL:	\$ 722,425



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2001/02 Budget

Item	FY 1999/00	FY 1999/00	FY 2000/01	FY 2000/01	FY 2001/02
	Budget	Actual	Budget	Est. Actual	Budget
Personnel	\$ 414,577	\$ 409,426	\$ 389,421	\$ 395,910	\$ 396,304
Office Expenses	16,000	12,141	14,500	13,284	14,500
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	16,925	12,277	20,125	17,188	22,650
Professional Services	232,747	90,974	123,247	82,579	83,247
General and Administration	79,733	66,555	78,621	72,224	84,602
Utilities	41,220	21,913	36,000	20,119	27,420
Other Expenses	84,717	44,091	79,421	62,702	79,302
Subtotal	\$ 885,919	\$ 657,376	\$ 741,335	\$ 664,006	\$ 708,025
Non-Annual Recurring	\$ 10,765	\$ 10,765	\$ 15,243	\$ 15,243	\$ 14,400
TOTAL:	\$ 896,684	\$ 668,141	\$ 756,578	\$ 679,249	\$ 722,425



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00	FY 1999/00	FY 2000/01	FY 2000/01	FY 2001/02	Change	Percent
		Budget	Actual	Budget	Estimated Actual	Budget	From FY 2000/01 Budget	Change from FY 2000/01 Budget
PERSONNEL EXPENSES								
5000.10	Full-Time Regular Wages	\$ 317,537	\$ 314,635	\$ 296,720	\$ 302,096	\$ 303,455	\$ 6,735	2.27%
5000.20	Overtime	2,000	366	1,000	-	1,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	43,864	41,967	40,066	39,966	38,150	(1,916)	-4.78%
5100.10	PERS Retirement	4,633	5,195	4,317	4,953	4,538	221	5.12%
5100.15	Medicare Taxes	18,949	18,326	19,227	16,033	21,357	2,130	11.08%
5100.20	Health Insurance	1,060	1,356	1,234	1,900	1,015	(219)	-17.74%
5100.25	Workers' Compensation	4,320	2,345	4,320	5,012	4,320	-	0.00%
5100.30	Vehicle Expenses	8,000	16,132	8,000	8,250	8,500	500	6.25%
5100.35	IRC 457-Employer Paid	825	544	268	1,509	59	(209)	-78.00%
5100.40	Cafeteria Plan Benefits	6,563	5,261	5,313	6,045	5,313	-	0.00%
5100.45	Dental/Vision Plan	1,937	1,843	1,810	2,100	1,676	(134)	-7.42%
5100.50	Long-Term Disability	1,438	1,258	1,197	1,124	972	(225)	-18.78%
5100.55	Life Insurance	-	-	-	-	-	-	N/A
5100.60	Employee Physicals	2,500	198	5,000	6,573	5,000	-	0.00%
5000.30	Temporary Services	700	-	700	348	700	-	0.00%
5100.70	Safety Incentive Program	250	-	250	-	250	-	0.00%
5100.65	Employee Education Reimbursement	-	-	-	-	-	-	-
Total Personnel Expenses:		414,577	409,426	389,421	395,910	396,304	6,883	1.77%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change From FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	-	-	-	-	-	-	N/A
5200.20	Office Supplies	14,000	9,764	12,000	10,745	12,000	-	0.00%
5200.30	Miscellaneous Office Expenses	2,000	2,377	2,500	2,540	2,500	-	0.00%
Total Office Expenses:		16,000	12,141	14,500	13,284	14,500	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	-	-	-	-	-	-	N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-	N/A
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	-	-	-	-	-	-	N/A
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	-	-	-	-	-	-	N/A
5500.40	Safety Supplies	-	-	-	-	-	-	N/A
5500.45	Fuel and Lubricants	-	-	-	-	-	-	N/A
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		-	-	-	-	-	-	N/A
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00		FY 2000/01		FY 2001/02		Change From FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
		Budget	Actual	Budget	Estimated Actual	Budget	Budget		
<u>REPAIRS AND MAINTENANCE</u>									
5700.10	Equipment Repairs and Maintenance	5,925	1,809	4,725	2,496	4,750	25	0.53%	
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A	
5700.30	Building Maintenance	11,000	10,110	15,400	14,692	14,900	(500)	-3.25%	
5700.40	Landscape Maintenance	-	358	-	-	3,000	3,000	N/A	
Total Repairs and Maintenance:		16,925	12,277	20,125	17,188	22,650	2,525	12.55%	
<u>PROFESSIONAL SERVICES</u>									
5400.10	Professional Services	5,000	4,955	5,000	18,810	5,000	-	0.00%	
5400.20	Legal Services	170,000	64,197	70,000	29,322	40,000	(30,000)	-42.86%	
5400.30	Engineering Services	30,000	-	20,000	8,474	10,000	(10,000)	-50.00%	
5400.40	Permits	-	-	-	-	-	-	N/A	
5400.50	Non-Contractual Services	3,400	997	3,400	1,126	3,400	-	0.00%	
5400.60	Accounting Services	24,347	20,825	24,847	24,847	24,847	-	0.00%	
5400.70	Payroll Service	-	-	-	-	-	-	N/A	
Total Professional Services:		232,747	90,974	123,247	82,579	83,247	(40,000)	-32.46%	

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change From FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	13,600	14,932	16,000	15,210	16,000	-	0.00%
5300.20	Mileage Reimbursement	750	201	350	304	350	-	0.00%
5300.30	Dues and Memberships	44,713	36,302	41,351	41,351	51,582	10,231	24.74%
5300.40	Publications	2,770	3,697	3,020	5,080	4,370	1,350	44.70%
5300.50	Training	3,000	3,244	3,000	1,983	3,000	-	0.00%
5300.60	Advertising	500	-	500	-	500	-	0.00%
5300.70	Printing and Binding	6,000	3,945	6,000	6,000	4,000	(2,000)	-33.33%
5300.80	Postage	8,400	4,233	8,400	2,295	4,800	(3,600)	-42.86%
Total General and Administrative:		79,733	66,555	78,621	72,224	84,602	5,981	7.61%
<u>UTILITIES</u>								
5800.10	Other Utilities	-	-	-	-	-	-	N/A
5800.20	Natural Gas	900	372	900	324	900	-	0.00%
5800.30	Electric-Fixed	7,800	2,693	7,800	4,288	6,300	(1,500)	-19.23%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	1,080	1,836	2,220	1,813	2,220	-	0.00%
5800.50	Telephone	30,000	15,520	23,640	12,140	16,440	(7,200)	-30.46%
5800.60	Waste Disposal	1,440	1,490	1,440	1,555	1,560	120	8.33%
Total Utilities:		41,220	21,913	36,000	20,119	27,420	(8,580)	-23.83%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00	FY 1999/00	FY 2000/01	FY 2000/01	FY 2001/02	Change	Percent
		Budget	Actual	Budget	Estimated Actual	Budget	From FY 2000/01 Budget	Change from FY 2000/01 Budget
OTHER EXPENSES								
5900.10	Insurance	18,519	16,240	15,962	18,113	14,928	(1,033)	-6.47%
5900.20	Insurance Claim Deductibles	5,000	-	5,000	-	-	(5,000)	-100.00%
5900.30	Facilities Rent	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	9,830	8,719	9,830	9,115	9,830	-	0.00%
5900.50	Non-Capitalized Equipment	10,000	107	10,000	13,671	15,000	5,000	50.00%
5900.60	Computer Expenses	19,760	19,026	20,548	21,803	22,275	1,727	8.40%
5900.70	Appropriated Contingency	21,608	-	18,081	-	17,269	(812)	-4.49%
	Total Other Expenses:	84,717	44,091	79,421	62,702	79,302	(119)	-0.15%
	TOTAL OPERATING EXPENSES	\$ 885,919	\$ 657,376	\$ 741,335	\$ 664,006	\$ 708,025	\$ (33,310)	-4.49%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

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

Description: Funds for Administration for 3 full-time regular employees, one 3/4 time employee and one employee charged 25% to the Administration Department. Includes \$19,081 for the proposed FY 2001/02 salary pool.

FY 01/02 Requested Budget	303,455
FY 00/01 Estimated Actual	302,096
Increase (Decrease)	1,359

ACCOUNT NUMBER: 5000.20 ACCOUNT TITLE: Overtime

Description: Overtime expenses for non-exempt Administration employees.

FY 01/02 Requested Budget	1,000
FY 00/01 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5000.30 ACCOUNT TITLE: Temporary Services

Description: Funds for temporary employee services.

FY 01/02 Requested Budget	5,000
FY 00/01 Estimated Actual	6,573
Increase (Decrease)	(1,573)

ACCOUNT NUMBER: 5100.10 ACCOUNT TITLE: PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions.

FY 01/02 Requested Budget	38,150
FY 00/01 Estimated Actual	39,966
Increase (Decrease)	(1,816)

Based on a 12.572% contribution rate for FY 2001/02. Decrease is due to a lower employer rate for FY 2001/02 of 5.572% compared to the FY 2000/01 rate of 6.503%.

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5100.15 ACCOUNT TITLE: Medicare

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

FY 01/02 Requested Budget	4,538
FY 00/01 Estimated Actual	4,953
Increase (Decrease)	(416)

ACCOUNT NUMBER: 5100.20 ACCOUNT TITLE: Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for Administration employees. Budget amount is based on actual medical insurance election for the Administration Department. Includes increase authorized by CCWA Board of Directors in January 2001.

FY 01/02 Requested Budget	21,357
FY 00/01 Estimated Actual	16,033
Increase (Decrease)	5,323

Family: \$6,526
Emp+1: \$5,644
Emp: \$2,396

ACCOUNT NUMBER: 5100.25 ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Administration Department. Based on \$0.49 per \$100 of covered wages with an X-Mod rate of 68%.

FY 01/02 Requested Budget	1,015
FY 00/01 Estimated Actual	1,900
Increase (Decrease)	(885)

ACCOUNT NUMBER: 5100.30 ACCOUNT TITLE: Vehicle Expenses

Description: Vehicle expenses for the Executive Director in the amount of \$250 per month and \$110 per month for the Administration Department pool car fuel expenses.

FY 01/02 Requested Budget	4,320
FY 00/01 Estimated Actual	5,012
Increase (Decrease)	(692)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

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

Description: Funds for employer paid deferred compensation contributions. Amount includes \$8,500 to fully fund the Executive Director's deferred compensation account for FY 2001/02.

FY 01/02 Requested Budget	8,500
FY 00/01 Estimated Actual	8,250
Increase (Decrease)	250

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 01/02 Requested Budget	59
FY 00/01 Estimated Actual	1,509
Increase (Decrease)	(1,450)

ACCOUNT NUMBER: 5100.45 ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,500 per year per family for dental and vision expenses. Budgeted amount is \$1,250 per year per employee.

FY 01/02 Requested Budget	5,313
FY 00/01 Estimated Actual	6,045
Increase (Decrease)	(733)

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 \$0.61 per \$100 of salary.

FY 01/02 Requested Budget	1,676
FY 00/01 Estimated Actual	2,100
Increase (Decrease)	(424)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5100.55 ACCOUNT TITLE: Life Insurance

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

FY 01/02 Requested Budget	972
FY 00/01 Estimated Actual	1,124
Increase (Decrease)	(152)

ACCOUNT NUMBER: 5100.65 ACCOUNT TITLE: Employee Education Reimbursement

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

FY 01/02 Requested Budget	250
FY 00/01 Estimated Actual	-
Increase (Decrease)	250

ACCOUNT NUMBER: 5100.70 ACCOUNT TITLE: Safety Incentive Program

Description: Funds to encourage employee safety through safety awards and incentive programs. This program was recommended by JPIA.

FY 01/02 Requested Budget	700
FY 00/01 Estimated Actual	-
Increase (Decrease)	700

ACCOUNT NUMBER: 5200.10 ACCOUNT TITLE: Administrative Costs

Description: _____

FY 01/02 Requested Budget	-
FY 00/01 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5200.20 ACCOUNT TITLE: Office Supplies

Description: Funds for Office supplies for the Administration Department. Based on \$1,000 per month in office supply expenses.

FY 01/02 Requested Budget	12,000
FY 00/01 Estimated Actual	10,745
Increase (Decrease)	1,255

ACCOUNT NUMBER: 5200.30 ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses associated such as picture developing, awards, business cards water system, kitchen supplies, etc.

FY 01/02 Requested Budget	2,500
FY 00/01 Estimated Actual	2,540
Increase (Decrease)	(40)

ACCOUNT NUMBER: 5300.10 ACCOUNT TITLE: Meeting and Travel

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

FY 01/02 Requested Budget	16,000	\$	2,500	ACWA Conferences
FY 00/01 Estimated Actual	15,210	\$	7,800	Executive Director SWC (\$650 per month)
Increase (Decrease)	790	\$	2,000	GFOA and CSMFO meetings
		\$	3,700	Other miscellaneous meetings
		\$	16,000	TOTAL

ACCOUNT NUMBER: 5300.20 ACCOUNT TITLE: Mileage Reimbursement

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

FY 01/02 Requested Budget	350
FY 00/01 Estimated Actual	304
Increase (Decrease)	654

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5300.30 ACCOUNT TITLE: Dues and Memberships

	Description:	Funds for professional dues.
	\$	17,089 SWC Bay Delta Charges/Urban Account
FY 01/02 Requested Budget	\$	22,743 State Water Contractors Dues
FY 00/01 Estimated Actual	\$	6,500 AWCA
Increase (Decrease)	\$	500 CA Urban Water Conservation Council
	\$	400 California Water Awareness
	\$	350 Water Education Foundation
	\$	4,000 Employee Professional Dues and Misc.
	\$	51,582 TOTAL

ACCOUNT NUMBER: 5300.40 ACCOUNT TITLE: Publications

	Description:	Funds for publications received by CCWA
	\$	720 News clipping service (\$180 quarterly)
FY 01/02 Requested Budget	\$	150 SB News Press (Annual)
FY 00/01 Estimated Actual	\$	2,000 Personnel related subscriptions
Increase (Decrease)	\$	1,000 Employee professional publications
	\$	500 Other Publications - General
	\$	4,370 TOTAL

ACCOUNT NUMBER: 5300.50 ACCOUNT TITLE: Training

	Description:	Funds for training of CCWA personnel. Does not include educational reimbursement expenses.
FY 01/02 Requested Budget		3,000
FY 00/01 Estimated Actual		1,983
Increase (Decrease)		1,017

ACCOUNT NUMBER: 5300.60 ACCOUNT TITLE: Advertising

	Description:	Funds for public relations expenses for CCWA including advertising for open positions and subscription to "Jobs Available."
FY 01/02 Requested Budget		500
FY 00/01 Estimated Actual		-
Increase (Decrease)		500

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5300.70 ACCOUNT TITLE: Printing and Binding

Description: Funds for the printing and binding of CCWA documents including the Board packets, the annual budget, and the Comprehensive Annual Financial Report (CAFR).

FY 01/02 Requested Budget	4,000
FY 00/01 Estimated Actual	6,000
Increase (Decrease)	(2,000)

ACCOUNT NUMBER: 5300.80 ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses.
 \$ 3,600 Postage meter expenses (\$600 per month)
 \$ 1,200 Overnight and shipping svcs (\$100 per month)
 \$ 4,800 TOTAL

FY 01/02 Requested Budget	4,800
FY 00/01 Estimated Actual	2,295
Increase (Decrease)	2,505

ACCOUNT NUMBER: 5400.10 ACCOUNT TITLE: Professional Services

Description: Funds for miscellaneous consultants and other services.
Includes \$2,500 for Arbitrage/Rebate calculations to be done on the 1996 Revenue Bond issue and \$1,620 for the Administration office alarm system (\$135 per month).

FY 01/02 Requested Budget	5,000
FY 00/01 Estimated Actual	18,810
Increase (Decrease)	(13,810)

ACCOUNT NUMBER: 5400.20 ACCOUNT TITLE: Legal Services

Description: Funds for CCWA legal services.
 \$ 40,000 Hatch & Parent Gen Counsel (\$3,333 per mo)

FY 01/02 Requested Budget	40,000
FY 00/01 Estimated Actual	29,322
Increase (Decrease)	10,678

Legal fees associated with the Zurich storm damage claim are allocated to the Distribution and Water Treatment Plant financial reaches.

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5400.30 ACCOUNT TITLE: Engineering Services

Description: Funds for unanticipated engineering services which cannot be performed in-house including services provided by Penfield & Smith (CCWA Engineer).

FY 01/02 Requested Budget	10,000
FY 00/01 Estimated Actual	8,474
Increase (Decrease)	1,526

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 01/02 Requested Budget	3,400
FY 00/01 Estimated Actual	1,126
Increase (Decrease)	2,274

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

ACCOUNT NUMBER: 5400.60 ACCOUNT TITLE: Accounting Services

Description: Funds for the annual audit of the FY 2000/01 Financial Statements and the State Water Contractors audit fees.

FY 01/02 Requested Budget	24,847
FY 00/01 Estimated Actual	24,847
Increase (Decrease)	(0)

<u>Includes an estimated 10% increase in State Water Contractor audit fees.</u>		
\$	15,847	State Water Contractor audit fees
\$	9,000	Auditing FY 2000/01 financial statements
\$	24,847	TOTAL

ACCOUNT NUMBER: 5700.10 ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 01/02 Requested Budget	4,750
FY 00/01 Estimated Actual	2,496
Increase (Decrease)	2,254

\$	2,400	Copier maint. agreement (\$600 quarterly)
\$	2,000	Other misc. repairs and maintenance
\$	350	Fax maintenance agreement (annual)
\$	4,750	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5700.30 ACCOUNT TITLE: Building Maintenance

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

FY 01/02 Requested Budget	14,900
FY 00/01 Estimated Actual	14,692
Increase (Decrease)	208

\$	10,500	Janitorial services
\$	3,000	Building repairs
\$	1,400	HVAC quarterly maintenance
\$	14,900	TOTAL

ACCOUNT NUMBER: 5700.40 ACCOUNT TITLE: Landscape Maintenance

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

FY 01/02 Requested Budget	3,000
FY 00/01 Estimated Actual	-
Increase (Decrease)	3,000

ACCOUNT NUMBER: 5800.20 ACCOUNT TITLE: Natural Gas

Description: Funds for natural gas service to the Administration building (\$75 per month).

FY 01/02 Requested Budget	900
FY 00/01 Estimated Actual	324
Increase (Decrease)	576

ACCOUNT NUMBER: 5800.30 ACCOUNT TITLE: Electric

Description: Funds for electrical service to the Administration building (\$525 per month).

FY 01/02 Requested Budget	6,300
FY 00/01 Estimated Actual	4,288
Increase (Decrease)	2,012

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5800.40 ACCOUNT TITLE: Water and Sewer

Description: Funds for water and sewer service for the Administration building (\$185 per month).

FY 01/02 Requested Budget	2,220
FY 00/01 Estimated Actual	1,813
Increase (Decrease)	407

ACCOUNT NUMBER: 5800.50 ACCOUNT TITLE: Telephone

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

FY 01/02 Requested Budget	16,440
FY 00/01 Estimated Actual	12,140
Increase (Decrease)	4,300

\$	5,400	Long distance (\$450 per month)
\$	9,600	Local long distance (\$800 per month)
\$	240	Pager airtime (\$20 per month)
\$	1,200	Cell phone airtime (\$100 per month)
\$	16,440	TOTAL

ACCOUNT NUMBER: 5800.60 ACCOUNT TITLE: Waste Disposal

Description: Funds for waste disposal services for the Administration building (\$130 per month).

FY 01/02 Requested Budget	1,560
FY 00/01 Estimated Actual	1,555
Increase (Decrease)	5

ACCOUNT NUMBER: 5900.10 ACCOUNT TITLE: Insurance

Description: Funds for insurance related expenses.

FY 01/02 Requested Budget	14,928
FY 00/01 Estimated Actual	18,113
Increase (Decrease)	(3,185)

\$	869	Property and auto insurance based on allocation provided by JPIA
\$	12,859	General Liability and E&O apportioned by payroll percentages.
\$	1,200	Employee fidelity bond
\$	14,928	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5900.20 ACCOUNT TITLE: Insurance Claim Deductibles

Description: Funds for deductibles on insurance claims.

FY 01/02 Requested Budget	-
FY 00/01 Estimated Actual	7
Increase (Decrease)	(7)

ACCOUNT NUMBER: 5900.40 ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment.

FY 01/02 Requested Budget	9,830
FY 00/01 Estimated Actual	9,115
Increase (Decrease)	715

\$	4,100	Postage meter (\$300 per month) and other
\$	4,980	Copier lease (\$415 per month)
\$	750	Other
\$	9,830	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 \$2,500 in cost with an estimated useful life under 5 years.

FY 01/02 Requested Budget	15,000
FY 00/01 Estimated Actual	13,671
Increase (Decrease)	1,329

ACCOUNT NUMBER: 5900.60 ACCOUNT TITLE: Computer Expenses

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

FY 01/02 Requested Budget	22,275
FY 00/01 Estimated Actual	21,803
Increase (Decrease)	472

\$	2,160	Silicon Beach (Internet \$540 quarterly)
\$	9,115	Annual service agreements
\$	11,000	Software upgrades and service expenses
\$	22,275	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5900.70 ACCOUNT TITLE: Appropriated Contingency

Description: 2.5% of operating expenses

FY 01/02 Requested Budget	17,269
FY 00/01 Estimated Actual	-
Increase (Decrease)	17,269





Central Coast Water Authority's First "Top Ops" Team, Humble π. Pictured in the photo from left to right: Polonio Pass Water Treatment Plant Operators Russ Banta, Chris Kania and Michael Steinbock. The team placed second in the American Water Works Association California/Nevada Section Top Ops competition on April 9, 1997.

Water Treatment Plant Department

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

Highlights

Department Information

- Number of employees 12.65
- Polonio Pass Water Treatment Plant design capacity 43 million gallons per day
- FY 2001/02 requested water deliveries 40,123 acre-feet

Budget Information

- Total FY 2001/02 O&M Budget \$2,065,446
- Non-Annual Recurring Expense deposits \$ 149,538
- **Total WTP FY 2001/02 Budgeted Expenses \$2,214,984**

- O&M Budget increase over FY 2000/01 \$ 97,764

- Fixed O&M Expenses \$1,607,776
- Variable O&M Expenses \$ 457,670

- FY 2001/02 budgeted chemical cost \$15.00 per acre-foot

Significant Accomplishments During FY 2000/01

- All year 2000 water delivery requests were met.
- WTP O&M staff constructed maintenance office and bathroom in the operations building resulting in a \$10,000 savings.
- Presented options to the Operating Committee and Board of Directors to reduce or eliminate occasional taste and odor episodes during certain summer months.

Significant Goals for FY 2001/02

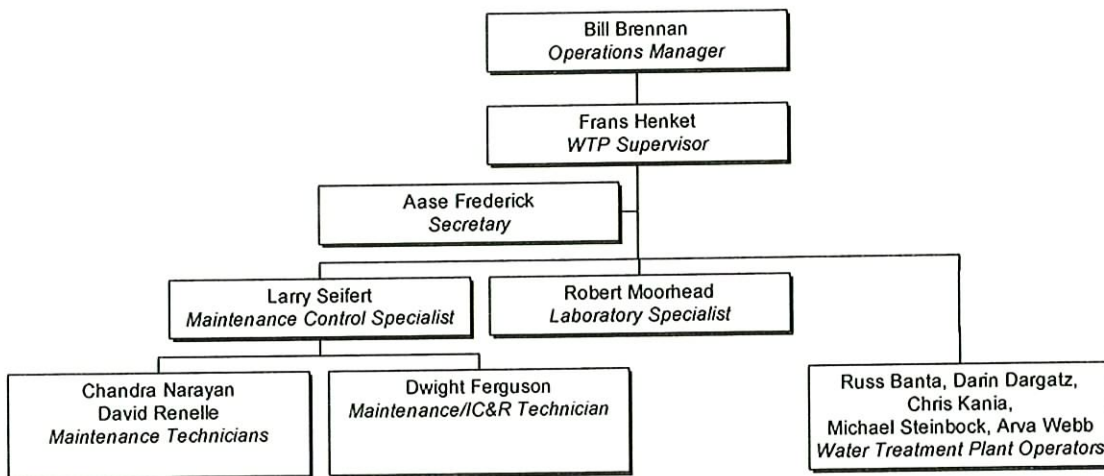
- Review electrical cost schedule with PG&E and explore non-firm power options.
- Meet project participants' delivery needs as requested.
- Incorporate all instrumentation calibration and maintenance into the preventative maintenance program.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2001/02 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 Health Services.

The Operations Manager oversees the Water Treatment Plant and Distribution staff. The Operations Manager is responsible for water quality, deliveries, maintenance of all facilities and ensuring the water supply meets or exceeds all applicable health and safety standards. Additional duties include participating in various State Water Contractor committees, preparing the annual O&M budget and exercising expenditure control and coordinating with DWR O&M regarding Coastal Branch operations and deliveries.

CCWA Water Treatment Plant Staff



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

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



Frans Henket, Water Treatment Plant Supervisor, and Robert Moorhead, Laboratory Specialist.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2001/02 Budget

The Maintenance Control Specialist is responsible for plant maintenance and supervises the Maintenance/IC&R Technician and two (2) Maintenance Technicians. Together with available operations staff, they keep the treatment plant in full operating condition at all times. Additionally, they perform routine pipeline maintenance along a 30-mile section of Coastal Branch Phase II pipeline immediately downstream of the treatment plant.



Larry Seifert, Maintenance Control Specialist

The Laboratory Specialist operates the plant laboratory. All analyses required by the Environmental Protection Agency, Department of Health Services or plant process requirements are either performed in-house or sent to a contract laboratory by the Laboratory Specialist. He 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 Technician repairs instruments and electronics both at the Water Treatment Plant and along the Pipeline.

The following pages list the 2000 accomplishments, performance indicators ("Service Efforts and Accomplishments") and 2001 goals for the Water Treatment Plant Department.

2000 ACCOMPLISHMENTS

Operations and Maintenance

<u>Goal</u>	<u>Status</u>
Review overtime usage by O&M personnel for cost effectiveness and make any appropriate changes [4/00]	Done 4/00.
Incorporate all instrumentation calibration and maintenance into the preventative maintenance program [9/00]	Deferred to 2001 due to other priorities.
Meet project participants' delivery needs as requested [ongoing]	All 2000 delivery requests were met.
Identify and pursue all possible cost saving and quality enhancing opportunities with initial concentration on bulk chemicals, communications, electricity, overtime requirements and revegetation and erosion control [ongoing]	WTP O&M staff constructed maintenance office and downstairs bathroom in operations building for \$10,000 savings.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2001/02 Budget

Goal
 Identify and pursue approaches to maximize and maintain high water quality consistent with project participants' needs [ongoing]

Status
 Options to reduce or eliminate occasional taste and odor episodes during hot summer months to be presented to Operating Committee and Board of Directors 1/01.

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

Ongoing.

Service Efforts and Accomplishments

	Actual	Estimated	Projected
	FY 1999/00	Actual FY 2000/01	
Workload			
Lab analyses completed	65,800	67,000	69,500
Work orders completed - Water Treatment Plant	763	465	490
Efficiency			
Days out of Service - Water Treatment Plant	21	6	7
Number of lab analyses not meeting state/federal standards	0	0	0
Operating cost per employee (thousands)	\$ 141	\$ 142	\$ 163
Overtime expense as a percent of the O&M budget	2.11%	1.47%	1.77%
Industrial injury lost work days	0	0	0
Top Ops Competition California/Nevada Section Placement	3rd Place	N/A	

2001 GOALS

Operations and Maintenance

Investigate and implement as appropriate taste and odor strategies for treated State water [1/01]

Conduct in-house workshop to review and optimize O&M procedures and practices [2/01]

Review electrical cost schedule with PG&E and explore non-firm power options [2/01]

Incorporate all instrumentation calibration and maintenance into the preventative maintenance program [4/01]

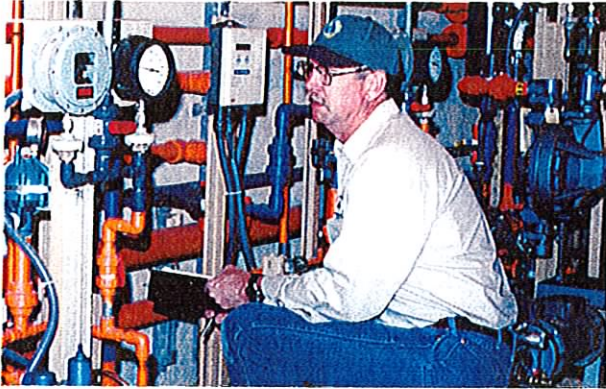
Meet project participants' delivery needs as requested [ongoing]

Identify and pursue all possible cost saving and quality enhancing opportunities with initial concentration on bulk chemicals, communications, electricity, overtime requirements and revegetation and erosion control [ongoing]

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2001/02 Budget

Identify and pursue approaches to maximize and maintain high water quality consistent with project participants' needs [ongoing]

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



Russ Banta, Water Treatment Plant Operator

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2001/02 Budget

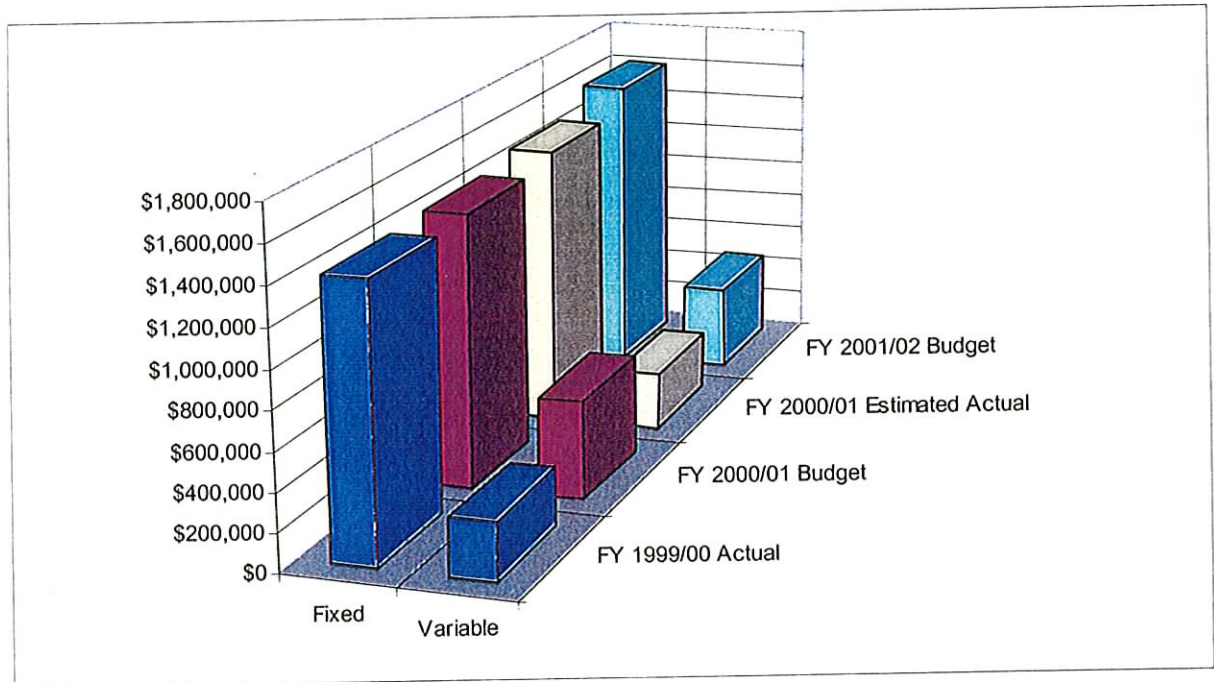
WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

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

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

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

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



Variable O&M Costs Excluding San Luis Obispo County San Luis Obispo County (SLO) does not pay for costs of 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 entitlement allocation.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2001/02 Budget

Fiscal Year 2001/02 Operating Expense Budget

The FY 2001/02 water treatment plant operating expense budget is \$2,065,446, which is \$97,764 higher than the previous year's budget of \$1,967,682, a 4.97% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 46% of the budget. Supplies and equipment comprise 22% with other expenses making up the balance of the budget. The variable O&M expenses are included in the supplies and equipment section of the budget. The chart on page 126 shows the allocation of the various components of the water treatment plant operating expense budget.

Personnel Expenses Personnel expenses are increasing by about \$54,000 for an increase in regular salaries of about \$39,000 due to possible salary increases in FY 2001/02 and various increases in other miscellaneous personnel expense line items (\$15,000).

- Full-time regular salaries are increasing by approximately \$39,000 due to possible salary increases in FY 2001/02.
- Temporary services expenses are increasing by about \$5,100 for an increase in the the part-time laboratory associate at the Water Treatment Plant from 16 hours per week to 24 hours per week.
- Other miscellaneous personnel expense line item increases (\$10,000).

Supplies and Equipment Supplies and equipment expenses are increasing by about \$30,000 when compared to the FY 2000/01 budget due to an increase in the chemical unit cost from \$14 an acre foot to \$15 an acre foot. Chemical expenses are based on 50% of requested deliveries for the second half of calendar year 2001 and 100% of requested deliveries for the first half of calendar year 2002.

Repairs and Maintenance Expenses Repairs and maintenance expenses are increasing by \$9,500 due to an increase in the equipment repairs and maintenance account.

General and Administrative General and administrative expenses are decreasing by \$7,700 attributed to a decrease in meeting and travel (\$4,500) and training (\$5,500) partially offset by increases in dues and memberships and postage.

Other Expenses Other expenses are increasing by approximately \$21,000 due to (1) an increase in non-capitalized equipment expenses resulting from the change in the capitalization policy from \$1,000 to \$2,500 and (2) increases in equipment rental and appropriated contingency.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2001/02 Budget

Non-Annual Recurring Expenses

As part of the budget process, certain expenses which occur periodically are identified and are charged to the project participants over a number of years to minimize fluctuations in the annual O&M assessments. The assessment of the non-annual recurring expenses are charged to the project participants on an entitlement basis without regard to the water treatment plant allocation or the exchange agreement modifications.

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

FY 2001/02 Non-Annual Recurring Expenses

The FY 2001/02 water treatment plant non-annual recurring expenses total \$149,538 and are comprised of the following expenses.

- \$15,926 for the replacement of vehicles at the water treatment plant based on the ten-year vehicle replacement schedule.
- \$3,500 for the future replacement of water treatment plant computers.
- \$130,114 for the replacement of the granular activated carbon filters. It is estimated that these filters will need to be replaced every five years.



Chris Kania, Water Treatment Plant Operator

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2001/02 Budget

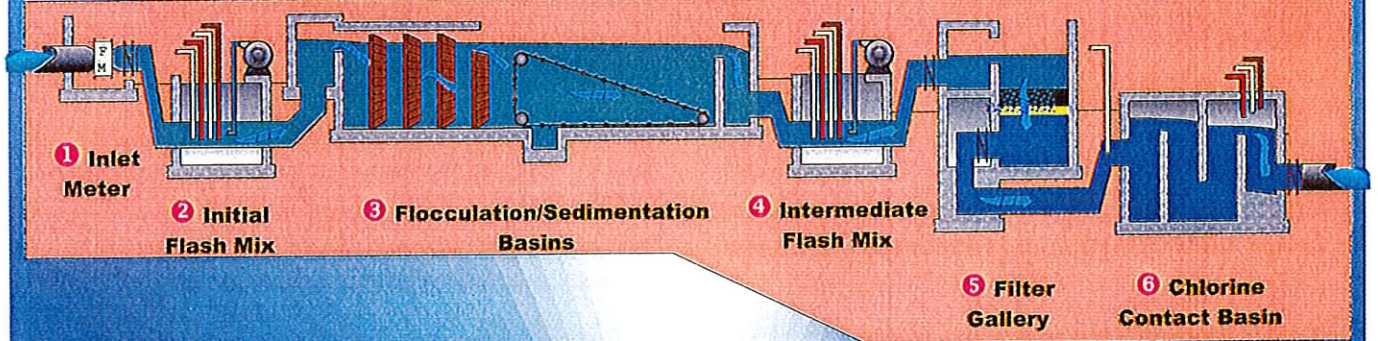
The following table shows the allocation of the FY 2001/02 non-annual recurring expenses for the water treatment plant.

Water Treatment Plant
FY 2001/02 Non-Annual Recurring Expenses

Financing Participant	Entitlement	Percentage	FY 2001/02 Non-Annual Recurring Expenses
Shandon	100	0.23%	\$ 363
Chorro Valley	2,338	5.32%	8,489
Lopez	2,392	5.45%	8,685
Guadalupe	550	1.25%	2,491
Santa Maria	16,200	36.90%	73,371
So Cal Water Co.	500	1.14%	2,265
VAFB	5,500	12.53%	24,910
Buellton	578	1.32%	2,618
Santa Ynez (Solvang)	1,500	3.42%	6,794
Santa Ynez	500	1.14%	13,470
Goleta	4,500	10.25%	1,991
Morehart Land	200	0.46%	88
La Cumbre	1,000	2.28%	442
Raytheon (SBRC)	50	0.11%	22
Santa Barbara	3,000	6.83%	1,327
Montecito	3,000	6.83%	1,327
Carpinteria	2,000	4.55%	885
TOTAL:	43,908	100.00%	\$ 149,538



Darin Dargatz, Water Treatment Plant Operator



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
 Fiscal Year 2001/02 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 1999/00	Auth. FY 2000/01	Requested FY 2001/02	Over FY 1999/00	Over FY 2000/01
Operations Manager ⁽¹⁾	0.75	0.75	0.75	0	0
Project Engineer ⁽²⁾	0.20	0.20	0.20	0	0
WTP Supervisor	1	1	1	0	0
Maintenance Control Specialist	1	1	1	0	0
Regulatory Specialist ⁽³⁾	0	0.25	0.25	0.25	0
Laboratory Specialist	1	1	1	0	0
Maintenance Technician	2	2	2	0	0
Maintenance IC&R Technician	0.70	0.70	0.70	0	0
WTP Operators	5	5	5	0	0
Secretary I	0.60	0.75	0.75	0.15	0
TOTAL:	12.25	12.65	12.65	0.40	0

PERSONNEL WAGE SUMMARY			
Position Title	Position Classification	Maximum Monthly Salary	FY 2000/01 Current Salary
Operations Manager ⁽¹⁾	26	\$ 8,450	\$ 69,155
Project Engineer ⁽²⁾	23	\$ 7,219	\$ 15,820
WTP Supervisor	20	\$ 6,168	\$ 72,301
Maintenance Control Specialist	17	\$ 5,270	\$ 57,491
Regulatory Specialist ⁽³⁾	17	\$ 5,270	\$ 12,501
Laboratory Specialist	17	\$ 5,270	\$ 58,302
Maintenance Technicians	14	\$ 4,501	\$ 82,555
Maintenance IC&R Technician	14	\$ 4,501	\$ 42,307
WTP Operators	14	\$ 4,501	\$ 254,634
Secretary I	5	\$ 2,807	\$ 21,622
FY 2001/02 Salary Pool			\$ 45,866
TOTAL:			\$ 732,553

(1) The Operations Manager is allocated to Water Treatment Plant (75%) and Distribution (25%).

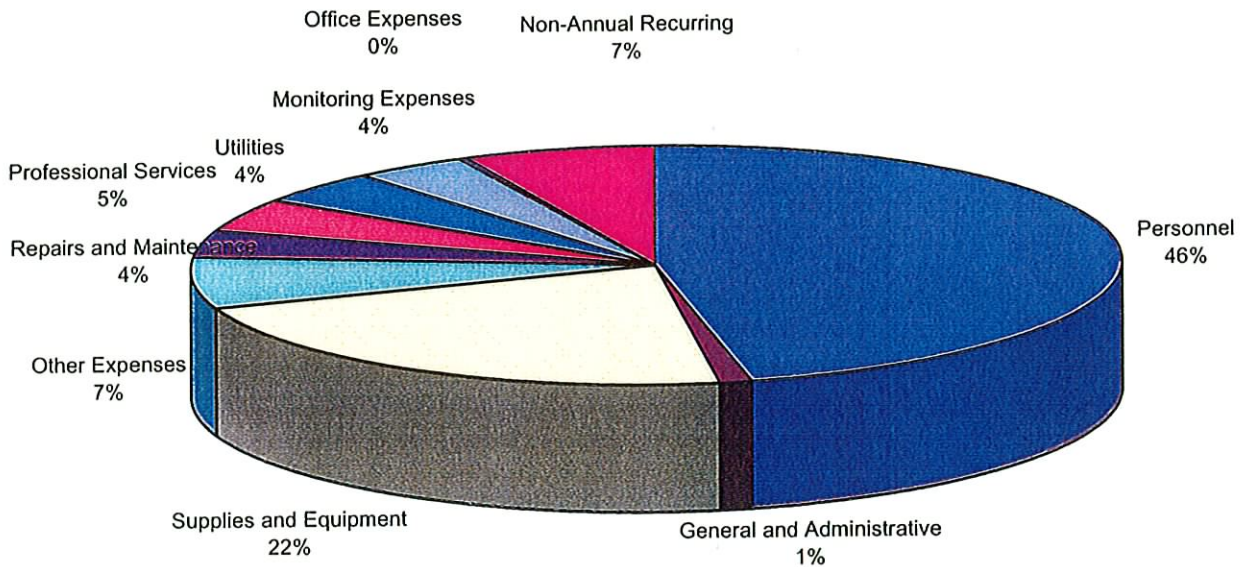
(2) The Project Engineer is allocated to Administration (25%), Water Treatment Plant (20%) and Distribution (55%).

(3) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2001/02 Budget

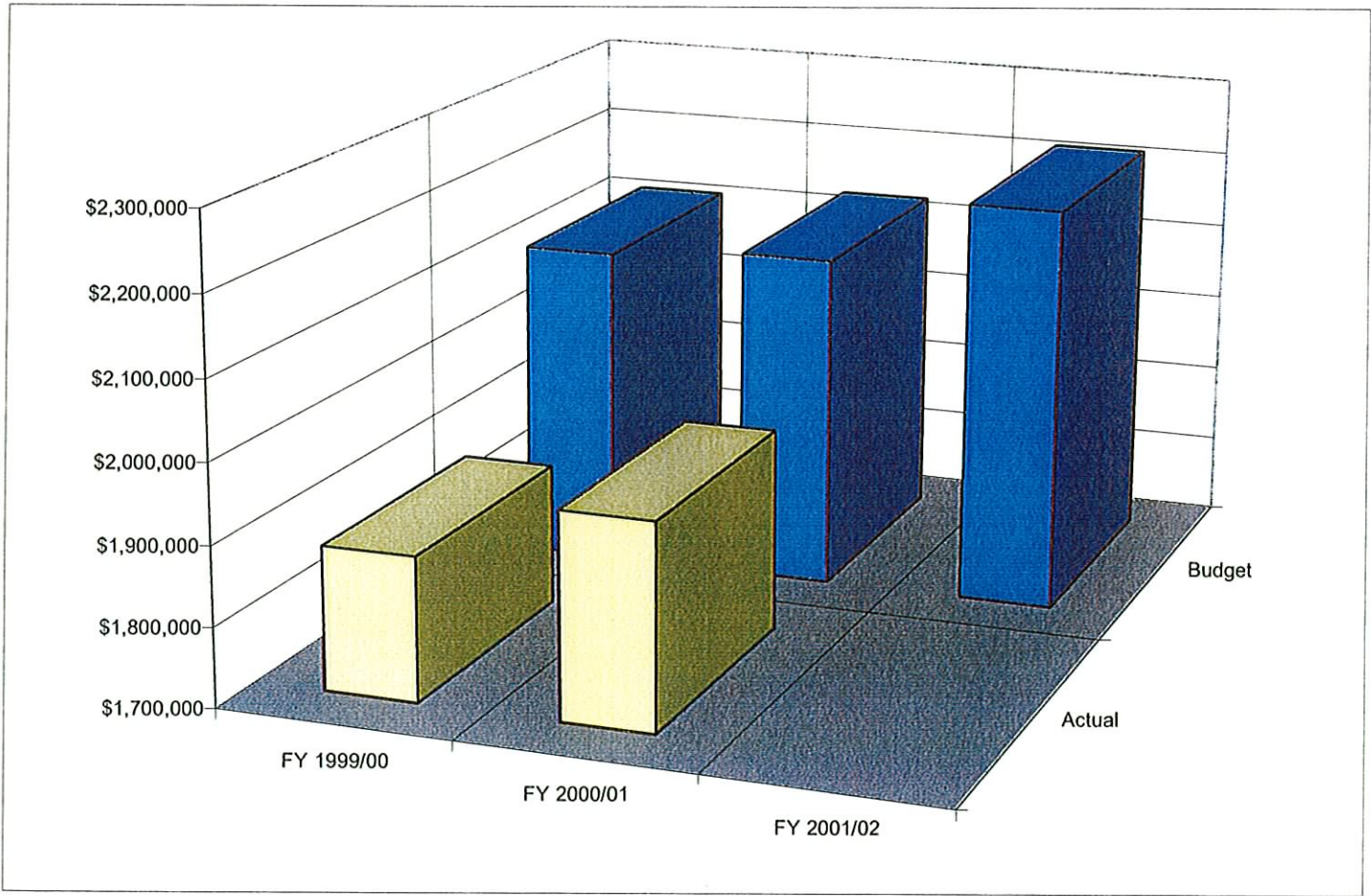
Item	FY 2001/02 Budget
Personnel	\$ 1,032,460
Office Expenses	4,200
Supplies and Equipment	489,095
Monitoring Expenses	87,000
Repairs and Maintenance	80,200
Professional Services	100,260
General and Administrative	24,700
Utilities	95,900
Other Expenses	151,631
Non-Annual Recurring	149,538
TOTAL:	<u><u>\$ 2,214,984</u></u>

FY 2001/02 Budget



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2001/02 Budget

Item	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget
Personnel	\$ 887,090	\$ 936,351	\$ 978,012	\$ 955,705	\$ 1,032,460
Office Expenses	5,400	6,332	5,400	3,753	4,200
Supplies and Equipment	567,150	343,815	458,700	346,430	489,095
Monitoring Expenses	100,000	56,682	87,000	61,159	87,000
Repairs and Maintenance	85,400	72,010	70,700	82,565	80,200
Professional Services	32,800	130,080	109,060	146,622	100,260
General and Administrative	33,600	22,548	32,400	16,659	24,700
Utilities	111,000	79,973	96,200	70,633	95,900
Other Expenses	125,188	69,047	130,209	113,989	151,631
Subtotal	\$ 1,947,628	\$ 1,716,838	\$ 1,967,682	\$ 1,797,516	\$ 2,065,446
Non-Annual Recurring	\$ 163,546	\$ 163,546	\$ 159,426	\$ 159,426	\$ 149,538
TOTAL:	\$ 2,111,174	\$ 1,880,384	\$ 2,127,108	\$ 1,956,942	\$ 2,214,984



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Increase Over FY 2000/01 Budget	% Increase (Decrease) FY 2000/01 Budget
PERSONNEL EXPENSES								
5000.10	Full-Time Regular Wages	639,972	668,413	693,120	681,333	732,553	39,433	5.69%
5000.20	Overtime	31,999	36,523	34,656	26,336	36,628	1,972	5.69%
5000.40	Standby Pay	6,500	5,350	2,000	4,815	4,800	2,800	140.00%
5000.50	Shift Differential Pay	11,000	11,267	11,000	10,732	11,000	-	0.00%
5000.10	PERS Retirement	88,406	91,934	92,361	95,366	90,861	(1,500)	-1.62%
5100.15	Medicare Taxes	9,744	10,628	10,553	10,867	11,692	1,139	10.80%
5100.20	Health Insurance	51,179	56,989	66,086	49,096	68,181	2,094	3.17%
5100.25	Workers' Compensation	13,274	15,877	17,128	22,732	18,293	1,165	6.80%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	-	-	6,000	6,000	6,375	375	6.25%
5100.40	Cafeteria Plan Benefits	7,657	8,102	7,351	6,795	10,015	2,664	36.24%
5100.45	Dental/Vision Plan	13,625	16,693	15,188	21,249	13,938	(1,250)	-8.23%
5100.50	Long-Term Disability	3,805	4,016	4,172	4,668	4,409	236	5.66%
5100.55	Life Insurance	3,299	3,446	3,452	3,358	3,366	(86)	-2.50%
5100.60	Employee Physicals	1,430	755	1,430	1,630	1,650	220	15.38%
5000.30	Temporary Services	3,000	6,360	11,315	9,780	16,500	5,185	45.82%
5100.70	Safety Incentive Program	1,200	-	1,200	950	1,200	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
Total Personnel Expenses:		887,090	936,351	978,012	955,705	1,032,460	54,447	5.57%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Increase Over FY 2000/01 Budget	% Increase (Decrease) FY 2000/01 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	-	-	-	-	-	-	N/A
5200.20	Office Supplies	3,600	4,411	3,600	2,270	2,400	(1,200)	-33.33%
5200.30	Miscellaneous Office Expenses	1,800	1,921	1,800	1,484	1,800	-	0.00%
	Total Office Expenses:	5,400	6,332	5,400	3,753	4,200	(1,200)	-22.22%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	9,200	9,320	9,200	5,606	9,425	225	2.45%
5500.15	Minor Tools and Equipment	8,000	9,421	9,000	2,931	8,000	(1,000)	-11.11%
5500.20	Spare Parts	30,000	9,321	10,000	13,859	-	(10,000)	-100.00%
5500.25	Landscape Equipment and Supplies	2,500	1,429	1,000	-	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	4,051	-	6,496	-	-	N/A
5500.31	Chemicals-Variable	494,450	287,027	408,000	285,878	440,670	32,670	8.01%
5500.35	Maintenance Supplies/Hardware	12,000	13,919	12,000	12,771	15,000	3,000	25.00%
5500.40	Safety Supplies	4,500	2,360	3,000	7,076	3,000	-	0.00%
5500.45	Fuel and Lubricants	6,500	6,965	6,500	11,813	12,000	5,500	84.62%
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
	Total Supplies and Equipment:	567,150	343,815	458,700	346,430	489,095	30,395	6.63%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Increase Over FY 2000/01 Budget	% Increase (Decrease) FY 2000/01 Budget
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	30,000	26,016	27,000	20,388	27,000	-	0.00%
5600.20	Lab Tools and Equipment	5,000	3,719	5,000	867	5,000	-	0.00%
5600.30	Lab Testing	65,000	26,947	55,000	39,904	55,000	-	0.00%
	Total Monitoring Expenses:	100,000	56,682	87,000	61,159	87,000	-	0.00%
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	65,000	58,523	55,000	69,433	65,000	10,000	18.18%
5700.20	Vehicle Repairs and Maintenance	2,500	2,451	2,500	4,201	4,000	1,500	60.00%
5700.30	Building Maintenance	16,400	9,796	12,200	7,988	10,200	(2,000)	-16.39%
5700.40	Landscape Maintenance	1,500	1,240	1,000	943	1,000	-	0.00%
	Total Repairs and Maintenance:	85,400	72,010	70,700	82,565	80,200	9,500	13.44%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	8,800	8,770	14,500	13,479	15,200	700	4.83%
5400.20	Legal Services	-	91,246	41,560	93,292	41,560	-	0.00%
5400.30	Engineering Services	10,000	3,061	10,000	4,475	10,000	-	0.00%
5400.40	Permits	8,000	8,563	8,000	12,496	8,500	500	6.25%
5400.50	Non-Contractual Services	6,000	18,440	35,000	22,880	25,000	(10,000)	-28.57%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
5400.70	Payroll Service	-	-	-	-	-	-	N/A
	Total Professional Services:	32,800	130,080	109,060	146,622	100,260	(8,800)	-8.07%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Increase Over FY 2000/01 Budget	% Increase (Decrease)
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	12,000	10,581	12,000	5,102	7,500	(4,500)	-37.50%
5300.20	Mileage Reimbursement	1,000	45	500	-	500	-	0.00%
5300.30	Dues and Memberships	1,200	677	700	3,000	2,000	1,300	185.71%
5300.40	Publications	1,500	2,267	1,500	1,736	1,500	-	0.00%
5300.50	Training	16,500	8,039	16,500	4,680	11,000	(5,500)	-33.33%
5300.60	Advertising	200	-	200	-	200	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	1,200	939	1,000	2,141	2,000	1,000	100.00%
Total General and Administrative:		33,600	22,548	32,400	16,659	24,700	(7,700)	-23.77%
<u>UTILITIES</u>								
5800.10	Other Utilities	-	-	-	-	-	-	N/A
5800.20	Natural Gas	2,000	503	1,200	2,287	2,400	1,200	100.00%
5800.30	Electric-Fixed	76,000	54,853	66,000	47,846	66,000	-	0.00%
5800.35	Electric-Variable	19,000	13,504	17,000	11,961	17,000	-	0.00%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	9,000	9,285	9,000	6,694	8,000	(1,000)	-11.11%
5800.60	Waste Disposal	5,000	1,828	3,000	1,845	2,500	(500)	-16.67%
Total Utilities:		111,000	79,973	96,200	70,633	95,900	(300)	-0.31%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Increase Over FY 2000/01 Budget	% Increase (Decrease)
<u>OTHER EXPENSES</u>								
5900.10	Insurance	53,185	53,571	55,885	49,791	56,254	369	0.66%
5900.20	Insurance Claim Deductibles	-	-	-	-	-	-	N/A
5900.30	Facilities Rent	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	7,000	8,577	8,500	27,745	12,000	3,500	41.18%
5900.50	Non-Capitalized Equipment	15,000	1,002	10,000	19,981	25,000	15,000	150.00%
5900.60	Computer Expenses	2,500	5,897	7,832	16,472	8,000	168	2.14%
5900.70	Appropriated Contingency	47,503	-	47,992	-	50,377	2,384	4.97%
	Total Other Expenses:	125,188	69,047	130,209	113,989	151,631	21,421	16.45%
	TOTAL OPERATING EXPENSES	\$ 1,947,628	\$ 1,716,838	\$ 1,967,682	\$ 1,797,516	\$ 2,065,446	\$ 97,764	4.97%

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP for 12 full time regular employees and one part time employee. Includes proposed \$45,866 salary pool.

FY 01/02 Requested Budget	732,553
FY 00/01 Estimated Actual	681,333
Increase (Decrease)	51,221

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 01/02 Requested Budget	36,628
FY 00/01 Estimated Actual	26,336
Increase (Decrease)	10,292

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Water Treatment Plant Department.

FY 01/02 Requested Budget	16,500
FY 00/01 Estimated Actual	9,780
Increase (Decrease)	6,720

\$	15,000	Lab assistant (24 hours/week)
\$	1,500	Grounds maintenance
\$	16,500	TOTAL

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

Description: Funds for stand-by pay for those employees assigned to stand-by duty.

FY 01/02 Requested Budget	4,800
FY 00/01 Estimated Actual	4,815
Increase (Decrease)	(15)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Funds for shift employee pay.

FY 01/02 Requested Budget	11,000
FY 00/01 Estimated Actual	10,732
Increase (Decrease)	268

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions.

Based on a 12.572% contribution rate for FY 2001/02.

Decrease is due to a lower employer rate for FY 2001/02 of 5.572% compared to the FY 2000/01 rate of 6.503%.

FY 01/02 Requested Budget	90,861
FY 00/01 Estimated Actual	95,366
Increase (Decrease)	(4,505)

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

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

FY 01/02 Requested Budget	11,692
FY 00/01 Estimated Actual	10,867
Increase (Decrease)	826

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee.

FY 01/02 Requested Budget	68,181
FY 00/01 Estimated Actual	49,096
Increase (Decrease)	19,085

Family: \$6,526

Emp+1: \$5,644

Emp: \$2,396

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP department. Based on \$3.94 per \$100 of covered wages with and X-Mod rate of 68%.

FY 01/02 Requested Budget	18,293
FY 00/01 Estimated Actual	22,732
Increase (Decrease)	(4,439)

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

Description: Funds for employer paid deferred compensation contributions for the Operations Manager.

FY 01/02 Requested Budget	6,375
FY 00/01 Estimated Actual	6,000
Increase (Decrease)	375

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 01/02 Requested Budget	10,015
FY 00/01 Estimated Actual	6,795
Increase (Decrease)	3,220

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,500 per year per family for dental and vision expenses. Budgeted amount is \$1,250 per year anticipating that the expenses will average this amount.

FY 01/02 Requested Budget	13,938
FY 00/01 Estimated Actual	21,249
Increase (Decrease)	(7,311)

CENTRAL COAST WATER AUTHORITY WATER TREATMENT PLANT FY 2001/02 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 \$0.61 per \$100 of salary.

FY 01/02 Requested Budget	4,409
FY 00/01 Estimated Actual	4,668
Increase (Decrease)	(260)

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

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

FY 01/02 Requested Budget	3,366
FY 00/01 Estimated Actual	3,358
Increase (Decrease)	8

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

Description: Funds for employee physicals paid by CCWA. Employees using self contained breathing apparatus are required to have a yearly physical.

FY 01/02 Requested Budget	1,650
FY 00/01 Estimated Actual	1,630
Increase (Decrease)	20

\$ 1,650 11 employees @ \$150

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 01/02 Requested Budget	1,000
FY 00/01 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5100.70

ACCOUNT TITLE: Safety Incentive Program

Description: Funds to encourage employee safety through safety awards and incentive programs. This program was requested by JPIA.

FY 01/02 Requested Budget	1,200
FY 00/01 Estimated Actual	-
Increase (Decrease)	1,200

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the WTP. Based on \$200 per month in office supply expenses.

FY 01/02 Requested Budget	2,400
FY 00/01 Estimated Actual	2,270
Increase (Decrease)	130

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses associated with CCWA. This includes picture developing, awards, business cards, water system, kitchen supplies, etc.

FY 01/02 Requested Budget	1,800
FY 00/01 Estimated Actual	1,484
Increase (Decrease)	316

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meeting and Travel

Description: Funds for WTP employee meetings and travel expenses.

FY 01/02 Requested Budget	7,500
FY 00/01 Estimated Actual	5,102
Increase (Decrease)	2,398

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees
for mileage expenses.

FY 01/02 Requested Budget	500
FY 00/01 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 01/02 Requested Budget	2,000
FY 00/01 Estimated Actual	3,000
Increase (Decrease)	(1,000)

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by
the WTP.

FY 01/02 Requested Budget	1,500
FY 00/01 Estimated Actual	1,736
Increase (Decrease)	(236)

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

\$ 11,000 \$1,000 per employee

FY 01/02 Requested Budget	11,000
FY 00/01 Estimated Actual	4,680
Increase (Decrease)	6,320

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 01/02 Requested Budget	200
FY 00/01 Estimated Actual	-
Increase (Decrease)	200

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses for the WTP.

FY 01/02 Requested Budget	2,000
FY 00/01 Estimated Actual	2,141
Increase (Decrease)	(141)

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description: Outside professional services including:

\$	3,000	Septic system inspection and cleaning
\$	3,000	Cathodic protection
\$	2,000	Fire system/extinguisher inspection
\$	2,000	HVAC
\$	3,000	Security
\$	1,000	Crane inspection
\$	700	Road and lot cleaning
\$	500	Oil analysis
\$	15,200	TOTAL

FY 01/02 Requested Budget	15,200
FY 00/01 Estimated Actual	13,479
Increase (Decrease)	1,721

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Funds for legal services associated with the Zurich storm damage insurance claim.

FY 01/02 Requested Budget	41,560
FY 00/01 Estimated Actual	93,292
Increase (Decrease)	(51,732)

CENTRAL COAST WATER AUTHORITY WATER TREATMENT PLANT FY 2001/02 BUDGET

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

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

FY 01/02 Requested Budget	10,000
FY 00/01 Estimated Actual	4,475
Increase (Decrease)	5,525

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

Description: Funds for all required permits for the WTP including the California Department of Health.

FY 01/02 Requested Budget	8,500
FY 00/01 Estimated Actual	12,496
Increase (Decrease)	(3,996)

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: All non contractual services including emergency generator or other equipment service.

FY 01/02 Requested Budget	25,000
FY 00/01 Estimated Actual	22,880
Increase (Decrease)	2,120

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 01/02 Requested Budget	9,425
FY 00/01 Estimated Actual	5,606
Increase (Decrease)	3,819

\$	6,900	Uniform Service (\$155 bi-weekly)
\$	900	Blue jean pants (\$100/year for 9 employees)
\$	1,125	Boots (\$125/year for 9 employees)
\$	500	Misc. uniform requirements (jackets, etc.)
\$	9,425	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 01/02 Requested Budget	8,000
FY 00/01 Estimated Actual	2,931
Increase (Decrease)	5,069

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 01/02 Requested Budget	-
FY 00/01 Estimated Actual	13,859
Increase (Decrease)	(13,859)

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

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

FY 01/02 Requested Budget	1,000
FY 00/01 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

Based on \$15.00 per acre foot and 29,378 acre feet of requests in FY 2001/02 (50% of 2001 requests and 100% of 2002 requests)

FY 01/02 Requested Budget	440,670
FY 00/01 Estimated Actual	285,878
Increase (Decrease)	154,792

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

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

FY 01/02 Requested Budget	15,000
FY 00/01 Estimated Actual	12,771
Increase (Decrease)	2,229

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 01/02 Requested Budget	3,000
FY 00/01 Estimated Actual	7,076
Increase (Decrease)	(4,076)

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 01/02 Requested Budget	12,000
FY 00/01 Estimated Actual	11,813
Increase (Decrease)	187

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 01/02 Requested Budget	27,000
FY 00/01 Estimated Actual	20,388
Increase (Decrease)	6,612

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

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 01/02 Requested Budget	5,000
FY 00/01 Estimated Actual	867
Increase (Decrease)	4,133

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 01/02 Requested Budget	55,000
FY 00/01 Estimated Actual	39,904
Increase (Decrease)	15,096

\$	30,000	Municipal Water Quality Investigation Prog.
\$	25,000	Outside Lab Testing
\$	55,000	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. This line item also includes \$10,000 to repair, update and calibrate lab equipment.

FY 01/02 Requested Budget	65,000
FY 00/01 Estimated Actual	69,433
Increase (Decrease)	(4,433)

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 01/02 Requested Budget	4,000
FY 00/01 Estimated Actual	4,201
Increase (Decrease)	(201)

CENTRAL COAST WATER AUTHORITY WATER TREATMENT PLANT FY 2001/02 BUDGET

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 01/02 Requested Budget	10,200
FY 00/01 Estimated Actual	7,988
Increase (Decrease)	2,212

	\$ 3,000	Miscellaneous repairs
	\$ 3,000	Site improvements
	\$ 7,200	Janitorial service
	\$ 10,200	

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the WTP facility landscape.

FY 01/02 Requested Budget	1,000
FY 00/01 Estimated Actual	943
Increase (Decrease)	58

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service to the WTP.

FY 01/02 Requested Budget	2,400
FY 00/01 Estimated Actual	2,287
Increase (Decrease)	113

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 01/02 Requested Budget	66,000
FY 00/01 Estimated Actual	47,846
Increase (Decrease)	18,154

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP.

FY 01/02 Requested Budget	17,000
FY 00/01 Estimated Actual	11,961
Increase (Decrease)	5,039

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 01/02 Requested Budget	-
FY 00/01 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 01/02 Requested Budget	8,000
FY 00/01 Estimated Actual	6,694
Increase (Decrease)	1,306

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 01/02 Requested Budget	2,500
FY 00/01 Estimated Actual	1,845
Increase (Decrease)	655

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 01/02 Requested Budget	56,254
FY 00/01 Estimated Actual	49,791
Increase (Decrease)	6,463

\$	25,211	Property and auto coverage based on the apportionment provided by JPIA.
\$	31,043	General liability and E&O based on salary proportions.
\$	56,254	TOTAL

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 01/02 Requested Budget	12,000
FY 00/01 Estimated Actual	27,745
Increase (Decrease)	(15,745)

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 \$2,500 in cost with an estimated useful life under 5 years. (includes the replacement of hand held radios used to communicate on the plant site, a defibrillator, replacement scada monitors, a dishwasher and a gastank monitor).

FY 01/02 Requested Budget	25,000
FY 00/01 Estimated Actual	19,981
Increase (Decrease)	5,019

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ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 01/02 Requested Budget	8,000
FY 00/01 Estimated Actual	16,472
Increase (Decrease)	(8,472)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.5% of requested budget.

FY 01/02 Requested Budget	50,377
FY 00/01 Estimated Actual	-
Increase (Decrease)	50,377



Joint California Department of Water Resources and Central Coast Water Authority Groundbreaking Ceremony at Vandenberg Air Force Base on April 18, 1994. Pictured in the photo from left to right: Douglas Wheeler, California Secretary of Resources, and David Kennedy, Director of the Department of Water Resources.

Distribution Department

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

Highlights

Department Information

- Number of employees 8.85
- Authority pipeline (in miles) 42
- Coastal Branch Phase II pipeline (in miles) 101
- Total pipeline operated
 By the Authority (in miles) 130
- Number of water storage tanks 7
- Number of turnouts 10

Budget Information

- Total FY 2001/02 O&M Budget \$1,730,481
- Non-Annual Recurring Expense deposits \$ 289,828
- **Total Distribution Department FY 2001/02
Budgeted Expenses \$2,020,309**
- O&M Budget increase over FY 2000/01 \$ 165,874
- Fixed O&M expenses \$1,275,495
- Variable O&M expenses \$ 454,986
- FY 2001/02 budgeted electrical cost \$69 per acre-foot

Significant Accomplishments During FY 2000/01

- Completed annual cathodic protection survey.
- Enrolled Santa Ynez Pumping Facility in the New Energy energy disruption program for over \$15,000 in savings.
- Inspected Schedule C and Reach 5B/6 pipelines using unmanned video technology.

Significant Goals for FY 2001/02

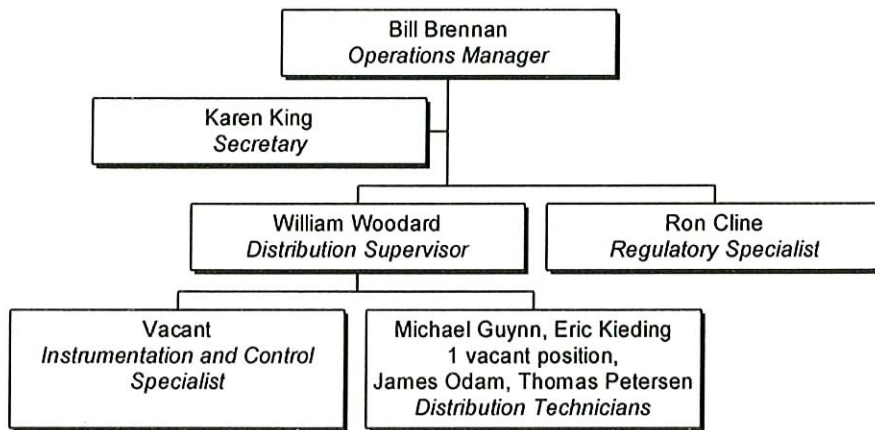
- Review electrical cost schedule with PG&E and explore non-firm power options.
- Incorporate all instrumentation calibration and maintenance into the preventative maintenance program.
- Conduct in-house workshop to review and optimize O&M procedures and practices.

Central Coast Water Authority
Distribution Department
Fiscal Year 2001/02 Budget

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

The Operations Manager oversees the Water Treatment Plant and Distribution staff. The Operations Manager is responsible for water quality, deliveries, maintenance of all facilities and ensuring the water supply meets or exceeds all applicable health and safety standards. Additional duties include participating in various State Water Contractor committees, preparing the annual O&M budget and exercising expenditure control and coordinating with DWR O&M regarding Coastal Branch operations and deliveries.

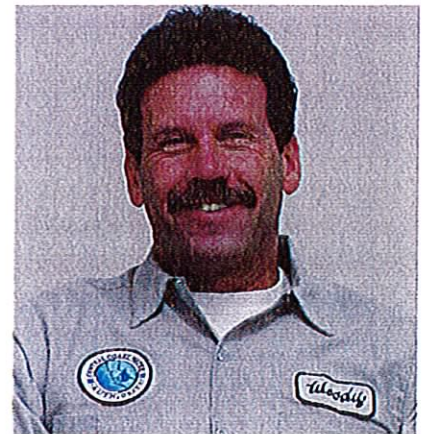
CCWA Distribution Staff



The department is supervised by the Distribution Supervisor who is responsible for the day-to-day distribution operations and maintenance functions including system operations and maintenance, dechloramination and re-disinfections, erosion control, right of way issues, revegetation, environmental compliance and fiber optic communications.

The Distribution Supervisor is assisted by five (5) Technicians and an Instrumentation and Control Specialist. Together, they patrol over 131 miles of pipeline and provide operations and maintenance for five storage tanks, nine turnouts, four isolations vaults, an energy dissipation vault, the Santa Ynez

Pumping Facility and hundreds of valve, access and cathodic protection structures. Additionally, they take weekly water quality samples from each turnout and tank for the treatment plant laboratory. The Instrumentation and Control Specialist maintains all distribution electrical, electronic, fiber optic and instrumentation systems. He also assists the Maintenance Foreman in maintaining plant electrical, electronic and fiber optic systems.



William "Woody" Woodard, Distribution Department Supervisor

Central Coast Water Authority
Distribution Department
 Fiscal Year 2001/02 Budget

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

The following pages list the 2000 accomplishments, performance indicators ("Service Efforts and Accomplishments") and 2001 goals for the Distribution Department.

2000 ACCOMPLISHMENTS

Goal	<u>Operations and Maintenance</u>	<u>Status</u>
Develop and implement plan for leak detection and remedial repairs along the pipeline, particularly at gasketed bell and spigot joints [3/00]		Have determined that most cost effective approach is visual monitoring with repairs only as required.
Review overtime usage by O&M personnel for cost effectiveness and make any appropriate changes [4/00]		Done 4/00.
Complete DWR equipment data portion of O&M library [7/00]		Done 12/00.
Incorporate all instrumentation calibration and maintenance into the preventative maintenance program [9/00]		Deferred to 2001 due to other priorities.
Complete annual cathodic protection survey [11/00]		Done 12/00.
Develop the procedures and schedule for the five-year inspection of Reaches 5B/6 and Schedule C and Tanks 1 (treated), 2, 5 and 7 [12/00]		Overall schedule and general procedures developed 10/00. Schedule C and Reach 5B/6 inspections conducted 10/00 and 12/00, respectively.
Meet project participants' delivery needs as requested [ongoing]		All 2000 delivery requests were met.
Identify and pursue all possible cost saving and quality enhancing opportunities with initial concentration on bulk chemicals, communications, electricity, overtime requirements and revegetation and erosion control [ongoing]		<ul style="list-style-type: none"> • Enrolled Santa Ynez Pumping Facility in New Energy energy disruption program for over \$15,000 savings. • Utilized temporary help for erosion control and revegetation work (instead of California Conservation Corps) for \$20,500 savings. • Utilized video technology instead of conventional manned techniques to inspect Schedule C and Reach 5B/6 pipelines, which resulted in saving \$16,000, 2½ weeks downtime and two million gallons of water.

Central Coast Water Authority
Distribution Department
Fiscal Year 2001/02 Budget

<u>Goal</u>	<u>Status</u>
Identify and pursue approaches to maximize and maintain high water quality consistent with project participants' needs [ongoing]	Options to reduce or eliminate occasional taste and odor episodes during hot summer months to be presented to Operating Committee and Board of Directors 1/01.
Assist project participants in preparing to meet new federal and state water quality regulations [ongoing]	Ongoing.

2001 GOALS

Operations and Maintenance

Investigate and implement as appropriate taste and odor strategies for treated State water [1/01]

Conduct in-house workshop to review and optimize O&M procedures and practices [2/01]

Review electrical cost schedule with PG&E and explore non-firm power options [2/01]

Incorporate all instrumentation calibration and maintenance into the preventative maintenance program [4/01]

Add temperature probe at Bradbury Dam outlet works and connect to CCWA SCADA system [4/01]

Investigate lease/purchase options for pipeline inspection video equipment [10/01]

Meet project participants' delivery needs as requested [ongoing]

Identify and pursue all possible cost saving and quality enhancing opportunities with initial concentration on bulk chemicals, communications, electricity, overtime requirements and revegetation and erosion control [ongoing]

Identify and pursue approaches to maximize and maintain high water quality consistent with project participants' needs [ongoing]

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

Central Coast Water Authority
Distribution Department
 Fiscal Year 2001/02 Budget

Service Efforts and Accomplishments

	Actual FY 1999/00	Estimated Actual FY 2000/01	Projected FY 2001/02
	<i>Workload</i>		
Work orders completed - Distribution	314	2,500	2,500
	<i>Efficiency</i>		
Days out of Service - Distribution	0	13	30
Days out of Service SCADA/communications	30	1	0
Operating cost per employee (thousands)	\$ 146	\$ 143	\$ 196
Overtime expense as a percent of the O&M budget	3.29%	2.66%	2.13%
Industrial injury lost work days	0	0	0

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 Brnch 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.



Mike Guynn, Distribution Technician

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 2001/02 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 160 shows the participation by project participant, by financial reach and the corresponding percentage share of the operating costs for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach



Tom Petersen, Distribution Technician

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 1999/00 actual operating expenses. 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 2001/02 Budget

<i>Distribution Department Financial Reach Allocation</i>			
Financial Reach	FY 2001/02 Allocation Percentage	FY 2000/01 Allocation Percentage	Increase (Decrease)
Reach 33B	21.51%	26.32%	-4.81%
Reach 34	8.79%	9.30%	-0.51%
Reach 35	7.24%	10.12%	-2.88%
Reach 37	4.36%	6.06%	-1.70%
Reach 38	4.96%	4.28%	0.68%
Mission Hills II	16.39%	10.59%	5.80%
Santa Ynez I	21.94%	19.07%	2.87%
Santa Ynez II	14.82%	14.27%	0.55%
TOTAL:	100.00%	100.00%	0.00%

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

Fixed O&M Costs are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services and repair and maintenance costs.

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

Fiscal Year 2001/02 Operating Expense Budget

The Fiscal Year 2001/02 Distribution Department operating expense budget is \$1,730,481, which is \$165,874 higher than the previous year's budget of \$1,564,608 (net of Santa Ynez Exchange Agreement Modifications), an increase of 10.60%.

The personnel expense section of the Distribution Department budget represents approximately 36% of the budget. This is followed by utilities (25%), non-annual recurring expenses (14%) and professional services (12%) with other expenses making up the balance of the budget. The chart on page 161 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 \$11,500 attributed to the proposed salary increases for FY 2001/02 and other miscellaneous increases in the personnel expense items.

Central Coast Water Authority
Distribution Department
Fiscal Year 2001/02 Budget

Repairs and Maintenance Repairs and maintenance expenses are decreasing by about \$9,000 due to a decrease in equipment repairs and maintenance (\$5,000), building maintenance (\$1,000) and landscape maintenance (\$3,152).

Utilities The utilities expense budget is increasing by approximately \$179,000 due to an increase in the variable electrical expenses for the Santa Ynez II financial reach. Electrical expenses are budgeted at \$69 per acre-foot and based on 50% of requested water deliveries for the second half of 2001 and 100% of requested deliveries for the first half of 2002.

Non-Annual Recurring Expenses

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

FY 2001/02 Non-Annual Recurring Expenses

The FY 2001/02 Distribution Department non-annual recurring expenses total \$289,828 for the replacement of vehicles based on the Authority's ten-year vehicle replacement schedule (\$36,328), future computer replacements (\$3,500) and the pipeline inspection costs for the Reach 5B/6 portion of the pipeline (see discussion below).

Reach 5B/6 Pipeline Inspection Costs

The extended construction warranty on the Reach 5B/6 portion of the pipeline expires in May 2002 (Note: Reaches 5B and 6 were "construction" reaches as distinguished from the financial reaches previously discussed in this section. Construction Reaches 5B and 6 are equivalent to financial Reaches 35, 37 and 38). Therefore, a preliminary investigation of Reach 5B/6 was conducted in December 2000 to determine the condition of the pipeline. The preliminary inspection confirmed the need to conduct a comprehensive investigation of this 28-mile pipeline segment prior to the warranty expiration to ensure the reliability and performance of the pipeline. The comprehensive survey of the pipeline interior will be conducted by the Authority and the original construction contractor in October and/or November 2001 to identify and repair any areas as needed.

The various components and initial estimates of the costs of this inspection and repair are shown below :

- Excavation and backfill of pipeline dewatering points (\$50,000)
- Dewatering pipeline (\$13,000)
- Camera inspection (\$140,000)
- Pipeline lining repairs (\$40,000)
- Pipeline disinfection and startup (\$7,000)
- Third party independent inspector (\$24,000)
- CCWA Engineer, Penfield & Smith (\$10,000)
- CCWA Distribution personnel support (\$30,000)

Central Coast Water Authority
Distribution Department
 Fiscal Year 2001/02 Budget

It is anticipated that the contractor for Reach 5B/6 will be responsible for up to \$100,000 of the costs listed on the previous page. As shown below, \$250,000 has been included in the FY 2001/02 non-annual recurring expense budget.

The costs associated with Reach 5B/6 inspection and repair is allocated to DWR Reaches 35, 37 and 38. Approximately 50% of the costs are estimated to be expended in Reach 35 and 25% of the costs will be expended in each of Reaches 37 and 38. The following tables shows the allocation by project participant of the Reach 5B/6 pipeline inspection and repair costs.

Reach 5B/6 Inspection and Repair Cost Allocation

Project Participant	Reach 35	Reach 37	Reach 38	Reach 5B6 Inspection Cost Allocation
Allocation Percentage	50.00%	25.00%	25.00%	100.00%
Cost Allocation	\$ 125,000	\$ 62,500	\$ 62,500	\$ 250,000
Guadalupe	\$ 1,759	\$ -	\$ -	\$ 1,759
Santa Maria	51,819	26,280	-	78,099
SCWC	1,599	811	-	2,410
VAFB	17,593	8,922	15,748	42,263
Buellton	1,849	938	1,655	4,441
Santa Ynez (Solvang)	4,798	2,433	4,295	11,526
Santa Ynez	1,599	811	1,432	3,842
Goleta	14,394	7,300	12,885	34,579
Morehart Land	640	324	573	1,537
La Cumbre	3,199	1,622	2,863	7,684
Raytheon (SBRC)	160	81	143	384
Santa Barbara	9,596	4,867	8,590	23,053
Montecito	9,596	4,867	8,590	23,053
Carpinteria	6,397	3,244	5,727	15,368
TOTAL:	\$ 125,000	\$ 62,500	\$ 62,500	\$ 250,000

The costs associated with this project will be billed to the project participants as a component of the non-annual recurring expense deposits and transfers made to the Authority operating account as expenditures are incurred.

The table on page 159 shows the allocation of the FY 2001/02 non-annual recurring expenses for the Distribution Department including the allocation of the Reach 5B/6 pipeline inspection and repair costs.

Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2001/02 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 1999/00	Number Auth. FY 2000/01	Number Requested FY 2001/02	Change Over FY 1999/00	Change Over FY 2000/01
Operations Manager ⁽¹⁾	0.25	0.25	0.25	0	0
Project Engineer ⁽²⁾	0.55	0.55	0.55	0	0
Regulatory Specialist ⁽³⁾	1	0.75	0.75	-0.25	0
Distribution Supervisor	1	1	1	0	0
Instrumentation Technician	1	1	1	0	0
Maintenance/IC&R Technician	0	0.30	0.30	0	0
Distribution Technician	5	5	5	0	0
TOTAL:	9.1	8.85	8.85	-0.25	0

PERSONNEL WAGE SUMMARY			
Position Title	Position Classification	Maximum Monthly Salary	FY 2000/01 Current Salary
Operations Manager ⁽¹⁾	26	\$ 8,450	\$ 23,052
Project Engineer ⁽²⁾	23	\$ 7,219	\$ 43,506
Regulatory Specialist ⁽³⁾	17	\$ 5,270	\$ 37,502
Distribution Supervisor	19	\$ 5,853	\$ 61,194
Instrumentation Specialist	17	\$ 5,270	\$ 58,302
Maintenance/IC&R Technician	14	\$ 4,501	\$ 14,040
Distribution Technicians	14	\$ 4,501	\$ 228,759
FY 2001/02 Salary Pool			\$ 31,503
TOTAL:			\$ 497,858

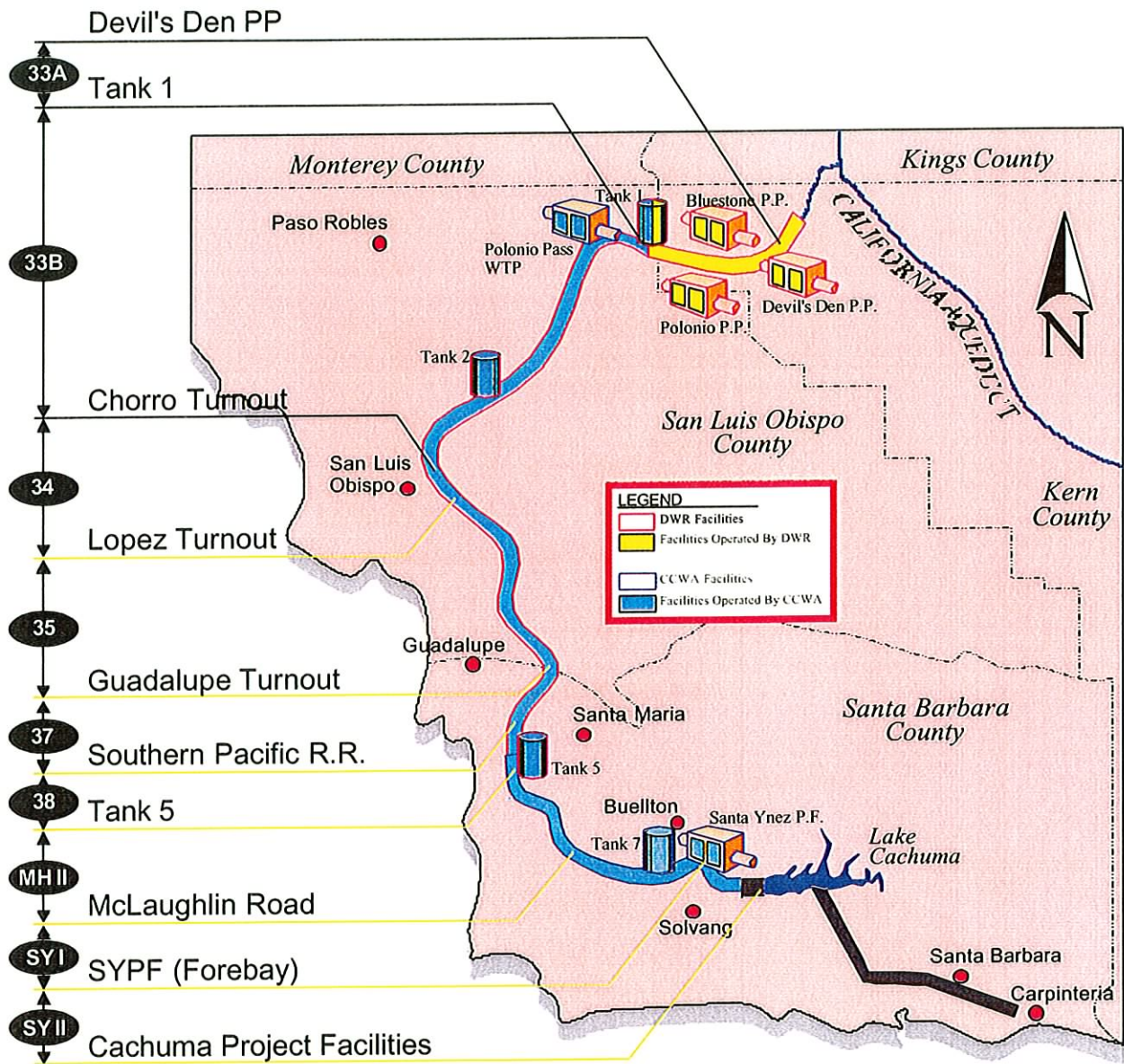
- (1) The Operations Manager is allocated to Water Treatment Plant (75%) and Distribution (25%).
(2) The Project Engineer is allocated to Administration (25%), Water Treatment Plant (20%) and Distribution (55%).
(3) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).

Central Coast Water Authority
Distribution Department Non-Annual Recurring Expenses
 Fiscal Year 2001/02 Budget

Project Participant	WEIGHTED ENTITLEMENTS										Total	
	Reach 33B Entitlement	Reach 34 Entitlement	Reach 35 Entitlement	Reach 37 Entitlement	Reach 38 Entitlement	Mission Hills II Entitlement	Santa Ynez I Entitlement	Santa Ynez II Entitlement	All Reaches Entitlement	Melded Percentage	FY 2001/02 Non-Annual Recurring Expenses	
Allocation Percentage	21.51%	8.79%	7.24%	4.36%	4.96%	16.39%	21.94%	14.82%	100.00%			
Shandon	116	-	-	-	-	-	-	-	116	0.05%	\$ 20	
Chorro Valley	2,711	-	-	-	-	-	-	-	2,711	1.15%	456	
Lopez	2,774	1,200	-	-	-	-	-	-	3,974	1.68%	669	
Guadalupe	638	276	241	-	-	-	-	-	1,155	0.49%	1,954	
Santa Maria	18,786	8,130	7,102	4,337	-	-	-	-	38,355	16.20%	84,552	
SCWC	580	251	219	134	-	-	-	-	1,184	0.50%	2,610	
VAFB	6,378	2,760	2,411	1,473	2,956	9,776	-	-	25,755	10.88%	46,596	
Builton	670	290	253	155	311	1,027	1,838	-	4,545	1.92%	5,206	
Santa Ynez (Solvang)	1,739	753	658	402	806	2,666	4,770	-	11,794	4.98%	13,511	
Santa Ynez	580	251	219	134	269	889	1,590	-	3,931	1.66%	4,504	
Goleta	5,218	2,258	1,973	1,205	2,419	7,999	14,311	11,481	46,864	19.80%	42,464	
Morehart Land	232	100	88	54	108	356	636	510	2,083	0.88%	1,887	
La Cumbre	1,160	502	438	268	538	1,778	3,180	2,551	10,414	4.40%	9,436	
Raytheon (SBRC)	58	25	22	13	27	89	159	128	521	0.22%	472	
Santa Barbara	3,479	1,505	1,315	803	1,613	5,333	9,541	7,654	31,243	13.20%	28,309	
Montecito	3,479	1,505	1,315	803	1,613	5,333	9,541	7,654	31,243	13.20%	28,309	
Carpinteria	2,319	1,004	877	535	1,075	3,555	6,361	5,103	20,829	8.80%	18,873	
TOTAL:	50,917	20,811	17,133	10,316	11,733	38,800	51,928	35,081	236,718	100.00%	\$ 289,828	

The entitlement for each financial reach is adjusted for the weighted allocation percentage. (i.e., actual FY 1999/00 operating expense percentages). Includes funding for vehicle replacements (\$36,328), computer replacements (\$3,500) and Reach 5B/6 inspection costs (\$250,000) allocated to Reaches 35, 37 and 38.

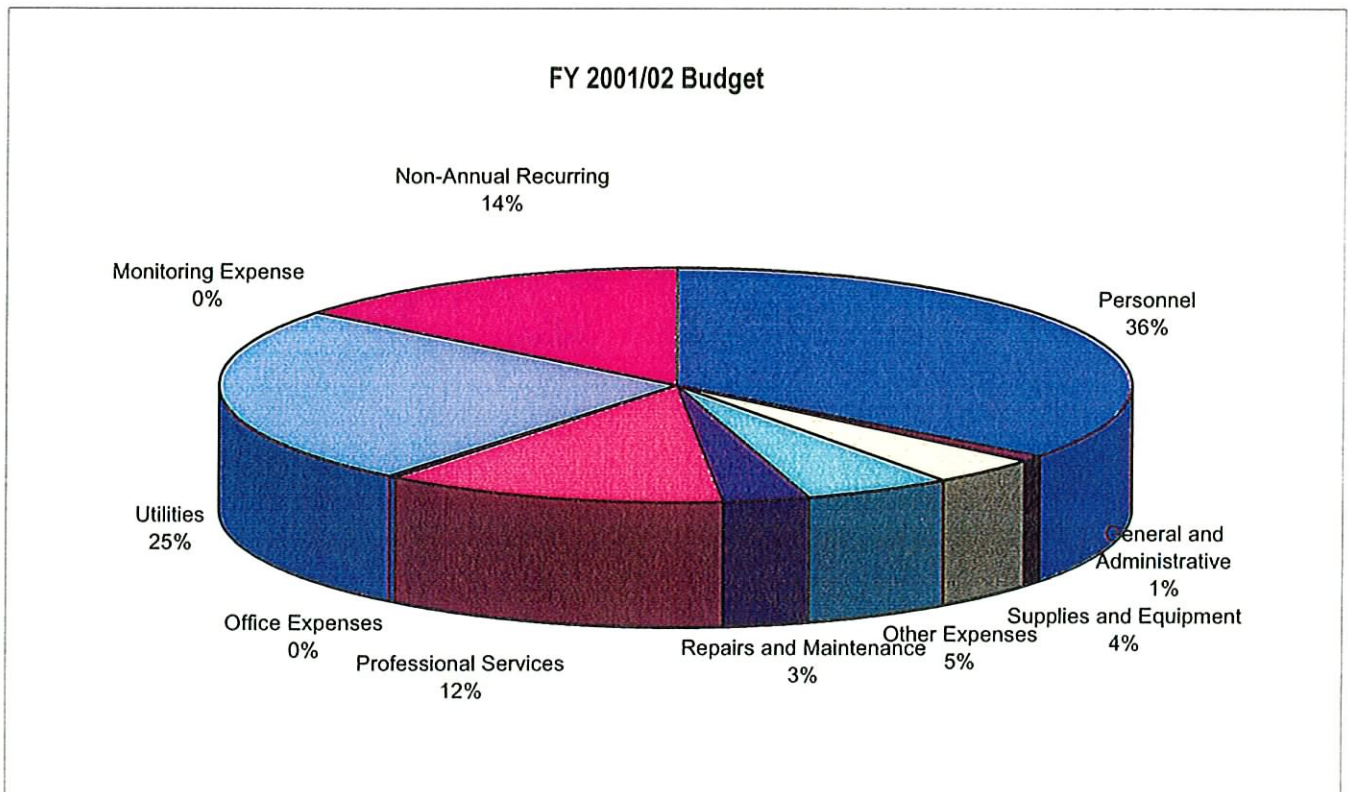
COASTAL BRANCH FINANCIAL REACHES



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	4,500
Morehart Land	200	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	1,000
SB Research	50	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	3,000
Montecito	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Summerland	300	300	300	300	300	300	300	300	300
Carpinteria	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL	43,908 AF	41,470 AF	39,078 AF	38,528 AF	21,828 AF	21,828 AF	16,328 AF	13,750 AF	

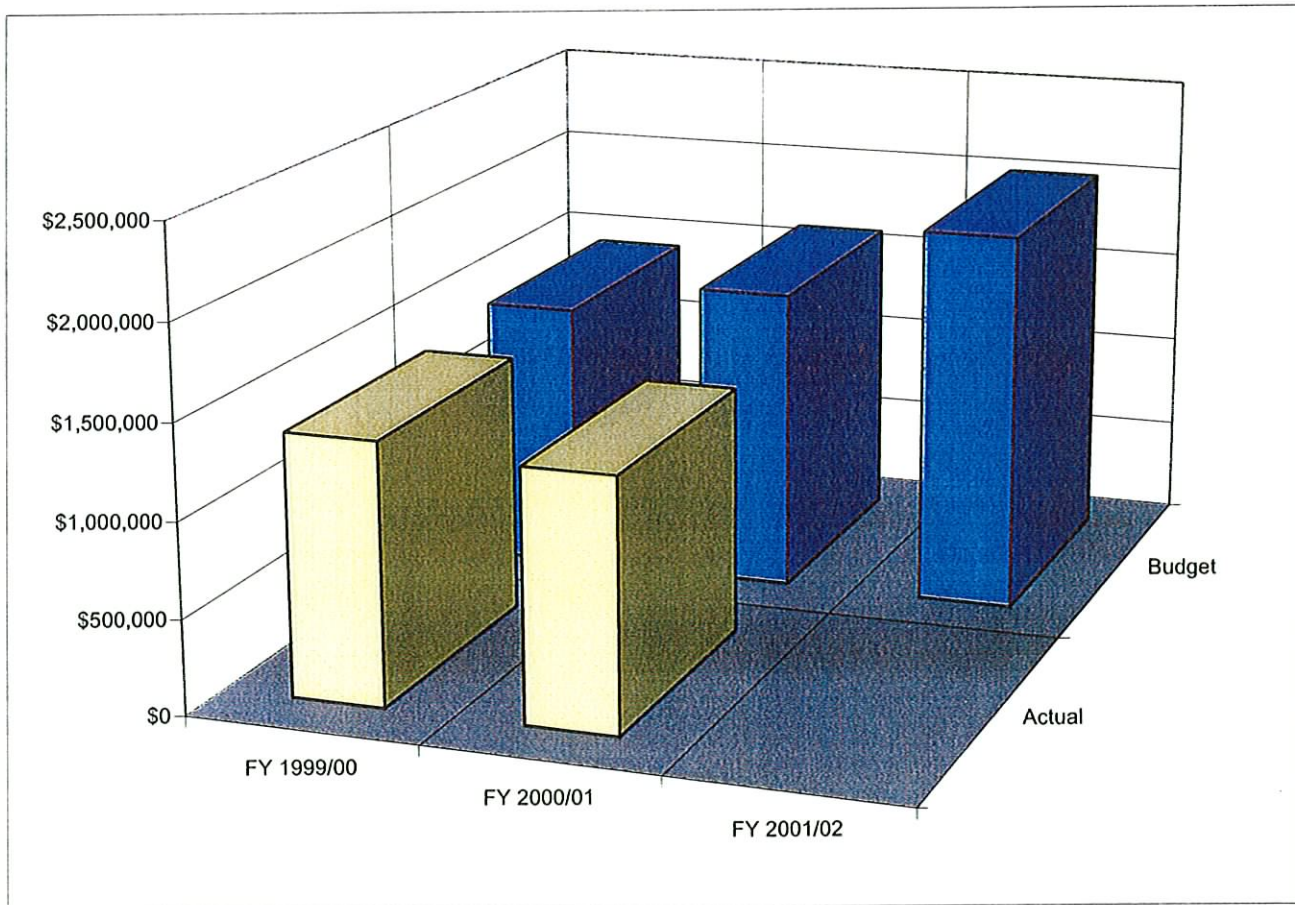
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2001/02 Budget

Item	FY 2001/02 Budget
Personnel	\$ 713,333
Office Expenses	\$ 2,200
Supplies and Equipment	\$ 77,142
Monitoring Expenses	\$ -
Repairs and Maintenance	\$ 61,148
Professional Services	\$ 250,540
General and Administrative	\$ 15,800
Utilities	\$ 503,262
Other Expenses	\$ 107,056
Non-Annual Recurring	\$ 289,828
TOTAL:	\$ 2,020,309



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2001/02 Budget

Item	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Est. Actual	FY 2001/02 Budget
Personnel	\$ 680,379	\$ 656,017	\$ 701,769	\$ 593,527	\$ 713,333
Office Expenses	2,200	3,718	2,200	3,097	2,200
Supplies and Equipment	95,662	63,688	82,662	55,381	77,142
Monitoring Expenses	500	-	-	-	-
Repairs and Maintenance	58,380	91,873	70,300	50,651	61,148
Professional Services	207,320	330,751	247,540	400,423	250,540
General and Administrative	23,400	12,192	23,400	6,727	15,800
Utilities	222,450	124,057	324,490	104,050	503,262
Other Expenses	99,898	44,903	112,246	54,111	107,056
Subtotal	\$ 1,390,189	\$ 1,327,199	\$ 1,564,608	\$ 1,267,968	\$ 1,730,481
Non-Annual Recurring	\$ 48,292	\$ 48,292	\$ 50,301	\$ 50,301	\$ 289,828
TOTAL:	\$ 1,438,481	\$ 1,375,491	\$ 1,614,909	\$ 1,318,269	\$ 2,020,309



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change From FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 480,003	\$ 454,118	\$ 487,435	\$ 414,611	\$ 497,858	\$ 10,423	2.14%
5000.20	Overtime	36,000	43,763	36,372	33,667	36,893	521	1.43%
5000.40	Standby Pay	6,000	7,067	4,000	5,629	5,500	1,500	37.50%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	66,308	61,505	64,587	56,743	61,355	(3,232)	-5.00%
5100.15	Medicare Taxes	7,482	7,322	7,595	6,701	7,864	269	3.54%
5100.20	Health Insurance	41,697	44,508	55,669	36,793	57,005	1,336	2.40%
5100.25	Workers' Compensation	10,158	10,340	12,251	14,591	12,628	377	3.08%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	-	-	2,000	2,000	2,125	125	6.25%
5100.40	Cafeteria Plan Benefits	2,797	1,000	1,058	782	1,565	506	47.86%
5100.45	Dental/Vision Plan	10,125	9,880	11,063	10,829	10,750	(313)	-2.82%
5100.50	Long-Term Disability	2,928	2,608	2,918	2,923	2,977	59	2.03%
5100.55	Life Insurance	2,542	2,297	2,601	2,169	2,433	(168)	-6.45%
5100.60	Employee Physicals	1,040	1,000	1,040	600	1,200	160	15.38%
5000.30	Temporary Services	12,000	10,305	11,880	4,670	11,880	-	0.00%
5100.70	Safety Incentive Program	800	-	800	650	800	-	0.00%
5100.65	Employee Education Reimbursement	500	305	500	169	500	-	0.00%
Total Personnel Expenses:		680,379	656,017	701,769	593,527	713,333	11,564	1.65%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change From FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	-	-	-	-	-	-	N/A
5200.20	Office Supplies	1,200	2,958	1,200	2,564	1,200	-	0.00%
5200.30	Miscellaneous Office Expenses	1,000	760	1,000	533	1,000	-	0.00%
	Total Office Expenses:	2,200	3,718	2,200	3,097	2,200	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	5,892	6,058	5,892	5,948	5,892	-	0.00%
5500.15	Minor Tools and Equipment	8,000	10,231	8,000	5,749	8,000	-	0.00%
5500.20	Spare Parts	20,000	4,929	15,000	10,000	10,000	(5,000)	-33.33%
5500.25	Landscape Equipment and Supplies	2,500	-	2,500	699	2,500	-	0.00%
5500.30	Chemicals-Fixed	2,520	-	2,520	-	-	(2,520)	-100.00%
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	11,349	10,000	8,387	13,000	3,000	30.00%
5500.40	Safety Supplies	6,000	2,302	5,000	2,625	5,000	-	0.00%
5500.45	Fuel and Lubricants	18,250	20,361	18,250	19,272	23,250	5,000	27.40%
5500.50	Seed/Erosion Control Supplies	22,000	8,458	15,000	2,701	9,000	(6,000)	-40.00%
5500.55	Backflow Prevention Supplies	500	-	500	-	500	-	0.00%
	Total Supplies and Equipment:	95,662	63,688	82,662	55,381	77,142	(5,520)	-6.68%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	500	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
	Total Monitoring Expenses:	500	-	-	-	-	-	N/A

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00	FY 1999/00	FY 2000/01	FY 2000/01	FY 2001/02	Change		Percent Change from FY 2000/01 Budget
		Budget	Actual	Budget	Estimated Actual	Budget	From FY 2000/01 Budget	FY 2000/01 Budget	
<u>REPAIRS AND MAINTENANCE</u>									
5700.10	Equipment Repairs and Maintenance	40,000	75,890	50,000	35,474	45,000	(5,000)		-10.00%
5700.20	Vehicle Repairs and Maintenance	11,000	6,649	9,000	10,217	9,000	-		0.00%
5700.30	Building Maintenance	5,000	3,388	5,000	2,308	4,000	(1,000)		-20.00%
5700.40	Landscape Maintenance	2,380	5,947	6,300	2,652	3,148	(3,152)		-50.03%
Total Repairs and Maintenance:		58,380	91,873	70,300	50,651	61,148	(9,152)		-13.02%
<u>PROFESSIONAL SERVICES</u>									
5400.10	Professional Services	183,320	164,501	166,600	200,000	166,600	-		0.00%
5400.20	Legal Services	-	130,494	58,440	162,324	58,440	-		0.00%
5400.30	Engineering Services	10,000	11,118	10,000	17,766	10,000	-		0.00%
5400.40	Permits	2,500	835	1,000	-	1,000	-		0.00%
5400.50	Non-Contractual Services	11,500	23,803	11,500	20,333	14,500	3,000		26.09%
5400.60	Accounting Services	-	-	-	-	-	-		N/A
5400.70	Payroll Service	-	-	-	-	-	-		N/A
Total Professional Services:		207,320	330,751	247,540	400,423	250,540	3,000		1.21%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00	FY 1999/00	FY 2000/01	FY 2000/01	FY 2001/02	Percent
		Budget	Actual	Budget	Estimated Actual	Budget	Change from FY 2000/01 Budget
<u>GENERAL AND ADMINISTRATIVE</u>							
5300.10	Meeting and Travel	9,000	2,650	9,000	2,068	5,000	(4,000) -44.44%
5300.20	Mileage Reimbursement	500	-	-	6	-	- N/A
5300.30	Dues and Memberships	1,000	331	700	918	1,000	300 42.86%
5300.40	Publications	500	1,011	1,000	590	800	(200) -20.00%
5300.50	Training	12,000	7,776	12,000	640	8,000	(4,000) -33.33%
5300.60	Advertising	200	-	200	2,203	500	300 150.00%
5300.70	Printing and Binding	-	-	-	-	-	- N/A
5300.80	Postage	200	424	500	300	500	- 0.00%
Total General and Administrative:		23,400	12,192	23,400	6,727	15,800	(7,600) -32.48%

UTILITIES

5800.10	Other Utilities	-	-	-	-	-	- N/A
5800.20	Natural Gas	400	409	400	288	400	- 0.00%
5800.30	Electric Fixed	24,900	29,100	22,500	25,097	29,676	7,176 31.89%
5800.35	Electric-Variable	180,200	75,589	284,640	60,457	454,986	170,346 59.85%
5800.40	Water	1,200	899	1,200	956	1,200	- 0.00%
5800.50	Telephone	15,000	17,619	15,000	16,322	15,000	- 0.00%
5800.60	Waste Disposal	750	441	750	930	2,000	1,250 166.67%
Total Utilities:		222,450	124,057	324,490	104,050	503,262	178,772 55.09%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2001/02 Administration/O&M Budget

Account Number	Account Name	FY 1999/00 Budget	FY 1999/00 Actual	FY 2000/01 Budget	FY 2000/01 Estimated Actual	FY 2001/02 Budget	Change From FY 2000/01 Budget	Percent Change from FY 2000/01 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	36,491	29,236	39,253	41,618	35,017	(4,236)	-10.79%
5900.20	Insurance Claim Deductibles	-	-	-	-	-	-	N/A
5900.30	Facilities Rent	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	12,000	7,704	12,000	3,829	12,000	-	0.00%
5900.50	Non-Capitalized Equipment	15,000	2,749	15,000	-	10,000	(5,000)	-33.33%
5900.60	Computer Expenses	2,500	5,215	7,832	8,664	7,832	-	0.00%
5900.70	Appropriated Contingency	33,907	-	38,161	-	42,207	4,046	10.60%
	Total Other Expenses:	99,898	44,903	112,246	54,111	107,056	(5,190)	-4.62%
	TOTAL OPERATING EXPENSES	\$ 1,390,189	\$ 1,327,199	\$ 1,564,608	\$ 1,267,968	\$ 1,730,481	165,874	10.60%

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes proposed \$31,503 salary pool.

FY 01/02 Requested Budget	497,858
FY 00/01 Estimated Actual	414,611
Increase (Decrease)	83,247

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 01/02 Requested Budget	36,893
FY 00/01 Estimated Actual	33,667
Increase (Decrease)	3,226

Overtime is set at 5.0% of salaries plus one hour per day to monitor SCADA system.

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Distribution Department.

FY 01/02 Requested Budget	11,880
FY 00/01 Estimated Actual	4,670
Increase (Decrease)	7,210

\$	8,640	ROW watering
\$	2,160	ROW planting and maintenance
\$	1,080	Other
\$	11,880	TOTAL

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Standby Pay

Description: Funds for stand-by pay for those employees assigned to stand-by duty.

FY 01/02 Requested Budget	5,500
FY 00/01 Estimated Actual	5,629
Increase (Decrease)	(129)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Not anticipated.

FY 01/02 Requested Budget	-
FY 00/01 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions.

Based on a 12.572% contribution rate for FY 2001/02. Employer rate for FY 2001/02 is 5.572% compared to the FY 2000/01 rate of 6.503%.

FY 01/02 Requested Budget	61,355
FY 00/01 Estimated Actual	56,743
Increase (Decrease)	4,612

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

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

FY 01/02 Requested Budget	7,864
FY 00/01 Estimated Actual	6,701
Increase (Decrease)	1,164

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan limits for each employee based on their dependent status as follows:

Family: \$6,526
Emp+1: \$5,644
Emp: \$2,396

FY 01/02 Requested Budget	57,005
FY 00/01 Estimated Actual	36,793
Increase (Decrease)	20,212

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Distribution department. Based on \$3.94 per \$100 of covered wages with and X-Mod rate of 68%.

FY 01/02 Requested Budget	12,628
FY 00/01 Estimated Actual	14,591
Increase (Decrease)	(1,964)

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

Description: Funds for employer paid deferred compensation contributions for the Operations Manager.

FY 01/02 Requested Budget	2,125
FY 00/01 Estimated Actual	2,000
Increase (Decrease)	125

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 01/02 Requested Budget	1,565
FY 00/01 Estimated Actual	782
Increase (Decrease)	782

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,500 per year per family for dental and vision expenses. Budgeted amount is \$1,250 per year anticipating that the expenses will average this amount.

FY 01/02 Requested Budget	10,750
FY 00/01 Estimated Actual	10,829
Increase (Decrease)	(79)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 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 \$0.61 per \$100 of salary.

FY 01/02 Requested Budget	2,977
FY 00/01 Estimated Actual	2,923
Increase (Decrease)	54

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

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

FY 01/02 Requested Budget	2,433
FY 00/01 Estimated Actual	2,169
Increase (Decrease)	264

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

Description: Funds for employee physicals paid by CCWA. Employees using self contained breathing apparatus are required to have a yearly physical.

FY 01/02 Requested Budget	1,200
FY 00/01 Estimated Actual	600
Increase (Decrease)	600

\$ 1,200 - 8 employees @ \$150

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 01/02 Requested Budget	500
FY 00/01 Estimated Actual	169
Increase (Decrease)	331

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5100.70

ACCOUNT TITLE: Safety Incentive Program

Description: Funds to encourage employee safety through safety awards and incentive programs. This program was recommended by JPIA.

FY 01/02 Requested Budget	800
FY 00/01 Estimated Actual	-
Increase (Decrease)	800

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department. Based on \$100 per month in office supply expenses.

FY 01/02 Requested Budget	1,200
FY 00/01 Estimated Actual	2,564
Increase (Decrease)	(1,364)

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 01/02 Requested Budget	1,000
FY 00/01 Estimated Actual	533
Increase (Decrease)	467

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meeting and Travel

Description: Funds for Distribution Department employee meetings and travel expenses.

FY 01/02 Requested Budget	5,000
FY 00/01 Estimated Actual	2,068
Increase (Decrease)	2,932

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 01/02 Requested Budget	-
FY 00/01 Estimated Actual	6
Increase (Decrease)	(6)

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues and memberships in required areas.

FY 01/02 Requested Budget	1,000
FY 00/01 Estimated Actual	918
Increase (Decrease)	82

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 01/02 Requested Budget	800
FY 00/01 Estimated Actual	590
Increase (Decrease)	210

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 01/02 Requested Budget	8,000
FY 00/01 Estimated Actual	640
Increase (Decrease)	7,360

\$ 8,000 - \$1,000 per employee

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 01/02 Requested Budget	500
FY 00/01 Estimated Actual	2,203
Increase (Decrease)	(1,703)

ACCOUNT NUMBER: 5300.70

ACCOUNT TITLE: Printing and Binding

Description: _____

FY 01/02 Requested Budget	-
FY 00/01 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 01/02 Requested Budget	500
FY 00/01 Estimated Actual	300
Increase (Decrease)	200

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$	110,000	Environmental Services
\$	23,000	Cathodic protection
\$	3,000	I&C
\$	27,000	Miscellaneous (vault repairs, flow meter repairs, etc.)
\$	1,600	Aerial survey
\$	1,500	Security
\$	500	Oil analysis
\$	166,600	TOTAL

FY 01/02 Requested Budget	166,600
FY 00/01 Estimated Actual	200,000
Increase (Decrease)	(33,400)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Funds for legal services associated with the Zurich storm damage insurance claim.

FY 01/02 Requested Budget	58,440
FY 00/01 Estimated Actual	162,324
Increase (Decrease)	(103,884)

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 01/02 Requested Budget	10,000
FY 00/01 Estimated Actual	17,766
Increase (Decrease)	(7,766)

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 01/02 Requested Budget	1,000
FY 00/01 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: All non contractual services including: emergency generator or other equipment service.

FY 01/02 Requested Budget	14,500
FY 00/01 Estimated Actual	20,333
Increase (Decrease)	(5,833)

\$	5,000	Emergency generator and equipment service
\$	5,000	Electrical repair service
\$	1,500	PM software service contract
\$	3,000	Electrical panel sealing and repairs to T-2 and EDV
\$	14,500	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 01/02 Requested Budget	5,892
FY 00/01 Estimated Actual	5,948
Increase (Decrease)	(56)

\$	3,792	Uniform Service (\$316 month)
\$	800	Blue jean pants (\$100/year for 8 employees)
\$	1,000	Boots (\$125/year for 8 employees)
\$	300	Misc. uniform requirements (jackets, etc.)
\$	5,892	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 01/02 Requested Budget	8,000
FY 00/01 Estimated Actual	5,749
Increase (Decrease)	2,251

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Funds for rebuilding equipment and to maintain spare parts inventory.
(This line item will be phased out after this fiscal year.)

FY 01/02 Requested Budget	10,000
FY 00/01 Estimated Actual	10,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station and the Buellton office.

FY 01/02 Requested Budget	2,500
FY 00/01 Estimated Actual	699
Increase (Decrease)	1,801

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded for FY 2001/02.

FY 01/02 Requested Budget	-
FY 00/01 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. (Includes UPS and SCADA battery replacement and bridge repairs)

FY 01/02 Requested Budget	13,000
FY 00/01 Estimated Actual	8,387
Increase (Decrease)	4,613

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 01/02 Requested Budget	5,000
FY 00/01 Estimated Actual	2,625
Increase (Decrease)	2,375

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 01/02 Requested Budget	23,250
FY 00/01 Estimated Actual	19,272
Increase (Decrease)	3,978

\$	20,000	Vehicles
\$	1,000	Emergency Generator Sets
\$	1,500	Lubricants
\$	750	Miscellaneous
\$	23,250	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 01/02 Requested Budget	9,000
FY 00/01 Estimated Actual	2,701
Increase (Decrease)	6,299

\$	1,000	Seed
\$	5,000	Plants and materials
\$	3,000	Erosion control
\$	9,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 01/02 Requested Budget	500
FY 00/01 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

Description: Lab supplies for field testing are purchased under the WTP laboratory supplies line item.

FY 01/02 Requested Budget	-
FY 00/01 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5600.20

ACCOUNT TITLE: Laboratory Tools and Equipment

Description: Lab equipment for field testing is purchased under the WTP laboratory tools and equipment line item.

FY 01/02 Requested Budget	-
FY 00/01 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 01/02 Requested Budget	45,000
FY 00/01 Estimated Actual	35,474
Increase (Decrease)	9,526

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 01/02 Requested Budget	9,000
FY 00/01 Estimated Actual	10,217
Increase (Decrease)	(1,217)

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 01/02 Requested Budget	4,000
FY 00/01 Estimated Actual	2,308
Increase (Decrease)	1,692

\$	2,000	Janitorial service
\$	2,000	Miscellaneous Repairs
\$	4,000	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

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

FY 01/02 Requested Budget	3,148
FY 00/01 Estimated Actual	2,652
Increase (Decrease)	496

\$	2,448	SYPF (\$204 month)
\$	700	SYPF spring mowing
\$	3,148	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

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

FY 01/02 Requested Budget	400
FY 00/01 Estimated Actual	288
Increase (Decrease)	112

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

\$	4,140	Suite B & C	\$345 month
\$	4,140	9 Turnouts	\$345 month
\$	2,760	4 Iso vaults	\$230 month
\$	2,760	2 Tanks	\$230 month
\$	3,456	11 Rectifiers	\$288 month
\$	4,140	EDV	\$345 month
\$	8,280	SYPF	\$690 month
	29,676	TOTAL	

FY 01/02 Requested Budget	29,676
FY 00/01 Estimated Actual	25,097
Increase (Decrease)	4,579

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 01/02 Requested Budget	454,986
FY 00/01 Estimated Actual	60,457
Increase (Decrease)	394,529

Acre feet pumped	6,594
Cost per acre foot	\$69
TOTAL	\$454,986

(based on 50% of 2001 requests and 100% of 2002 requests)

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 01/02 Requested Budget	1,200
FY 00/01 Estimated Actual	956
Increase (Decrease)	244

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 01/02 Requested Budget	15,000
FY 00/01 Estimated Actual	16,322
Increase (Decrease)	(1,322)

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 01/02 Requested Budget	2,000
FY 00/01 Estimated Actual	930
Increase (Decrease)	1,070

\$	1,000	trash service
\$	1,000	hazardous waste removal
\$	2,000	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 01/02 Requested Budget	35,017
FY 00/01 Estimated Actual	41,618
Increase (Decrease)	(6,600)

\$	13,920	Property & Auto Insurance as apportioned by JPIA.
\$	21,098	General liability and E&O insurance pro rated by salary percentages.
\$	35,017	TOTAL

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

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

FY 01/02 Requested Budget	12,000
FY 00/01 Estimated Actual	3,829
Increase (Decrease)	8,171

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2001/02 BUDGET**

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 \$2,500 in cost with an estimated useful life under 5 years.

FY 01/02 Requested Budget	10,000
FY 00/01 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 01/02 Requested Budget	7,832
FY 00/01 Estimated Actual	8,664
Increase (Decrease)	(832)

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.5% of requested budget.

FY 01/02 Requested Budget	42,207
FY 00/01 Estimated Actual	-
Increase (Decrease)	42,207





Joint Central Coast Water Authority and California Department of Water Resources Groundbreaking Ceremony at Vandenberg Air Force Base on April 18, 1994. Pictured in the photo from left to right (agency represented shown in parenthesis): Clinton Milne (San Luis Obispo County), Harry Fox (Carpinteria County Water District), James Stubchaer (State Water Resources Control Board), Dean Stovall (Summerland Water District), Mike Stoker (Santa Barbara County), Sandra Lizzaraga (City of Santa Barbara), Brigadier General Lance Lord (Vandenberg Air Force Base), Douglas Wheeler (California Resources Agency), Curtis Tunnell (City of Santa Maria), David Kennedy (Department of Water Resources), Robert Puddicombe (Montecito Water District), Benny Gonzales (City of Guadalupe), Stanley Hatch (Hatch & Parent), Wayne Barbarick (City of Buellton), Kenneth Taylor (Goleta Water District), Dan Masnada (Central Coast Water Authority) and Charles Clarke (Santa Ynez River Water Conservation District, Improvement District Number 1).

Non-Operating Expenses

The Non-Operating Expense section of the FY 2001/02 Budget includes information regarding capital improvements, debt and reserves.



Central Coast Water Authority
Non-Operating Expenses
Fiscal Year 2001/02 Budget

The Non-Operating Expenses section of the Authority budget includes all expenditures which are not expressly associated with the day-to-day operations of the Authority. The non-operating expenses section of the budget is separated into three (3) sections: capital improvements, debt management and reserves.

Capital Improvements

These expenditures are for major fixed asset purchases as well as cost accumulation of construction projects undertaken by the Authority. In order for expenditures to be classified as capital items, they must meet the Generally Accepted Accounting Principles (GAAP) guidelines for capital expenditures.

The Authority uses a minimum \$2,500 asset purchase price to qualify for capitalization for fixed asset purchases. Fixed asset purchases under \$2,500 are expensed in the operating expense section of the budget.

The Authority depreciates its fixed assets between five and 50 years based on a straight line basis. Depreciation expense is not included in the budget because it is a non-cash item.

Debt Management

This section of the non-operating expense budget provides funding for the principal and interest payments on the 1996 revenue bond issue.

Reserves

The reserve balances are not actually expenditures of cash. However, for budgetary purposes, payments to reserve funds are treated as cash payments. These payments are made to cash reserves for future use by the Authority.



Mike Steinbock, Water Treatment Plant Operator, gives a demonstration in the laboratory.





The Central Coast Water Authority Administrative Office. The Authority leased the office effective August 1, 1994, moved into it on October 3, 1994 and subsequently purchased it on December 1, 1998.

Capital Improvements

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.

Highlights

Total FY 2001/02 CIP Budget \$172,847

- New Facilities and Equipment \$107,213
- Equipment Replacement and Repair \$ 65,634

CIP Funding Sources

- Total FY 2001/02 CIP Budget \$172,847
- Assessment Funded CIP \$88,026
- Non-Annual Recurring Expenses \$59,574
- Revenue Bond and Capital Deposits \$25,247

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2001/02 Budget

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset/equipment purchases as well as the accumulation of expenses associated with construction projects undertaken by the Authority. The total CIP budget for FY 2001/02 is \$172,847.

There are two (2) components of the CIP budget: (1) **New Facilities and Equipment** and (2) **Equipment Replacement and Repair**.

New Facilities and Equipment (NFE)

This section of the CIP budget provides funding for new purchases of facilities and equipment needed by the Authority. These purchases are generally for items which the Authority does not already have.

For FY 2001/02 the NFE budget is \$107,213. The budgeted expenditures for NFE are listed below.

New Facilities and Equipment	
Accounting Software Upgrades	\$ 4,625
Sand Blasting Cabinet	5,625
1" Hydraulic Wrench	4,150
Employee Safety Monitoring System	11,250
Portable 110 CFM Compressor	13,500
Self Contained Breathing Apparatus	4,534
Transfer Switch for Tank 5	7,000
Access Gates for Right-of-Way	3,938
Subtotal:	54,622
Administration Network Server	14,591
Replacement Vehicle for Executive Director	23,000
Ford Ranger Pickup	15,000
CIP Funded from Non-Annual Recurring Expense Deposits	52,591
TOTAL NEW FACILITIES AND EQUIPMENT	\$ 107,213

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2001/02 Budget

Equipment Replacement and Repair (ERR)

This section of the CIP budget provides funding for the repair and replacement of existing facilities and equipment.

For FY 2001/02 the ERR budget is \$65,634. The budgeted expenditures for ERR are listed below.

Equipment Replacement and Repair	
Chemical Storage Tank Safety Ladder	\$ 3,713
Sulfuric Acid System Modifications	3,938
Access Road Repairs and Maintenance	15,000
Blower Soft Starters	9,000
Equilization Pump Variable Speed Drive	6,750
WTP Heater System Modifications	6,750
Chemical Storage Tank Transmitters	13,500
Subtotal:	58,651
Computer for Project Engineer	3,383
Laptop Computer	3,600
CIP Funded from Non-Annual Recurring Expense Deposits	6,983
TOTAL EQUIPMENT REPLACEMENT AND REPAIR	\$ 65,634

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a "carry-over." This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. There are no carry-over capital improvement projects for FY 2001/02.

Funding of Capital Improvements Expenditures

The FY 2001/02 CIP expenditures are being funded from three funding sources – FY 2001/02 O&M Assessments (\$88,026), Non-Annual Recurring Expense Deposits (\$59,574) and Revenue Bond and Capital Deposits (\$25,247).

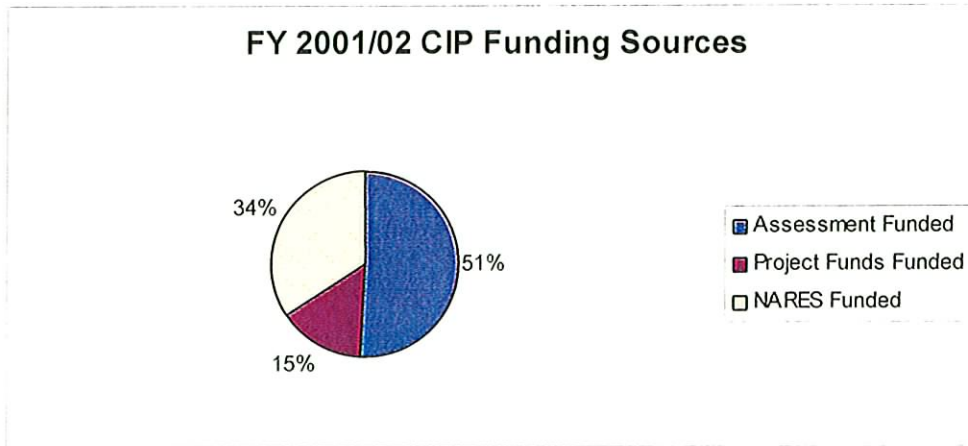
The table on the following page shows the allocation of FY 2001/02 capital improvements by department.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2001/02 Budget

FY 2001/02 Capital Improvements				
Capital Improvements	Water Treatment			Total
	Administration	Plant	Distribution	
<u>Assessment Funded CIP</u>				
Accounting Software Upgrades	\$ 4,625			\$ 4,625
Employee Safety Monitoring System		11,250		11,250
Portable 110 CFM Compressor		13,500		13,500
Chemical Storage Tank Safety Ladder		3,713		3,713
Sulfuric Acid System Modifications		3,938		3,938
Access Road Repairs and Maintenance		15,000		15,000
Blower Soft Starters		9,000		9,000
Equalization Pump Variable Speed Drive		6,750		6,750
WTP Heater System Modifications		6,750		6,750
Chemical Storage Tank Transmitters		13,500		13,500
Subtotal:	4,625	\$ 83,401	\$ -	\$ 88,026
<u>Non-Annual Recurring Expense Funded CIP</u>				
Administration Network Server	14,591			14,591
Computer for Project Engineer	3,383			3,383
Laptop Computer		3,600		3,600
Replacement Vehicle for Exec. Director	23,000			23,000
Ford Ranger Pickup Truck			15,000	15,000
Subtotal:	40,974	3,600	15,000	59,574
<u>Revenue Bond and Capital Deposit Funded CIP</u>				
Sand Blast Cabinet			5,625	5,625
Transfer Switch for Tank 5			7,000	7,000
1" Hydraulic Wrench			4,150	4,150
Self Contained Breathing Apparatus			4,534	4,534
Access Gates for Right-of-Way			3,938	3,938
Subtotal:	-	-	25,247	25,247
TOTAL CIP	\$ 45,599	\$ 87,001	\$ 40,247	\$ 172,847

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

The following graph shows the funding source for the FY 2001/02 capital improvements.



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 Extension, a buried pipeline approximately 13.3 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 29.8 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities which traverse the Santa Ynez Mountains.



Ron Cline, Regulatory Specialist

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Fiscal Year 2001/02 CIP Budget

Description: ***Accounting Software Upgrades***
Department: Administration
Expanded Description: Accounting database conversion costs (accounting software upgrades were purchased in FY 2000/01).
Estimated Charge \$ 4,625
Total Cost: \$ 4,625
Funding Source: FY 2001/02 Fixed Operating Assessments.
Operating Budget Impact: None.

Description: ***Employee Safety Monitoring System***
Department: Water Treatment Plant
Expanded Description: Emergency alert system tied to SCADA to warn of an employee down or employee emergency.
Estimated Charge \$ 10,000
Sales Tax \$ 750
Contingency (5%) \$ 500
Total Cost: \$ 11,250
Funding Source: FY 2001/02 Fixed Operating Assessments.
Operating Budget Impact: None. This is a safety requirement for personnel operating alone at the WTP.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Description: **Portable 110 CFM Compressor**

Department: Water Treatment Plant

Expanded Description: Equipment will be used for annual winter maintenance of filters and basins

Estimated Charge \$ 12,000
Sales Tax \$ 900
Contingency (5%) \$ 600

Total Cost: \$ 13,500

Funding Source: FY 2001/02 Fixed Operating Assessments.

Operating Budget Impact: Equipment replaces annual rental costs of \$4,300.

Description: **Chemical Storage Tank Safety Ladder**

Department: Water Treatment Plant

Expanded Description: Safety ladder for caustic soda tank to access and repair tank sensors.

Estimated Charge \$ 3,300
Sales Tax \$ 248
Contingency (5%) \$ 165

Total Cost: \$ 3,713

Funding Source: FY 2001/02 Fixed Operating Assessments.

Operating Budget Impact: None. This is a safety requirement.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Description: ***Sulfuric Acid System Modifications***

Department: Water Treatment Plant

Expanded Description: Modifications will include a remote operator for the tank isolation valve and discharge piping modifications to reduce employee exposure to sulfuric acid.

Estimated Charge \$ 3,500
Sales Tax \$ 263
Contingency (5%) \$ 175

Total Cost: \$ 3,938

Funding Source: FY 2001/02 Fixed Operating Assessments.

Operating Budget Impact: None. This is a safety requirement.

Description: ***Access Road Repairs and Maintenance***

Department: Water Treatment Plant

Expanded Description: Repair work to stop surface sliding on the road just off of Highway 46.

Estimated Charge \$ 14,250
Sales Tax \$
Contingency (5%) \$ 750

Total Cost: \$ 15,000

Funding Source: FY 2001/02 Fixed Operating Assessments.

Operating Budget Impact: This is part of a five-year road maintenance schedule and is necessary to maintain road surfaces in good condition.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Description: ***Blower Soft-Start Starters***

Department: Water Treatment Plant

Expanded Description: Soft starts will allow operation of the filter air scour blowers while on generator power.

Estimated Charge \$ 8,000
Sales Tax \$ 600
Contingency (5%) \$ 400

Total Cost: \$ 9,000

Funding Source: FY 2001/02 Fixed Operating Assessments.

Operating Budget Impact: Allows plant to remain on emergency power for an extended period of time.

Description: ***Equalization Pump Variable Speed Drive***

Department: Water Treatment Plant

Expanded Description: Equipment will allow staff to regulate flow to the clarifier and equalize retreatment operations.

Estimated Charge \$ 6,000
Sales Tax \$ 450
Contingency (5%) \$ 300

Total Cost: \$ 6,750

Funding Source: FY 2001/02 Fixed Operating Assessments.

Operating Budget Impact: Equipment will cause fewer plant upsets and disruptions when reintroducing backwash or filter-to-waste water.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Description: ***WTP Heater System Modifications***

Department: Water Treatment Plant

Expanded Description: Parallel existing lower operations building duct heater with upper operations building duct heater.

Estimated Charge \$ 6000
Tax \$ 450
Contingency (5%) \$ 300

Total Cost: \$ 6,750

Funding Source: FY 2001/02 Fixed Operating Assessments.

Operating Budget Impact: Modification will save using the plant heat pump for heating and reserve it only for air conditioning. Net annual savings are estimated to be about \$2,000 per year (electrical savings are estimated to be approximately \$3,000 annually and gas for heaters will cost approximately \$1,000 extra annually).

Description: ***Chemical Storage Tank Level Transmitters***

Department: Water Treatment Plant

Expanded Description: New chemical level transmitters will have sufficient accuracy to monitor chemical usage (three units will be replaced this year and two units next year).

Estimated Charge \$ 12,000
Tax \$ 900
Contingency (5%) \$ 600

Total Cost: \$ 13,500

Funding Source: FY 2001/02 Fixed Operating Assessments.

Operating Budget Impact: Labor savings are difficult to quantify but manually dipping the tanks is a hazardous operation.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Description: **Administration Computer Network Server**

Department: Administration

Expanded Description: Replace the existing computer network server which is approximately five years old. The new server is also necessary to accommodate the upgraded accounting software.

Estimated Charge \$ 12,191
Contingency (20%) \$ 2,400

Total Cost: \$ 14,591

Funding Source: Non-Annual Recurring Expense Deposits.

Operating Budget Impact: None.

Description: **Computer**

Department: Administration

Expanded Description: New computer for the Project Engineer. This computer is needed for increased computing requirements for CAD and other software programs.

Estimated Charge \$ 3,000
Sales Tax \$ 233
Contingency (5%) \$ 150

Total Cost: \$ 3,383

Funding Source: Non-Annual Recurring Expense Deposits.

Operating Budget Impact: None.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Description: ***Laptop Computer***

Department: Water Treatment Plant

Expanded Description: Replaces laptop computer provided by Systems Integrated during construction. Existing unit is inadequate to upload required software.

Estimated Charge \$ 3,200
Sales Tax \$ 240
Contingency (5%) \$ 160

Total Cost: \$ 3,600

Funding Source: Non-Annual Recurring Expense Deposits.

Operating Budget Impact: Savings in labor and equipment downtime are not easily quantified but will be significant in some years.

Description: ***Replacement Vehicle for Executive Director***

Department: Administration

Expanded Description: Replaces the Executive Director existing 1996 Ford Taurus which has over 110,000 miles.

Estimated Charge \$ 27,000
Trade-In Ford Taurus \$ (4,000)

Total Cost: \$ 23,000

Funding Source: Non-Annual Recurring Expense Deposits.

Operating Budget Impact: Decreased vehicle maintenance expenses.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Description: ***Small Four Wheel Drive Pickup***

Department: Distribution

Expanded Description: Equipment will replace the small four wheel drive pickup currently used by Distribution. Replaces existing pickup, which has over 100,000 miles.

Estimated Charge \$ 20,000
Trade-In Ford Taurus \$ (5,000)

Total Cost: \$ 15,000

Funding Source: Non-Annual Recurring Expense Deposits.

Operating Budget Impact: Decreased vehicle maintenance expenses.

Description: ***Sand Blasting Cabinet***

Department: Distribution

Expanded Description: Equipment used to remove corrosion and paint from valves and other metal parts prior to recoating and rebuilding

Estimated Charge \$ 5,000
Sales Tax \$ 375
Contingency (5%) \$ 250

Total Cost: \$ 5,625

Funding Source: Revenue Bond Funds and Capital Deposits.

Operating Budget Impact: This equipment will reduce labor costs by approximately \$2,000 annually.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Description: ***Transfer Switch for Tank 5***

Department: Distribution

Expanded Description: The transfer switch will provide auxiliary power to Tank 5 without exposing O&M staff to possible electrical hazards of connecting directly to the electrical lugs.

Estimated Charge \$ 7,000

Total Cost: **\$ 7,000**

Funding Source: Revenue Bond Funds and Capital Deposits.

Operating Budget Impact: None. This provides enhanced safety.

Description: ***1" Hydraulic Impact Wrench***

Department: Distribution

Expanded Description: Tools used for removal and replacement of large bolts on flanges, valves, etc. These tools will be especially useful during the upcoming pipeline inspections.

Estimated Charge \$ 3,600

Sales Tax \$ 270

Contingency (5%) \$ 180

Total Cost: **\$ 4,150**

Funding Source: Revenue Bond Funds and Capital Deposits.

Operating Budget Impact: This equipment will save rental costs of approximately \$350 per week for 3 to 6 weeks per year.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2001/02 Budget

Description: ***Self Contained Breathing Apparatus (2)***

Department: Distribution

Expanded Description: These self contained breathing units are required for confined space rescue.

Estimated Charge \$ 4030
Tax \$ 302
Contingency (5%) \$ 202

Total Cost: \$ 4,534

Funding Source: Revenue Bond Funds and Capital Deposits.

Operating Budget Impact: None. This is a safety requirement.

Description: ***Access Gates for Right of Way***

Department: Distribution

Expanded Description: Four gates to be placed in fences along the right of way to provide access to Authority facilities.

Estimated Charge \$ 3,500
Tax \$ 263
Contingency (5%) \$ 175

Total Cost: \$ 3,938

Funding Source: Revenue Bond Funds and Capital Deposits.

Operating Budget Impact: None. This is a safety requirement.

Central Coast Water Authority
Revenue Bond and Capital Deposit Retention Schedule
 Amended April 3, 2000

Construction Contracts	Sorting	Project	Allocation	Amended Budget	Expenditures June 98 to March 01	Remaining Balance
Applied Earthworks	1	Environmental	Pipeline All	\$ 24,337	1,921	22,416
CH2M Hill	2	Consulting	Pipeline All	1,786	1,786	(0)
Essex Environmental	3	Environmental	Pipeline All	1,655	1,655	(0)
Hopkins Technical Services	4	Dechlor Trailers	Pipeline All	5,790	5,790	0
Montgomery Watson	5	CCWA Reaches	Pipeline All	298,580	298,580	(0)
Penfield & Smith	6	Engineering	Pipeline All	44,238	44,238	0
Various	7	Storm Damage Repair	Pipeline All	-	-	-
SAIC	8	Environmental	Pipeline All	60,549	60,549	(0)
Other	9			137,769	61,894	75,875
Subtotal Schedule ABC:				574,704	476,413	98,291

<u>Financial Reach</u>	<u>Percentage</u>	<u>Allocation</u>			
Mission Hills II	28.1289%	161,658		134,010	27,648
Santa Ynez I	58.3604%	335,400		278,037	57,363
Santa Ynez II	13.5107%	77,646		64,367	13,280
	100.0000%	\$ 574,704	\$	476,413	\$ 98,291

<u>Guadalupe Turnout</u>						
Systems Integrated	10	SCADA-Retention	Guadalupe TO	-	-	-
Other	10.5			6,981	6,981	(0)

<u>Mission Hills II</u>						
C. Sanchez & Sons	11	CCWA Retention	Mission Hills II	159	159	(0)
Native Sons Nursery/S&S Seeds	12	Plants/Seeds/Planting	Mission Hills II	6,349	6,007	342
Burton Mesa Mitigation Reserve	13			108,000	-	108,000
Other	14			2,096	(2,904)	5,000
Subtotal Mission Hills II:				116,604	3,262	113,342

<u>Santa Maria Turnout</u>						
Systems Integrated	15	SCADA-Retention	Santa Maria TO	-	-	-
Other	16			-	-	-

<u>Santa Ynez I</u>						
C. Sanchez & Sons	17	Erosion Control	Santa Ynez I	25,735	25,735	(0)
Lopes-Tenent of Strepa	18	ROW Restoration	Santa Ynez I	9,990	9,990	-
Gardner Ranch	19	Property Settlement	Santa Ynez I	14,245	14,245	0
Other	20			3,356	3,356	0
Subtotal Santa Ynez I:				53,326	53,326	0

<u>Santa Ynez II</u>						
C. Sanchez & Sons	21	CCWA Retention	Santa Ynez II	346	346	0
P.C. Mechanical	22	Pump Station-Pump Coding Rep.	Santa Ynez II	16,337	16,337	(0)
P.C. Mechanical	22	Pump Station-Pump Coding Rep.	Santa Ynez II	-	-	-
Systems Integrated	23	SCADA-Retention	Santa Ynez II	-	-	-
Other	24			(345)	(345)	(0)
Subtotal Santa Ynez II:				16,338	16,339	(1)

Central Coast Water Authority
Revenue Bond and Capital Deposit Retention Schedule
Amended April 3, 2000

Construction Contracts	Sorting	Project	Allocation	Amended Budget	Expenditures June 98 to March 01	Remaining Balance
<u>SCWC Turnout</u>						
Montgomery Watson	25	So Cal Wtr Turnout	So Cal Wtr TO	4,400	3,979	-
Various	26	So Cal Wtr Turnout	So Cal Wtr TO	11,000	8,501	-
Systems Integrated	27	SCADA-Retention	So Cal Wtr TO	-	-	-
Other	28			-	-	-
Subtotal SCWC TO:				15,400	12,479	-
<u>VAFB Local Facilities</u>						
Hopkins Technical Services	29	Dechlor Trailers	VAFB	-	-	-
Penfield & Smith	30	Engineering	VAFB	313,279	108,331	-
Valley Engineers	31	VAFB	VAFB	181,003	421,321	-
Other	32			-	5,391	-
Subtotal VAFB:				494,282	535,042	-
<u>Water Treatment Plant</u>						
Hensel Phelps	33	Water Treatment Plant	WTP	-	-	-
Montgomery Watson	34	CCWA Reaches	WTP	102,107	102,107	(0)
Montgomery Watson	34	CCWA Retention	WTP	-	-	-
Various	35	WTP Elect Changeover & Mods	WTP	99,268	92,399	6,869
Various	36	Truck & Equipment	WTP	42,135	42,135	0
Various	37	Furniture	WTP	268	268	(0)
Various	38	Administration Building	WTP	1,027,395	1,027,395	0
Various	39	SCADA System	WTP	260,610	249,023	11,587
Rossi-Carr	39.5	Electrical Modifications	WTP	85,000	82,261	2,739
Other	40	Includes Network Update	WTP	166,326	150,833	15,493
Subtotal WTP:				1,783,109	1,746,420	36,689
TOTAL CONSTRUCTION PROJECTS & OTHER ITEMS:				\$ 3,060,744	2,850,262	248,321
<u>Local Projects</u>						
Guadalupe	42			355,765	355,765	(0)
<u>SLO County Local Projects</u>						
Karleskint-Crum	43	Retention Payment		-	-	-
SLO County Flood Control	44	Capitalized Staff Costs		-	-	-
Systems Integrated	45	SCADA	SLO County	-	-	-
Various	46	Dechlor Trailers		-	-	-
Various	47	Storage Improvements-CMC		-	-	-
Various	48	Lopez System Improvements		-	-	-
Other	49			142,000	-	142,000
Subtotal SLO County				142,000	-	142,000
Total Local Project Funds				497,765	355,765	142,000
Total Contract Balance and Contingency:				\$ 3,558,509	3,206,026	390,321



Tour of Central Coast Water Authority Pipeline Construction on September 29, 1994.

Debt Management

The Debt Management section of the FY 2001/02 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, arbitrage rebate liability and the project participant debt payment schedule.

Highlights

1996 Revenue Bond Principal and Interest Due **\$11,464,473**

- FY 2001/02 Principal Payment \$ 3,270,000
- FY 2001/02 Interest Payments \$ 8,194,473
- FY 2001/02 Bond Trustee Payments \$ 4,000

Bond Payment Funding Sources **\$11,468,474**

- Fixed Assessments from Project Participants \$10,357,208
- Guaranteed Investment Contract Interest \$ 697,904
- Debt Service Account Interest Income \$ 413,362

1996 Revenue Bond Information

- Principal Payment Date October 1st
- Interest Payment Dates October 1st and April 1st
- Outstanding Principal Balance (6-30-01) \$162,270,000
- True Interest Cost (TIC) 5.55%
- Restricted Arbitrage Rate 5.47%
- Arbitrage Rebate Liability (6-30-00) \$30,187

Central Coast Water Authority
Debt Management
Fiscal Year 2001/02 Budget

Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain of the Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

Central Coast Water Authority
Debt Management
Fiscal Year 2001/02 Budget

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments with respect to the project to the Authority. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated November 1, 1996 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "1996 Revenue Bond Debt Service Schedule" in this section*).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

Arbitrage Rebate Liability

As of June 30, 2000, the arbitrage rebate liability for the 1996 Revenue Bonds was \$30,187 and funds were transferred to the rebate fund held by the Bond Trustee for this liability from the reserve fund investment earnings.

The five-year rebate calculation for the 1992 Revenues Bonds indicate a negative rebate liability of (\$5,546,174) complete on June 10, 1998. No additional rebate calculations will be performed on the 1992 bonds as a result of this negative rebate liability.

Central Coast Water Authority
Debt Management
Fiscal Year 2001/02 Budget

Construction Project Close Out and Final Reconciliation

On June 25, 1998, the Authority declared the construction project complete. In conjunction with declaring the project complete, a reconciliation of all construction expenditures and the corresponding allocation of costs to each financial reach was performed and the Project Closeout Report was prepared. Additionally, funds were retained from the construction fund and the local project fund based on estimates of future project expenditures to fully complete the remaining construction items.

Amended debt service amortization schedules were prepared for each financing participant based on the actual construction expenditures, financed local facilities and capitalized interest elections by the financing participants. The "1996 Revenue Bond Distribution Schedule, Series A" found on page 211 from the Project Closeout Report, provides a summary of the Series A principal and interest allocation to each financing participant.

A final reconciliation of total actual project expenditures will be prepared after all project funds are completely expended. Amended debt service amortization schedules will be prepared for each financing participant. These changes are estimated to result in minor adjustments to the debt service amortization schedules.

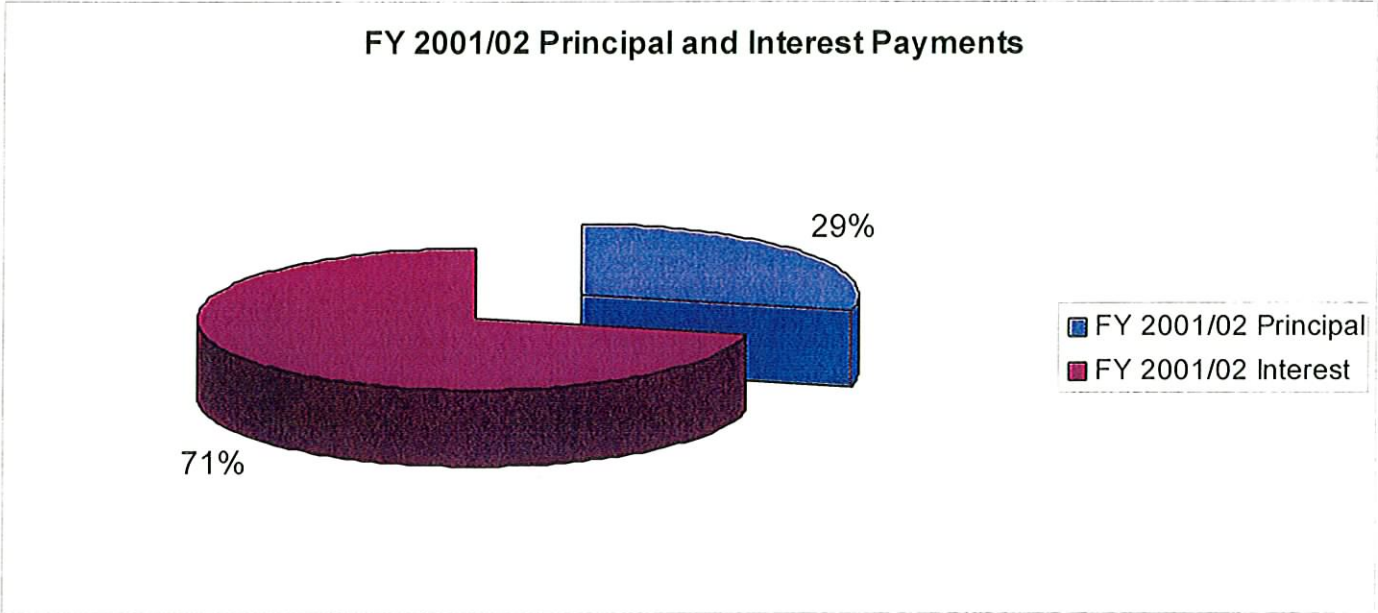
Fiscal Year 2001/02 Debt Service Budget

For FY 2001/02, total Series A principal payments is \$3,270,000 and total interest due is \$8,194,473, totaling \$11,464,474. Additionally, Bond Trustee fees in the amount of \$4,000 are included in the debt service assessment. These amounts are partially offset by the following:

- Reserve Fund Interest Income This is interest income on the collateralized guaranteed investment contract in the principal amount of \$12,758,750 at an interest rate of 5.47%, which exactly equals the restricted rate on the CCWA bonds. The guaranteed investment contract pays interest semi-annually on April 1st and October 1st, each in the amount of \$348,952. Total reserve fund interest income for FY 2001/02 is \$697,904.
- Debt Service Account Interest Income Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the corresponding debt service payment dates on the bonds. Estimated investment income on the debt service account is \$413,362 for FY 2001/02.

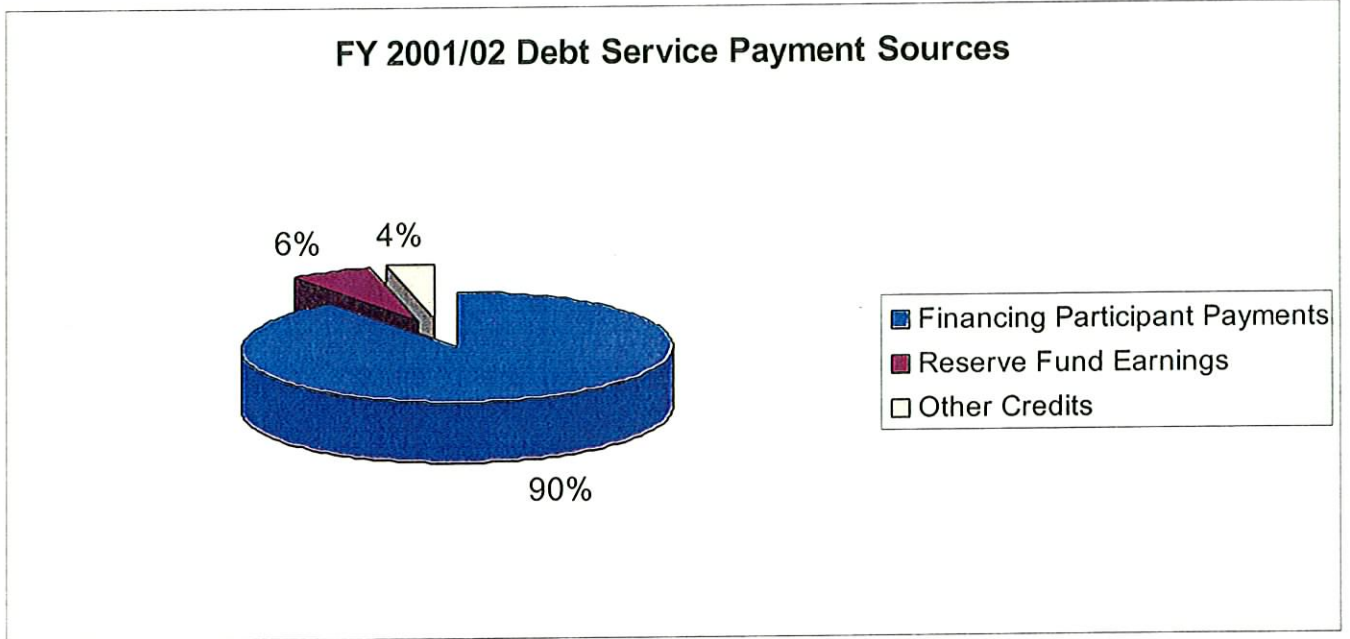
Central Coast Water Authority
Debt Management
Fiscal Year 2001/02 Budget

The following chart shows the total principal and interest payments for the 1996 revenue bonds for FY 2001/02.



Central Coast Water Authority
Debt Management
Fiscal Year 2001/02 Budget

The following chart shows the sources of cash for the FY 2001/02 debt service payments.



The table on the following page shows the principal and interest payments for each financing participant for FY 2001/02 and the various credits discussed on the preceding pages.



*Chandra Narayan, Water Treatment
Plant Maintenance Technician*

Central Coast Water Authority
1996 Revenue Bond Series A Debt Service Payments
 Fiscal Year 2001/02 Budget

Financing Participant	FY 2000/01	FY 2000/01	FY 2000/01	FY 2000/01	Debt Service	Reserve	FY 2001/02
	Series A (10/1/01) Principal Payment	Series A (10/1/01) Interest Payment	Series A (4/1/02) Interest Payment	Trustee Expenses	Account Interest Income (1)	Fund Interest Earnings (2)	Total Payments
Avila Beach	\$ 5,180	\$ 5,177	\$ 5,063	\$ 5	\$ (546)	\$ (887)	\$ 13,992
California Men's Colony	43,853	43,823	42,864	43	(4,628)	(7,506)	118,450
County of SLO	46,710	46,679	45,657	46	(4,931)	(7,995)	126,166
Cuesta College	21,928	21,913	21,434	22	(2,314)	(3,753)	59,229
Morro Bay	272,582	272,399	266,437	267	(28,777)	(46,654)	736,255
Oceano	37,943	37,918	37,088	37	(4,005)	(6,494)	102,488
Pismo Beach	62,713	62,671	61,299	62	(6,620)	(10,734)	169,390
Shandon	4,922	4,919	4,811	5	(519)	(842)	13,296
Guadalupe	60,298	60,257	58,938	59	(6,365)	(10,320)	162,867
Buellton	106,790	106,719	104,383	105	(11,156)	(18,278)	288,563
Santa Ynez (Solvang)	96,352	293,849	291,741	278	(23,401)	(48,434)	610,385
Santa Ynez	36,076	110,024	109,235	104	(9,868)	(18,135)	227,436
Goleta	1,031,923	1,031,232	1,008,659	1,012	(105,760)	(176,620)	2,790,448
Morehart Land	17,273	44,849	44,471	42	(3,941)	(7,340)	95,355
La Cumbre	82,724	214,788	212,978	201	(19,110)	(35,150)	456,431
Raytheon (SBRC)	9,930	9,923	9,706	10	(1,011)	(1,699)	26,857
Santa Barbara	634,627	634,202	620,320	623	(71,160)	(108,620)	1,709,992
Montecito	271,713	705,484	699,541	662	(64,047)	(115,453)	1,497,900
Carpinteria	426,462	426,176	416,847	418	(45,203)	(72,991)	1,151,709
TOTAL:	\$ 3,270,000	\$ 4,133,002	\$ 4,061,471	\$ 4,000	\$ (413,362)	\$ (697,904)	\$ 10,357,208

Notes:

- (1) Represents interest on the financing participant debt service payments for FY 2000/01.
- (2) Represents interest on the reserve fund guaranteed investment contract (GIC). Calculated using a par amount of \$12,758,054 at an interest rate of 5.47% for one year. Payments made semi-annually on April 1st and October 1st.

Source: CCWA Project Closeout Report, October 1998.

Central Coast Water Authority
1996 Revenue Bond Distribution Schedule
Series A
Project Closeout Report

Financing Participant	Series A Principal	Series A Interest	TOTAL
<u>LEVEL DEBT SERVICE</u>			
Avila Beach CSD	\$ 219,286	\$ 180,794	\$ 400,080
California Men's Colony	1,856,355	1,530,503	3,386,858
County of SLO	1,977,305	1,630,222	3,607,528
Cuesta College	928,246	765,308	1,693,555
City of Morro Bay	11,538,823	9,513,375	21,052,197
Oceano CSD	1,606,208	1,324,265	2,930,472
City of Pismo Beach	2,654,727	2,188,734	4,843,461
Shandon	208,367	171,792	380,159
City of Buellton	4,520,603	3,727,086	8,247,690
Carpinteria Valley Water District	18,052,797	14,883,929	32,936,727
City of Guadalupe	2,552,497	2,104,449	4,656,946
Goleta Water District	43,682,936	36,015,123	79,698,059
Raytheon (SBRC)	420,333	346,550	766,883
City of Santa Barbara	26,864,766	22,149,104	49,013,870
Total Level Debt Service:	<u>\$ 117,083,250</u>	<u>\$ 96,531,234</u>	<u>\$ 213,614,484</u>
<u>ESCALATING DEBT SERVICE</u>			
La Cumbre Mutual Water Co.	\$ 8,737,771	\$ 7,725,642	\$ 16,463,414
Montecito Water District	28,699,777	25,375,372	54,075,149
Morehart Land Co.	1,824,502	1,613,163	3,437,665
Total Escalating Debt Service:	<u>\$ 39,262,050</u>	<u>\$ 34,714,178</u>	<u>\$ 73,976,228</u>
<u>STEP-UP DEBT SERVICE</u>			
City of Solvang	\$ 12,128,507	\$ 11,031,811	\$ 23,160,318
Santa Ynez ID #1	4,541,193	4,130,565	8,671,758
Total Step-Up Debt Service:	<u>\$ 16,669,700</u>	<u>\$ 15,162,376</u>	<u>\$ 31,832,076</u>
TOTAL DEBT SERVICE:	<u><u>\$ 173,015,000</u></u>	<u><u>\$ 146,407,788</u></u>	<u><u>\$ 319,422,788</u></u>

Central Coast Water Authority
1996 Revenue Bond Debt Service Schedule
Series A

Debt Service Date	Interest Rate	Sinking Fund Payment	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Yr Debt Service (Cash)
4/1/1997				3,625,760	173,015,000	3,625,760
10/1/1997	4.000%		2,420,000	4,350,913	170,595,000	
4/1/1998				4,302,513	170,595,000	11,073,425
10/1/1998	4.000%		2,540,000	4,302,513	168,055,000	
4/1/1999				4,251,713	168,055,000	11,094,225
10/1/1999	4.000%		2,775,000	4,251,713	165,280,000	
4/1/2000				4,196,213	165,280,000	11,222,925
10/1/2000	4.200%		3,010,000	4,196,213	162,270,000	
4/1/2001				4,133,003	162,270,000	11,339,215
10/1/2001	4.375%		3,270,000	4,133,003	159,000,000	
4/1/2002				4,061,471	159,000,000	11,464,474
						FY 2001/02
10/1/2002	4.500%		3,535,000	4,061,471	155,465,000	
4/1/2003				3,981,934	155,465,000	11,578,405
10/1/2003	4.600%		3,830,000	3,981,934	151,635,000	
4/1/2004				3,893,844	151,635,000	11,705,778
10/1/2004	6.000%		4,135,000	3,893,844	147,500,000	
4/1/2005				3,769,794	147,500,000	11,798,638
10/1/2005	6.000%		4,515,000	3,769,794	142,985,000	
4/1/2006				3,634,344	142,985,000	11,919,138
10/1/2006	6.000%		4,915,000	3,634,344	138,070,000	
4/1/2007				3,486,894	138,070,000	12,036,238
10/1/2007	5.000%		5,775,000	3,486,894	132,295,000	
4/1/2008				3,342,519	132,295,000	12,604,413
10/1/2008	6.000%		6,065,000	3,342,519	126,230,000	
4/1/2009				3,160,569	126,230,000	12,568,088
10/1/2009	5.150%		6,425,000	3,160,569	119,805,000	
4/1/2010				2,995,125	119,805,000	12,580,694
10/1/2010	5.000%		6,760,000	2,995,125	113,045,000	
4/1/2011				2,826,125	113,045,000	12,581,250
10/1/2011	5.000%		7,095,000	2,826,125	105,950,000	
4/1/2012				2,648,750	105,950,000	12,569,875
10/1/2012	5.000%		7,455,000	2,648,750	98,495,000	
4/1/2013				2,462,375	98,495,000	12,566,125
10/1/2013	5.000%		7,830,000	2,462,375	90,665,000	
4/1/2014				2,266,625	90,665,000	12,559,000
10/1/2014	5.000%	8,225,000		2,266,625	82,440,000	
4/1/2015				2,061,000	82,440,000	12,552,625
10/1/2015	5.000%	8,630,000		2,061,000	73,810,000	
4/1/2016				1,845,250	73,810,000	12,536,250
10/1/2016	5.000%	9,065,000		1,845,250	64,745,000	
4/1/2017				1,618,625	64,745,000	12,528,875
10/1/2017	5.000%	9,515,000		1,618,625	55,230,000	
4/1/2018				1,380,750	55,230,000	12,514,375
10/1/2018	5.000%	9,995,000		1,380,750	45,235,000	
4/1/2019				1,130,875	45,235,000	12,506,625
10/1/2019	5.000%	10,495,000		1,130,875	34,740,000	
4/1/1920				868,500	34,740,000	12,494,375

Central Coast Water Authority
1996 Revenue Bond Debt Service Schedule
Series A

Debt Service Date	Interest Rate	Sinking Fund Payment	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Yr Debt Service (Cash)
10/1/1920	5.000%	11,020,000		868,500	23,720,000	
4/1/1921				593,000	23,720,000	12,481,500
10/1/1921	5.000%	11,570,000		593,000	12,150,000	
4/1/1922				303,750	12,150,000	12,466,750
10/1/1922	5.000%	12,150,000		303,750	-	12,453,750
		90,665,000	82,350,000	146,407,788		319,422,788





Joint California Department of Water Resources and Central Coast Water Authority Ribbon Cutting and Dedication Ceremony at the Central Coast Water Authority Santa Ynez Pumping Facility on July 18, 1997. Pictured in the photo from left to right: Robert Puddicombe, Chairman of the Central Coast Water Authority Board of Directors, and the Santa Ynez Pumping Facility dedicatee Thomas Petersen, former General Manager of the Santa Ynez River Water Conservation District, Improvement District Number 1. The inscription on the plaque, which is mounted at the front of the facility, reads "He helped this community prosper for almost forty years by conserving local water sources. His commitment to developing supplemental water supplies will help secure continue prosperity in the Santa Ynez Valley for future generations."

Reserves and Cash Management

The Reserves and Cash Management section of the FY 2001/02 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund, Non-Annual Recurring Expenses (NARES) and cash management information.

Highlights

FY 2001/02 Total Reserve Balances \$10,109,610

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 7,396,718
- Non-Annual Recurring Expenses (6-30-02) \$ 712,892

Non-Annual Recurring Expenses

- FY 2001/02 Beginning Balance \$620,803
- Additional Deposits for FY 2001/02 \$413,321
- FY 2001/02 Expenditures \$309,574

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2001/02 Budget

Operating Reserve Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to immediately undertake unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty (60) days of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit to 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 2001/02 Budget

Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgements. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

Operations and Maintenance Reserve Fund

Project Participant	Entitlement	% of Entitlement	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 (SBRC)	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
Southern California Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
TOTAL	39,078	100.00%	2,000,000

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2001/02 Budget

Rate Coverage Reserve Fund

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

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

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2001/02 Budget

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

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

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of May 31, 2001. Participation in the fund for FY 2001/02 is not yet known. Prior to June 30, 2001, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2001/02.

FY 2000/01 Rate Coverage Reserve Fund

Project Participant	FY 2000/01 Deposit
City of Buellton	\$ 227,940
Carpinteria Valley Water District	799,440
City of Guadalupe	164,379
La Cumbre Mutual Water Company	365,958
Montecito Water District	1,018,798
City of Santa Maria	3,803,072
Santa Ynez, RWCD, I.D. #1 (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:	\$ 7,396,718

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2001/02 Budget

Non-Annual Recurring Expense Cash Deposits

As part of the budget process, certain expenses which occur periodically are identified and charged to the project participants over a number of years to minimize fluctuations in the annual assessments. The following table shows activity in the non-annual recurring expense cash deposits for FY 2000/01 and FY 2001/02.

Non-Annual Recurring Expense Cash Deposits

Financing Participant	FY 2000/01 Beginning Balance	FY 2000/01 Interest Income	FY 2000/01 NARES Expenditures	FY 2001/02 Additional Deposits	FY 2001/02 NARES Expenditures	FY 2001/02 Ending Balance
Shandon	\$ 1,569	\$ 100	\$ (40)	\$ 282	\$ (16)	\$ 1,895
Chorro Valley	27,637	1,741	(945)	7,204	(363)	29,378
Lopez	28,878	1,816	(1,328)	7,538	(448)	30,694
Guadalupe	7,313	459	(401)	4,188	(2,454)	9,105
Santa Maria	218,844	13,721	(13,541)	150,172	(98,844)	270,352
SCWC	6,755	423	(418)	4,635	(3,051)	8,344
VAFB	79,102	4,921	(7,122)	68,612	(50,113)	95,399
Buellton	9,221	573	(1,204)	7,464	(5,383)	10,671
Santa Ynez (Solvang)	23,926	1,486	(3,123)	19,371	(13,969)	27,690
Santa Ynez	7,976	495	(1,041)	17,663	(4,656)	20,436
Goleta	77,406	4,776	(12,517)	41,337	(42,636)	68,366
Morehart Land	3,440	213	(556)	1,837	(1,895)	3,038
La Cumbre	17,201	1,067	(2,782)	9,180	(9,475)	15,192
Raytheon (SBRC)	861	53	(139)	459	(474)	760
Santa Barbara	51,605	3,246	(8,345)	27,496	(28,424)	45,578
Montecito	51,605	3,220	(8,345)	27,522	(28,424)	45,578
Carpinteria	34,431	2,135	(5,563)	18,360	(18,949)	30,413
TOTAL:	\$ 647,768	\$ 40,446	\$ (67,411)	\$ 413,321	\$ (309,574)	\$ 712,892

Cash Management

All cash balances presented in this document exclude cash balances held as deposits for project participants. Additionally, the effect of other accounts receivables and payables have been added or subtracted from the cash balance to show the cash balances as if all receivables and payables had been received or paid.

It is the Authority's policy to refund unexpended operating assessments and investment income on the general fund after the close of each fiscal year. Therefore, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2001/02 Budget

Cash Components

The Authority's cash balances are comprised of the following:

- **Operating Expense Assessments** Cash amounts collected from the project participants for operating expense assessments. These cash balances are held in the Authority demand deposit bank accounts and the California Local Agency Investment Fund.
- **Pass-Through Expenses** Cash amounts collected from the project participants for payment to the DWR and Warren Act charges paid to the U.S. Bureau of Reclamation. These balances are held in a custodial account and invested in accordance with the Authority's investment policy with maturities corresponding to the anticipated payment date on the expenses.
- **Debt Service Payments** Cash amounts collected from the financing participants for payment on the 1996 revenue bonds. These balances are held in a custodial account and invested in accordance with the Authority's investment policy with maturities corresponding to the debt service payment dates on the 1996 revenue bonds.
- **Construction Fund** Bond proceeds from the 1996 revenue bond issue used to construct the Authority facilities. These funds are held in trust by the Trustee on the bond issue and invested by the Authority's Treasurer in accordance with the bond indenture and the Authority Investment Policy.



Eric Kieding, Distribution Technician



Tour of Central Coast Water Authority Construction of Polonio Pass Water Treatment Plant on October 11, 1995. Pictured in the photo from left to right: Thomas Fischetti, Central Coast Water Authority Project Engineer; Stan Carlat, Hensel Phelps Construction Company Construction Manager; Bruce Burnworth, Central Coast Water Authority Deputy Director; G.F. (Jeff) Weien, Montgomery Watson Program Manager; and Steven Amerikaner, Central Coast Water Authority General Counsel (Hatch & Parent).

Four Year Financial Plan

The Four Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant through FY 2004/05. Additionally, this section includes each project participants' requested water deliveries for five years on a fiscal year and calendar year basis.



Central Coast Water Authority
Four Year Financial Plan
Fiscal Year 2001/02 Budget

The four year financial plan is prepared in conjunction with the fiscal year budget and has four primary purposes as follows:

- Allocation of the CCWA fixed and variable O&M expenses to each of the project participants.
- Calculation and allocation of the Regional Water Treatment Plant Allocation (*see the Appendix for further information*).
- Calculation and allocation of the Santa Ynez Exchange Agreement modifications (*see the Appendix for further information*).
- Calculation of the four year pro forma State water cost projections for all project participants.

The following formulas show the method used in calculating the CCWA operating expense allocation by project participant.

CCWA Fixed Charges

	Gross (unadjusted) CCWA operating expenses allocated on an entitlement basis within financial reach.
Plus:	Regional WTP fixed allocation to all Santa Barbara County project participants.
Minus:	Regional WTP fixed credit back to the Santa Barbara County South Coast project participants.
Plus:	Santa Ynez Exchange Agreement capital modifications (South Coast project participants and Santa Ynez only).
Plus:	Santa Ynez Exchange Agreement fixed O&M modifications (South Coast project participants and Santa Ynez only).
Equals:	Net CCWA Fixed charges.

CCWA Variable O&M Charges

	Gross (unadjusted) CCWA chemical and power costs allocated in proportion to deliveries within financial reach.
Plus:	Gross (unadjusted) Warren Act and Trust Fund charges (South Coast project participants only).
Plus:	Regional WTP Variable O&M Allocation (all Santa Barbara County project participants requesting State water).
Minus:	Regional WTP Variable O&M credit back to the Santa Barbara County South Coast project participants requesting State water.
Plus:	Santa Ynez Exchange Agreement WTP modifications (Santa Barbara County South Coast project participants and Santa Ynez only).
Minus:	Santa Ynez Exchange Agreement Warren Act and Trust Fund modifications (Santa Barbara County South Coast project participants and Santa Ynez only).
Plus/Minus:	Santa Ynez Exchange Agreement Santa Ynez Pumping Facility electrical cost modifications (Santa Barbara County South Coast project participants and Santa Ynez only).
Equals:	Net CCWA Variable O&M Charges.

Central Coast Water Authority
Water Request Projections
 Four Year Financial Plan

Project Participant	Fiscal Year Water Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				Calendar Year Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				
	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	2001	2002	2003	2004	2005
Shandon	-	-	-	-	-	-	-	-	-
Chorro Valley	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338
Lopez	2,031	2,043	2,055	2,069	2,025	2,037	2,049	2,061	2,077
Guadalupe	605	605	605	605	605	605	605	605	605
Santa Maria	16,495	16,865	17,222	17,569	16,322	16,689	17,058	17,405	17,756
SCWC	550	550	550	550	550	550	550	550	550
VAFB	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050
Buellton	578	578	578	578	578	578	578	578	578
Santa Ynez (Solvang)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Santa Ynez	700	700	700	700	700	700	700	700	700
Goleta	6,183	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950
Morehart Land	108	122	139	159	100	115	130	150	170
La Cumbre	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Raytheon (SBRC)	55	55	55	55	55	55	55	55	55
Santa Barbara	-	-	-	-	-	-	-	-	-
Montecito	1,230	1,280	1,320	1,375	1,200	1,250	1,300	1,350	1,400
Carpinteria	600	600	600	600	600	600	600	600	600
TOTAL:	40,123	39,336	39,762	40,198	38,673	39,117	39,563	39,992	40,429



Central Coast Water Authority
Total Charges-All Participants
 Four Year Financial Plan Charges

Entitlement				43,908
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	40,123	-	40,123	
FY 2002/03	39,336	-	39,336	
FY 2003/04	39,762	-	39,762	
FY 2004/05	40,198	-	40,198	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 4,092,770	\$ 1,167,023	\$ (1,167,023)	\$ -	\$ -	\$ -	\$ 7,727,175	\$ 11,819,945	
FY 2002/03	4,059,436	1,195,926	(1,195,926)	-	-	-	10,880,501	14,939,937	
FY 2003/04	4,199,319	1,217,012	(1,217,012)	-	-	-	11,007,874	15,207,193	
FY 2004/05	4,339,207	1,239,098	(1,239,098)	-	-	-	11,100,734	15,439,941	

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

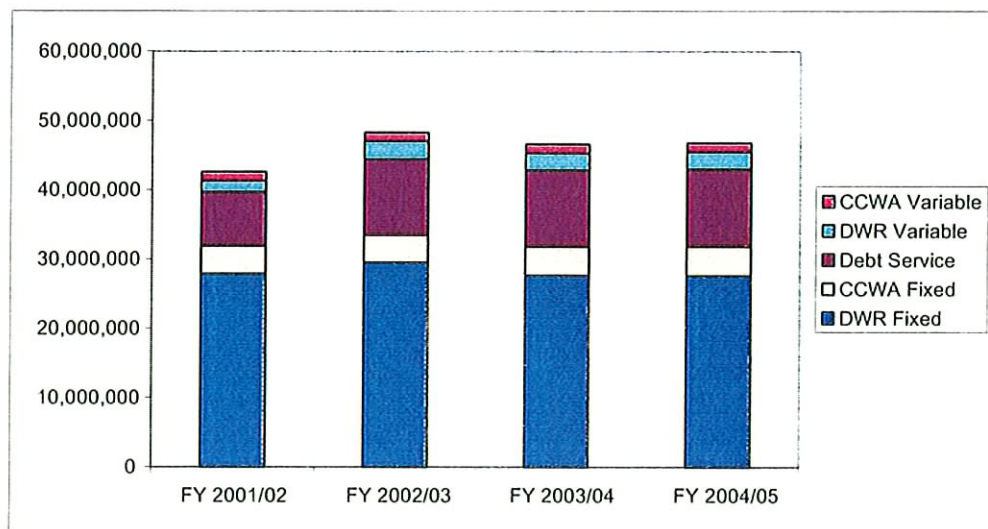
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 1,103,591	\$ 538,008	\$ 83,639	\$ (83,639)	\$ 0	\$ -	\$ (159,036)	\$ (190,935)	\$ 1,291,628
FY 2002/03	1,137,409	470,206	72,929	(72,929)	0	-	(150,278)	(215,812)	1,241,525
FY 2003/04	1,181,920	473,512	75,817	(75,817)	0	-	(150,278)	(222,395)	1,282,759
FY 2004/05	1,211,642	477,862	79,067	(79,067)	0	-	(150,278)	(228,503)	1,310,723

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2001/02	\$ 27,803,178	\$ 1,690,270	\$ 29,493,448	\$ 4,092,770	\$ 1,291,628	\$ 7,727,175	\$ 27,803,178	\$ 1,690,270	\$ 42,604,893	
FY 2002/03	29,431,175	2,666,206	32,097,381	4,059,436	1,241,525	10,880,501	29,431,175	2,666,206	48,278,843	
FY 2003/04	27,612,764	2,520,798	30,133,562	4,199,319	1,282,759	11,007,874	27,612,764	2,520,798	46,623,514	
FY 2004/05	27,525,589	2,547,576	30,073,166	4,339,207	1,310,723	11,100,734	27,525,589	2,547,576	46,823,830	

(3) Net of DWR account interest income.



Central Coast Water Authority
Total Charges - Santa Barbara County Project Participants
 Four Year Financial Plan Charges

Entitlement				39,078
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	35,754	-	35,754	
FY 2002/03	34,955	-	34,955	
FY 2003/04	35,369	-	35,369	
FY 2004/05	35,791	-	35,791	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 3,690,134	\$ 1,167,023	\$ (1,167,023)	\$ -	\$ -	\$ -	\$ 6,563,772	\$ 10,253,906	
FY 2002/03	3,809,623	1,195,926	(1,195,926)	-	-	-	9,490,180	13,299,803	
FY 2003/04	3,941,846	1,217,012	(1,217,012)	-	-	-	9,618,347	13,560,193	
FY 2004/05	4,074,039	1,239,098	(1,239,098)	-	-	-	9,715,739	13,789,779	

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

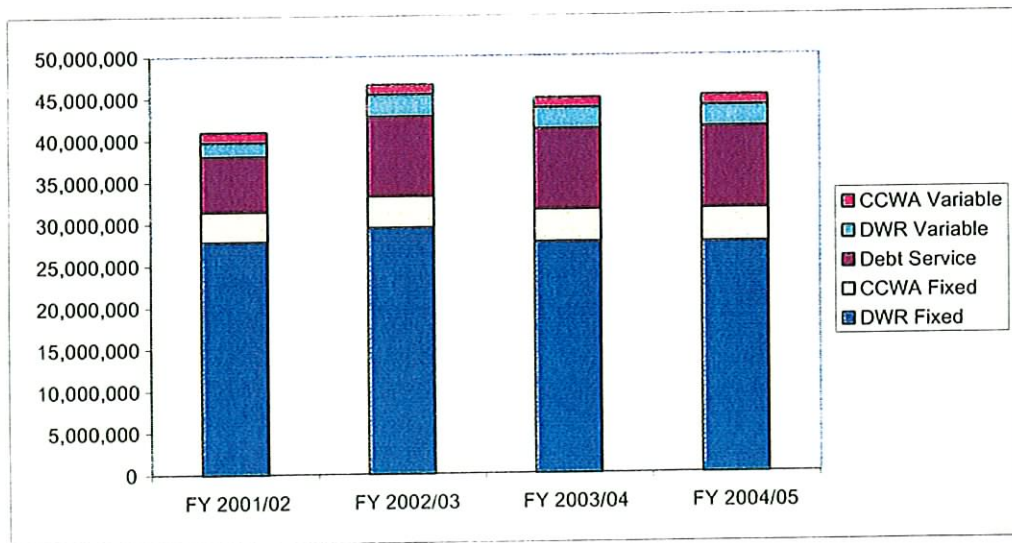
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 1,053,758	\$ 538,008	\$ 83,639	\$ (83,639)	\$ 0	\$ -	\$ (159,036)	\$ (190,935)	\$ 1,241,794
FY 2002/03	1,085,939	470,206	72,929	(72,929)	0	-	(150,278)	(215,812)	1,190,055
FY 2003/04	1,128,762	473,512	75,817	(75,817)	0	-	(150,278)	(222,395)	1,229,600
FY 2004/05	1,156,716	477,862	79,067	(79,067)	0	-	(150,278)	(228,503)	1,255,797

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02	\$ 27,803,178	\$ 1,690,270	\$ 29,493,448	\$ 3,690,134	\$ 1,241,794	\$ 6,563,772	\$ 27,803,178	\$ 1,690,270	\$ 40,989,149
FY 2002/03	29,431,175	2,666,206	32,097,381	3,809,623	1,190,055	9,490,180	29,431,175	2,666,206	46,587,239
FY 2003/04	27,612,764	2,520,798	30,133,562	3,941,846	1,229,600	9,618,347	27,612,764	2,520,798	44,923,356
FY 2004/05	27,525,589	2,547,576	30,073,166	4,074,039	1,255,797	9,715,739	27,525,589	2,547,576	45,118,741

(3) Net of DWR account interest income.



Central Coast Water Authority
Shandon
 Four Year Financial Plan Charges

Entitlement			100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2001/02	-	-	-
FY 2002/03	-	-	-
FY 2003/04	-	-	-
FY 2004/05	-	-	-

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 4,817						\$ 13,063	\$ 17,879	
FY 2002/03	5,024						13,802	18,826	
FY 2003/04	5,176						13,794	18,970	
FY 2004/05	5,329						13,749	19,078	

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

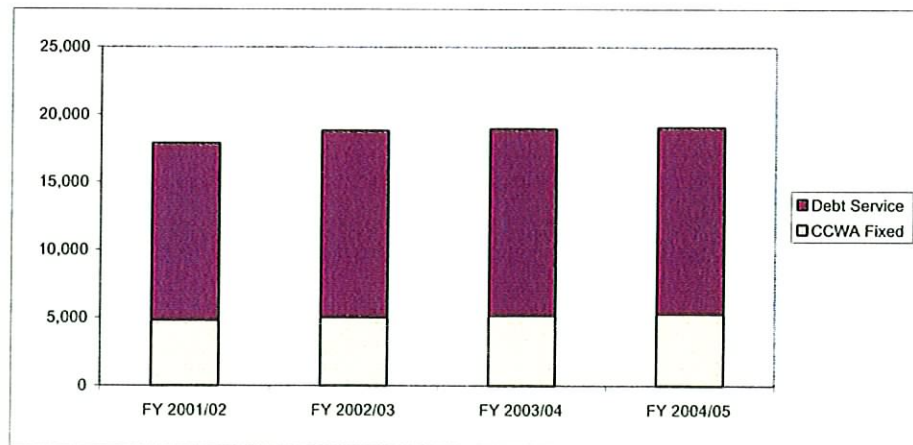
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$0							\$ -	
FY 2002/03	-							-	
FY 2003/04	-							-	
FY 2004/05	-							-	

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2001/02			\$ -	\$ 4,817	\$ -	\$ 13,063	\$ -	\$ -	\$ 17,879
FY 2002/03			-	5,024	-	13,802	-	-	18,826
FY 2003/04			-	5,176	-	13,794	-	-	18,970
FY 2004/05			-	5,329	-	13,749	-	-	19,078

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Shandon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ -	0
June 1, 2001	\$ 17,879	n/a
July 1, 2001	\$ -	0
October 1, 2001	\$ -	0
January 1, 2002	\$ -	0
April 1, 2002	\$ -	0
June 1, 2002	\$ 18,826	n/a
July 1, 2002	\$ -	0
October 1, 2002	\$ -	0
January 1, 2003	\$ -	0
April 1, 2003	\$ -	0
June 1, 2003	\$ 18,970	n/a
July 1, 2003	\$ -	0
October 1, 2003	\$ -	0
January 1, 2004	\$ -	0
April 1, 2004	\$ -	0
June 1, 2004	\$ 19,078	n/a
July 1, 2004	\$ -	0
October 1, 2004	\$ -	0
January 1, 2005	\$ -	0

Central Coast Water Authority
Chorro Valley Turnout
 Four Year Financial Plan Charges

Entitlement				2,338
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	2,338	-	2,338	
FY 2002/03	2,338	-	2,338	
FY 2003/04	2,338	-	2,338	
FY 2004/05	2,338	-	2,338	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 112,616						\$ 1,038,568	\$ 1,151,184	
FY 2002/03	117,460						1,079,751	1,197,212	
FY 2003/04	121,008						1,079,135	1,200,142	
FY 2004/05	124,593						1,075,615	1,200,207	

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

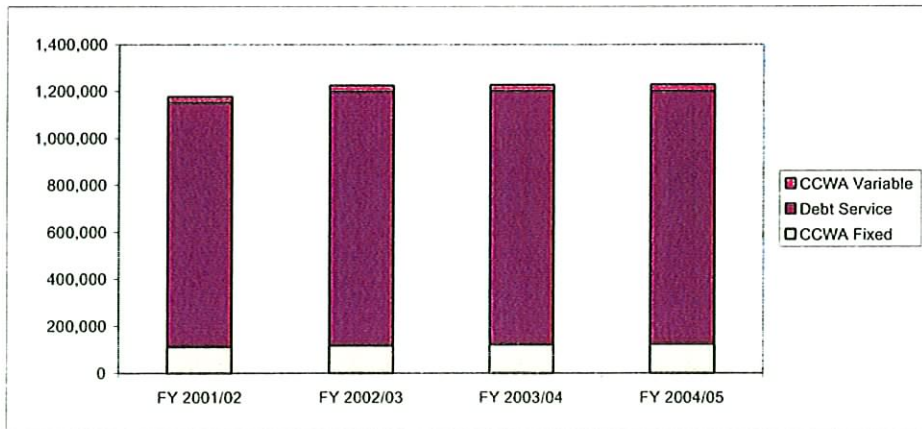
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 26,669							\$ 26,669	
FY 2002/03	27,469							27,469	
FY 2003/04	28,293							28,293	
FY 2004/05	29,142							29,142	

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2001/02			\$ -	\$ 112,616	\$ 26,669	\$ 1,038,568	\$ -	\$ -	\$ 1,177,853
FY 2002/03			-	117,460	27,469	1,079,751	-	-	1,224,681
FY 2003/04			-	121,008	28,293	1,079,135	-	-	1,228,435
FY 2004/05			-	124,593	29,142	1,075,615	-	-	1,229,349

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Chorro Valley

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 7,884	691
June 1, 2001	\$ 1,151,184	n/a
July 1, 2001	\$ 6,331	555
October 1, 2001	\$ 5,440	477
January 1, 2002	\$ 7,014	615
April 1, 2002	\$ 8,120	691
June 1, 2002	\$ 1,197,212	n/a
July 1, 2002	\$ 6,521	555
October 1, 2002	\$ 5,603	477
January 1, 2003	\$ 7,225	615
April 1, 2003	\$ 8,364	691
June 1, 2003	\$ 1,200,142	n/a
July 1, 2003	\$ 6,717	555
October 1, 2003	\$ 5,771	477
January 1, 2004	\$ 7,442	615
April 1, 2004	\$ 8,615	691
June 1, 2004	\$ 1,200,207	n/a
July 1, 2004	\$ 6,918	555
October 1, 2004	\$ 5,944	477
January 1, 2005	\$ 7,665	615

Central Coast Water Authority
Lopez Turnout
 Four Year Financial Plan Charges

Entitlement				2,392
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	2,031	-	2,031	
FY 2002/03	2,043	-	2,043	
FY 2003/04	2,055	-	2,055	
FY 2004/05	2,069	-	2,069	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 121,681						\$ 275,294	\$ 396,975	
FY 2002/03	127,329						296,767	424,096	
FY 2003/04	131,289						296,598	427,887	
FY 2004/05	135,246						295,630	430,877	

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

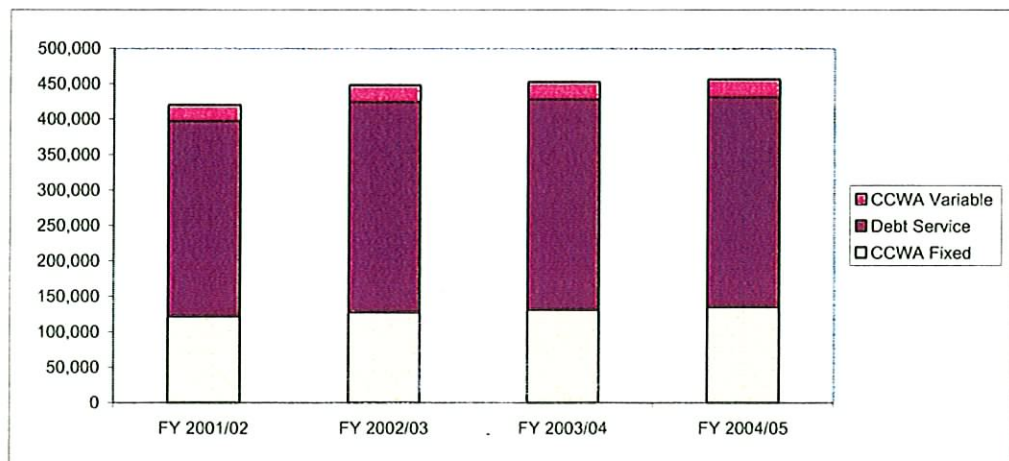
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 23,165							\$ 23,165	
FY 2002/03	24,001							24,001	
FY 2003/04	24,866							24,866	
FY 2004/05	25,784							25,784	

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02			-	\$ 121,681	\$ 23,165	\$ 275,294	\$ -	\$ -	\$ 420,140
FY 2002/03			-	127,329	24,001	296,767	-	-	448,097
FY 2003/04			-	131,289	24,866	296,598	-	-	452,753
FY 2004/05			-	135,246	25,784	295,630	-	-	456,661

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Lopez

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 7,288	639
June 1, 2001	\$ 396,975	n/a
July 1, 2001	\$ 5,278	463
October 1, 2001	\$ 4,637	407
January 1, 2002	\$ 5,961	523
April 1, 2002	\$ 7,553	643
June 1, 2002	\$ 424,096	n/a
July 1, 2002	\$ 5,468	465
October 1, 2002	\$ 4,799	408
January 1, 2003	\$ 6,181	526
April 1, 2003	\$ 7,827	647
June 1, 2003	\$ 427,887	n/a
July 1, 2003	\$ 5,665	468
October 1, 2003	\$ 4,967	410
January 1, 2004	\$ 6,408	530
April 1, 2004	\$ 8,110	651
June 1, 2004	\$ 430,877	n/a
July 1, 2004	\$ 5,868	471
October 1, 2004	\$ 5,148	413
January 1, 2005	\$ 6,657	534

Central Coast Water Authority
City of Guadalupe
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				605
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	605	-	605	
FY 2002/03	605	-	605	
FY 2003/04	605	-	605	
FY 2004/05	605	-	605	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 41,270	\$ 16,425	-	\$ 16,425	-	-	-	\$ 150,585	\$ 208,280
FY 2002/03	41,210	16,832	-	16,832	-	-	-	169,076	227,118
FY 2003/04	42,497	17,129	-	17,129	-	-	-	168,979	228,605
FY 2004/05	43,855	17,440	-	17,440	-	-	-	168,428	229,723

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

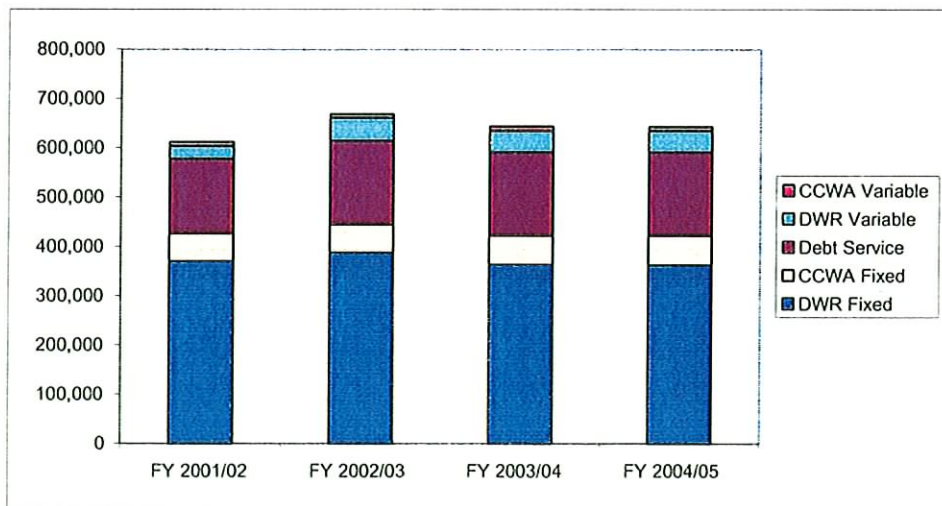
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 6,901	-	\$ 1,369	-	\$ 1,369	-	-	-	\$ 8,270
FY 2002/03	7,108	-	1,209	-	1,209	-	-	-	8,317
FY 2003/04	7,321	-	1,243	-	1,243	-	-	-	8,564
FY 2004/05	7,541	-	1,282	-	1,282	-	-	-	8,823

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02	\$ 368,822	\$ 26,309	\$ 395,131	\$ 57,695	\$ 8,270	\$ 150,585	\$ 368,822	\$ 26,309	\$ 611,681
FY 2002/03	386,817	46,704	433,521	58,042	8,317	169,076	386,817	46,704	668,956
FY 2003/04	362,724	43,710	406,435	59,625	8,564	168,979	362,724	43,710	643,604
FY 2004/05	361,509	43,381	404,890	61,295	8,823	168,428	361,509	43,381	643,435

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

City of Guadalupe

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 9,379	205
June 1, 2001	\$ 577,102	n/a
July 1, 2001	\$ 8,149	115
October 1, 2001	\$ 8,081	110
January 1, 2002	\$ 8,969	175
April 1, 2002	\$ 17,280	205
June 1, 2002	\$ 613,934	n/a
July 1, 2002	\$ 11,549	115
October 1, 2002	\$ 11,073	110
January 1, 2003	\$ 15,119	175
April 1, 2003	\$ 16,871	205
June 1, 2003	\$ 591,329	n/a
July 1, 2003	\$ 11,232	115
October 1, 2003	\$ 10,248	110
January 1, 2004	\$ 13,924	175
April 1, 2004	\$ 15,688	205
June 1, 2004	\$ 591,232	n/a
July 1, 2004	\$ 10,560	115
October 1, 2004	\$ 10,932	110
January 1, 2005	\$ 15,024	175

Central Coast Water Authority
City of Santa Maria
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer			17,820
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2001/02	16,495	-	16,495
FY 2002/03	16,865	-	16,865
FY 2003/04	17,222	-	17,222
FY 2004/05	17,569	-	17,569

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Prepayments and Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 1,265,228	\$ 483,796	\$ -	\$ 483,796	\$ -	\$ -	\$ -	\$ (633,334)	\$ 1,115,690
FY 2002/03	1,239,686	495,778	-	495,778	-	-	-	-	1,735,463
FY 2003/04	1,278,792	504,519	-	504,519	-	-	-	-	1,783,311
FY 2004/05	1,319,846	513,675	-	513,675	-	-	-	-	1,833,521

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

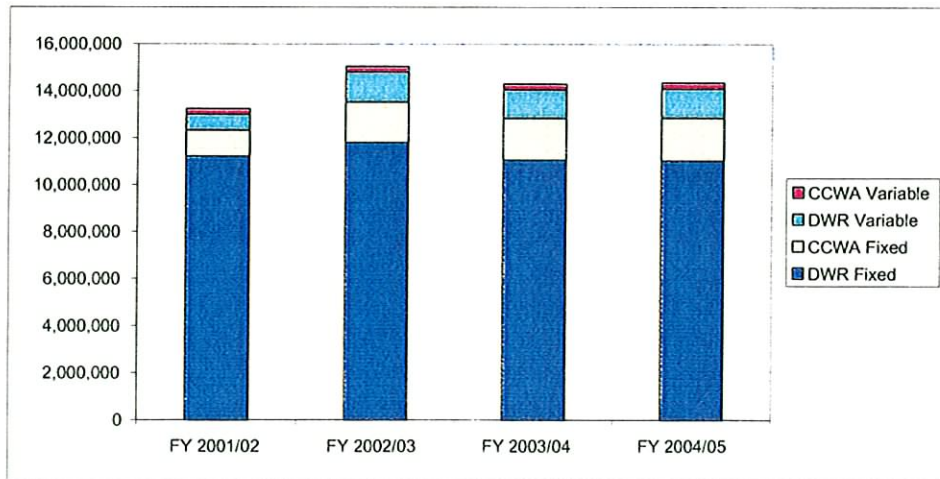
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 188,154	\$ -	\$ 38,539	\$ -	\$ 38,539	\$ -	\$ -	\$ -	\$ 226,693
FY 2002/03	198,146	-	35,187	-	35,187	-	-	-	233,333
FY 2003/04	208,410	-	36,912	-	36,912	-	-	-	245,322
FY 2004/05	218,988	-	38,797	-	38,797	-	-	-	257,785

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02	\$ 11,206,329	\$ 686,446	\$ 11,892,775	\$ 1,749,024	\$ 226,693	\$ (633,334)	\$ 11,206,329	\$ 686,446	\$ 13,235,159
FY 2002/03	11,786,953	1,283,919	13,070,871	1,735,463	233,333	0	11,786,953	1,283,919	15,039,668
FY 2003/04	11,054,238	1,226,722	12,280,960	1,783,311	245,322	0	11,054,238	1,226,722	14,309,593
FY 2004/05	11,018,430	1,246,675	12,265,105	1,833,521	257,785	0	11,018,430	1,246,675	14,356,410

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Maria

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 238,348	4,856
June 1, 2001	\$ 12,322,019	n/a
July 1, 2001	\$ 222,571	3,708
October 1, 2001	\$ 214,421	3,115
January 1, 2002	\$ 237,799	4,816
April 1, 2002	\$ 430,098	4,967
June 1, 2002	\$ 13,522,416	n/a
July 1, 2002	\$ 355,109	3,791
October 1, 2002	\$ 311,703	3,182
January 1, 2003	\$ 420,343	4,925
April 1, 2003	\$ 429,021	5,077
June 1, 2003	\$ 12,837,549	n/a
July 1, 2003	\$ 353,547	3,874
October 1, 2003	\$ 294,129	3,242
January 1, 2004	\$ 395,347	5,029
April 1, 2004	\$ 408,651	5,183
June 1, 2004	\$ 12,851,951	n/a
July 1, 2004	\$ 338,341	3,951
October 1, 2004	\$ 320,957	3,301
January 1, 2005	\$ 436,511	5,134

Central Coast Water Authority
Southern California Water Company
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				550
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	550	-	550	
FY 2002/03	550	-	550	
FY 2003/04	550	-	550	
FY 2004/05	550	-	550	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 39,050	\$ 14,932	\$ -	\$ 14,932	\$ -	\$ -	\$ -	\$ (455)	\$ 53,527
FY 2002/03	38,262	15,302	-	15,302	-	-	-	-	53,564
FY 2003/04	39,469	15,572	-	15,572	-	-	-	-	55,040
FY 2004/05	40,736	15,854	-	15,854	-	-	-	-	56,590

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

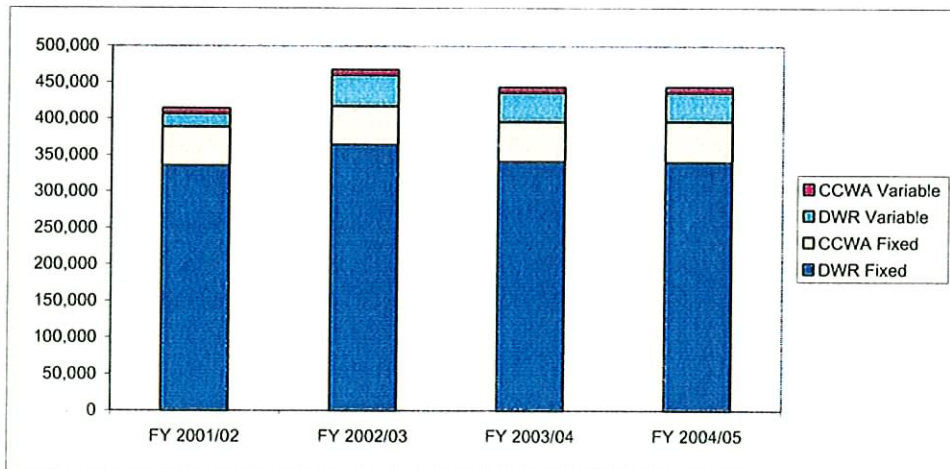
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 6,274	\$ -	\$ 1,191	\$ -	\$ 1,191	\$ -	\$ -	\$ -	\$ 7,464
FY 2002/03	6,462	-	1,044	-	1,044	-	-	-	7,506
FY 2003/04	6,656	-	1,074	-	1,074	-	-	-	7,729
FY 2004/05	6,855	-	1,108	-	1,108	-	-	-	7,963

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02	\$ 334,893	\$ 18,293	\$ 353,186	\$ 53,982	\$ 7,464	\$ (455)	\$ 334,893	\$ 18,293	\$ 414,177
FY 2002/03	363,795	42,454	406,249	53,564	7,506	0	363,795	42,454	467,318
FY 2003/04	341,180	39,719	380,899	55,040	7,729	0	341,180	39,719	443,669
FY 2004/05	340,075	39,455	379,530	56,590	7,963	0	340,075	39,455	444,083

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Southern California Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 7,247	197
June 1, 2001	\$ 388,420	n/a
July 1, 2001	\$ 5,808	91
October 1, 2001	\$ 5,591	75
January 1, 2002	\$ 7,111	187
April 1, 2002	\$ 16,367	197
June 1, 2002	\$ 417,359	n/a
July 1, 2002	\$ 9,628	91
October 1, 2002	\$ 8,503	75
January 1, 2003	\$ 15,462	187
April 1, 2003	\$ 15,983	197
June 1, 2003	\$ 396,221	n/a
July 1, 2003	\$ 9,353	91
October 1, 2003	\$ 7,895	75
January 1, 2004	\$ 14,217	187
April 1, 2004	\$ 14,847	197
June 1, 2004	\$ 396,665	n/a
July 1, 2004	\$ 8,819	91
October 1, 2004	\$ 8,356	75
January 1, 2005	\$ 15,395	187

Central Coast Water Authority
Vandenberg Air Force Base
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				6,050
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	6,050	-	6,050	
FY 2002/03	6,050	-	6,050	
FY 2003/04	6,050	-	6,050	
FY 2004/05	6,050	-	6,050	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 513,884	\$ 164,252	\$ -	\$ 164,252	\$ -	\$ -	\$ -	\$ (21,020)	\$ 657,116
FY 2002/03	496,802	168,320	-	168,320	-	-	-	-	665,122
FY 2003/04	513,591	171,287	-	171,287	-	-	-	-	684,878
FY 2004/05	530,602	174,396	-	174,396	-	-	-	-	704,998

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

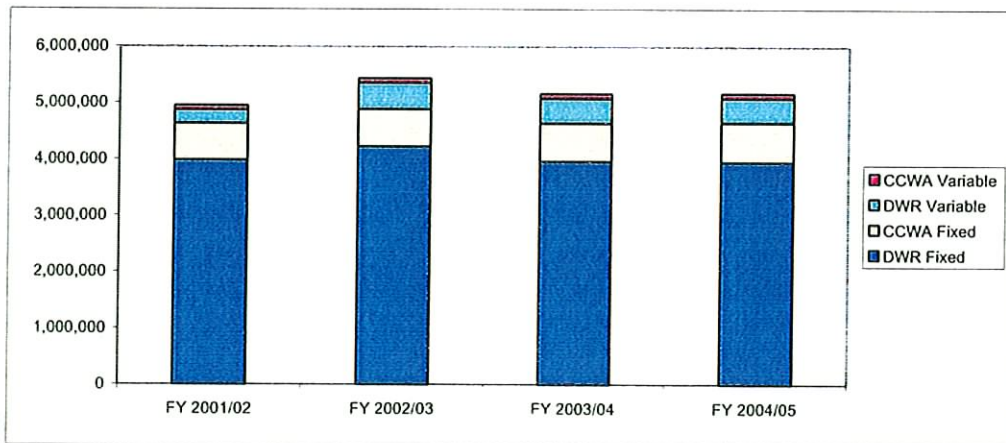
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 69,011	\$ -	\$ 13,828	\$ -	\$ 13,828	\$ -	\$ -	\$ -	\$ 82,839
FY 2002/03	71,081	-	12,200	-	12,200	-	-	-	83,281
FY 2003/04	73,213	-	12,540	-	12,540	-	-	-	85,754
FY 2004/05	75,410	-	12,929	-	12,929	-	-	-	88,339

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2001/02	\$ 3,973,047	\$ 240,197	\$ 4,213,243	\$ 678,135	\$ 82,839	\$ (21,020)	\$ 3,973,047	\$ 240,197	\$ 4,953,199	
FY 2002/03	4,220,779	467,163	4,687,942	665,122	83,281	0	4,220,779	467,163	5,436,345	
FY 2003/04	3,959,164	437,621	4,396,785	684,878	85,754	0	3,959,164	437,621	5,167,417	
FY 2004/05	3,947,007	433,301	4,380,308	704,998	88,339	0	3,947,007	433,301	5,173,645	

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Vandenberg Air Force Base

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 87,270	1,988
June 1, 2001	\$ 4,630,162	n/a
July 1, 2001	\$ 77,808	1,297
October 1, 2001	\$ 74,070	1,024
January 1, 2002	\$ 83,888	1,741
April 1, 2002	\$ 168,892	1,988
June 1, 2002	\$ 4,885,901	n/a
July 1, 2002	\$ 124,878	1,297
October 1, 2002	\$ 106,017	1,024
January 1, 2003	\$ 150,657	1,741
April 1, 2003	\$ 164,857	1,988
June 1, 2003	\$ 4,644,042	n/a
July 1, 2003	\$ 121,553	1,297
October 1, 2003	\$ 98,201	1,024
January 1, 2004	\$ 138,763	1,741
April 1, 2004	\$ 153,385	1,988
June 1, 2004	\$ 4,652,005	n/a
July 1, 2004	\$ 113,999	1,297
October 1, 2004	\$ 104,553	1,024
January 1, 2005	\$ 149,703	1,741

Central Coast Water Authority
City of Buellton
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				636
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	578	-	578	
FY 2002/03	578	-	578	
FY 2003/04	578	-	578	
FY 2004/05	578	-	578	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 63,906	\$ 17,261	\$ -	\$ 17,261	\$ -	\$ -	\$ -	\$ 283,678	\$ 364,845
FY 2002/03	63,170	17,689	-	17,689	-	-	-	299,442	380,302
FY 2003/04	65,442	18,001	-	18,001	-	-	-	299,271	382,714
FY 2004/05	67,673	18,327	-	18,327	-	-	-	298,295	384,296

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

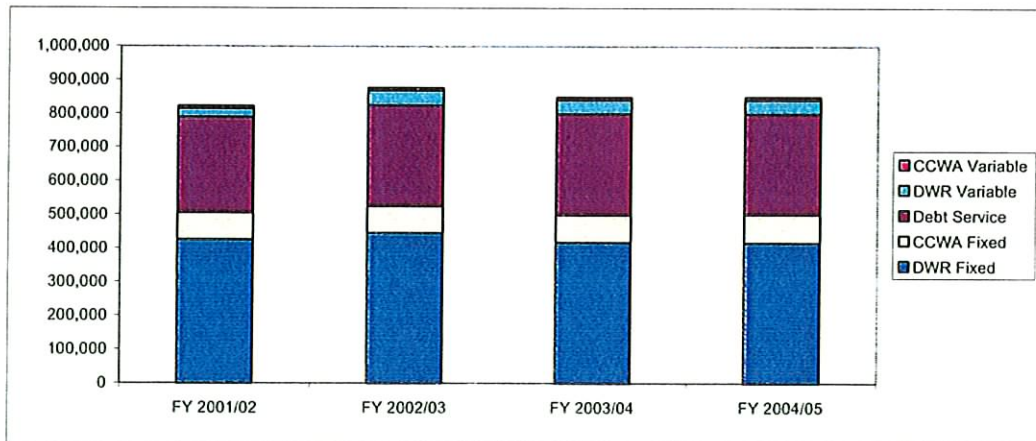
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 6,593	\$ -	\$ 1,305	\$ -	\$ 1,305	\$ -	\$ -	\$ -	\$ 7,898
FY 2002/03	6,791	-	1,155	-	1,155	-	-	-	7,946
FY 2003/04	6,995	-	1,187	-	1,187	-	-	-	8,182
FY 2004/05	7,204	-	1,224	-	1,224	-	-	-	8,429

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02	\$ 423,491	\$ 25,688	\$ 449,179	\$ 81,167	\$ 7,898	\$ 283,678	\$ 423,491	\$ 25,688	\$ 821,922
FY 2002/03	443,570	44,515	488,085	80,859	7,946	299,442	443,570	44,515	876,332
FY 2003/04	416,076	41,621	457,697	83,442	8,182	299,271	416,076	41,621	848,593
FY 2004/05	414,799	41,423	456,222	86,001	8,429	298,295	414,799	41,423	848,946

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

City of Buellton

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 9,005	189
June 1, 2001	\$ 788,337	n/a
July 1, 2001	\$ 7,980	114
October 1, 2001	\$ 7,734	96
January 1, 2002	\$ 8,868	179
April 1, 2002	\$ 16,048	189
June 1, 2002	\$ 823,871	n/a
July 1, 2002	\$ 11,272	114
October 1, 2002	\$ 9,988	96
January 1, 2003	\$ 15,154	179
April 1, 2003	\$ 15,658	189
June 1, 2003	\$ 798,790	n/a
July 1, 2003	\$ 10,959	114
October 1, 2003	\$ 9,246	96
January 1, 2004	\$ 13,940	179
April 1, 2004	\$ 14,588	189
June 1, 2004	\$ 799,094	n/a
July 1, 2004	\$ 10,314	114
October 1, 2004	\$ 9,862	96
January 1, 2005	\$ 15,087	179

Central Coast Water Authority
Santa Ynez Improvement District No. 1 (City of Solvang)
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer			1,500
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2001/02	1,500	-	1,500
FY 2002/03	1,500	-	1,500
FY 2003/04	1,500	-	1,500
FY 2004/05	1,500	-	1,500

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 165,846	\$ 44,796	\$ -	\$ 44,796	\$ -	\$ -	\$ -	\$ 609,090	\$ 819,732
FY 2002/03	163,937	45,905	-	45,905	-	-	-	633,353	843,196
FY 2003/04	169,831	46,715	-	46,715	-	-	-	633,199	849,745
FY 2004/05	175,622	47,562	-	47,562	-	-	-	632,318	855,503

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

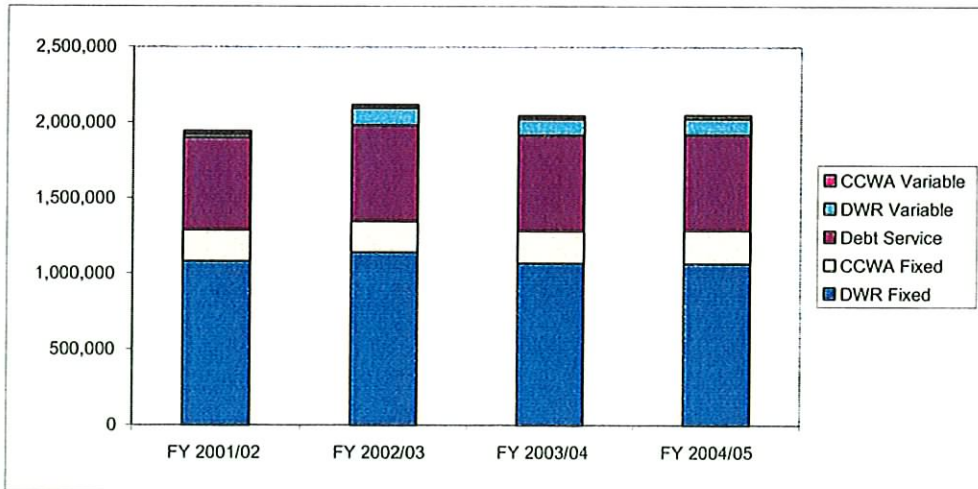
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 17,110	\$ -	\$ 3,695	\$ -	\$ 3,695	\$ -	\$ -	\$ -	\$ 20,805
FY 2002/03	17,623	-	3,351	-	3,351	-	-	-	20,975
FY 2003/04	18,152	-	3,442	-	3,442	-	-	-	21,594
FY 2004/05	18,697	-	3,545	-	3,545	-	-	-	22,242

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02	\$ 1,076,628	\$ 24,039	\$ 1,100,667	\$ 210,642	\$20,805	\$609,090	\$ 1,076,628	\$ 24,039	\$ 1,941,203
FY 2002/03	1,136,989	115,733	1,252,722	209,842	20,975	633,353	1,136,989	115,733	2,116,892
FY 2003/04	1,065,681	108,108	1,173,789	216,546	21,594	633,199	1,065,681	108,108	2,045,128
FY 2004/05	1,062,414	107,815	1,170,229	223,185	22,242	632,318	1,062,414	107,815	2,047,973

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary
 Santa Ynez River Water Conservation District, ID#1
 (City of Solvang)

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 11,211	375
June 1, 2001	\$ 1,896,360	n/a
July 1, 2001	\$ 11,211	375
October 1, 2001	\$ 11,211	375
January 1, 2002	\$ 11,211	375
April 1, 2002	\$ 34,446	375
June 1, 2002	\$ 1,980,185	n/a
July 1, 2002	\$ 34,446	375
October 1, 2002	\$ 33,908	375
January 1, 2003	\$ 33,908	375
April 1, 2003	\$ 33,569	375
June 1, 2003	\$ 1,915,426	n/a
July 1, 2003	\$ 33,569	375
October 1, 2003	\$ 31,282	375
January 1, 2004	\$ 31,282	375
April 1, 2004	\$ 31,395	375
June 1, 2004	\$ 1,917,917	n/a
July 1, 2004	\$ 31,395	375
October 1, 2004	\$ 33,634	375
January 1, 2005	\$ 33,634	375

Central Coast Water Authority
Santa Ynez Improvement District No. 1
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				700
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	700	2,742	3,442	
FY 2002/03	700	2,591	3,291	
FY 2003/04	700	2,591	3,291	
FY 2004/05	700	2,591	3,291	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 55,282	\$ 96,819	\$ -	\$ 96,819	\$ 185,084	\$ 114,950	\$ 300,034	\$ 85,215	\$ 537,350
FY 2002/03	54,646	94,596	-	94,596	174,891	112,258	287,149	237,142	673,532
FY 2003/04	56,610	96,263	-	96,263	176,704	115,360	292,064	237,084	682,022
FY 2004/05	58,541	98,010	-	98,010	178,656	118,608	297,263	236,755	690,569

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

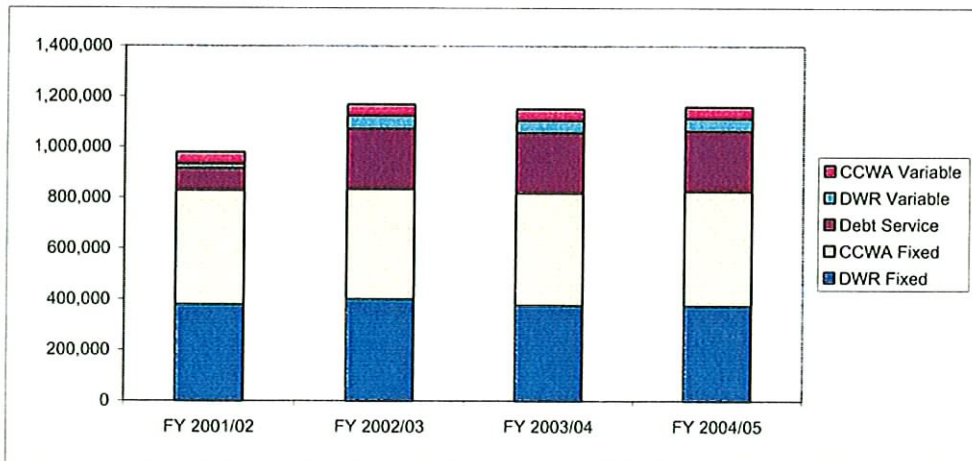
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 7,985	\$ -	\$ 6,791	\$ -	\$ 6,791	\$ 31,277	\$ -	\$ -	\$ 46,053
FY 2002/03	8,224	-	5,143	-	5,143	30,441	-	-	43,809
FY 2003/04	8,471	-	5,302	-	5,302	31,355	-	-	45,128
FY 2004/05	8,725	-	5,482	-	5,482	32,295	-	-	46,503

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2001/02	\$ 377,115	\$ 18,304	\$ 395,419	\$ 452,135	\$ 46,053	\$85,215	\$ 377,115	\$ 18,304	\$ 978,822	
FY 2002/03	397,840	53,891	451,731	436,390	43,809	237,142	397,840	53,891	1,169,072	
FY 2003/04	374,015	49,950	423,966	444,938	45,128	237,084	374,015	49,950	1,151,115	
FY 2004/05	372,861	50,803	423,665	453,815	46,503	236,755	372,861	50,803	1,160,737	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Santa Ynez River Water Conservation District, ID#1

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2001	\$ 27,496	0	1,713
June 1, 2001	\$ 914,465	n/a	n/a
July 1, 2001	\$ 10,717	268	459
October 1, 2001	\$ 7,185	100	195
January 1, 2002	\$ 18,959	332	1,075
April 1, 2002	\$ 27,693	0	1,713
June 1, 2002	\$ 1,071,372	n/a	n/a
July 1, 2002	\$ 22,372	268	308
October 1, 2002	\$ 12,335	100	195
January 1, 2003	\$ 35,300	332	1,075
April 1, 2003	\$ 28,149	0	1,713
June 1, 2003	\$ 1,056,037	n/a	n/a
July 1, 2003	\$ 21,879	268	308
October 1, 2003	\$ 11,573	100	195
January 1, 2004	\$ 33,476	332	1,075
April 1, 2004	\$ 28,842	0	1,713
June 1, 2004	\$ 1,063,431	n/a	n/a
July 1, 2004	\$ 20,351	268	308
October 1, 2004	\$ 12,229	100	195
January 1, 2005	\$ 35,885	332	1,075

Central Coast Water Authority
Goleta Water District
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				4,950
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	6,183	(1,963)	4,220	
FY 2002/03	4,950	(1,663)	3,287	
FY 2003/04	4,950	(1,653)	3,297	
FY 2004/05	4,950	(1,640)	3,310	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 559,372	\$ 75,752	\$ (268,917)	\$ (193,165)	\$ (132,531)	\$ (82,311)	\$ (214,842)	\$ 2,657,839	\$ 2,809,204
FY 2002/03	560,261	86,834	(304,087)	(217,253)	(112,225)	(72,034)	(184,259)	2,893,534	3,052,283
FY 2003/04	581,110	88,668	(310,508)	(221,840)	(112,726)	(73,593)	(186,319)	2,891,881	3,064,832
FY 2004/05	601,254	90,681	(317,558)	(226,877)	(113,092)	(75,081)	(188,173)	2,882,449	3,068,652

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

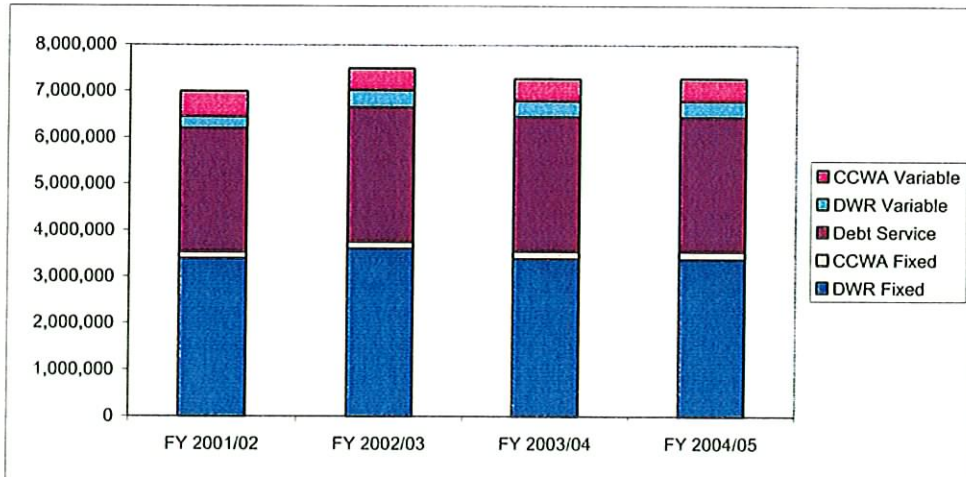
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 501,072	\$ 358,614	\$ 11,570	\$ (54,013)	\$ (42,442)	\$ (22,396)	\$ (113,879)	\$ (136,721)	\$ 544,248
FY 2002/03	470,457	287,100	8,821	(43,464)	(34,643)	(19,534)	(96,431)	(138,483)	468,465
FY 2003/04	484,779	287,100	9,059	(44,855)	(35,796)	(20,002)	(95,868)	(141,875)	478,338
FY 2004/05	498,244	287,100	9,335	(46,335)	(36,999)	(20,444)	(95,129)	(144,647)	488,126

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02	\$ 3,383,190	\$ 256,678	\$ 3,639,868	\$ 151,365	\$ 544,248	\$ 2,657,839	\$ 3,383,190	\$ 256,678	\$ 6,993,320
FY 2002/03	3,595,851	377,582	3,973,433	158,749	468,465	2,893,534	3,595,851	377,582	7,494,181
FY 2003/04	3,381,091	351,501	3,732,591	172,951	478,338	2,891,881	3,381,091	351,501	7,275,761
FY 2004/05	3,370,346	354,133	3,724,480	186,203	488,126	2,882,449	3,370,346	354,133	7,281,257

(3) Net of DWR account interest income. Includes DWR fixed costs for the Goleta additional 2500 AF.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Goleta Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2001	\$ 144,576	1,858	623
June 1, 2001	\$ 6,192,394	n/a	n/a
July 1, 2001	\$ 281,162	1,852	1,682
October 1, 2001	\$ 213,592	1,236	1,158
January 1, 2002	\$ 161,598	1,237	755
April 1, 2002	\$ 118,704	1,239	164
June 1, 2002	\$ 6,648,134	n/a	n/a
July 1, 2002	\$ 267,001	1,238	1,205
October 1, 2002	\$ 258,681	1,236	1,160
January 1, 2003	\$ 201,662	1,237	759
April 1, 2003	\$ 116,298	1,239	169
June 1, 2003	\$ 6,445,923	n/a	n/a
July 1, 2003	\$ 266,463	1,238	1,205
October 1, 2003	\$ 252,324	1,236	1,160
January 1, 2004	\$ 194,753	1,237	763
April 1, 2004	\$ 111,076	1,239	177
June 1, 2004	\$ 6,438,998	n/a	n/a
July 1, 2004	\$ 262,595	1,238	1,205
October 1, 2004	\$ 263,336	1,236	1,161
January 1, 2005	\$ 205,251	1,237	767

Central Coast Water Authority
Morehart Land Company
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				220
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	108	-	108	
FY 2002/03	122	-	122	
FY 2003/04	139	-	139	
FY 2004/05	159	-	159	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 24,861	\$ 5,973	\$ (21,203)	\$ (15,230)	\$ -	\$ -	\$ -	\$ 72,002	\$ 81,632
FY 2002/03	24,901	6,121	(21,434)	(15,314)	-	-	-	104,765	114,352
FY 2003/04	25,827	6,229	(21,812)	(15,584)	-	-	-	110,900	121,143
FY 2004/05	26,722	6,342	(22,208)	(15,866)	-	-	-	116,446	127,302

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

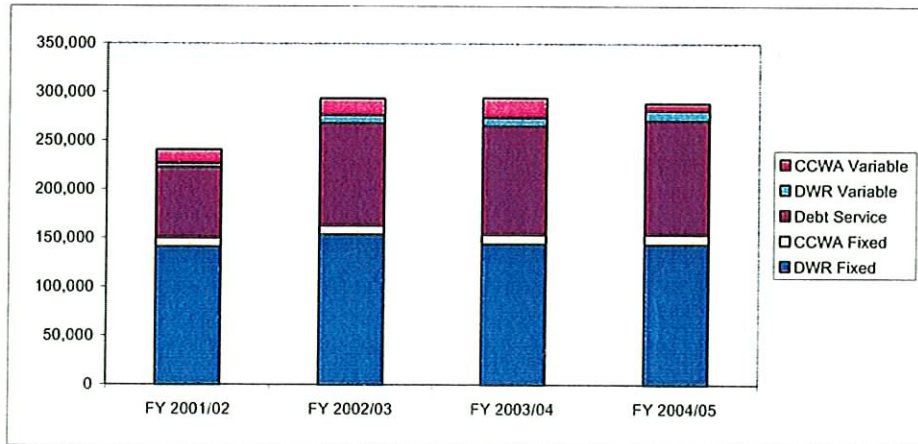
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 8,752	\$ 6,264	\$ 265	\$ (1,382)	\$ (1,117)	\$ -	\$ -	\$ -	\$ 13,899
FY 2002/03	11,595	7,076	272	(1,613)	(1,341)	-	-	-	17,331
FY 2003/04	13,613	8,062	316	(1,891)	(1,575)	-	-	-	20,100
FY 2004/05	-	9,222	373	(2,226)	(1,853)	-	-	-	7,369

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2001/02	\$ 140,463	\$ 4,499	\$ 144,962	\$9,631	\$ 13,899	\$72,002	\$ 140,463	\$ 4,499	\$ 240,494
FY 2002/03	153,483	8,584	162,067	9,587	17,331	104,765	153,483	8,584	293,750
FY 2003/04	143,970	9,130	153,100	10,244	20,100	110,900	143,970	9,130	294,344
FY 2004/05	143,528	10,622	154,149	10,856	7,369	116,446	143,528	10,622	288,820

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Morehart Land Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 4,342	25
June 1, 2001	\$ 222,096	n/a
July 1, 2001	\$ 4,342	25
October 1, 2001	\$ 4,728	28
January 1, 2002	\$ 4,986	30
April 1, 2002	\$ 6,214	29
June 1, 2002	\$ 267,835	n/a
July 1, 2002	\$ 6,022	28
October 1, 2002	\$ 6,553	31
January 1, 2003	\$ 7,125	34
April 1, 2003	\$ 7,276	34
June 1, 2003	\$ 265,113	n/a
July 1, 2003	\$ 6,696	31
October 1, 2003	\$ 7,255	35
January 1, 2004	\$ 8,003	39
April 1, 2004	\$ 4,307	39
June 1, 2004	\$ 270,830	n/a
July 1, 2004	\$ 4,130	37
October 1, 2004	\$ 4,540	39
January 1, 2005	\$ 5,014	44

Central Coast Water Authority
La Cumbre Mutual Water Company
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				1,100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	1,100	-	1,100	
FY 2002/03	1,100	-	1,100	
FY 2003/04	1,100	-	1,100	
FY 2004/05	1,100	-	1,100	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 124,305	\$ 29,864	\$ (106,016)	\$ (76,152)	\$ -	\$ -	\$ -	\$ (331,351)	\$ (283,198)
FY 2002/03	124,503	30,604	(107,171)	(76,568)	-	-	-	501,734	549,668
FY 2003/04	129,136	31,143	(109,061)	(77,918)	-	-	-	531,114	582,331
FY 2004/05	133,612	31,708	(111,040)	(79,332)	-	-	-	557,675	611,955

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

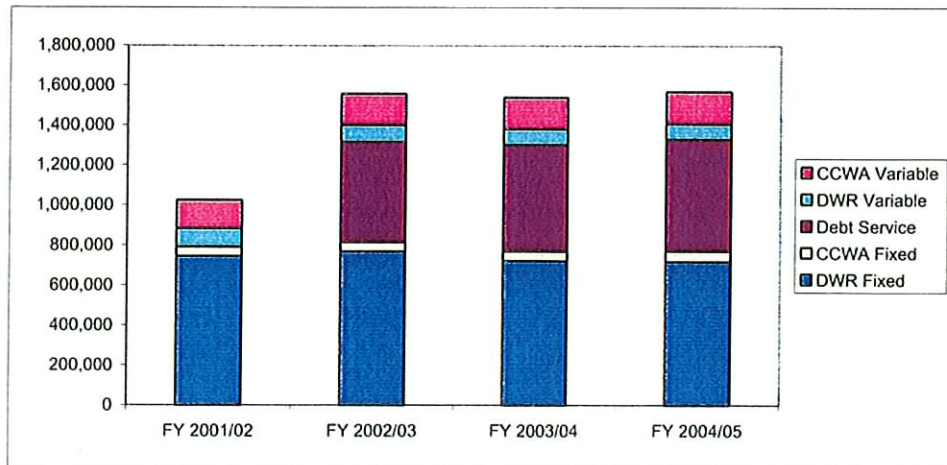
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 89,144	\$ 63,800	\$ 2,441	\$ (14,081)	\$ (11,640)	\$ -	\$ -	\$ -	\$ 141,305
FY 2002/03	104,546	63,800	2,122	(14,544)	(12,421)	-	-	-	155,925
FY 2003/04	107,729	63,800	2,183	(14,965)	(12,782)	-	-	-	158,746
FY 2004/05	110,721	63,800	2,251	(15,399)	(13,148)	-	-	-	161,373

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02	\$ 743,300	\$ 92,322	\$ 835,623	\$48,153	\$ 141,305	\$ (331,351)	\$ 743,300	\$ 92,322	\$ 693,729
FY 2002/03	767,414	84,977	852,392	47,935	155,925	501,734	767,414	84,977	1,557,985
FY 2003/04	719,848	79,730	799,578	51,218	158,746	531,114	719,848	79,730	1,540,656
FY 2004/05	717,638	78,622	796,260	54,280	161,373	557,675	717,638	78,622	1,569,589

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

La Cumbre Mutual Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 74,207	398
June 1, 2001	\$ 460,102	n/a
July 1, 2001	\$ 52,112	226
October 1, 2001	\$ 42,092	148
January 1, 2002	\$ 65,215	328
April 1, 2002	\$ 83,973	398
June 1, 2002	\$ 1,317,083	n/a
July 1, 2002	\$ 51,004	226
October 1, 2002	\$ 35,840	148
January 1, 2003	\$ 70,084	328
April 1, 2003	\$ 84,060	398
June 1, 2003	\$ 1,302,179	n/a
July 1, 2003	\$ 50,897	226
October 1, 2003	\$ 34,956	148
January 1, 2004	\$ 68,564	328
April 1, 2004	\$ 82,548	398
June 1, 2004	\$ 1,329,593	n/a
July 1, 2004	\$ 50,022	226
October 1, 2004	\$ 36,156	148
January 1, 2005	\$ 71,269	328

Central Coast Water Authority
Raytheon Systems Company (SBRC)
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				55
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	55	-	55	
FY 2002/03	55	-	55	
FY 2003/04	55	-	55	
FY 2004/05	55	-	55	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 6,215	\$ 1,493	\$ (5,301)	\$ (3,808)	\$ -	\$ -	\$ -	\$ 22,622	\$ 25,030
FY 2002/03	6,225	1,530	(5,359)	(3,828)	-	-	-	27,843	30,239
FY 2003/04	6,457	1,557	(5,453)	(3,896)	-	-	-	27,827	30,388
FY 2004/05	6,681	1,585	(5,552)	(3,967)	-	-	-	27,736	30,450

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

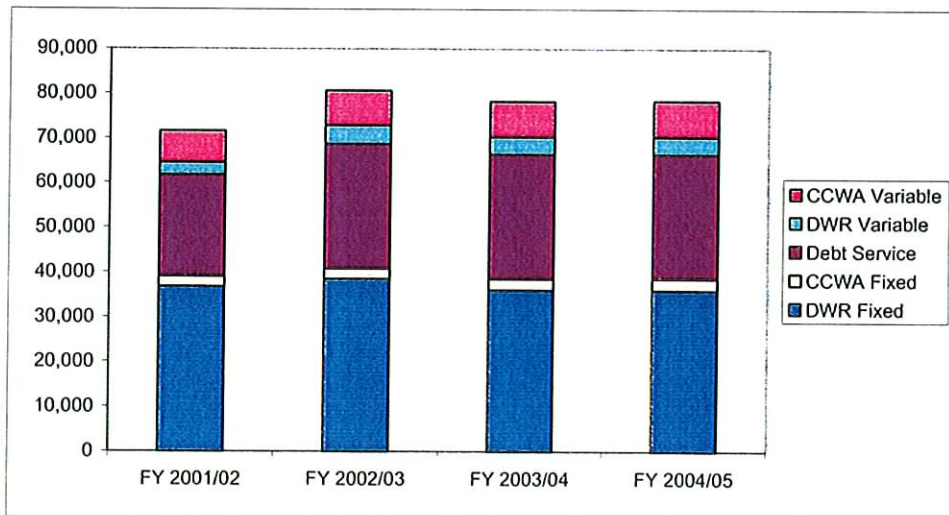
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 4,457	\$ 3,190	\$ 131	\$ (704)	\$ (573)	\$ -	\$ -	\$ -	\$ 7,074
FY 2002/03	5,227	3,190	120	(727)	(608)	-	-	-	7,810
FY 2003/04	5,386	3,190	123	(748)	(625)	-	-	-	7,951
FY 2004/05	5,536	3,190	127	(770)	(643)	-	-	-	8,083

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2001/02	\$ 36,683	\$ 2,744	\$ 39,427	\$ 2,408	\$ 7,074	\$ 22,622	\$ 36,683	\$ 2,744	\$ 71,531	
FY 2002/03	38,371	4,240	42,611	2,397	7,810	27,843	38,371	4,240	80,660	
FY 2003/04	35,992	3,949	39,941	2,561	7,951	27,827	35,992	3,949	78,280	
FY 2004/05	35,882	3,968	39,850	2,714	8,083	27,736	35,882	3,968	78,383	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Raytheon Systems Company (SBRC)

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 2,615	15
June 1, 2001	\$ 61,713	n/a
July 1, 2001	\$ 1,972	10
October 1, 2001	\$ 2,615	15
January 1, 2002	\$ 2,615	15
April 1, 2002	\$ 3,263	15
June 1, 2002	\$ 68,610	n/a
July 1, 2002	\$ 2,303	10
October 1, 2002	\$ 3,242	15
January 1, 2003	\$ 3,242	15
April 1, 2003	\$ 3,262	15
June 1, 2003	\$ 66,380	n/a
July 1, 2003	\$ 2,297	10
October 1, 2003	\$ 3,171	15
January 1, 2004	\$ 3,171	15
April 1, 2004	\$ 3,205	15
June 1, 2004	\$ 66,332	n/a
July 1, 2004	\$ 2,258	10
October 1, 2004	\$ 3,294	15
January 1, 2005	\$ 3,294	15

Central Coast Water Authority
City of Santa Barbara
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	0	0	0	
FY 2002/03	0	0	0	
FY 2003/04	0	0	0	
FY 2004/05	0	0	0	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 372,915	\$ 89,592	\$ (318,048)	\$ (228,456)	\$ -	\$ -	\$ -	\$ 1,666,958	\$ 1,811,416
FY 2002/03	373,508	91,811	(321,514)	(229,704)	-	-	-	1,779,508	1,923,312
FY 2003/04	387,407	93,429	(327,183)	(233,754)	-	-	-	1,778,491	1,932,144
FY 2004/05	400,836	95,125	(333,121)	(237,996)	-	-	-	1,772,690	1,935,530

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

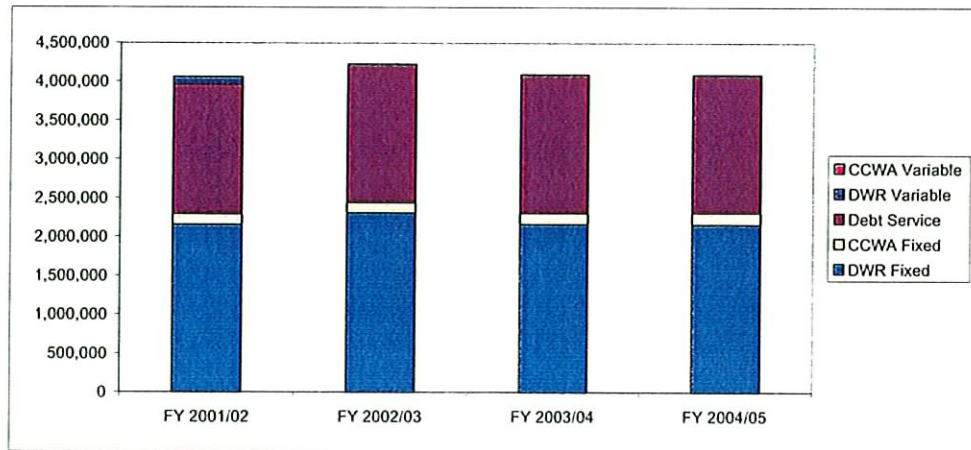
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FY 2002/03	-	-	-	-	-	-	-	-	
FY 2003/04	-	-	-	-	-	-	-	-	
FY 2004/05	-	-	-	-	-	-	-	-	

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2001/02	\$ 2,152,126	\$ 96,370	\$ 2,248,496	\$144,460	\$ -	\$ 1,666,958	\$ 2,152,126	\$ 96,370	\$ 4,059,914
FY 2002/03	2,302,243	-	2,302,243	143,804	-	1,779,508	2,302,243	-	4,225,555
FY 2003/04	2,159,544	-	2,159,544	153,653	-	1,778,491	2,159,544	-	4,091,688
FY 2004/05	2,152,913	-	2,152,913	162,840	-	1,772,690	2,152,913	-	4,088,443

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Barbara

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2001	\$ 24,092	0	0
June 1, 2001	\$ 3,963,544	n/a	n/a
July 1, 2001	\$ 24,092	0	0
October 1, 2001	\$ 24,092	0	0
January 1, 2002	\$ 24,092	0	0
April 1, 2002	\$ -	0	0
June 1, 2002	\$ 4,225,555	n/a	n/a
July 1, 2002	\$ -	0	0
October 1, 2002	\$ -	0	0
January 1, 2003	\$ -	0	0
April 1, 2003	\$ -	0	0
June 1, 2003	\$ 4,091,688	n/a	n/a
July 1, 2003	\$ -	0	0
October 1, 2003	\$ -	0	0
January 1, 2004	\$ -	0	0
April 1, 2004	\$ -	0	0
June 1, 2004	\$ 4,088,443	n/a	n/a
July 1, 2004	\$ -	0	0
October 1, 2004	\$ -	0	0
January 1, 2005	\$ -	0	0

Central Coast Water Authority
Montecito Water District
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	1,230	(422)	808	
FY 2002/03	1,280	(500)	780	
FY 2003/04	1,320	(512)	808	
FY 2004/05	1,375	(528)	847	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 372,915	\$ 76,988	\$ (273,304)	\$ (196,316)	\$ (28,488)	\$ (17,693)	\$ (46,181)	\$ 1,190,710	\$ 1,321,127
FY 2002/03	373,508	76,523	(267,977)	(191,454)	(33,719)	(21,643)	(55,363)	1,647,976	1,774,667
FY 2003/04	387,407	77,492	(271,370)	(193,878)	(34,902)	(22,785)	(57,687)	1,744,477	1,880,319
FY 2004/05	400,836	78,393	(274,525)	(196,132)	(36,386)	(24,156)	(60,543)	1,831,721	1,975,882

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

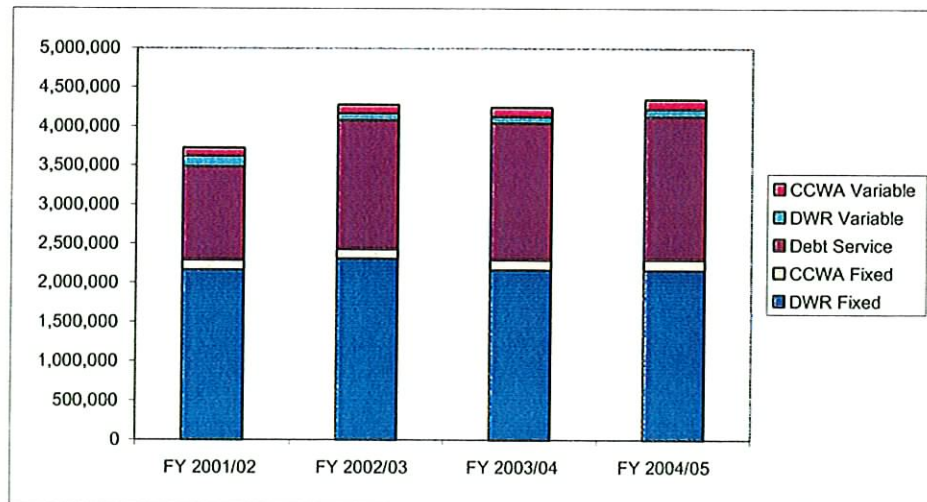
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 99,680	\$ 71,340	\$ 2,097	\$ (10,342)	\$ (8,246)	\$ (4,814)	\$ (24,479)	\$ (29,389)	\$ 104,092
FY 2002/03	121,653	74,240	2,022	(10,319)	(8,297)	(5,869)	(28,974)	(41,609)	111,145
FY 2003/04	129,274	76,560	2,142	(10,996)	(8,854)	(6,193)	(29,682)	(43,926)	117,179
FY 2004/05	138,401	79,750	2,305	(11,861)	(9,556)	(6,577)	(30,607)	(46,538)	124,873

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	Total State Water Charges					Total SWP Charges
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	
FY 2001/02	\$ 2,159,055	\$ 138,618	\$ 2,297,672	\$130,417	\$ 104,092	\$ 1,190,710	\$ 2,159,055	\$ 138,618	\$ 3,722,892
FY 2002/03	2,302,243	92,842	2,395,085	126,691	111,145	1,647,976	2,302,243	92,842	4,280,896
FY 2003/04	2,159,544	88,799	2,248,343	135,842	117,179	1,744,477	2,159,544	88,799	4,245,841
FY 2004/05	2,152,913	95,662	2,248,575	144,161	124,873	1,831,721	2,152,913	95,662	4,349,330

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Montecito Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Requested SWP Delivery (acre-feet)
April 1, 2001	\$ 50,218	360	121
June 1, 2001	\$ 3,480,182	n/a	n/a
July 1, 2001	\$ 62,181	235	214
October 1, 2001	\$ 67,189	270	253
January 1, 2002	\$ 63,122	365	221
April 1, 2002	\$ 33,257	375	50
June 1, 2002	\$ 4,076,910	n/a	n/a
July 1, 2002	\$ 52,661	240	233
October 1, 2002	\$ 59,230	285	266
January 1, 2003	\$ 58,839	380	231
April 1, 2003	\$ 33,499	385	52
June 1, 2003	\$ 4,039,863	n/a	n/a
July 1, 2003	\$ 54,620	250	243
October 1, 2003	\$ 58,829	290	271
January 1, 2004	\$ 59,031	395	242
April 1, 2004	\$ 33,638	400	57
June 1, 2004	\$ 4,128,795	n/a	n/a
July 1, 2004	\$ 57,517	265	258
October 1, 2004	\$ 64,101	300	280
January 1, 2005	\$ 65,279	410	252

Central Coast Water Authority
Carpinteria Valley Water District
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				2,200
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2001/02	600	(357)	243	
FY 2002/03	600	(429)	171	
FY 2003/04	600	(426)	174	
FY 2004/05	600	(423)	177	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2001/02	\$ 248,610	\$ 49,081	\$ (174,235)	\$ (125,154)	\$ (24,065)	\$ (14,946)	\$ (39,011)	\$ 647,712	\$ 732,156
FY 2002/03	249,005	48,083	(168,383)	(120,300)	(28,947)	(18,580)	(47,527)	1,195,808	1,276,986
FY 2003/04	258,271	49,009	(171,625)	(122,616)	(29,076)	(18,982)	(48,058)	1,195,124	1,282,721
FY 2004/05	267,224	49,999	(175,094)	(125,095)	(29,177)	(19,370)	(48,547)	1,191,226	1,284,808

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA charges.

CCWA Variable O&M Charges

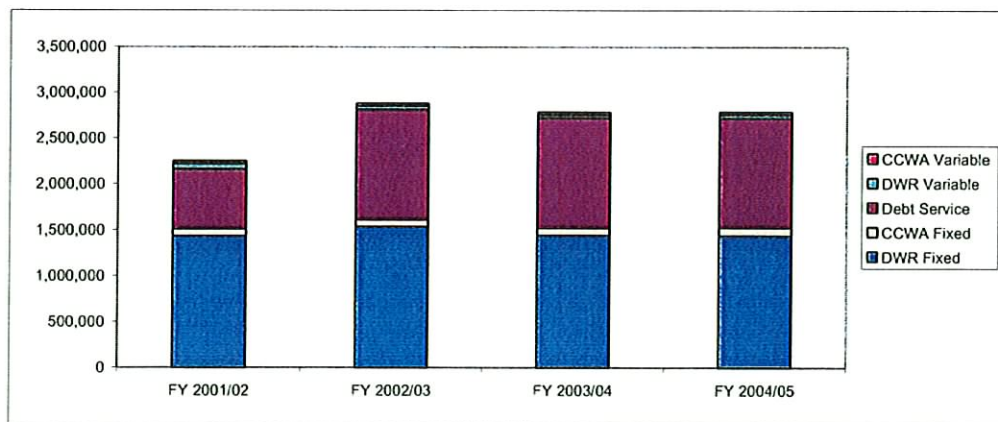
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2001/02	\$ 48,624	\$ 34,800	\$ 417	\$ (3,117)	\$ (2,700)	\$ (4,067)	\$ (20,678)	\$ (24,826)	\$ 31,154
FY 2002/03	57,025	34,800	283	(2,263)	(1,980)	(5,038)	(24,873)	(35,719)	24,214
FY 2003/04	58,761	34,800	295	(2,363)	(2,068)	(5,159)	(24,728)	(36,594)	25,012
FY 2004/05	60,393	34,800	309	(2,476)	(2,167)	(5,274)	(24,543)	(37,318)	25,891

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR		Total SWP Charges
				Fixed	Variable O&M		Fixed	Variable O&M	
FY 2001/02	\$ 1,428,036	\$ 59,763	\$ 1,487,799	\$ 84,444	\$ 31,154	\$ 647,712	\$ 1,428,036	\$ 59,763	\$ 2,251,109
FY 2002/03	1,534,829	43,602	1,578,430	81,178	24,214	1,195,808	1,534,829	43,602	2,879,630
FY 2003/04	1,439,696	40,237	1,479,934	87,597	25,012	1,195,124	1,439,696	40,237	2,787,667
FY 2004/05	1,435,275	41,715	1,476,991	93,582	25,891	1,191,226	1,435,275	41,715	2,787,690

(3) Net of DWR account interest income.

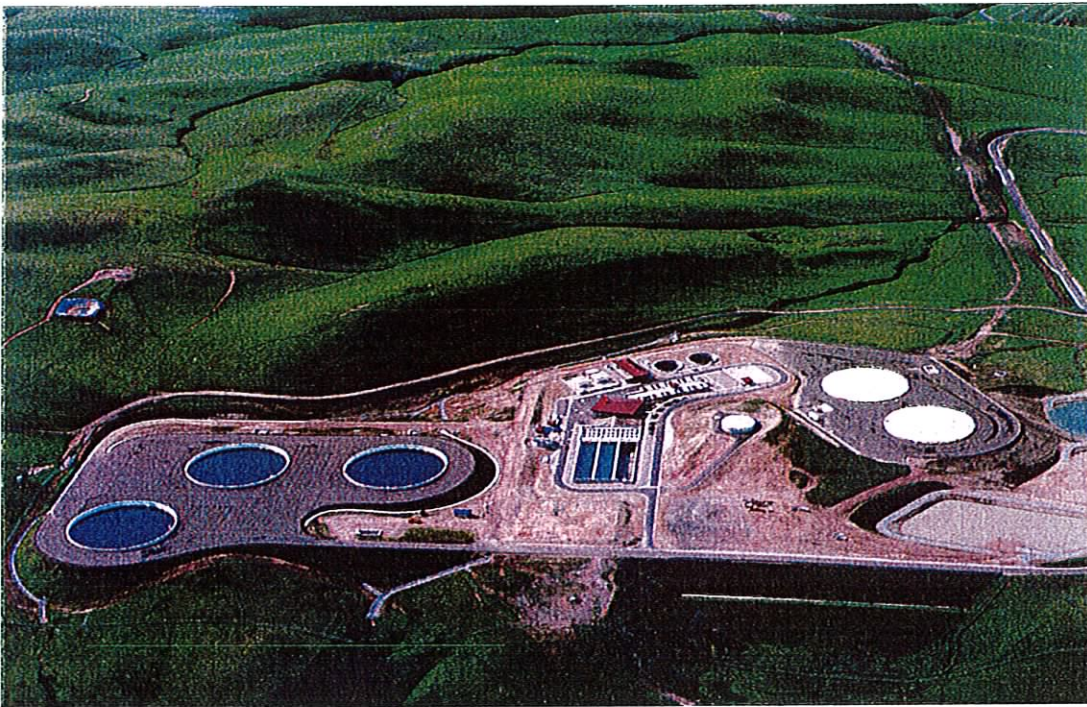


Central Coast Water Authority
FY 2001/02 Four Year Financial Plan
 Project Participant Payment Summary

Carpinteria Valley Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2001	\$ 30,398	360	121
June 1, 2001	\$ 2,160,192	n/a	n/a
July 1, 2001	\$ 14,941	0	0
October 1, 2001	\$ 14,941	0	0
January 1, 2002	\$ 30,637	240	123
April 1, 2002	\$ 28,206	360	48
June 1, 2002	\$ 2,811,814	n/a	n/a
July 1, 2002	\$ 3,497	0	0
October 1, 2002	\$ 3,497	0	0
January 1, 2003	\$ 32,616	240	124
April 1, 2003	\$ 27,699	360	49
June 1, 2003	\$ 2,722,417	n/a	n/a
July 1, 2003	\$ 3,151	0	0
October 1, 2003	\$ 3,151	0	0
January 1, 2004	\$ 31,248	240	124
April 1, 2004	\$ 26,523	360	52
June 1, 2004	\$ 2,720,083	n/a	n/a
July 1, 2004	\$ 3,711	0	0
October 1, 2004	\$ 3,711	0	0
January 1, 2005	\$ 33,662	240	125





The California Department of Water Resources Tank 1 and Central Coast Water Authority Polonio Pass Water Treatment Plant facilities, located in northeast San Luis Obispo County. The 43 million gallon per day treatment plant treats State water for two State Water Project contractors, the Central Coast Water Authority and San Luis Obispo County Flood Control and Water Conservation District. Since its start-up in August 1997 the treatment plant has processed 117,924 acre-feet (38.4 billion gallons) of water.

Appendix

The Appendix to the FY 2001/02 Budget contains narrative explanations of the Santa Ynez Exchange Agreement, Regional Water Treatment Plant Allocation, CCWA Investment Policy and a glossary of terms.



Central Coast Water Authority
Santa Ynez Exchange Agreement

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

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

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

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

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.

Central Coast Water Authority
Regional Water Treatment Plant Allocation

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

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

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

In order to properly allocate the capital cost component of the water treatment plant for those project participants that did not participate in the bond financing (Santa Maria, Southern California Water Company and Vandenberg Air Force Base), an imputed debt service schedule has been prepared which allocates treatment plant debt service as though all Santa Barbara County participants shared in the financing in proportion to their entitlement allocation.

The 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” narrative included in this Appendix*).

Central Coast Water Authority
Miscellaneous Statistical Information
 Fiscal Year 2001/02 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	25.50
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water entitlement	(acre-feet per year)
CCWA contract entitlement	39,078
CCWA drought buffer	3,908
Goleta Water District additional entitlement	<u>2,500</u>
TOTAL	45,486
FY 2001/02 Santa Barbara County estimated deliveries	35,754 acre-feet
San Luis Obispo State water entitlement	4,830 acre-feet
FY 2001/02 estimated San Luis Obispo estimated deliveries	4,369 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	340,000
San Luis Obispo County	<u>41,000</u>
TOTAL	381,000

CENTRAL COAST WATER AUTHORITY

STATEMENT OF INVESTMENT POLICY

I. PURPOSE:

This statement is intended to provide guidelines for the prudent investment of the Authority's cash balances, and outline the policies for maximizing the efficiency of the Authority's cash management system. The ultimate goal is to enhance the economic status of the Authority while protecting its assets.

II. SCOPE

It is intended that this policy cover all funds and investment activities under the direct authority of the Authority Board of Directors.

III. OBJECTIVES

A. Safety. Safety of principal is the foremost objective of the Authority. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value.

B. Liquidity. An adequate percentage of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet cash requirements.

C. Yield. Yield shall become a consideration only after the basic requirements of safety and liquidity have been met.

- D. Market-Average Rate of Return. The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Authority's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict investments.
- E. Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.
- F. Prudence (Civil Code #2261). The standard of prudence to be used by investment officials shall be the "prudent investor" per Government Code section 53600.3 which states: "care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency". This "Prudent Investor Standard" shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.
- G. Public Trust. All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

IV. DELEGATION OF AUTHORITY:

- A. Investment Officer. Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.
- B. Investment Oversight Committee. The Authority Finance Committee shall serve as the Investment Oversight Committee. The purpose of the Committee is to: (1) review the investment practices used by the Investment Officer for compliance with the investment policy and written procedures, (2) analysis of the quarterly Treasurer's report for adherence to established guidelines, and (3) advise Authority Board of Directors of any deviations from guidelines or any practices which are deemed to be imprudent for a public agency.

V. INTERNAL CONTROLS:

The Investment Officer shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by employees and officers of the Authority.

VI. REPORTING:

The Investment Officer shall submit monthly to the Board an investment report that summarizes all securities. For those securities with a maturity of more than 12 months, the type of investment, institution, date of maturity, investment amount, market value, and yield will also be provided. The Investment Officer shall also provide, on a quarterly basis, a statement of compliance of the portfolio with the Statement of Investment Policy and a statement of the Authority's ability to meet the expenditure requirements for the next six months.

VII. APPROVED INSTRUMENTS:

The Authority shall be governed by the California Government Code, Sections 53600 et seq. Where this policy specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Within the context of these limitations, the following investments are authorized, provided, however, that where there is no limitation on the term of the investment, no investment shall be made in any security which, at the time of the investment, has a term remaining to maturity in excess of 5 years, unless specifically exempted in Section X of this Investment Policy or the Board has granted express authority to make that investment no less than 3 months prior to the investment:

- (a) United States notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Obligations issued by government sponsored corporations such as the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), and the Federal National Mortgage Association (FNMA).

- (c) Commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investors Service, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars and have a rating of A-1+ by Standard & Poor's Corporation and P-1 by Moody's Investors Service and which matures not more than 270 days after the date of purchase. Purchases of commercial paper may not exceed 15 percent of the Authority's surplus money invested.

An additional 15 percent, or a total of 30 percent of the Authority's surplus money, may be invested pursuant to this section. The additional 15 percent may be so invested only if the dollar-weighted average maturity of the entire amount does not exceed 31 days. "Dollar-weighted average maturity" means the sum of the amount of each outstanding commercial paper investment multiplied by the number of days to maturity divided by the total amount of outstanding commercial paper.

Commercial paper investments with one company may not exceed one third (33 1/3%) of total commercial paper investments.

- (d) Time deposits. The Authority may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.
- (e) Local Agency Investment Fund. The Authority may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer up to the maximum permitted by State law.
- (f) Money market funds rated "AAAm" or AAAM-G" or better by Standard & Poor's Corporation.

VIII. DEPOSITORIES:

The Treasurer will establish selection criteria for pre-approval of institutions to do business with. To qualify for selection, an institution must have an office in California. A written listing of approved institutions will be maintained by the Investment Officer.

IX. BROKER/DEALERS:

To provide for the optimum yield in the investment of the Authority's funds, the Authority's investment procedures shall be designed to encourage competitive bidding on transactions from approved brokers/dealers. In order to be approved by the Authority, the dealer must be a primary dealer reporting to the New York Federal Reserve, unless a comprehensive credit and capitalization analysis reveals that the firm is adequately financed to conduct public business; the dealer must be experienced in institutional trading practices and familiar with the California Government Code as related to investments; and other criteria as may be established in the investment procedures.

X. MATURITY RESTRICTIONS:

In addition to the 5 year limitation on investments specified in this policy, the average maturity of the Authority's combined portfolio shall not exceed 2 years without prior approval of the Board (for a specified period). Reserve Fund investments are exempt from this restriction; however, reserve fund investment maturities shall be limited to or prior to final maturity of the Authority's Bond Financing.

XI. RISK TOLERANCE

The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Investment Officer is expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Investment Officer shall periodically establish guidelines and strategies to control risks of default, market price changes and illiquidity. In addition to these general policy considerations, the following specific policies will be strictly observed.

XII. SAFEKEEPING AND CUSTODY:

To protect against potential fraud and embezzlement, the assets of the Authority shall be secured through third-party custody and safekeeping procedures. The Investment Officer shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by the independent auditor and any irregularities noted should be reported promptly to the Treasurer and the Board.

XIII. PERFORMANCE EVALUATION AND OPERATIONS AUDIT:

The monthly investment reports submitted to the Board shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

XIV. ETHICS:

All persons authorized to place or approve investments shall report annually on Form 721 of the Fair Political Practices Commission all required economic interests for that year.

XV. UPDATE OF POLICY:

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.

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A

Account - A record of a business transaction; a reckoning of money received or paid.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

Accrual - The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot.

Adoption - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Advance Refunding - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Aqueduct - A canal for conveying a large amount of water.

Assets - Resources owned or held by a government which have monetary value.

B

Bond Call - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

Budget - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

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C

Capital Improvements - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

Capitalized Interest - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

Carry-Over - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are "carried over" into the subsequent fiscal year.

Coastal Branch Phase II - A 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

Coverage - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Defeasance - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

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

Department of Water Resources - The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear,

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deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entitlement - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

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G

General Fund - The Authority's cash balance net of reserve balances.

J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, amount other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

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Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

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

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

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Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

Reserves - A budgeted amount to be set aside in an account for future use.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Revenue Bond - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

Right of Way - A legal right of passage over another person's ground.

S

Santa Ynez Exchange Agreement - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

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T

Table A Entitlement Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of two years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

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

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Water Supply Agreement - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

Water System Revenue Bond Surcharge - The surcharge is the difference between the total project charges collected at the project interest rate for a project and the annual financing costs of the water system revenue bonds issued for that project. Project interest rate is the melded financing costs for projects not financed with water system revenue bonds.