

CENTRAL COAST WATER AUTHORITY

A CALIFORNIA JOINT POWERS AUTHORITY



FISCAL YEAR 2002/03 BUDGET

**COASTAL BRANCH PHASE II OF THE STATE WATER PROJECT AND
CENTRAL COAST WATER AUTHORITY REGIONAL TREATMENT AND CONVEYANCE FACILITIES**



CENTRAL COAST WATER AUTHORITY

ANNUAL BUDGET

FISCAL YEAR 2002/03

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.



On the Cover.....

A map showing the Coastal Branch Phase II project and CCWA regional facilities constructed during 1994-1997 by the California Department of Water Resources and Central Coast Water Authority to treat and deliver State water to San Luis Obispo and Santa Barbara Counties.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Coast Water Authority
California**

For the Fiscal Year Beginning

July 1, 2001

Samuel A. Crane
President

Jeffrey R. Engel
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, 2001.

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 finance 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 2001-2002

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 21, 2002



Jan Michaels
Chair, Budgeting & Financial Management
John C. ...
Vice-Chair, Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management

Central Coast Water Authority

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*Right Insert: Pipeline construction in the Nipomo area, Pipeline Reach 5B.
Left Insert: Construction of Tar Springs Creek crossing; temporary creek diversion piping crosses above the concrete pipeline encasement across the creek bottom.
Above: Pipeline construction in Arroyo Grande area.*

Budget Forward

The Budget Forward section of the FY 2002/03 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

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 24.75

Central Coast Water Authority
Reader's Guide
Fiscal Year 2002/03 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 FOREWORD** An introductory section that contains the budget transmittal letter; narrative discussion on the financial policies, goals and objectives of the Authority; and narrative discussion on the budget process.
- II. **BUDGET SUMMARY** A past, present and future overview of the Authority's budget and financial plans.
- III. **REVENUES AND SOURCES OF CASH** Narrative, graphs and spreadsheets describing the Authority's revenue and other sources of cash for the past and present fiscal year and revenue projections.
- IV. **DEPARTMENT OF WATER RESOURCES (DWR)** Narrative, graphs and spreadsheets describing the DWR charges which are paid by the member agencies and other project participants of the Authority.
- V. **OPERATING EXPENSES** The operating expense section of the budget is comprised of the Administration, Water Treatment Plant and Distribution departments and includes narrative discussion on the operating expenses for each department as well as graphs and spreadsheets.
- VI. **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 25, 2002

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Submitted herewith is the Fiscal Year (FY) 2002/03 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 2002/03.

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 including manpower requirements, equipment needs and programs and services being provided. This level of detail provides you an opportunity to identify all the resources needed to accomplish CCWA's goals and objectives.

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

For five 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 2002/03 Budget for consideration of both of these awards.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2001/02:

Water Deliveries

During FY 2001/02, estimated deliveries by CCWA to the Santa Barbara and San Luis Obispo County project participants will be about 28,000 acre-feet. The FY 2000/01 deliveries were 24,845 acre-feet. The graph on the following page shows water deliveries since CCWA commenced operations in August 1997.

Robert W. Puddicombe
Chairman

Neil Jones
Vice Chairman

William Brennan
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

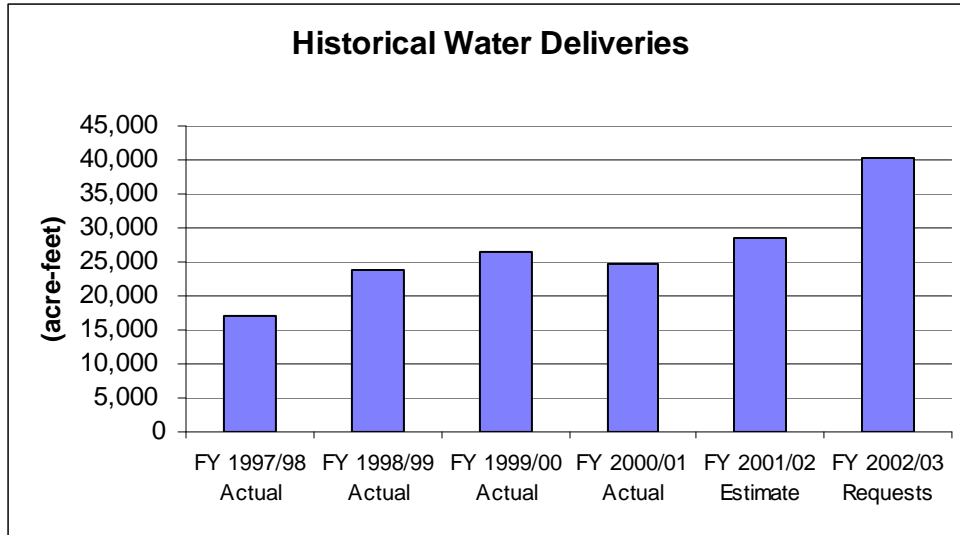
Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

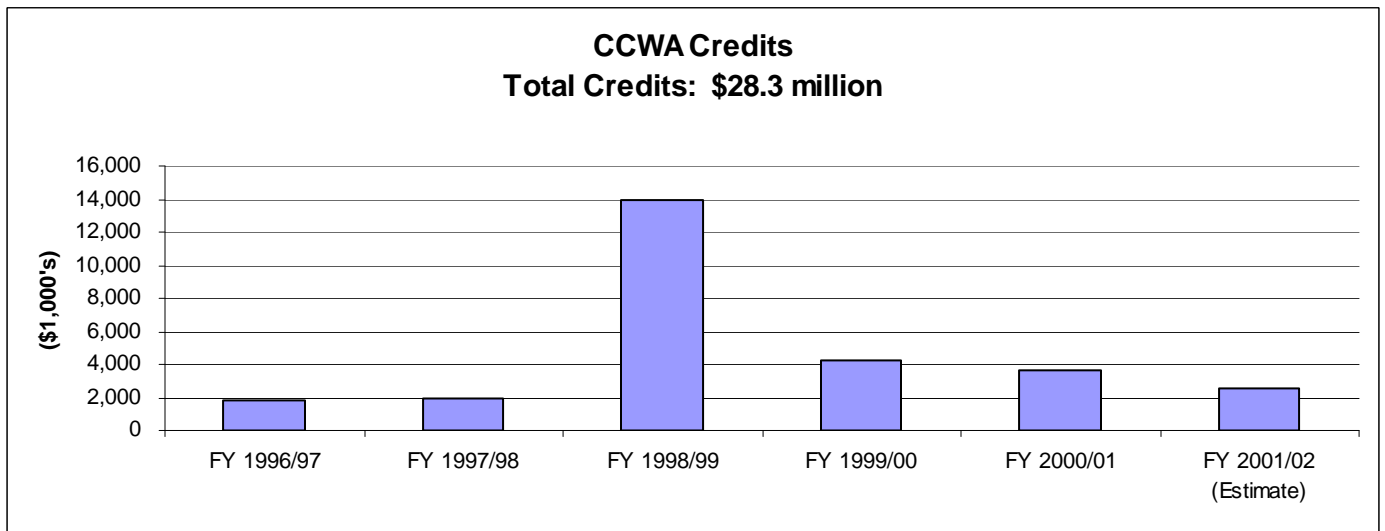
Associate Member

La Cumbre Mutual
Water Company



CCWA Credits

For the sixth consecutive year, actual CCWA operating expenses are projected to be less than budgeted. For Fiscal Years 1996/97 to 2001/02, CCWA has provided approximately \$28.3 million in credits to its project participants. These credits include \$4.5 million for unexpended operating expenses, \$13.9 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 six fiscal years.



Zurich Insurance Company Storm Damage Insurance Settlement

During FY 2001/02, CCWA received payment of approximately \$2.2 million from Zurich Insurance Company related to an insurance claim for the 1994-1995 storm damage during construction of the CCWA pipeline. The insurance settlement represents the culmination of efforts over a number of years and the proceeds will be used for future capital projects on the CCWA owned facilities.

CCWA Ten-Year Anniversary Celebration

On September 27, 2001, CCWA held an anniversary celebration to mark the ten-year anniversary of CCWA. Many individuals involved with bringing State Water to Santa Barbara and San Luis Obispo Counties were present to re-live memories of CCWA's ten-year history. Additionally, a computer compact disk was presented to all individuals present at the ceremony which included project construction photographs, video clips, maps, schedules and costs.

Pipeline Repairs

In March 2001 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. Severe erosion occurred on the banks on both sides of the river. Initial repairs were made to the exposed section of pipeline to mitigate against additional damage. Final repairs were completed in November 2001.

The Santa Barbara County Administrator signed a Proclamation for a Local Emergency for Santa Barbara County due to the severe storms in early March 2001. As a result, the County was granted a "Director's Concurrence" from the Governor's Office of Emergency Services. This Director's Concurrence made CCWA eligible for 75% reimbursement for eligible repair costs under the Natural Disaster Assistance Act (NDAA). In 2002, CCWA received notice that \$318,708 of the costs the project will be reimbursed under this program.

Water Treatment Plant Granular Activated Carbon Filter Media

During FY 2001/02, CCWA determined the granular activated carbon (GAC) filter media at the water treatment plant had been fully expended and needed to be replaced. Quotes were obtained for the replacement of the GAC and a contract executed with a qualified contractor. Work began on the GAC replacement project during FY 2001/02 and is anticipated to be completed during the first half of FY 2002/03.

Comprehensive Reach 5B/6 Inspection and Repairs

During the months of October and November 2001, CCWA conducted a comprehensive inspection of the Reach 5B/6 pipeline. The original Reach 5B/6 contractor assisted CCWA in the inspection. Repairs were made to damaged portions of the pipeline with the assistance of the contractor based on the results of the inspection. The total cost of the project was \$260,523, which was included in the FY 2001/02 budget.

Calendar Year 2002 Rate Management Credits

One of the components of the Monterey Amendments to the State Water Contract provides credits against the DWR charges each year called "rate management credits." Due to the unprecedented electrical crisis in the State of California during 2001, DWR stated it would be unable to provide the rate management credits in the 2002 Statement of Charges due to the severe cash shortage attributed to the high power costs.

Through the State Water Contractors, staff was able successfully negotiate with DWR to include the rate management credits in the 2002 Statement of Charges, of which CCWA's share is approximately \$3.8 million. These credits were excluded from the FY 2001/02 budget because a final determination was not made until after the CCWA Board adopted the FY 2001/02 budget. These credits have been applied against the FY 2002/03 DWR charges.

CCWA Staffing Changes

CCWA saw many staffing changes during FY 2001/02, including the resignation of Dan Masnada as Executive Director. All positions within CCWA have now been filled and we confident the current CCWA team if fully qualified to carry on the mission of CCWA to "provide San Luis Obispo and Santa Barbara Counties with reliable, high quality, supplemental water."

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 2001/02 Budget and the GFOA "Excellence in Financial Reporting" award for the FY 2000/01 Comprehensive Annual Financial Report.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2002 and 2003, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 39,584 and 40,545 acre-feet, respectively. As of May 2002, DWR's entitlement allocation for 2002 was 65%. To firm up deliveries, certain CCWA project participants elected to participate in alternative water programs including the DWR Dry Year Water Purchase Program and the DWR Turnback Pools A and B. Additionally, other sources of water were made available including 2001 carry-over water and DWR Article 21 water. CCWA will 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.

EPA Vulnerability Assessment

As a result of the September 11, 2001 terrorist attacks against the United States, the Environmental Protection Agency (EPA) initiated a goal to ensure that water and wastewater systems have the best scientific information and technical expertise necessary to address acts of terrorism. To rapidly provide assistance to the largest publicly owned water systems, EPA is offering grant assistance to the approximately 400 largest public water agencies to conduct vulnerability assessments, update emergency operations plans and plan and design security enhancements. CCWA applied for funding in the amount of \$115,000, and is currently awaiting EPA response. Vulnerability assessments must be completed within six months of receiving grant funding and all grant related tasks must be completed by December 31, 2003.

Additionally, on June 12, 2002, President Bush signed the Public Health Security and Bioterrorism Preparedness and Response Act. Among other items, this act requires public water systems serving 100,000 or more people to complete vulnerability assessments and submit them to EPA by March 31, 2003.

DWR State Water Cost Increases

One of the challenges facing CCWA during FY 2002/03 will be monitoring and assessing the increasing costs at DWR. During FY 2001/02, the State of California electrical crisis caused the power component of the DWR charges to CCWA to increase by about \$1.8 million when compared to the 2000 costs; a 294% increase. Additionally, preliminary cost data on for the 2003 Transportation Minimum OMP&R cost component shows a 160% increase over the 2002 charges.

Since the DWR charges comprise between 65% and 70% of the CCWA budget, it is important that staff diligently pursue cost containment alternatives at DWR and closely monitor all charges contained in the annual DWR Statement of Charges.

FY 2002/03 BUDGET SUMMARY

The FY 2002/03 budget calls for total project participant payments of \$40.4 million compared to the FY 2001/02 budget of \$42.5 million, a \$2.1 million decrease. These amounts include \$4.1 million in CCWA credits for FY 2002/03 and \$1.6 million for FY 2001/02.

The following table compares the FY 2002/03 Budget and the FY 2001/02 Budget:

Budget Item	FY 2001/02 Budget	FY 2002/03 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses	\$ 4,503,952	\$ 4,877,003	\$ 373,051
Revenue Bond Debt Service Payments	10,357,208	10,654,207	296,999
Capital Improvement Projects ⁽¹⁾	88,026	5,638	(82,388)
Non-Annual Recurring Expenses	413,321	386,547	(26,774)
Total CCWA Expenses:	15,362,507	15,923,395	560,888
Pass-Through Expenses			
DWR Fixed Costs	27,803,178	25,623,528	(2,179,650)
DWR Variable Costs	1,690,270	2,709,055	1,018,786
Warren Act and Trust Fund Payments	378,972	335,197	(43,776)
Total Pass-Through Expenses:	29,872,420	28,667,780	(1,204,640)
Subtotal Gross Budget:	45,234,927	44,591,175	(643,752)
CCWA Credits	(2,630,033)	(4,165,098)	(1,535,065)
TOTAL:	\$ 42,604,894	\$ 40,426,078	\$ (2,178,816)

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

CCWA Operating Expense Budget

The FY 2002/03 CCWA operating expense budget totals \$4,877,003, which is \$373,051 higher than the FY 2001/02 operating expense budget, an 8.28% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2002/03 and FY 2001/02.

	FY 2001/02 Budget	FY 2002/03 Budget	Increase
Fixed O&M	\$ 3,591,296	\$ 3,883,881	\$ 292,585
Variable O&M	912,656	993,123	80,467
Total:	\$ 4,503,952	\$ 4,877,003	\$ 373,051

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.

Water Deliveries

Total requested water deliveries for FY 2002/03 is 40,407 acre feet compared to the FY 2001/02 requested deliveries of 40,123 acre feet, an increase of 284 acre feet.

Since the final DWR entitlement allocation for 2002 is anticipated to be less than 75%, the CCWA variable expense allocation is based on 75% of the requested water deliveries for the second half of calendar year 2002 and 100% of requested deliveries for the first half of calendar year 2003.

Personnel Expenses

Personnel expenses are increasing about \$15,000, which includes the following changes from the prior year:

- The FY 2002/03 Budget includes a \$65,181 salary pool for employee salary treatment approved by the CCWA Board of Directors on March 4, 2002 (Note: the regular wages budget is decreasing by \$56,512 due to the resignation of Dan Masnada as Executive Director and the decision not to replace the Operations Manager, partially offset by executive management compensation adjustments and the FY 2002/03 salary pool).
- Standby pay is increasing by about \$21,000 due to a change in the Board adopted standby pay policy which calculates standby pay on twenty-four hour basis instead of the previous eight-hour day.
- PERS retirement expenses are decreasing by about \$13,000 due to a decrease in the PERS employer rate for FY 2002/03 and a reduction in the total salaries budget.
- Health insurance expenses are increasing by about \$25,000 due to increases in health insurance premiums as of January 1, 2002 and an anticipated premium increase of 15% for calendar year 2003.
- Workers' Compensation expenses are increasing by approximately \$37,000 for a change in the CCWA experience modification factor from 68% to 75% and an anticipated premium increase of 30% for FY 2002/03.

Supplies and Equipment

Supplies and equipment expenses are increasing by about \$128,000 primarily due to an increase in the chemical unit cost from \$15 to \$19 per acre-foot.

Professional Services

Professional services are decreasing by about \$55,000 for the following reasons:

- Reduced legal fees by \$90,000 due to the completion of Zurich storm damage insurance claim.
- Increased professional services for the CCWA State Water Contractors board representative consultant.

Utilities

Utility expenses are decreasing by about \$38,000 due to a decrease in electrical expenses at the Santa Ynez Pumping Facility.

Other Expenses

Other expenses are increasing by about \$275,000 for the following reasons:

- Non-capitalized project expenses of \$199,000. This is a new account to provide funding for large expenditures on portions of the pipeline and at the water treatment plant which are owned by DWR and not CCWA, and therefore, not eligible for capitalization by CCWA.
- Increase in property and casualty insurance expenses of about \$27,000.
- Increase in computer related expenses of about \$41,000 for computer consulting services and related charges.

CCWA Capital Improvement Projects

The FY 2002/03 Budget includes \$196,408 for capital improvements. This includes \$5,638 funded from project participant fixed assessments, \$24,579 from non-annual recurring expense deposits and \$166,191 from revenue bond and capital deposits.

Please refer to the "Capital Improvements" section of the FY 2002/03 Budget for additional information.

Non-Annual Recurring Expense Deposits

Non-annual recurring expense (NARES) deposits for FY 2002/03 are \$386,547 compared to the FY 2001/02 amount of \$413,321, a decrease of \$26,774.

The FY 2002/03 NARES budget includes \$203,261 for the current replacement of the granular activated carbon (GAC) filter media at the water treatment plant and \$140,000 for the next replacement of the GAC within the next five years.

Regional Water Treatment Plant Allocation and Exchange Agreement Modifications

The FY 2002/03 fixed, capital and variable regional water treatment plant allocation (and associated credit) is \$1,272,702. The FY 2002/03 fixed, capital and variable exchange agreement modifications total \$326,625.

CCWA 1996 Revenue Bond Debt Service

CCWA 1996 revenue bond debt service for FY 2002/03 totals \$10.6 million, which includes \$697,904 in bond reserve fund guaranteed investment contract interest income credits and \$230,804 for interest income credits earned on debt service payments in FY 2001/02.

Warren Act and Trust Fund Payments

The FY 2002/03 Budget includes \$335,197 for Warren Act and Trust Fund MOU payments based on \$58 per acre-foot. Anticipated water deliveries for Warren Act and Trust Fund MOU payments for the second half of calendar year 2002 are based on 75% of requested deliveries into Lake Cachuma and 100% of requested deliveries for the first half of calendar year 2003.

CCWA Credits

The FY 2002/03 budget includes the following credits:

CCWA O&M Credits	\$	924,168
O&M Reserve Fund Interest Income		38,219
Rate Coverage Reserve Fund Interest		76,856
Prepayments and Other Credits		3,125,854
	\$	<u>4,165,097</u>

DWR Fixed Charges

The DWR fixed charges for FY 2002/03 total \$25.9 million, a \$2.4 million decrease from the prior fiscal year for principally the following reasons:

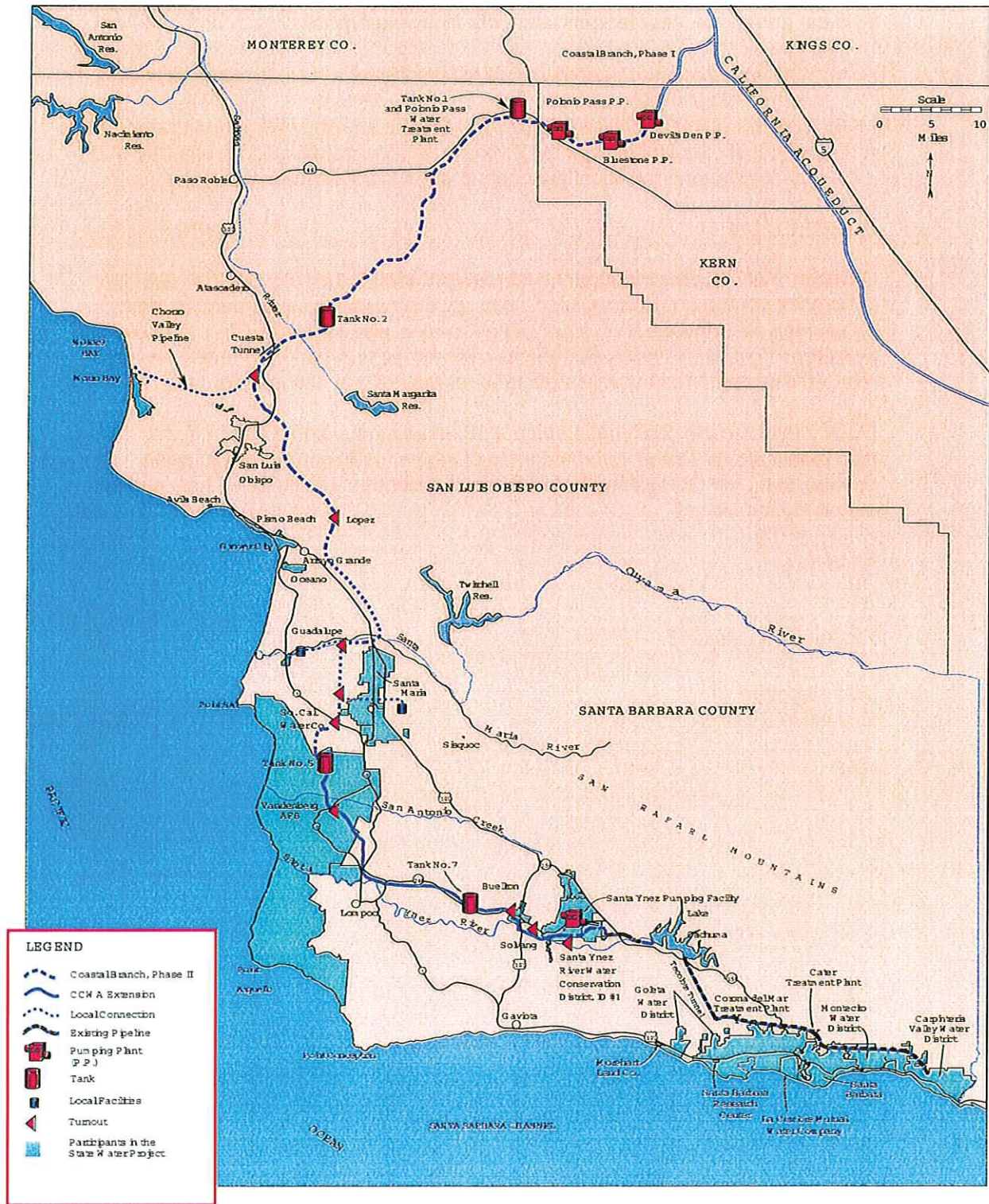
- Inclusion of rate management funds credits for the first half of calendar year 2002 (\$1.8 million) which was excluded from the FY 2001/02 Budget due to cash flow problems at DWR (see the "DWR" section of the budget for further information).
- Inclusion of rate management credits for the first half of calendar year 2003.
- The decreases listed above were partially offset by increased Transportation Minimum OMP&R charges of \$1.1 million for a prior year under-collection by DWR.

DWR Variable Charges

The DWR variable charges for FY 2002/03 total \$2.7 million, a \$1.0 million increase from the prior fiscal year for principally the following reasons:

- Increase in off-aqueduct charges due to the transfer of off-aqueduct credits to the Variable OMP&R deposit accounts to pay for 2001 Variable OMP&R power costs.
- Variable OMP&R increases of about \$357,000 for a higher unit rate. The Variable OMP&R unit rate may change during the fiscal year due to an agreement whereby DWR will charge for its actual power costs instead of over-collecting Variable OMP&R charges as has been done in the past.

Project Map



PROJECT MAP OF COASTAL BRANCH PHASE II

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2002/03 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 1 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 2002/03 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.

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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 (SLOFCWCD) 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 SLOFCWCD and SLOFCWCD has entered into the Master Water Treatment Agreement with the Authority to cause the Authority to provide for the development, financing, construction, operation and maintenance of the Authority 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

Central Coast Water Authority
Organization Overview, Structure and Staffing
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purchaser's water to be delivered from the State Water Project and to provide for the financing of certain local improvements.

State Water Project

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

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

The Coastal Branch Phase II pipeline, which was 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 to accommodate the maximum annual entitlement of both counties. The plant uses conventional modern treatment units for filtration and disinfection of surface water in conformance with the relevant regulations of the California Department of Health Services.

Central Coast Water Authority
Budget Process
Fiscal Year 2002/03 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 2002/03 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 2002/03

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

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2002/03 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 2002/03 Budget

The Fiscal Year 2002/03 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 2002/03 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 2002/03 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 2002/03 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 2002/03 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.





*Above: Partially welded pipe sections prior to installation in the refurbished Cuesta Tunnel.
Inset: Cuesta tunnel interior prior to refurbishment and installation of 42" diameter Coastal Branch Phase II pipeline and 24" diameter section of future San Luis Obispo County Nacimiento pipeline.*

Budget Summary

The Budget Summary section of the FY 2002/03 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 2005/06 are included in this section.

Highlights

Budget Summary

• FY 2002/03 Gross Budget	\$44,591,175
• FY 2001/02 Gross Budget	<u>\$45,234,926</u>
Decrease:	\$ (643,751)
• FY 2002/03 CCWA Credits	\$4,159,081
• FY 2001/02 CCWA Credits	<u>\$2,630,033</u>
Increase:	\$ 1,529,048
• FY 2002/03 Net Budget (After CCWA Credits)	\$40,432,094
• FY 2001/02 Net Budget (After CCWA Credits)	<u>\$42,604,893</u>
Decrease:	\$ (2,172,799)

Significant Budget Changes

- DWR Rate Management Funds credits included for calendar years 2002 and 2003 (\$3.6 million)
- CCWA Operating Expense Budget increase (\$373,000)

Central Coast Water Authority
Budget Summary
 Fiscal Year 2002/03 Budget

	FY 2001/02			FY 2002/03 Budget	Change from FY 2001/02 Budget	Change from FY 2001/02 Actual
	FY 2000/01 Actual	FY 2001/02 Budget	Estimated Actual			
Beginning Cash Balance	\$ 2,422,823	\$ 2,580,288	\$ 2,675,542	\$ 2,151,633		
SOURCES OF CASH						
CCWA Operating Expenses	4,273,625	4,503,952	4,503,952	4,877,003	373,051	373,051
Debt Service Payments	10,425,454	10,357,208	10,357,208	10,654,207	296,999	296,999
Capital Improvement Projects	54,299	88,026	88,026	5,638	(82,388)	(82,388)
Non-Annual Recurring Expenses	202,115	413,321	413,321	386,547	(26,774)	(26,774)
Investment Income	338,399	-	175,000	-	-	(175,000)
CCWA Credits	(1,578,414)	(2,630,033)	(1,611,533)	(4,159,081)	(1,529,048)	(2,547,547)
Subtotal Revenues	13,715,477	12,732,474	13,925,973	11,764,315	(968,159)	(2,161,659)
Pass-Through Expenses						
DWR Fixed Costs	26,759,790	27,803,178	27,803,178	25,623,528	(2,179,650)	(2,179,650)
DWR Variable Costs	821,807	1,690,270	756,135	2,709,055	1,018,786	1,952,920
Warren Act Charges	71,714	378,972	47,642	335,197	(43,776)	287,555
Subtotal Pass-Through Expenses	27,653,311	29,872,420	28,606,955	28,667,780	(1,204,640)	60,824
TOTAL SOURCES OF CASH	41,368,789	42,604,894	42,532,929	40,432,094	(2,172,799)	(2,100,834)
USES OF CASH						
CCWA Operating Expenses						
Personnel	1,909,232	2,142,097	1,732,612	2,157,736	15,639	425,124
Office Expenses	21,777	20,900	22,691	22,400	1,500	(291)
Supplies and Equipment	434,610	566,237	521,678	694,689	128,452	173,011
Monitoring Expenses	54,504	87,000	79,037	72,000	(15,000)	(7,037)
Repairs and Maintenance	202,296	163,998	195,890	170,188	6,190	(25,702)
Professional Services	463,473	434,047	371,401	378,552	(55,495)	7,150
General and Administrative	98,773	125,102	121,511	152,792	27,690	31,281
Utilities	217,296	626,582	348,100	588,725	(37,857)	240,625
Other Expenses	204,243	337,990	235,261	639,922	301,932	404,660
Total Operating Expenses	3,606,204	4,503,952	3,628,181	4,877,003	373,051	1,248,823
Other Expenditures						
Warren Act Charges	71,714	378,972	47,642	335,197	(43,776)	287,555
Capital Improvement Projects ⁽¹⁾	271,428	397,600	121,710	30,217	(367,383)	(91,493)
CCWA Credits	(1,578,414)	(2,630,033)	(1,611,533)	(4,159,081)	(1,529,047)	(2,547,547)
1996 Revenue Bond Debt Service	10,425,454	10,357,208	10,357,208	10,654,207	297,000	296,999
Unexpended O&M Assessments	738,086	-	1,050,771	-	-	-
Total Other Expenditures	9,928,268	8,503,747	9,965,798	6,860,540	(1,643,206)	(2,054,486)
Total CCWA Expenditures	13,534,472	13,007,698	13,593,978	11,737,543	(1,270,155)	(805,664)
DWR Charges						
Fixed DWR Charges	26,759,790	27,803,178	29,108,568	25,623,528	(2,179,650)	(3,485,040)
Variable DWR Charges	821,807	1,690,270	1,384,476	2,709,055	1,018,786	1,324,579
DWR Credits	-	-	(1,030,185)	-	-	-
Total DWR Charges	27,581,598	29,493,448	29,462,859	28,332,583	(1,160,865)	(2,160,461)
TOTAL USES OF CASH	41,116,070	42,501,146	43,056,838	40,070,127	(2,431,019)	(2,966,124)
Ending Cash Balance	\$ 2,675,542	\$ 2,684,035	\$ 2,151,633	\$ 2,513,601	\$ (170,435)	361,968
Non-Annual Recurring Balance	675,541	684,035	151,633	514,257		
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.

Central Coast Water Authority
Total Expenditures Summary
Fiscal Year 2002/03 Budget

Project Participant	Unadjusted CCWA Operating Expense	Exchange Agreement Adjustment STPF Power	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Variable	Regional WTP Allocation	Regional WTP Credit	Adjusted Charge	Warren Act Charges	1996 Revenue		Subtotal FY 2002/03 CCWA	Non-Annual Recurring Expenses	CCWA Credits	Total FY 2002/03 CCWA
									Bond Debt	Service				
Guadalupe	50,559	-	-	-	\$18,075	\$0	\$68,635	-	165,404	\$234,039	5,097	(\$10,114)	\$ 229,022	
Santa Maria	1,451,518	-	-	-	\$532,968	\$0	1,984,486	-	-	1,984,486	158,150	(2,293,415)	(150,779)	
SOWC	47,156	-	-	-	\$16,444	\$0	63,600	-	-	63,600	238	(236)	63,602	
Vandenberg AFB	559,352	-	-	-	\$181,451	\$0	739,803	-	-	739,803	42,816	(45,793)	736,826	
Buellton	69,281	-	-	-	\$18,911	\$0	88,191	-	293,284	381,475	10,908	(276)	392,105	
Santa Ynez (Solvang)	176,603	-	-	-	\$49,372	\$0	225,975	-	619,880	845,855	2,032	(16,047)	831,840	
Santa Ynez	64,864	-	268,042	37,524	\$99,423	\$0	469,854	-	232,089	701,943	82,954	(104,476)	680,421	
Golieta	909,888	(74,847)	(128,631)	(18,008)	\$110,121	(\$399,005)	399,499	192,875	2,834,034	3,426,109	9,282	(142,349)	3,293,042	
Morehart Land	31,943	-	-	-	\$6,327	(\$22,603)	15,667	5,539	102,560	123,767	411	(13,006)	111,171	
La Cumbre	202,193	-	-	-	\$32,908	(\$121,254)	113,847	54,752	491,449	660,048	2,058	(829,673)	(167,567)	
Raytheon (SBRC)	10,110	-	-	-	\$1,658	(\$6,063)	5,705	2,828	27,226	35,758	102	(3,016)	33,016	
Santa Barbara	434,401	(37,342)	(64,175)	(4,984)	\$72,859	(\$257,213)	139,548	21,538	1,742,891	1,903,976	6,187	(9,784)	1,901,379	
Montecito	449,571	(22,026)	(37,854)	(5,299)	\$82,095	(\$290,161)	176,326	45,419	1,614,187	1,835,932	6,175	(400,000)	1,442,108	
Carpintera	283,027	(21,752)	(37,383)	(5,233)	\$50,043	(\$176,356)	92,346	12,546	1,170,868	1,275,760	4,119	(288,563)	991,315	
Shandori	4,449	-	-	-	-	-	4,449	-	13,504	17,953	-	(392)	17,561	
Chorro Valley	148,056	-	-	-	-	-	148,056	-	1,056,466	1,204,522	39,256	-	1,243,778	
Lopez	146,654	-	-	-	-	-	146,654	-	290,365	437,019	16,763	(3,111)	450,670	
TOTAL:	5,038,608	(\$155,987)	\$0	\$0	\$1,272,655	(\$1,272,655)	\$4,882,641	\$335,197	\$10,654,207	\$15,872,045	\$386,547	(4,159,081)	\$12,099,511	

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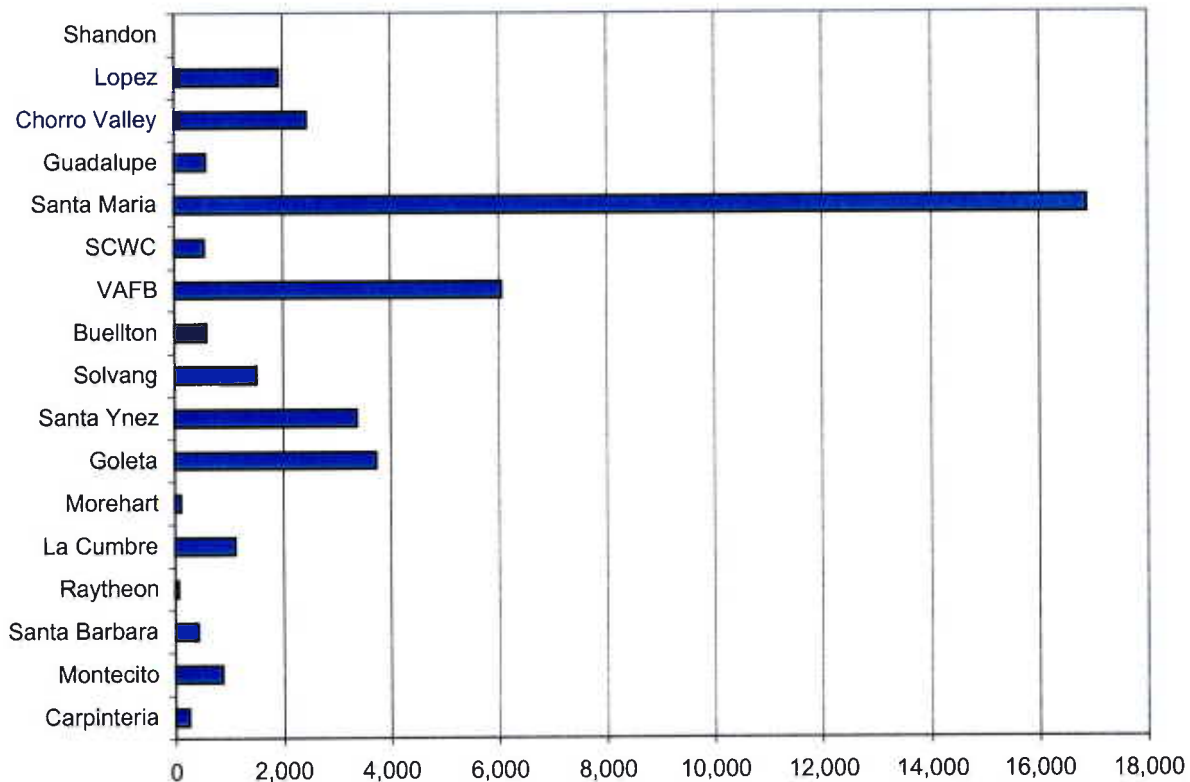
(1) Includes capital improvement projects.
(2) Adjusted for Santa Ynez Exchange Agreement modifications.

Project Participant	DWR FIXED CHARGES				DWR VARIABLE CHARGES				Total DWR	TOTAL DWR and CCWA			
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Off-Adjustment Charges	Variable OMP&R			Interest Income		
Guadalupe	\$ 240,760	\$ -	\$ -	\$ 52,244	\$ 18,072	\$ 12,062	\$ 323,138	\$ 27,597	\$ 42,471	\$ (5,030)	\$ 360,579	\$ 589,601	
Santa Maria	7,043,102	641,419	-	1,537,858	531,035	355,335	10,108,749	896,906	1,402,119	(151,845)	11,359,023	11,208,244	
SOWC	218,145	19,797	-	47,520	16,368	10,974	312,803	378	13,868	(7,293)	319,378	382,980	
Vandenberg AFB	2,391,596	217,766	357,087	522,053	180,047	120,621	3,789,189	267,222	475,523	-	4,264,692	5,001,518	
Buellton	252,304	22,885	37,527	54,886	18,963	12,698	399,262	16,021	47,733	(5,780)	441,216	833,321	
Santa Ynez (Solvang)	645,656	59,391	97,387	137,341	48,360	29,880	1,018,015	15,005	15,005	(11,064)	1,021,956	1,563,797	
Santa Ynez	222,924	19,797	32,462	52,404	17,335	13,962	358,885	12,816	22,085	(7,676)	373,895	6,225,099	
Golieta	1,955,127	178,172	292,162	440,900	146,618	95,336	3,106,316	215,136	367,136	(43,395)	3,432,057	6,225,099	
Morehart Land	86,458	7,919	12,985	18,874	6,591	4,952	137,179	3,019	3,019	(1,419)	138,779	249,950	
La Cumbre	436,290	39,594	64,925	95,041	32,736	21,949	690,535	28,115	98,979	(9,014)	780,501	612,934	
Raytheon (SBRC)	18,614	1,980	3,246	5,060	1,480	1,088	26,115	60	80	(401)	31,127	64,143	
Santa Barbara	1,304,871	118,781	194,775	284,787	98,430	65,640	2,067,284	35,650	129,488	(49,774)	2,146,999	4,046,378	
Montecito	1,304,870	118,781	194,775	284,787	98,430	65,641	2,067,284	46,959	46,959	(19,686)	2,094,557	3,536,665	
Carpintera	868,581	79,188	129,850	189,746	65,472	43,824	1,376,660	35,924	44,009	(13,196)	1,407,473	2,398,788	
Golieta 2500 AF	21,692	-	-	75,658	9,885	53,136	160,352	-	-	-	160,352	-	160,352
Shandori	-	-	-	-	-	-	-	-	-	-	-	-	17,561
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,243,778
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	450,670
TOTAL:	\$ 17,010,990	\$ 1,525,469	\$ 1,417,180	\$ 3,799,159	\$ 1,289,804	\$ 906,499	\$ 25,949,101	\$ 1,067,444	\$ 2,709,055	\$ (325,573)	\$ 28,332,583	\$ 40,432,094	

Central Coast Water Authority
FY 2002/03 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	1,939	-	1,939
Chorro Valley	2,450	-	2,450
Guadalupe	585	-	585
Santa Maria	16,865	-	16,865
SCWC	550	-	550
VAFB	6,050	-	6,050
Buellton	578	-	578
Solvang	1,500	-	1,500
Santa Ynez	817	2,551	3,368
Goleta	4,950	(1,224)	3,726
Morehart	108	-	108
La Cumbre	1,100	-	1,100
Raytheon	55	-	55
Santa Barbara	1,030	(611)	419
Montecito	1,230	(360)	870
Carpinteria	600	(356)	244
TOTAL:	40,407	-	40,407

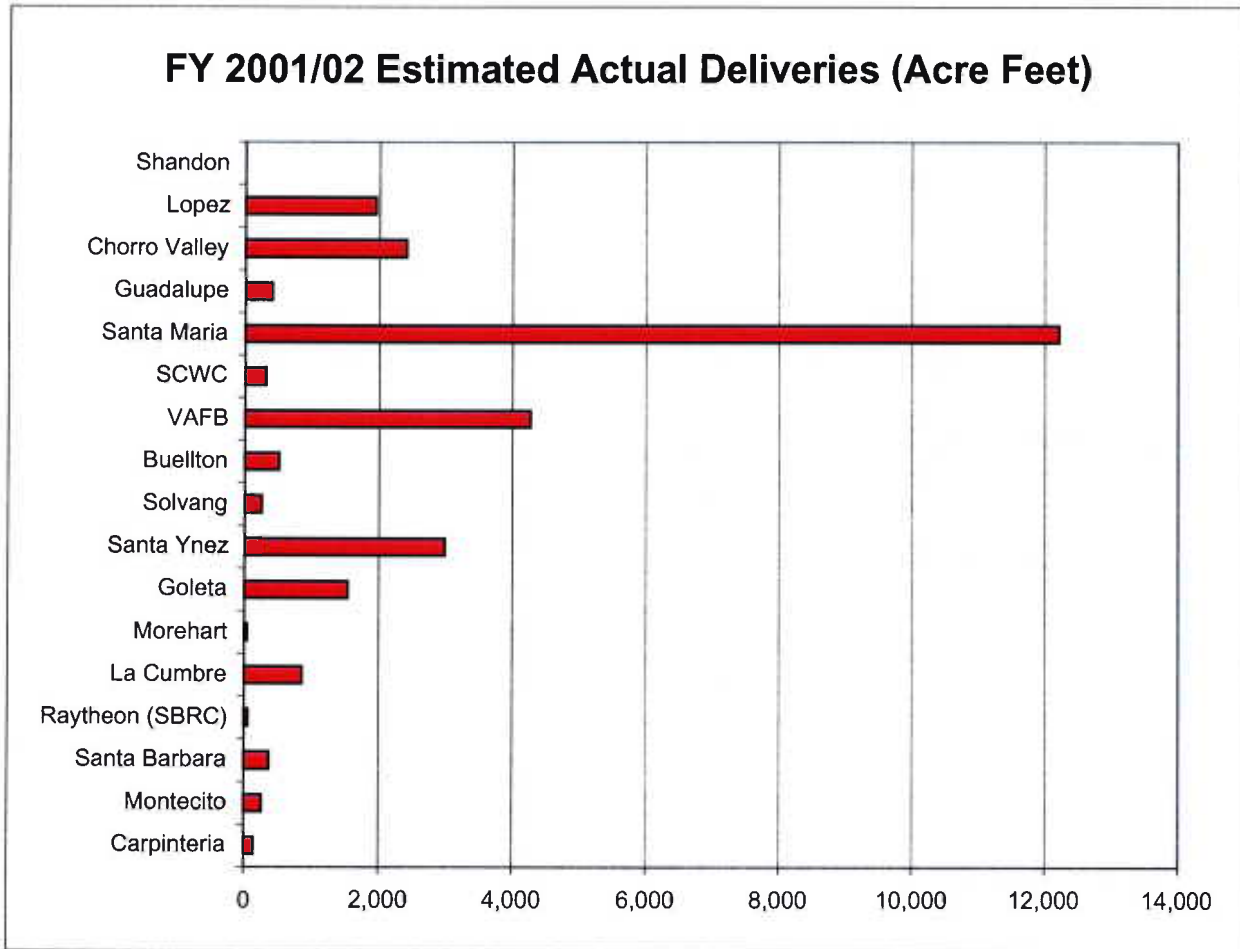
FY 2002/03 Deliveries (Acre Feet)



Central Coast Water Authority
FY 2001/02 Estimated Actual Deliveries (Acre Feet)

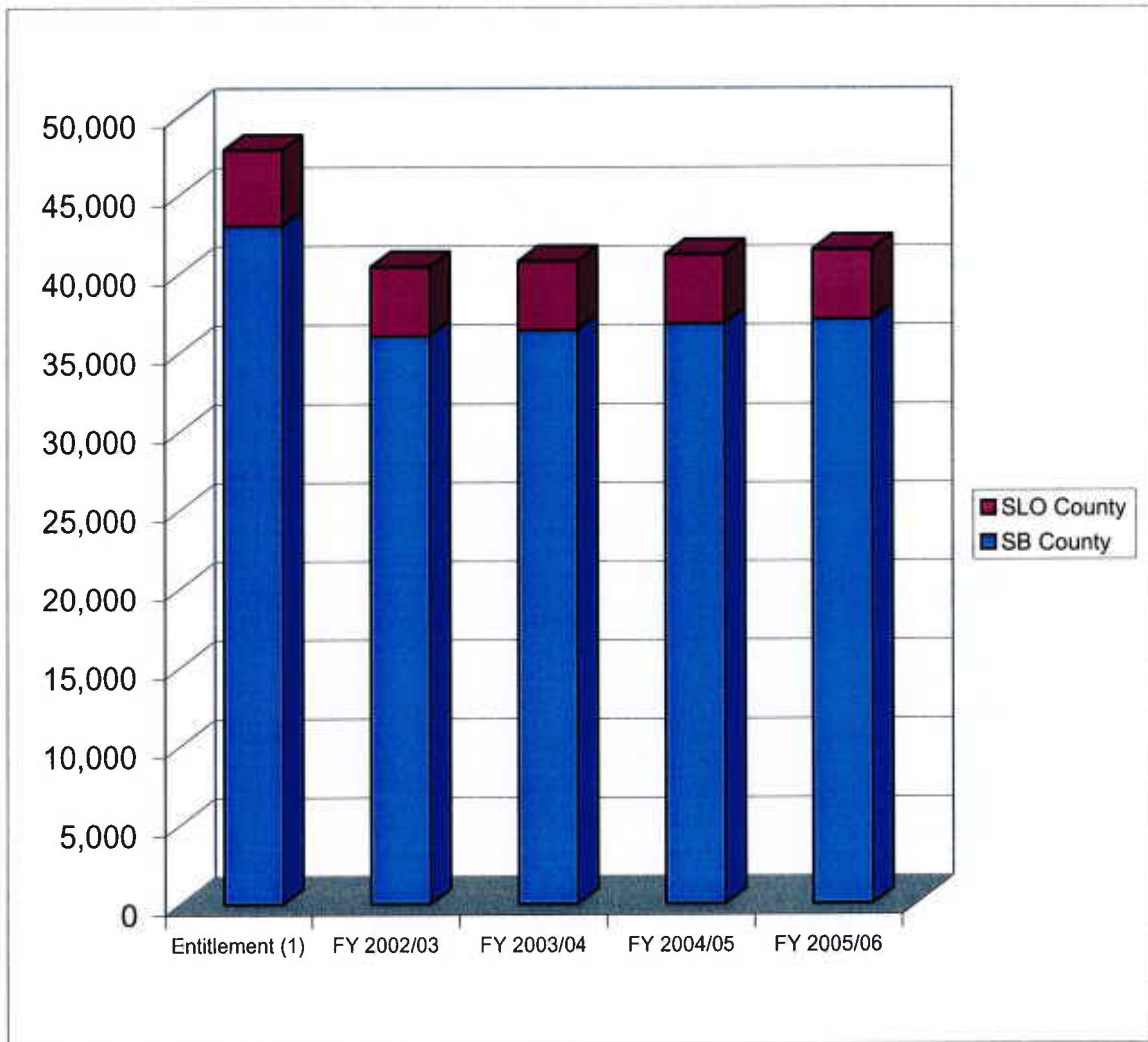
Project Participant	Est. Actual Deliveries	Exchange Deliveries	Est. Actual Deliveries
Shandon	-	-	-
Lopez	1,945	-	1,945
Chorro Valley	2,411	-	2,411
Guadalupe	401	-	401
Santa Maria	12,210	-	12,210
SCWC	299	-	299
VAFB	4,261	-	4,261
Buellton	509	-	509
Solvang	250	-	250
Santa Ynez	416	2,566	2,982
Goleta	3,196	(1,662)	1,534
Morehart	37	-	37
La Cumbre	852	-	852
Raytheon	52	-	52
Santa Barbara	551	(186)	365
Montecito	620	(359)	261
Carpinteria	491	(359)	132
TOTAL:	28,501	-	28,501

FY 2001/02 Estimated Actual Deliveries (Acre Feet)



Central Coast Water Authority
Requested State Water Deliveries
 FY 2002/03 to FY 2005/06

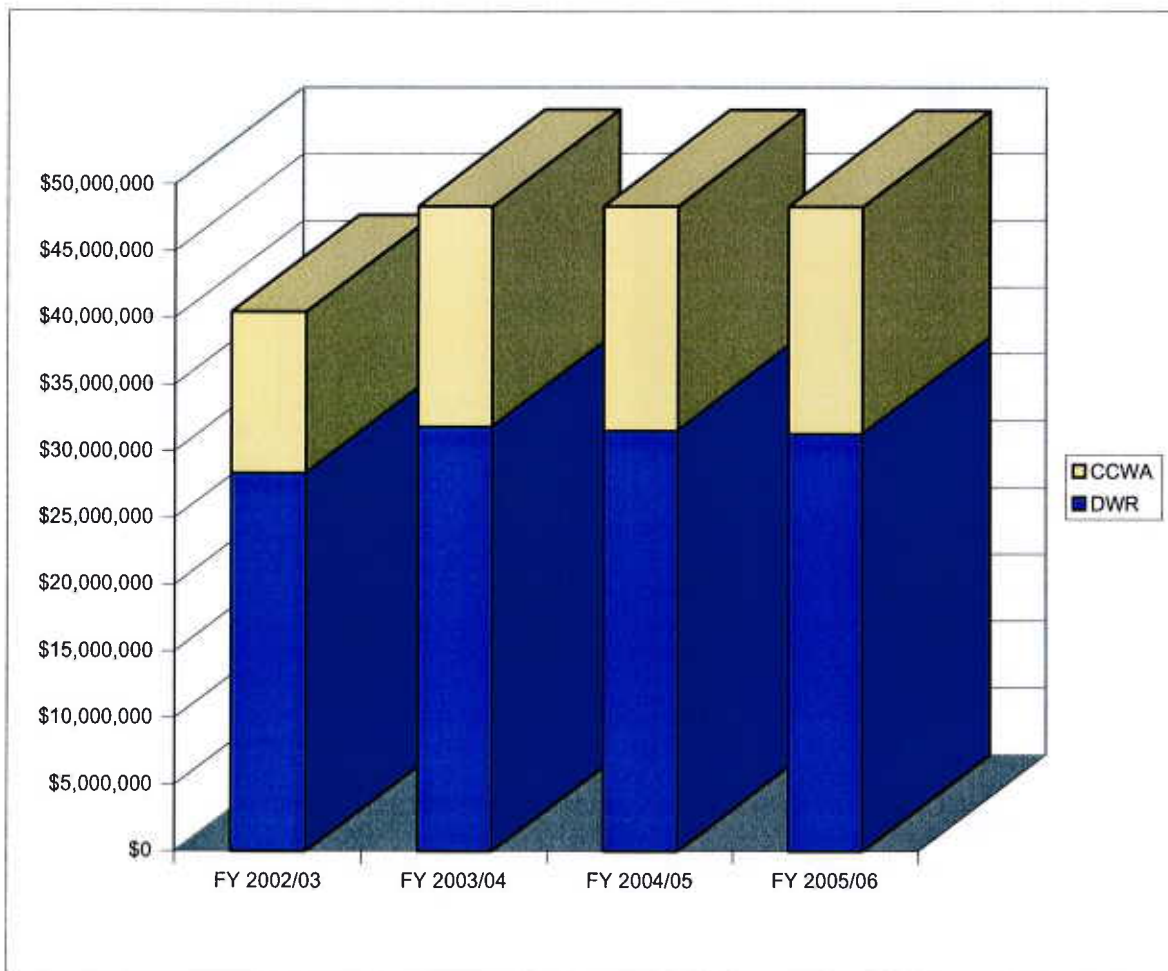
Entitlement ⁽¹⁾	47,816 AF
FY 2002/03	40,407 AF
FY 2003/04	40,752 AF
FY 2004/05	41,176 AF
FY 2005/06	41,483 AF



(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 2002/03 to 2005/06

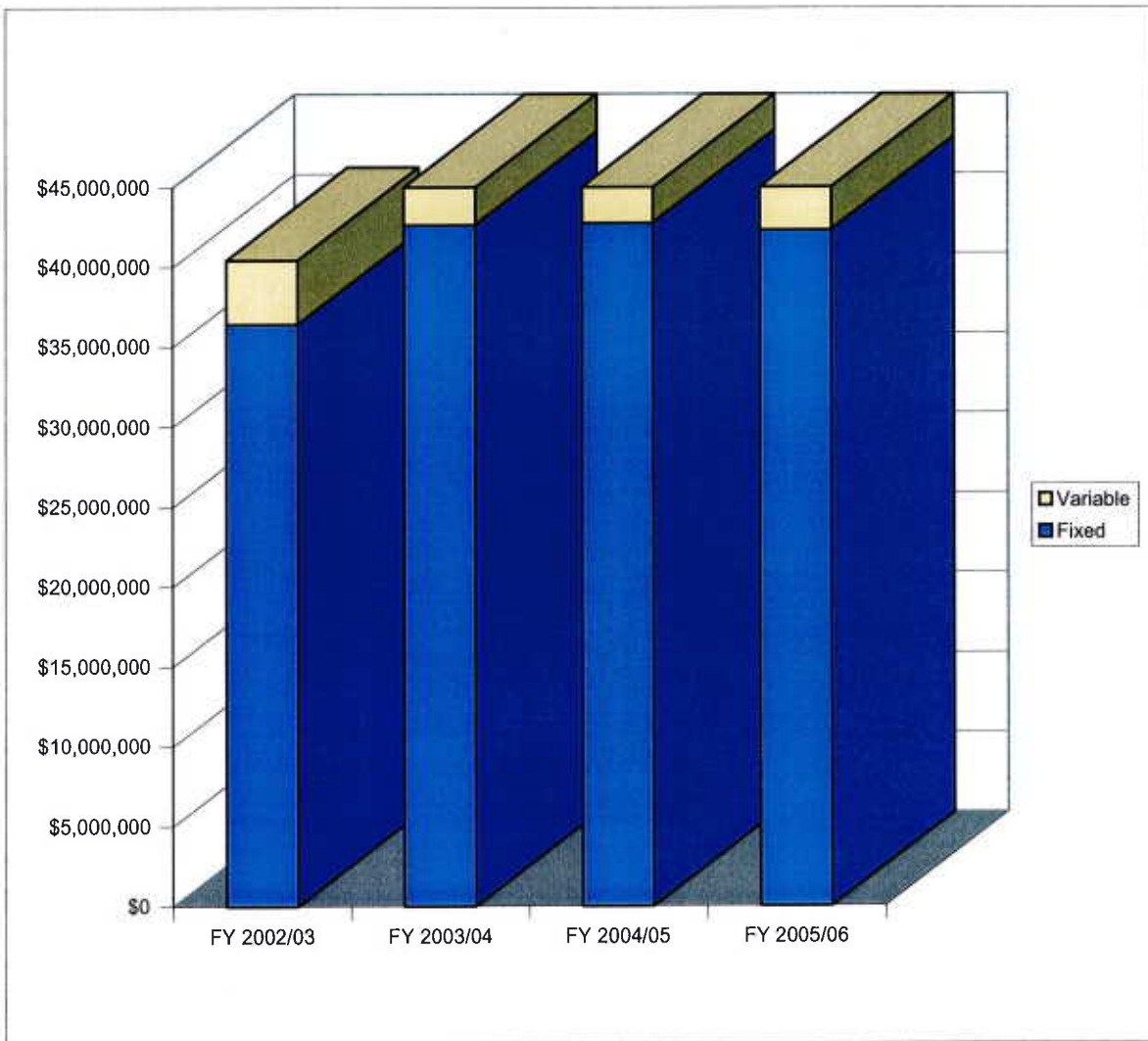
Fiscal Year	DWR	CCWA	Total
FY 2002/03	\$28,332,583	\$12,100,063	\$40,432,094
FY 2003/04	\$31,794,217	\$16,526,590	\$48,320,807
FY 2004/05	\$31,507,870	\$16,801,818	\$48,309,689
FY 2005/06	\$31,244,778	\$17,019,841	\$48,264,619



FY 2002/03 charges net of CCWA credits.

Central Coast Water Authority
Total Fixed and Variable SWP Charges
 FY 2002/03 through 2005/06

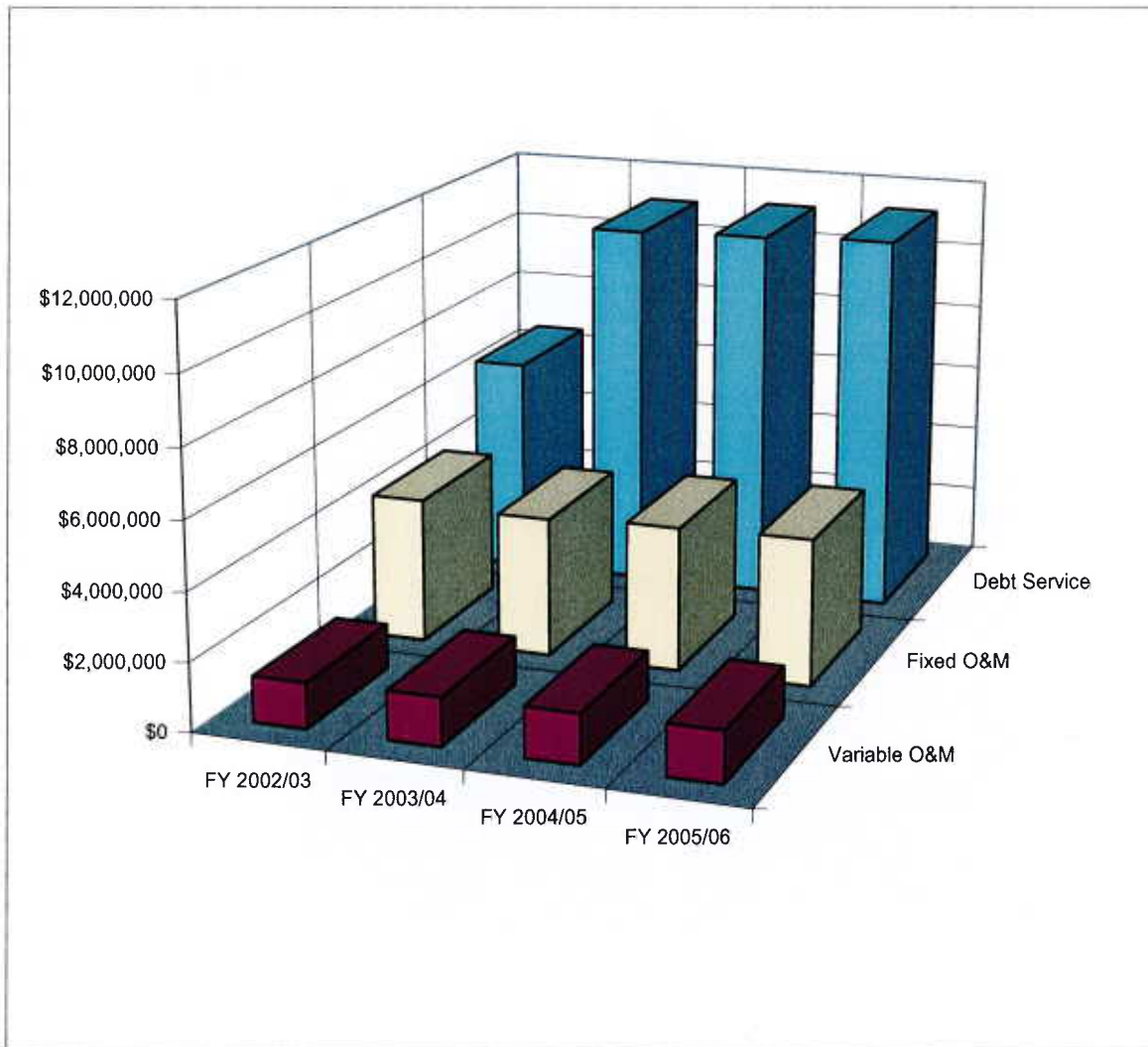
<u>Fiscal Year</u>	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>
FY 2002/03	\$36,395,272	\$4,037,374	\$40,432,094
FY 2003/04	\$42,615,508	\$5,705,300	\$48,320,807
FY 2004/05	\$42,749,629	\$5,560,060	\$48,309,689
FY 2005/06	\$42,291,369	\$5,973,251	\$48,264,619



FY 2002/03 charges net of CCWA credits.

Central Coast Water Authority
CCWA Estimated Charges
 FY 2002/03 to 2005/06

Fiscal Year	Variable O&M	Fixed O&M	Debt Service	Total
FY 2002/03	\$1,328,319	\$4,276,065	\$6,495,679	\$12,100,063
FY 2003/04	\$1,413,638	\$4,105,078	\$11,007,874	\$16,526,590
FY 2004/05	\$1,458,944	\$4,242,140	\$11,100,734	\$16,801,818
FY 2005/06	\$1,490,611	\$4,306,996	\$11,222,234	\$17,019,841



FY 2002/03 charges net of CCWA credits.



*Above: Interior of 3,279' long Calf Canyon Tunnel prior to pipeline installation in Pipeline Reach 4.
Inset: Calf Canyon Tunnel entrance.*

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2002/03 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 2002/03 Budget

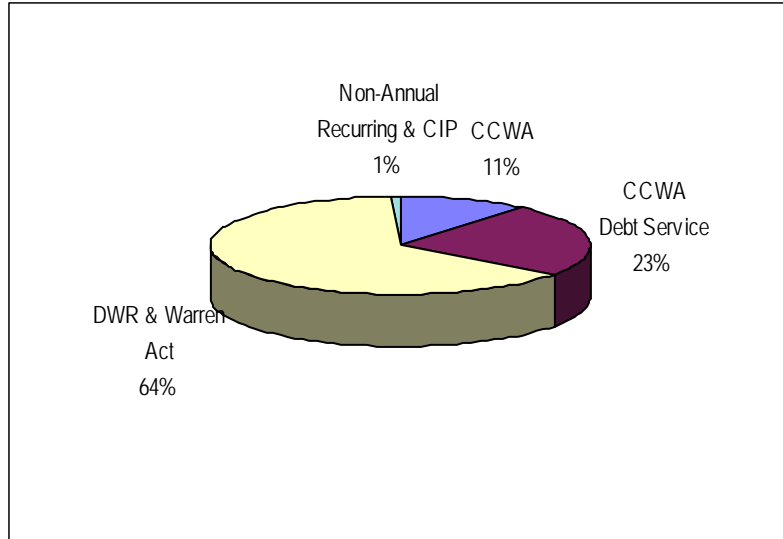
The Authority Revenue budget is comprised of payments made by member agencies and other project participants for Authority operating expenses, debt service on the Authority revenue bonds and investment income. Additionally, there are other payments made by the project participants that are treated as 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 Actual	FY 2001/02 Estimated Actual	FY 2002/03 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 4,273,625	\$ 4,503,952	\$ 4,877,003
Debt Service Payments	10,425,454	10,357,208	10,654,207
Capital Improvement Projects (CIP)	54,299	88,026	5,638
Non-Annual Recurring Expenses	202,115	413,321	386,547
Investment Income	338,399	175,000	-
Subtotal Revenues	15,293,891	15,537,507	15,923,395
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	26,759,790	27,803,178	25,949,101
DWR Variable Costs	821,807	756,135	2,709,055
DWR Account Interest	-	-	(325,573)
Warren Act Charges ⁽¹⁾	71,714	47,642	335,197
Subtotal Pass Through Expenses	27,653,311	28,606,955	28,667,780
Gross Budget Before Credits	42,947,203	44,144,462	44,591,175
CCWA Credits	(1,578,414)	(1,611,533)	(4,159,081)
TOTAL SOURCES OF CASH	\$ 41,368,789	\$ 42,532,929	\$ 40,432,094

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2002/03 Budget



FY 2001/02 Actual Cash Receipts

The actual cash receipts for FY 2001/02 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 2000/01, (2) interest income for FY 2000/01, (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 2002/03 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	\$ 50,564	\$ 18,076	\$ -	\$ -	\$ -	\$ -	\$ 68,640
Santa Maria	1,451,641	532,990	-	-	-	-	1,984,632
SCWC	47,160	16,445	-	-	-	-	63,605
Vandenberg AFB	558,396	181,458	-	-	-	-	739,855
Buellton	69,285	18,911	-	-	-	-	88,196
Santa Ynez (Solvang)	176,614	49,374	-	-	-	-	225,988
Santa Ynez	64,870	99,427	-	-	289,082	37,543	490,922
Goleta	909,904	110,127	(399,032)	(74,847)	(138,727)	(18,017)	389,408
Morehart Land	31,944	6,327	(22,604)	-	-	-	15,667
La Cumbre	202,201	32,910	(121,262)	-	-	-	113,848
Raytheon (SBRC)	10,110	1,658	(6,063)	-	-	-	5,705
Santa Barbara	434,409	72,860	(257,216)	(37,342)	(69,212)	(8,989)	134,511
Montecito	449,580	82,096	(290,167)	(22,026)	(40,825)	(5,302)	173,356
Carpinteria	283,032	50,044	(176,358)	(21,752)	(40,318)	(5,236)	89,411
Shandon	4,449	-	-	-	-	-	4,449
Chorro Valley	146,426	-	-	-	-	-	146,426
Lopez	148,022	-	-	-	-	-	148,022
TOTAL:	\$ 5,038,608	\$ 1,272,702	(\$ 1,272,702)	(\$ 155,967)	\$ -	\$ -	\$ 4,882,641

(1) Includes \$554,718 for the gross Santa Ynez Pumping Facility power costs and \$5,638 in capital expenditures.

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2002/03, are **\$4,882,641**.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2002/03 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 2002/03, total revenue for debt service payments will be \$10,654,207, or about \$297,000 more than the FY 2001/02 payment. The following table shows each financing participant's share of the debt service.

Financing Participant	FY 2001/02	FY 2002/03	
	Actual Debt Service Payments	Debt Service Revenue	Increase
Avila Beach	\$ 13,992	\$ 14,212	\$ 220
California Men's Colony	118,450	120,311	1,861
County of SLO	126,166	128,150	1,984
Cuesta College	59,229	60,170	941
Morro Bay	736,255	747,835	11,580
Oceano	102,488	104,099	1,611
Pismo Beach	169,390	172,054	2,664
Shandon	13,296	13,504	209
Guadalupe	162,867	165,404	2,537
Buellton	288,563	293,284	4,721
Santa Ynez (Solvang)	610,385	619,880	9,495
Santa Ynez	227,436	232,089	4,653
Goleta	2,790,448	2,834,034	43,587
Morehart Land	95,355	102,560	7,205
La Cumbre	456,431	491,449	35,017
Raytheon (SBRC)	26,857	27,226	369
Santa Barbara	1,709,992	1,742,891	32,899
Montecito	1,497,900	1,614,187	116,287
Carpinteria	1,151,709	1,170,868	19,159
TOTAL:	\$ 10,357,208	\$ 10,654,207	\$ 297,000

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2002/03 Budget

FY 2002/03 CCWA Credits

The following table shows a summary of the FY 2002/03 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	\$3,761	\$984	\$ 5,370	\$ -	\$10,114
Santa Maria	-	-	-	2,293,415	2,293,415
SCWC	(0)	236	-	-	236
Vandenberg AFB	35,887	9,906	-	-	45,793
Buellton	4	272	-	-	276
Santa Ynez (Solvang)	13,393	2,654	-	-	16,048
Santa Ynez	103,579	897	-	-	104,476
Goleta	134,276	8,073	-	-	142,349
Morehart Land	256	358	-	12,392	13,006
La Cumbre	12	471	11,985	817,205	829,673
Raytheon (SBRC)	8	24	-	2,813	2,845
Santa Barbara	3,403	5,381	-	-	8,785
Montecito	361,281	5,377	33,341	-	400,000
Carpinteria	258,818	3,585	26,160	-	288,563
Shandon	392	-	-	-	392
Oceano CSD	-	-	-	28	28
Chorro Valley	-	-	-	-	-
Lopez	3,083	-	-	-	3,083
TOTAL:	\$918,152	\$38,219	\$76,856	\$3,125,854	\$4,159,081

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 2002/03 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 2002/03 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 2002/03, the charges are based on 75% of requested deliveries to Lake Cachuma for the second half of 2002 and 100% of requested deliveries to Lake Cachuma for the first half of 2003.

The following table represents the Fiscal Year 2002/03 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 2002/03 DWR Fixed Charges	FY 2002/03 DWR Variable Charges	DWR Account Interest Income	FY 2002/03 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$323,138	\$42,471	(\$5,030)	\$ -	\$360,579
Santa Maria	10,108,749	1,402,119	(151,845)	-	11,359,023
SCWC	312,803	13,868	(7,293)	-	319,378
Vandenberg AFB	3,789,169	475,523	-	-	4,264,692
Buellton	399,262	47,733	(5,780)	-	441,216
Santa Ynez (Solvang)	1,018,015	15,005	(11,064)	-	1,021,956
Santa Ynez	358,885	22,685	(7,676)	-	373,895
Goleta	3,268,668	367,136	(43,395)	192,575	3,784,984
Morehart Land	137,179	3,019	(1,419)	5,539	144,318
LaCumbre	690,535	98,979	(9,014)	54,752	835,253
Raytheon (SBRC)	31,468	60	(401)	2,828	33,955
Santa Barbara	2,067,284	129,488	(49,774)	21,538	2,168,536
Montecito	2,067,284	46,959	(19,686)	45,419	2,139,976
Carpinteria	1,376,660	44,009	(13,196)	12,546	1,420,019
Shandon	-	-	-	-	-
Chorro Valley	-	-	-	-	-
Lopez	-	-	-	-	-
TOTAL:	\$25,949,101	\$2,709,055	(\$325,573)	\$335,197	\$28,667,780

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2002/03 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.

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 2002/03 Budget

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2002/03 for each project participant.

Project Participant	FY 2002/03 CCWA Operating Expenses ⁽¹⁾	FY 2002/03 Non-Annual Recurring	FY 2002/03 Debt Service Payments	FY 2002/03 DWR Costs	FY 2002/03 Warren Act Charges ⁽²⁾	FY 2002/03 CCWA Credits	FY 2002/03 Total Payments
Guadalupe	\$68,640	\$5,097	\$ 165,404	\$360,579	\$0	\$ (10,114)	\$589,606
Santa Maria	1,984,632	158,150	-	11,359,023	-	(2,293,415)	11,208,390
SCWC	63,605	238	-	319,378	-	(236)	382,985
Vandenberg AFB	739,855	42,816	-	4,264,692	-	(45,793)	5,001,570
Buellton	88,196	10,906	293,284	441,216	-	(276)	833,326
Santa Ynez (Solvan)	225,988	2,032	619,880	1,021,956	-	(16,048)	1,853,809
Santa Ynez	490,922	82,954	232,089	373,895	-	(104,476)	1,075,384
Goleta	389,408	9,282	2,834,034	3,592,409	192,575	(142,349)	6,875,360
Morehart Land	15,667	411	102,560	138,779	5,539	(13,006)	249,950
La Cumbre	113,848	2,058	491,449	780,501	54,752	(829,673)	612,936
Raytheon (SBRC)	5,705	102	27,226	31,127	2,828	(2,845)	64,143
Santa Barbara	134,511	6,187	1,742,891	2,146,999	21,538	(8,785)	4,043,341
Montecito	173,356	6,175	1,614,187	2,094,557	45,419	(400,000)	3,533,694
Carpinteria	89,411	4,119	1,170,868	1,407,473	12,546	(288,563)	2,395,854
Shandon	4,449	-	13,504	N/A	-	(392)	17,561
Chorro Valley	146,426	39,256	1,056,466	N/A	-	-	1,242,147
Lopez	148,022	16,763	290,365	N/A	-	(3,111)	452,039
TOTAL:	\$4,882,641	\$386,547	\$10,654,207	\$28,332,583	\$335,197	(\$4,159,081)	\$40,432,094
(1) Adjusted for Santa Ynez Exchange Agreement Modifications and Regional WTP Treatment Allocation.							
(2) Adjusted for Santa Ynez Exchange Agreement Modifications.							





*Above: Placement of 40' long pipe sections along the right-of-way prior to installation in Pipeline Reach 2.
Inset: Installation of 1,975' long section of 42" diameter welded pipe through directionally drilled borehole under San Juan Creek.*

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2002/03 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 2002/03 DWR charges.

Highlights

Total FY 2002/03 DWR Charges **\$28,332,583**

- DWR Fixed Charges \$25,949,101
- DWR Variable Charges \$ 2,709,055
- DWR Account Interest Income Credit \$ (325,573)

Fixed Charge Highlights

- Total fixed charge decrease over FY 2001/02 of \$2,397,475
- Decrease in Transportation Capital charges \$4,983,004
- Increase in Coastal Branch Phase II debt service \$1,460,098
- Full rate management credits provided by DWR for 2002 of \$3,600,000
- Rate Management Funds Credit included for first half of calendar year 2003 of \$1,800,000
- Transportation Minimum OMP&R retroactive increase of \$1,160,000

Variable Charge Highlights

- Total variable charge decrease over FY 2001/02 of \$1,019,000
- Variable OMP&R unit rate for 2002: \$68.10
- Variable OMP&R unit rate for 2003: \$94.30

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

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

DWR Billing Procedures

The DWR prepares its annual bill ("Statement of Charges") on a calendar year basis and submits the bill to the Authority. The variable portion of the bill is based on the requested deliveries of the Authority 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 2002/03 DWR Charges

The DWR charges for the first half of FY 2002/03 are based on the 2002 Statement of Charges. The DWR charges for the second half of FY 2002/03 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 \$481 million. Coastal Branch Extension capital charges are based on debt service from DWR's November 1996 Series Q revenue bond financing including deferral of principal through 2008 and the Series W revenue bonds issued in 2001.

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 64 shows fixed and variable DWR costs for each project participant.

Central Coast Water Authority
Department of Water Resources Charges
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The FY 2002/03 DWR fixed charges total \$25,949,101, which is \$2,397,475 less than the FY 2001/02 Budget.

- Transportation capital charges are decreasing by \$4,983,004 due to the inclusion of rate management credits for calendar years 2002 and 2003. The calendar year 2002 rate management credits were excluded from the FY 2001/02 DWR budget. Further decreases are attributed to the transfer of capital costs to the Coastal Branch Phase II Extension (see discussion below).
- Coastal Branch Phase II Extension (i.e., Reaches 37 and 38) transportation charges are increasing by about \$1,460,000 compared to the FY 2001/02 amount. This increase is attributed to the transfer of capital costs from the transportation capital cost component. In 2001 DWR issued the Series W revenue bonds for the portion of Coastal Branch Phase II Extension costs which were previously financed with commercial paper and transportation capital costs. Therefore, future Coastal Branch Phase II Extension costs are increasing from the prior year amount of about \$2.2 million to approximately \$3.2 million, a \$1 million increase. An additional \$317,000 included in the \$1.46 million increase is due to the FY 2001/02 adjustments of Coastal Branch Phase II Extension costs which was not anticipated in the FY 2001/02 budget.

The increases described above were partially offset by credits for the DWR Series Q revenue bond reserve fund interest, return of bond cover and payment of the 2002 rate management credits, which were excluded in the FY 2001/02 budget.

- Transportation Minimum OMP&R charges are increasing by about \$1,160,000 over the prior year budget due to a \$1 million over/under calculation. Each year, DWR calculates the actual Transportation Minimum OMP&R expenses compared to the actual payments by CCWA (and previously SBCFC&WCD) from the beginning of the State water contract (1963). For the years 2001 and prior, this resulted in a net under-collection by DWR from CCWA of just over \$1 million.
- Water System Revenue Bond (WSRB) Charges are higher by approximately \$30,000 for a change in the WSRB calculation by DWR.
- Delta Water Charges for FY 2002/03 are about \$906,000, which is slightly less than the prior year budget for the conservation portion of the 2002 rate management funds credits excluded from the FY 2001/02 budget.

The DWR variable charges for FY 2002/03 total \$2,709,055, which is \$1,018,785 higher than the FY 2001/02 budgeted variable payments.

- Off-aqueduct charges are increasing by about \$662,000 due to credits for prior year payments in excess of the actual amount incurred for the year and other credits transferred to the Variable OMP&R account during FY 2001/02 to pay for extraordinarily high power costs at DWR during 2001 (see the discussion below).
- Variable OMP&R charges are increasing by approximately \$357,000 due to an increase in the unit rate for calendar year 2002 and 2003.

Central Coast Water Authority
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During calendar year 2001, the State of California experienced unprecedented high power costs due to the deregulation of the State's electricity market. Since DWR is one of the largest users of electricity in the State of California, the power cost projections for 2001 were greatly understated. Therefore, DWR experienced a significant cash shortage during 2001 which threatened to undermine the financial stability of the State Water Project.

DWR and the 29 State Water Project Contractors mutually agreed to a number of options to provide cash flow relief resulting from the 2001 power crisis including (1) a revised Variable OMP&R billing for 2001 based on the actual cost of power incurred by DWR, (2) early application of credits to the 2001 power costs held by DWR payable to the Contractors and (3) a retroactive payment during 2001 for the last five months of calendar year 2000 variable OMP&R charges which were previously suspended due to the high power sales by DWR in 2000.

As a result of the actions described above, CCWA transferred approximately \$800,000 in Off-Aqueduct credits to the Variable OMP&R account to pay for the 2001 increased costs. Additionally, the quarterly Variable OMP&R invoice rate was increased from about \$50/AF to about \$113/AF.

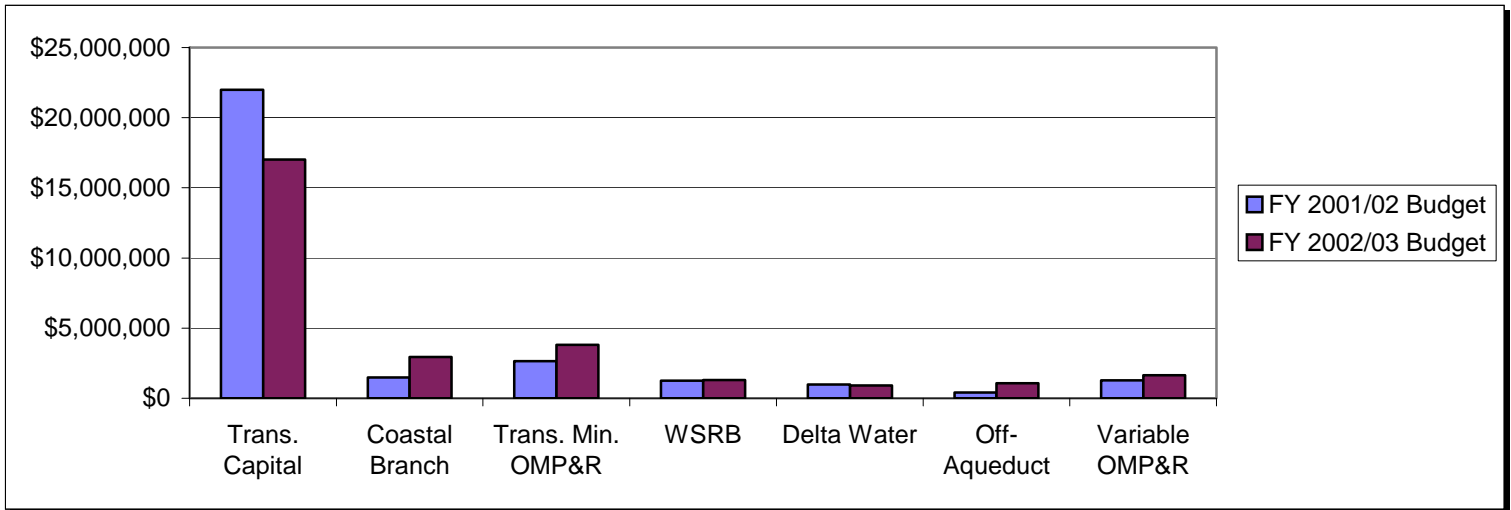
For the calendar year 2002, DWR's Variable OMP&R rate in the 2002 Statement of Charges is about \$113/AF. However, since the California power market has returned to a more stable condition, DWR has agreed to bill the State Water Contractors at a lower invoice rate and periodically review the actual power costs during 2002 to determine if an adjustment to the invoice rate is warranted. The initial 2002 invoice rate is \$69.10/AF.

The current DWR entitlement allocation percentage for 2002 is 45% of State water entitlements. Therefore, for Variable OMP&R cost allocation purposes, entitlement water deliveries are shown at 75% of requests, exchange deliveries are shown at 100% (all water exchanged between Santa Ynez River Water Conservation District, ID#1 and the South Coast project participants must be exchanged) and 2003 deliveries are shown at 100% of delivery requests.

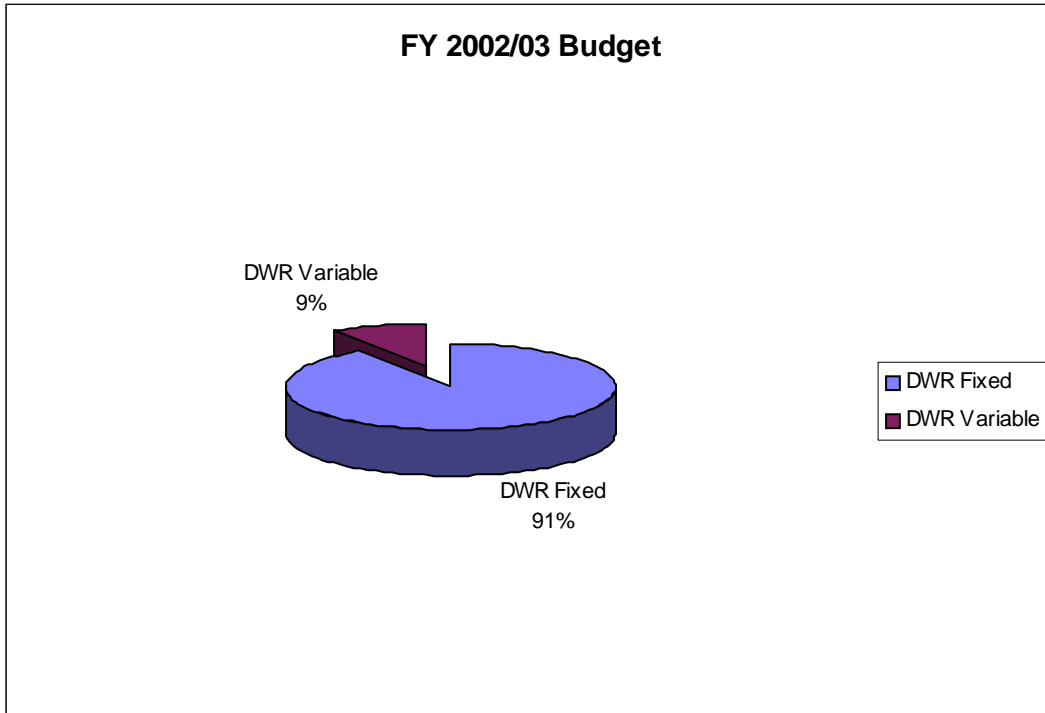
Central Coast Water Authority
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The following table provides a comparison of the FY 2001/02 and FY 2002/03 DWR budget. The FY 2002/03 charges are also partially offset by \$325,573 in investment income earned in the DWR account during FY 2001/02 compared to the prior year credit amount of \$543,398, a decrease of \$217,825.

DWR Fixed and Variable Cost Comparison			
Cost Component	FY 2001/02 Budget	FY 2002/03 Budget	Increase (Decrease)
Transportation Capital	\$ 21,993,994	\$ 17,010,990	\$ (4,983,004)
Coastal Branch Phase II	1,482,551	2,942,649	1,460,098
Transportation Minimum OMP&R	2,638,433	3,799,159	1,160,726
Water System Revenue Bond	1,259,311	1,289,804	30,493
Delta Water Charges	972,287	906,499	(65,788)
Subtotal Fixed DWR Charges	<u>28,346,576</u>	<u>25,949,101</u>	<u>(2,397,475)</u>
Off-Aqueduct Charges	405,564	1,067,444	661,880
Variable OMP&R	1,284,706	1,641,612	356,906
Subtotal Variable DWR Charges	<u>1,690,270</u>	<u>2,709,055</u>	<u>1,018,785</u>
DWR Account Investment Income	(543,398)	(325,573)	217,825
Total DWR Charges	<u>\$ 29,493,448</u>	<u>\$ 28,332,583</u>	<u>\$ (1,160,865)</u>



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 2002/03 by project participant.

TRANSPORTATION CAPITAL CHARGES

Project Participant	Entitlement	Percentage	Reaches 1 to 35 ⁽¹⁾	Deferral	One-Shot	Rate	FY 2001/02	FY 2002/03
				of Repayment	Adjustment	Management Funds Credit	(Credits) Additional Charge ⁽²⁾	Transportation Capital Charges
Guadalupe	550	1.41%	\$ 308,149	\$ 16,638	\$ (2,721)	\$ (45,287)	\$ (36,019)	\$ 240,760
Santa Maria	16,200	41.46%	9,076,382	490,051	(80,148)	(1,333,896)	(1,109,288)	7,043,102
SCWC	500	1.28%	280,135	15,125	(2,474)	(41,170)	(33,472)	218,145
VAFB	5,500	14.07%	3,081,488	166,375	(27,211)	(452,866)	(376,190)	2,391,596
Buellton	578	1.48%	323,836	17,485	(2,860)	(47,592)	(38,566)	252,304
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	833,408	45,375	(7,421)	(122,280)	(103,426)	645,656
Santa Ynez ⁽³⁾	500	1.28%	287,133	15,125	(2,474)	(42,398)	(34,461)	222,924
Goleta	4,500	11.52%	2,521,217	136,125	(22,263)	(370,527)	(309,426)	1,955,127
Morehart	200	0.51%	112,054	6,050	(989)	(16,468)	(14,189)	86,458
La Cumbre	1,000	2.56%	560,271	30,250	(4,947)	(82,339)	(66,944)	436,290
Raytheon (SBRC)	50	0.13%	28,014	1,513	(247)	(4,117)	(6,548)	18,614
Santa Barbara	3,000	7.68%	1,680,812	90,750	(14,842)	(247,018)	(204,831)	1,304,871
Montecito	3,000	7.68%	1,680,812	90,750	(14,842)	(247,018)	(204,831)	1,304,870
Carpinteria	2,000	5.12%	1,120,541	60,500	(9,895)	(164,679)	(137,887)	868,581
Subtotal:	39,078	100.00%	\$ 21,894,251	\$ 1,182,113	\$ (193,334)	\$ (3,217,654)	\$ (2,676,078)	\$ 16,989,298
Goleta Additional Entitlement	2,500	5.50%	24,310	1,312	-	(3,930)	-	21,692
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-
TOTAL:	45,486		\$ 21,918,562	\$ 1,183,425	\$ (193,334)	\$ (3,221,584)	\$ (2,676,078)	\$ 17,010,990

(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 2001/02 transportation capital reconciliation.

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

Central Coast Water Authority
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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 actual 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%	710,686	(138,450)	572,236
SCWC	500	1.30%	21,935	(4,273)	17,662
VAFB	5,500	14.28%	241,282	(47,005)	194,278
Buellton	578	1.50%	25,357	(4,940)	20,417
Santa Ynez (Solvang)	1,500	3.89%	65,804	(12,819)	52,985
Santa Ynez	500	1.30%	21,935	(4,273)	17,662
Goleta	4,500	11.68%	197,413	(38,458)	158,955
Morehart	200	0.52%	8,774	(1,709)	7,065
La Cumbre	1,000	2.60%	43,870	(8,546)	35,323
Raytheon (SBRC)	50	0.13%	2,193	(427)	1,766
Santa Barbara	3,000	7.79%	131,609	(25,639)	105,970
Montecito	3,000	7.79%	131,609	(25,639)	105,970
Carpinteria	2,000	5.19%	87,739	(17,093)	70,646
Total:	38,528	100.00%	1,690,205	(329,271)	\$ 1,360,934

Project Participant			<i>Reach 38</i>			FY 2001/02		FY 2002/03
	Entitlement	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	Additional Due	Transportation Capital Charges	
Guadalupe	-	0.00%	-	-	\$ -	\$ -	\$ -	
Santa Maria	-	0.00%	-	-	-	68,933	641,170	
SCWC	-	0.00%	-	-	-	2,042	19,703	
VAFB	5,500	25.20%	395,649	(77,077)	318,572	62,166	575,015	
Buellton	578	2.65%	41,579	(8,100)	33,479	6,416	60,311	
Santa Ynez (Solvang)	1,500	6.87%	107,904	(21,021)	86,883	16,985	156,853	
Santa Ynez	500	2.29%	35,968	(7,007)	28,961	5,775	52,397	
Goleta	4,500	20.62%	323,712	(63,063)	260,650	50,616	470,220	
Morehart	200	0.92%	14,387	(2,803)	11,584	2,242	20,891	
La Cumbre	1,000	4.58%	71,936	(14,014)	57,922	11,210	104,456	
Raytheon (SBRC)	50	0.23%	3,597	(701)	2,896	645	5,307	
Santa Barbara	3,000	13.74%	215,808	(42,042)	173,766	33,970	313,706	
Montecito	3,000	13.74%	215,808	(42,042)	173,766	33,970	313,706	
Carpinteria	2,000	9.16%	143,872	(28,028)	115,844	22,421	208,912	
Total:	21,828	100.00%	1,570,221	(305,897)	\$ 1,264,324	\$ 317,391	\$ 2,942,649	

(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 of \$263,301.

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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 2002/03.

TRANSPORTATION MINIMUM OMP&R

Project Participant	Entitlement	Percentage	Reaches 1 to 35	One-Shot Adjustment	FY 2001/02 Additional Amount Due	FY 2002/03 Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 36,788	\$ 6,980	\$ 8,476	\$ 52,244
Santa Maria	16,200	41.46%	1,083,570	205,584	248,704	1,537,858
SCWC	500	1.28%	33,444	6,345	7,731	47,520
VAFB	5,500	14.07%	367,879	69,797	84,377	522,053
Buellton	578	1.48%	38,661	7,335	8,890	54,886
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	96,041	19,036	22,265	137,341
Santa Ynez ⁽¹⁾	500	1.28%	37,733	6,345	8,325	52,404
Goleta	4,500	11.52%	300,992	57,107	82,802	440,900
Morehart	200	0.51%	13,377	2,538	2,958	18,874
La Cumbre	1,000	2.56%	66,887	12,690	15,464	95,041
Raytheon (SBRC)	50	0.13%	3,344	635	1,081	5,060
Santa Barbara	3,000	7.68%	200,661	38,071	46,055	284,787
Montecito	3,000	7.68%	200,661	38,071	46,055	284,787
Carpinteria	2,000	5.12%	133,774	25,381	30,591	189,746
Subtotal:	39,078	100.00%	\$ 2,613,811	\$ 495,915	\$ 613,775	\$ 3,723,501
Goleta Additional Entitlement	2,500	-	63,461	12,197	-	\$ 75,658
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 2,677,272	\$ 508,112	\$ 613,775	\$ 3,799,159

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

Central Coast Water Authority
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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 2002/03.

WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Entitlement	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	FY 2001/02 WSRB Credits	FY 2002/03 WSRB Charges
Guadalupe	550	1.41%	\$ 31,375	\$ (12,150)	\$ (1,153)	\$ 18,072
Santa Maria	16,200	41.46%	924,151	(357,877)	(35,239)	531,035
SCWC	500	1.28%	28,523	(11,046)	(1,110)	16,368
VAFB	5,500	14.07%	313,755	(121,501)	(12,207)	180,047
Buellton	578	1.48%	32,973	(12,769)	(1,241)	18,963
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	84,048	(32,548)	(3,141)	48,360
Santa Ynez ⁽¹⁾	500	1.28%	30,044	(11,635)	(1,074)	17,335
Goleta	4,500	11.52%	256,709	(99,410)	(10,680)	146,618
Morehart	200	0.51%	11,409	(4,418)	(400)	6,591
La Cumbre	1,000	2.56%	57,046	(22,091)	(2,219)	32,736
Raytheon (SBRC)	50	0.13%	2,852	(1,105)	(267)	1,480
Santa Barbara	3,000	7.68%	171,139	(66,273)	(6,435)	98,430
Montecito	3,000	7.68%	171,139	(66,273)	(6,435)	98,430
Carpinteria	2,000	5.12%	114,093	(44,182)	(4,438)	65,472
Subtotal	39,078	100.00%	\$ 2,229,258	\$ (863,278)	\$ (86,041)	\$ 1,279,938
Goleta Additional Entitlement	2,500	-	\$ 16,100	(6,235)	\$	9,865
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 2,245,358	\$ (869,513)	\$ (86,041)	\$ 1,289,804

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

(2) WSRB return of bond cover for one half of 2000 and one half of 2001.

Central Coast Water Authority
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Delta Water Charges This is a unit charge 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 2002/03.

The following table shows the Delta Water Charges for FY 2002/03.

DELTA WATER CHARGE

Project Participant	Entitlement Including Drought Buffer ⁽¹⁾	Percentage	Gross Delta Water Charges	Rate Management Funds Credit	Other Credits (Amount Due)	FY 2002/03 Delta Water Charges
Guadalupe	605	1.41%	\$ 14,707	(1,848)	\$ (796)	\$ 12,062
Santa Maria	17,820	41.46%	433,194	(54,440)	(23,418)	355,335
SCWC	550	1.28%	13,370	(1,680)	(716)	10,974
VAFB	6,050	14.07%	147,072	(18,483)	(7,968)	120,621
Buellton	636	1.48%	15,461	(1,943)	(820)	12,698
Santa Ynez (Solvang)	1,500	3.49%	36,464	(4,583)	(2,001)	29,880
Santa Ynez	700	1.63%	17,017	(2,139)	(916)	13,962
Goleta	4,950	11.52%	120,332	(15,122)	(9,873)	95,336
Morehart	220	0.51%	5,348	(672)	(324)	4,352
La Cumbre	1,100	2.56%	26,740	(3,361)	(1,431)	21,949
Raytheon (SBRC)	55	0.13%	1,337	(168)	(81)	1,088
Santa Barbara	3,300	7.68%	80,221	(10,082)	(4,499)	65,640
Montecito	3,300	7.68%	80,221	(10,082)	(4,499)	65,641
Carpinteria	2,200	5.12%	53,481	(6,721)	(2,935)	43,824
Subtotal	42,986	100.00%	\$ 1,044,965	\$ (131,322)	\$ (60,279)	\$ 853,363
Goleta Additional Entitlement	2,500	5.50%	\$ 60,774	(7,638)	-	\$ 53,136
TOTAL:	45,486	-	\$ 1,105,738	\$ (138,960)	\$ (60,279)	\$ 906,499

(1) No Table A entitlement reductions for calendar years 2002 or 2003.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2002/03 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 2002/03.

Project Participant	Entitlement Allocation		2002		2003		FY 2001/02	TOTAL
	Entitlement	Allocation Percentage	Off-Aqueduct ⁽²⁾	One-Half Year	Off-Aqueduct ⁽³⁾	One-Half Year	(Credits) Charges ⁽⁴⁾	FY 2002/03 Off-Aqueduct
Guadalupe	605	1.33%	\$ 16,534	\$ 8,267	\$ 14,939	\$ 7,470	\$ (863)	\$ 14,874
Santa Maria	17,820	39.18%	487,002	243,501	440,034	220,017	41,693	505,211
SCWC	550	1.21%	15,031	7,515	13,581	6,791	(817)	13,489
VAFB	6,050	13.30%	165,340	82,670	149,394	74,697	30,933	188,301
Buellton	636	1.40%	17,381	8,691	15,705	7,852	(522)	16,021
Santa Ynez (Solvang) ⁽⁶⁾	1,500	3.30%	40,993	20,497	37,040	18,520	(24,011)	15,005
Santa Ynez ⁽⁷⁾	700	1.54%	19,130	9,565	17,285	8,643	(5,392)	12,816
Goleta	7,450	16.38%	203,601	101,800	183,965	91,983	(41,782)	152,001
Morehart	220	0.48%	6,012	3,006	5,433	2,716	(2,704)	3,019
La Cumbre	1,100	2.42%	30,062	15,031	27,163	13,581	(497)	28,115
Raytheon (SBRC)	55	0.12%	1,503	752	1,358	679	(1,370)	60
Santa Barbara	3,300	7.25%	90,186	45,093	81,488	40,744	(50,187)	35,650
Montecito	3,300	7.25%	90,186	45,093	81,488	40,744	(38,878)	46,959
Carpinteria	2,200	4.84%	60,124	30,062	54,325	27,163	(21,301)	35,924
	45,486	100.00%	\$ 1,243,086	\$ 621,543	\$ 1,123,199	\$ 561,600	\$ (115,699)	\$ 1,067,444

(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, 2001.

(3) Source: Attachment #3, July 1, 2001 DWR Invoice.

(4) Credits for reconciliation of 2001 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 2002/03 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 2002/03.

VARIABLE OMP&R CHARGES

Project Participant	July 1, 2002 to Dec 31, 2002 ⁽¹⁾			\$68.10/AF ⁽²⁾	Jan 1, 2003 to June 30, 2003 ⁽³⁾			\$94.30/AF ⁽⁴⁾		TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2002 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2003 Var OMP&R	FY 2001/02 Credits ⁽⁵⁾	FY 2002/03 Var. OMP&R
Guadalupe	144	-	144	\$ 9,807	265	-	265	\$ 24,989	\$ (7,198)	\$ 27,597
Santa Maria	3,941	-	3,941	268,393	8,107	-	8,107	764,480	(135,965)	896,908
SCWC	130	-	130	8,826	262	-	262	24,706	(33,154)	378
VAFB	1,478	-	1,478	100,670	2,765	-	2,765	260,736	(74,184)	287,222
Buellton	136	-	136	9,286	275	-	275	25,932	(3,506)	31,712
Santa Ynez (Solvang)	338	-	338	22,984	750	-	750	70,724	(108,011)	-
Santa Ynez ⁽⁶⁾	192	1,778	1,970	13,086	390	773	1,163	36,777	(39,993)	9,870
Goleta	1,969	(855)	1,115	134,125	2,473	(369)	2,104	233,201	(152,190)	215,136
Morehart	23	-	23	1,532	58	-	58	5,469	(7,790)	-
La Cumbre	281	-	281	19,123	476	-	476	44,886	6,856	70,865
Raytheon (SBRC)	11	-	11	766	30	-	30	2,829	(4,415)	-
Santa Barbara	704	(426)	278	47,976	412	(184)	228	38,851	7,011	93,838
Montecito	516	(248)	268	35,149	635	(112)	523	59,880	(96,729)	-
Carpinteria	410	(248)	162	27,947	240	(107)	133	22,632	(42,493)	8,086
Total	10,274	-	10,274	\$ 699,670	17,138	-	17,138	\$ 1,616,092	\$ (691,760)	\$ 1,641,612

- (1) 2002 Requested Deliveries based on a 45% delivery allocation for entitlement deliveries and 100% for exchange deliveries.
- (2) Source: DWR January 2002 invoice. Represents invoice rate negotiated with DWR for 2002 Variable OMP&R charges.
- (3) 2003 Requested Deliveries based on a 100% delivery allocation.
- (4) Source: DWR Attachment #3, Revised 2002 Statement of Charges for 2002.
- (5) Credits for FY 2001/02 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.
- (6) Pursuant to the Exchange Agreement, Santa Ynez only pays Variable OMP&R charges on its entitlement deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Variable OMP&R charges for exchange water they accept.

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 2002 or 2003.

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2002/03 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 \$12.15 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 of the Delta Water Rate (about \$6.07 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 excess transportation capital charges 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).

The FY 2001/02 budget did not include rate management credits for calendar year 2002 because DWR was projecting it would not be able to provide the credits due to the cash flow crisis associated with the high power costs. DWR subsequently elected to provide the full rate management credits in the 2002 Statement of Charges.

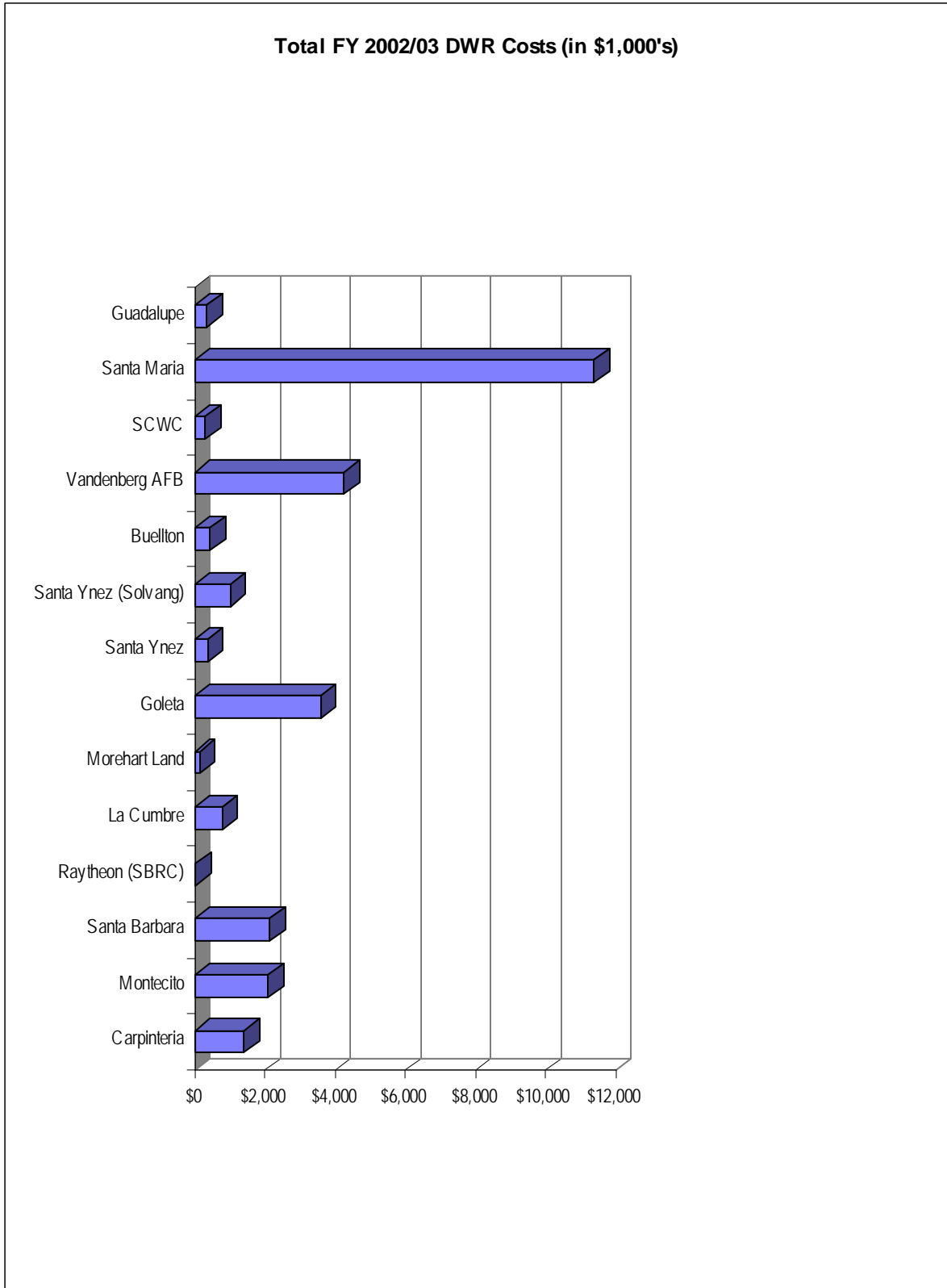
For the FY 2002/03 CCWA budget, full rate management credits are included for calendar year 2003 as determined by DWR in April 2002.

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 2002/03 Budget



Central Coast Water Authority
DWR Charges
 Fiscal Year 2002/03 Budget

Project Participant	DWR FIXED CHARGES				DWR VARIABLE CHARGES							Total DWR 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-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Account Interest	
Guadalupe	\$ 240,760	\$ -	\$ -	\$ 52,244	\$ 18,072	\$ 12,062	\$ 323,138	\$ 14,874	\$ 27,597	\$ 42,471	\$ (5,030)	\$ 360,579
Santa Maria	7,043,102	641,419	-	1,537,858	531,035	355,335	10,108,749	505,211	896,908	1,402,119	(151,845)	11,359,023
SCWC	218,145	19,797	-	47,520	16,368	10,974	312,803	13,489	378	13,868	(7,293)	319,378
Vandenberg AFB	2,391,596	217,766	-	522,053	180,047	120,621	3,789,169	188,301	287,222	475,523	-	4,264,692
Buellton	252,304	22,885	357,087	54,886	18,963	12,698	399,262	16,021	31,712	47,733	(5,780)	441,216
Santa Ynez (Solvang)	645,656	59,391	97,387	137,341	48,360	29,880	1,018,015	15,005	-	15,005	(11,064)	1,021,956
Santa Ynez	222,924	19,797	32,462	52,404	17,335	13,962	358,885	12,816	9,870	22,685	(7,676)	373,895
Goleta	1,955,127	178,172	292,162	440,900	146,618	95,336	3,108,316	152,001	215,136	367,136	(43,395)	3,432,057
Morehart Land	86,458	7,919	12,985	18,874	6,591	4,352	137,179	3,019	-	3,019	(1,419)	138,779
La Cumbre	436,290	39,594	64,925	95,041	32,736	21,949	690,535	28,115	70,865	98,979	(9,014)	780,501
Raytheon (SBRC)	18,614	1,980	3,246	5,060	1,480	1,088	31,468	60	-	60	(401)	31,127
Santa Barbara	1,304,871	118,781	194,775	284,787	98,430	65,640	2,067,284	35,650	93,838	129,488	(49,774)	2,146,999
Montecito	1,304,870	118,781	194,775	284,787	98,430	65,641	2,067,284	46,959	-	46,959	(19,686)	2,094,557
Carpinteria	868,581	79,188	129,850	189,746	65,472	43,824	1,376,660	35,924	8,086	44,009	(13,196)	1,407,473
Goleta 2500 AF	21,692	-	-	75,658	9,865	53,136	160,352	-	-	-	-	160,352
Total	\$ 17,010,990	\$ 1,525,469	\$ 1,417,180	\$ 3,799,159	\$ 1,289,804	\$ 906,499	\$ 25,949,101	\$ 1,067,444	\$ 1,641,612	\$ 2,709,055	\$ (325,573)	\$ 28,332,583

(1) Reach 36 was deleted during project design.





*Above: Aerial view of Tank 5 during construction.
Inset: Concrete pour of one of the wall panels with concrete column roof-supports in the foreground.*

Operating Expenses

The Operating Expenses section of the FY 2002/03 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 2002/03 Operating Expenses	\$4,877,003
• Fixed expense increase	\$ 292,585
• Variable expense increase	<u>\$ 80,467</u>
• Increase over FY 2001/02 Budget	\$ 373,052
• Percentage increase	8.28%
• FY 2001/02 non-annual recurring expense deposits (all departments)	\$ 386,547

Significant Operating Expense Changes

- Includes salary pool for FY 2002/03 of \$65,181.
- Chemical costs budgeted at \$19 an acre-foot.
- CCWA Variable expense allocation for the second half of calendar year 2002 based on 75% of requested deliveries and 100% of requested deliveries for the first half of calendar year 2003.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2002/03 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 24.75 Authority employees. They are charged with the mission of providing San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water and the objectives of protecting the environment, cost effectively operating and maintaining all facilities and ensuring the water supply meets or exceeds health and safety standards.

Operating Expense Budget and Exchange Agreement Modifications

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2002/03. 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.

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2002/03 budget are as follows:

- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$155,967.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2002/03 Budget

- Decrease in Warren Act charges of \$147,958 (Warren Act charges are not included in the Operating Expense budget and are treated as a pass-through expense).

Fixed and Variable Operating Expenses

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

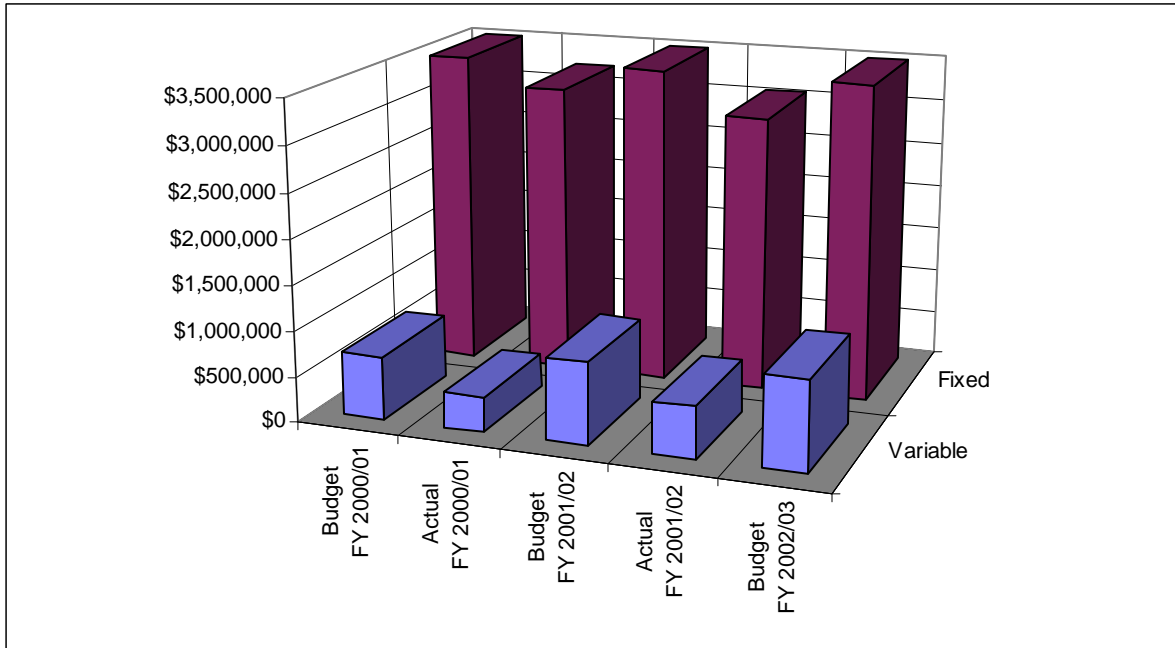
Fixed O&M Costs refer to all costs of the Authority that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services and general and administrative costs.

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.

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

	FY 2000/01	FY 2000/01	FY 2001/02	FY 2001/02	FY 2002/03
	Budget	Actual	Budget	Actual	Budget
Fixed O&M	\$ 3,527,566	\$ 3,213,572	\$ 3,591,296	\$ 3,051,943	\$ 3,883,881
Variable O&M	696,170	384,758	912,656	576,238	993,123
Total:	\$ 4,223,736	\$ 3,598,330	\$ 4,503,952	\$ 3,628,181	\$ 4,877,003

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2002/03 Budget



The Fiscal Year 2002/03 Consolidated Departmental Operating Expense Budget totals \$4,877,003 (excludes non-annual recurring expenses), which is \$373,051 higher than the Fiscal Year 2001/02 Budget, an 8.28% increase. Explanations for the various changes within the budget are found in the departmental operating expense budgets that follow.

Approximately 42% of the operating expense budget represents personnel expenses. This is followed by 14% for supplies and equipment and the balance comprised of other expenses.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2002/03 Budget

Authority Variable Expense Delivery Basis

DWR's current 2002 entitlement allocation is 65%. The Authority's variable expenses are based on 75% of project participants' delivery requests for the second half of calendar year 2002, 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 2003, the Authority's variable expenses are based on 100% of project participants' delivery requests.

The chart on page 73 provides a detailed breakdown of the components of the FY 2002/03 budget.

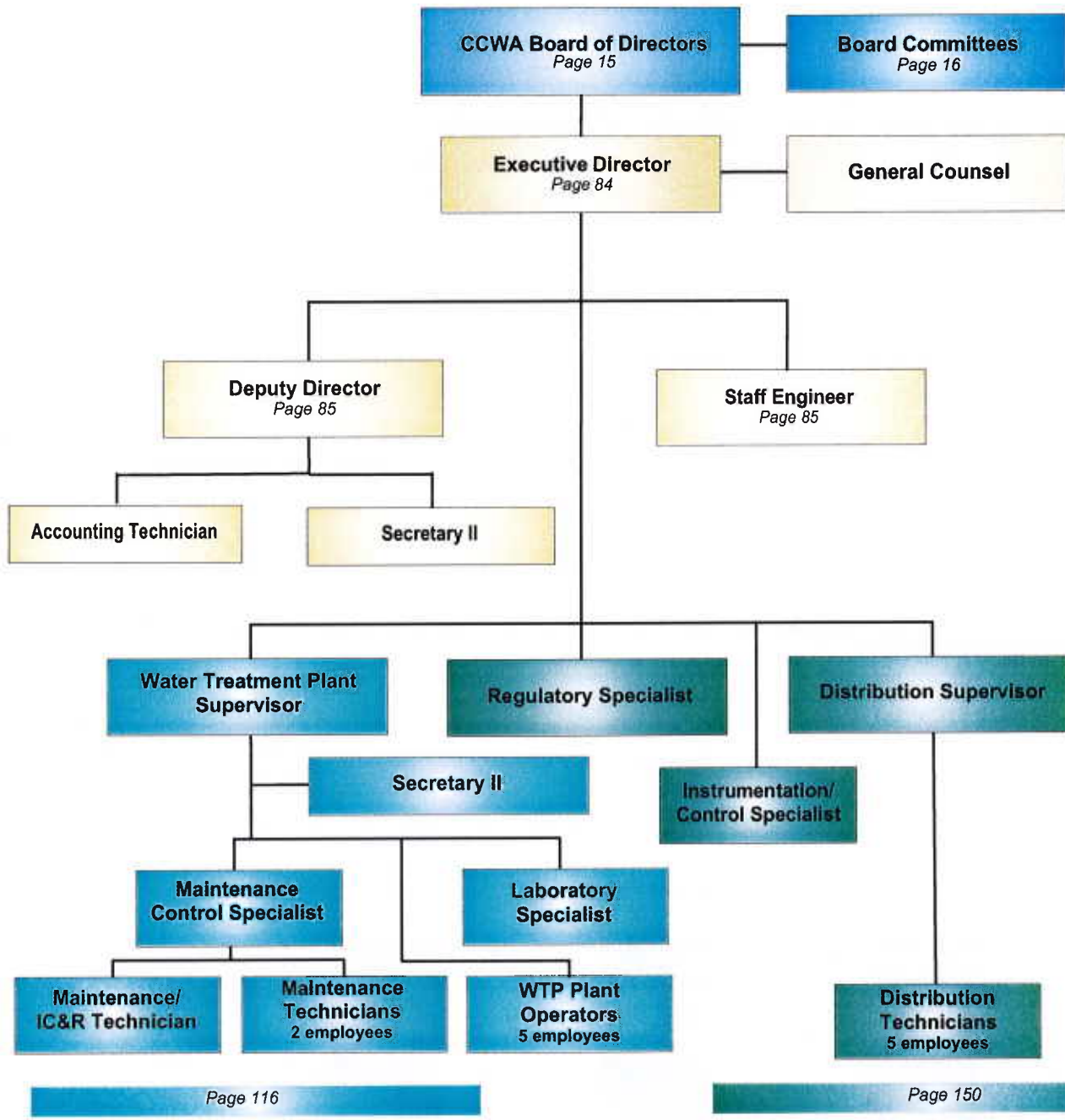
Non-Annual Recurring Expenses

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 2002/03 non-annual recurring expenses by department. Please refer to the departmental tabs for further information regarding non-annual recurring expenses.

Consolidated Departments
FY 2002/03 Non-Annual Recurring Expenses

Financing Participant	Water Treatment			FY 2001/02	FY 2002/03
	Administration Department	Plant Department	Distribution Department	Interest Income	Non-Annual Recurring Expenses
Shandon	\$ -	\$ 47	\$ 23	\$ (77)	\$ -
Chorro Valley	-	40,148	534	(1,427)	39,256
Lopez	-	17,464	776	(1,477)	16,763
Guadalupe	163	5,108	247	(421)	5,097
Santa Maria	4,815	157,792	8,510	(12,966)	158,150
So Cal Water Co.	149	233	263	(407)	238
VAFB	1,635	40,979	5,063	(4,860)	42,816
Buellton	172	10,392	895	(553)	10,906
Santa Ynez (Solvang)	446	698	2,323	(1,434)	2,032
Santa Ynez	149	82,872	774	(840)	82,954
Goleta	1,337	2,095	9,729	(3,880)	9,282
Morehart Land	59	93	432	(174)	411
La Cumbre	297	466	2,162	(866)	2,058
Raytheon (SBRC)	15	23	108	(44)	102
Santa Barbara	892	1,397	6,486	(2,587)	6,187
Montecito	892	1,397	6,486	(2,600)	6,175
Carpinteria	594	931	4,324	(1,731)	4,119
TOTAL:	\$ 11,614	\$ 362,135	\$ 49,136	\$ (36,346)	\$ 386,547

Central Coast Water Authority
Organization Chart
 Fiscal Year 2002/03



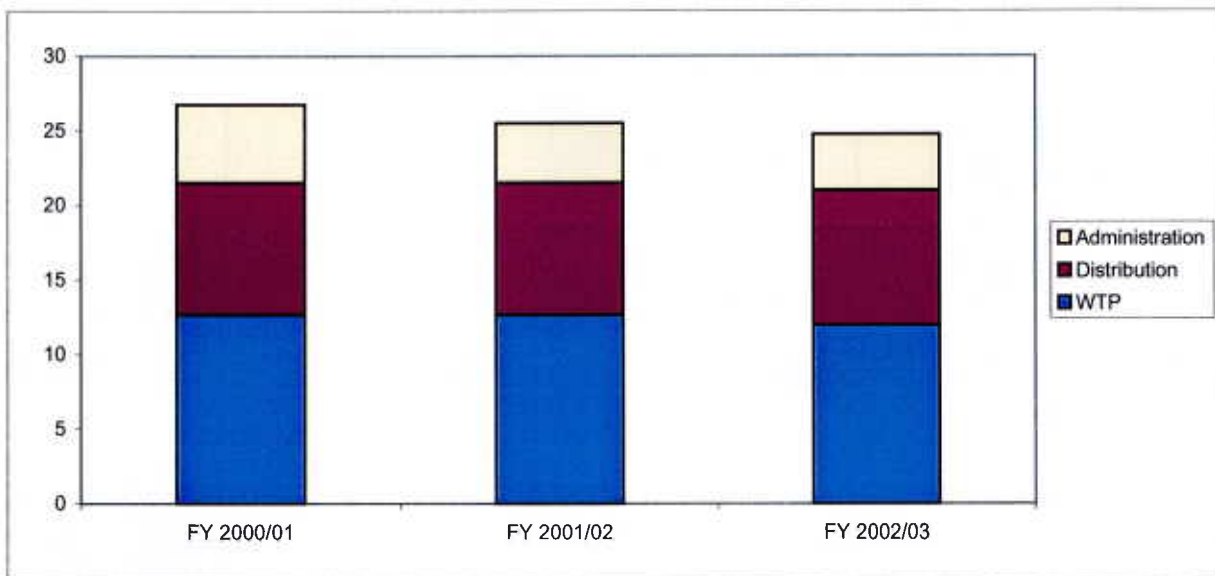
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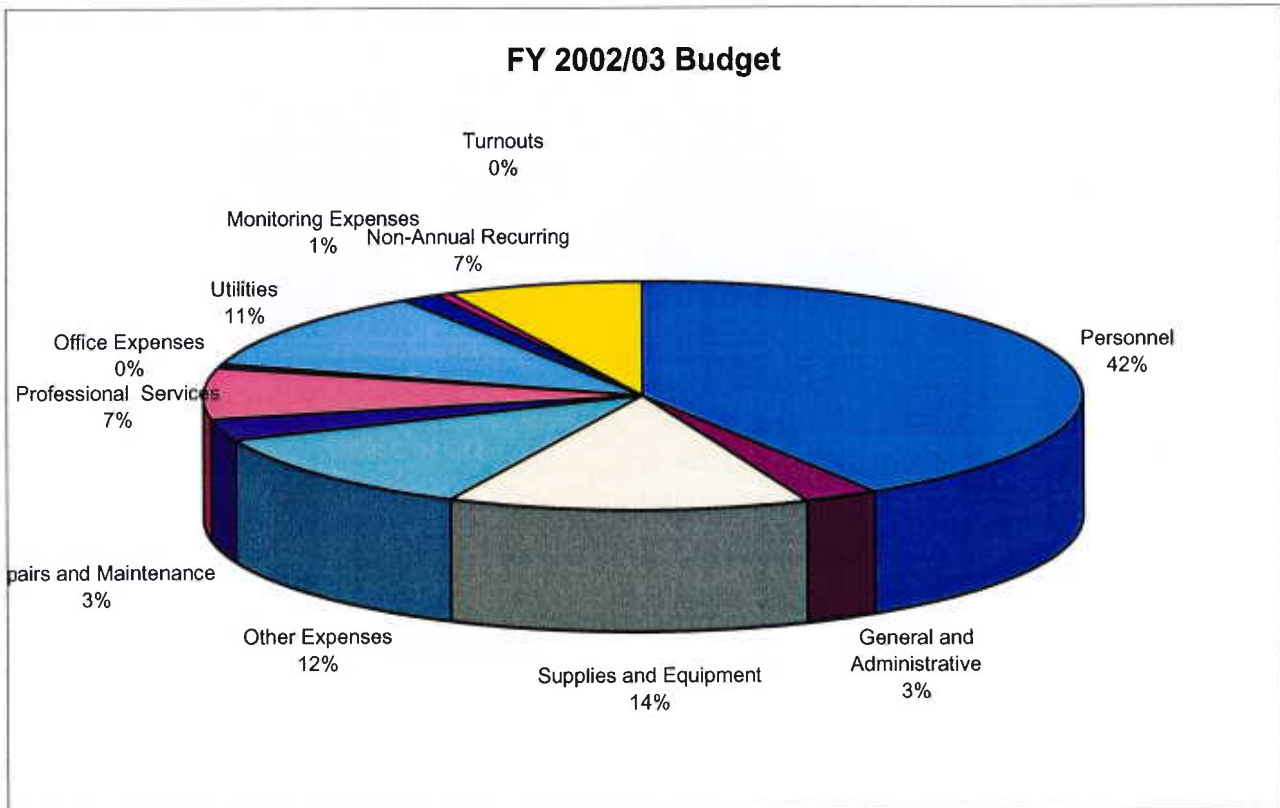
Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2002/03 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2000/01	Authorized FY 2001/02	Requested FY 2002/03	Over FY 2000/01	Over FY 2001/02
Executive Director	1	1	1	0	0
Operations Manager	1	1	0	-1	-1
Deputy Director	1	1	1	0	0
Staff Engineer	1	1	1	0	0
Regulatory Specialist	1	1	1	0	0
Accounting Technician	1	0.75	1	0	0.25
Administrative Assistant	1	0	0	-1	0
Secretary I	0.75	0.75	0	-0.75	-0.75
Secretary II	1	1	1.75	0.75	0.75
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:	26.75	25.50	24.75	-2.00	-0.75



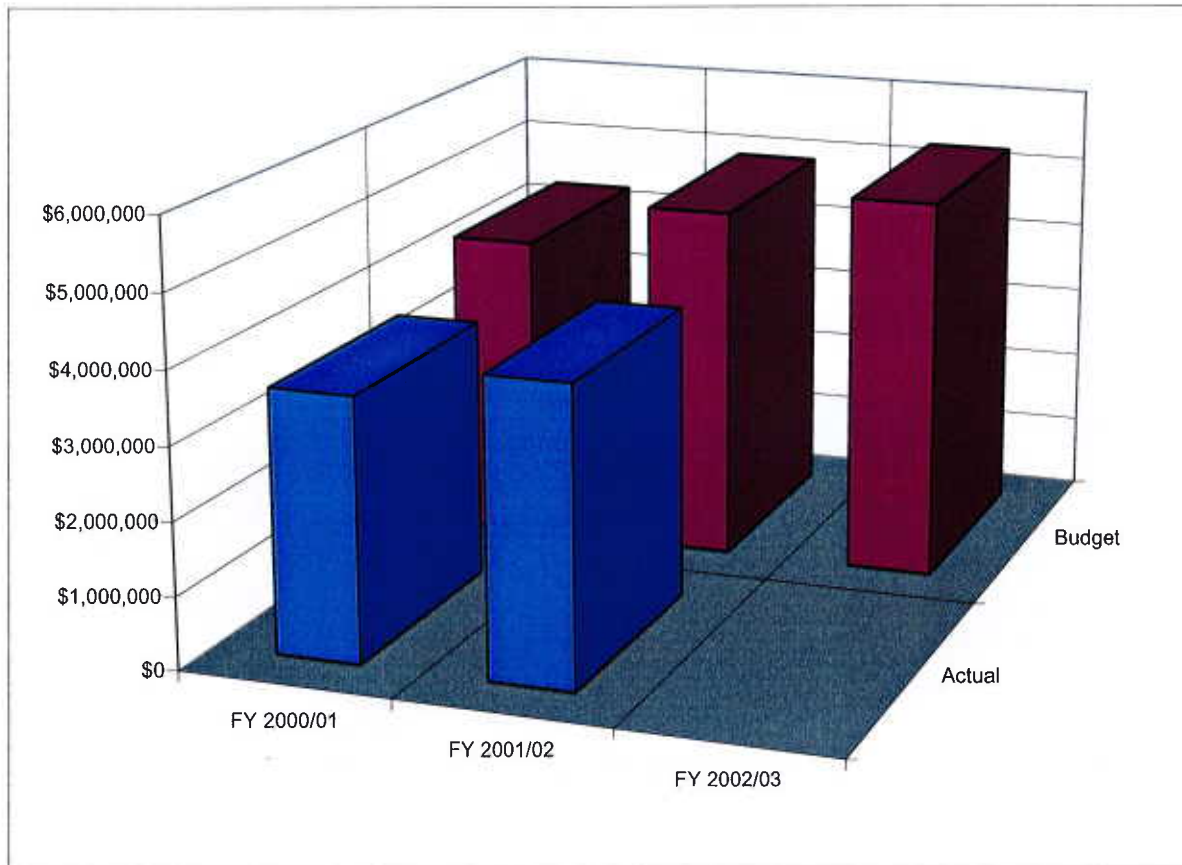
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2002/03 Budget

Item	FY 2002/03 Budget
Personnel	\$ 2,157,736
Office Expenses	22,400
Supplies and Equipment	694,689
Monitoring Expenses	72,000
Repairs and Maintenance	170,188
Professional Services	378,552
General and Administrative	152,792
Utilities	588,725
Other Expenses	613,672
Non-Annual Recurring	386,547
Turnouts	26,250
TOTAL:	\$ 5,263,550



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2002/03 Budget

Item	FY 2000/01	FY 2000/01	FY 2001/02	FY 2001/02	FY 2002/03
	Budget	Actual	Budget	Estimated Actual	Budget
Personnel	\$ 2,069,203	\$ 1,901,358	\$ 2,142,097	\$ 1,732,612	\$ 2,157,736
Office Expenses	22,100	21,777	20,900	22,691	22,400
Supplies and Equipment	541,362	434,610	566,237	521,678	694,689
Monitoring Expenses	87,000	54,504	87,000	79,037	72,000
Repairs and Maintenance	161,125	202,296	163,998	195,890	170,188
Professional Services	479,847	463,473	434,047	371,401	378,552
General and Administrative	134,421	98,773	125,102	121,511	152,792
Utilities	457,590	217,296	626,582	348,100	588,725
Other Expenses	321,877	204,243	337,990	235,261	613,672
Turnouts	-	-	-	-	26,250
Subtotal	\$ 4,274,525	\$ 3,598,330	\$ 4,503,952	\$ 3,628,181	\$ 4,877,003
Non-Annual Recurring	\$ 202,115	\$ 202,115	\$ 413,321	\$ 413,321	\$ 386,547
TOTAL:	\$ 4,476,640	\$ 3,800,445	\$ 4,917,273	\$ 4,041,502	\$ 5,263,550



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01	FY 2000/01	FY 2001/02	FY 2001/02	FY 2002/03	Change from		Percent Change from FY 2001/02 Budget
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2001/02 Budget	FY 2001/02 Budget	
PERSONNEL EXPENSES									
5000.10	Full-Time Regular Wages	\$ 1,477,275	\$ 1,375,901	\$ 1,533,866	\$ 1,197,596	\$ 1,477,354	\$ (56,512)		-3.68%
5000.20	Overtime	72,028	57,069	74,521	49,199	73,996	(524)		-0.70%
5000.40	Standby Pay	6,000	8,864	10,300	8,670	31,536	21,236		206.17%
5000.50	Shift Differential Pay	11,000	10,298	11,000	11,636	11,500	500		4.55%
5100.10	PERS Retirement	197,014	183,509	190,366	163,178	177,545	(12,822)		-6.74%
5100.15	Medicare Taxes	22,465	22,112	24,094	20,778	23,496	(599)		-2.49%
5100.20	Health Insurance	140,982	109,791	146,542	120,802	171,273	24,730		16.88%
5100.25	Workers' Compensation	30,612	29,775	31,936	38,004	69,389	37,453		117.28%
5100.30	Vehicle Expenses	4,320	3,697	4,320	2,995	6,000	1,680		38.89%
5100.35	IRC 457-Employer Paid	16,000	16,538	17,000	9,750	11,000	(6,000)		-35.29%
5100.40	Cafeteria Plan Benefits	8,677	9,902	11,639	10,036	16,854	5,215		44.80%
5100.45	Dental/Vision Plan	31,563	41,290	30,000	29,863	36,000	6,000		20.00%
5100.50	Long-Term Disability	8,900	8,051	9,061	8,968	8,437	(624)		-6.89%
5100.55	Life Insurance	7,250	6,145	6,771	5,746	5,957	(814)		-12.03%
5100.60	Employee Physicals	2,470	1,496	2,850	3,090	2,850	-		0.00%
5000.30	Temporary Services	28,195	16,623	33,380	48,481	27,500	(5,880)		-17.62%
5100.70	Employee Incentive Programs	2,700	-	2,700	1,715	4,800	2,100		77.78%
5100.65	Employee Education Reimbursement	1,750	298	1,750	2,105	2,250	500		28.57%
Total Personnel Expenses:		2,069,203	1,901,358	2,142,097	1,732,612	2,157,736	15,639		0.73%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change from FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	-	16,007	15,600	13,023	15,600	-	N/A
5200.20	Office Supplies	5,300	5,770	5,300	9,668	6,800	1,500	28.30%
5200.30	Misc. Office Expenses	22,100	21,777	20,900	22,691	22,400	1,500	7.18%
Total Office Expenses:								
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	15,092	13,459	15,317	14,763	15,317	-	0.00%
5500.15	Minor Tools and Equipment	17,000	12,389	16,000	24,128	20,000	4,000	25.00%
5500.20	Spare Parts	25,000	18,652	10,000	864	-	(10,000)	-100.00%
5500.25	Landscape Equipment and Supplies	3,500	2,396	3,500	225	3,000	(500)	-14.29%
5500.30	Chemicals-Fixed	2,520	4,914	-	5,368	-	-	N/A
5500.31	Chemicals-Variable	408,000	317,784	440,670	404,740	573,122	132,452	30.06%
5500.35	Maintenance Supplies/Hardware	22,000	21,061	28,000	35,131	33,000	5,000	17.86%
5500.40	Safety Supplies	8,000	9,397	8,000	2,597	8,000	-	0.00%
5500.45	Fuel and Lubricants	24,750	31,596	35,250	26,684	33,250	(2,000)	-5.67%
5500.50	Seed/Erosion Control Supplies	15,000	2,962	9,000	7,178	8,500	(500)	-5.56%
5500.55	Backflow Prevention Supplies	500	-	500	-	500	-	0.00%
Total Supplies and Equipment:		541,362	434,610	566,237	521,678	694,689	128,452	22.69%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	27,000	24,472	27,000	29,009	35,000	8,000	29.63%
5600.20	Lab Tools and Equipment	5,000	3,683	5,000	12,217	12,000	7,000	140.00%
5600.30	Lab Testing	55,000	26,348	55,000	37,811	25,000	(30,000)	-54.55%
Total Monitoring Expenses:		87,000	54,504	87,000	79,037	72,000	(15,000)	-17.24%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01	FY 2000/01	FY 2001/02	FY 2001/02	FY 2002/03	Change from		Percent Change from FY 2001/02 Budget
		Budget	Actual	Budget	Estimated Actual	Budget	Budget	Budget	
<u>REPAIRS AND MAINTENANCE</u>									
5700.10	Equipment Repairs and Maintenance	109,725	146,079	114,750	140,690	119,960	5,210	5,210	4.54%
5700.20	Vehicle Repairs and Maintenance	11,500	12,515	13,000	12,962	13,000	-	-	0.00%
5700.30	Building Maintenance	32,600	39,075	29,100	34,747	29,880	780	780	2.68%
5700.40	Landscape Maintenance	7,300	4,627	7,148	7,492	7,348	200	200	2.80%
Total Repairs and Maintenance:		161,125	202,296	163,998	195,890	170,188	6,190	6,190	3.77%
<u>PROFESSIONAL SERVICES</u>									
5400.10	Professional Services	186,100	234,164	186,800	172,053	214,720	27,920	27,920	14.95%
5400.20	Legal Services	170,000	102,280	140,000	104,963	50,000	(90,000)	(90,000)	-64.29%
5400.30	Engineering Services	40,000	34,910	30,000	35,771	36,000	6,000	6,000	20.00%
5400.40	Permits	9,000	11,082	9,500	6,547	10,000	500	500	5.26%
5400.50	Non-Contractual Services	49,900	59,632	42,900	27,068	38,900	(4,000)	(4,000)	-9.32%
5400.60	Accounting Services	24,847	21,405	24,847	25,000	28,932	4,085	4,085	16.44%
5400.70	Payroll Service	-	-	-	-	-	-	-	N/A
Total Professional Services:		479,847	463,473	434,047	371,401	378,552	(55,495)	(55,495)	-12.79%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01	FY 2000/01	FY 2001/02	FY 2001/02	FY 2002/03	Change from		Percent
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2001/02	Budget	
<u>GENERAL AND ADMINISTRATIVE</u>									
5300.10	Meeting and Travel	37,000	28,224	28,500	31,460	39,000	10,500	36.84%	
5300.20	Mileage Reimbursement	850	259	850	-	700	(150)	-17.65%	
5300.30	Dues and Memberships	42,751	43,997	54,582	61,596	71,522	16,940	31.04%	
5300.40	Publications	5,520	6,564	6,670	5,910	6,920	250	3.75%	
5300.50	Training	31,500	7,573	22,000	8,067	22,000	-	0.00%	
5300.60	Advertising	900	2,276	1,200	8,728	2,250	1,050	87.50%	
5300.70	Printing and Binding	6,000	2,662	4,000	3,386	4,000	-	0.00%	
5300.80	Postage	9,900	7,218	7,300	2,363	6,400	(900)	-12.33%	
Total General and Administrative:		134,421	98,773	125,102	121,511	152,792	27,690	22.13%	
<u>UTILITIES</u>									
5800.10	Other Utilities	-	-	-	1,374	-	(300)	N/A	
5800.20	Natural Gas	2,500	5,891	3,700	129,542	3,400	(300)	-8.11%	
5800.30	Electric-Fixed	96,300	103,878	101,976	171,497	115,900	13,924	13.65%	
5800.35	Electric-Variable	302,540	66,974	471,986	171,497	420,001	(51,985)	-11.01%	
5800.40	Water	3,420	2,796	3,420	2,211	2,700	(720)	-21.05%	
5800.50	Telephone	47,640	32,837	39,440	39,498	40,424	984	2.49%	
5800.60	Waste Disposal	5,190	4,919	6,060	3,977	6,300	240	3.96%	
Total Utilities:		457,590	217,296	626,582	348,100	588,725	(37,857)	-6.04%	

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change from FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	111,100	121,274	106,200	113,000	133,625	27,425	25.82%
5900.20	Insurance Claim Deductibles	5,000	-	-	-	-	-	N/A
5900.30	Non-Capitalized Projects	-	-	-	-	199,038	199,038	N/A
5900.40	Equipment Rental	30,330	42,698	33,830	36,963	33,326	(504)	-1.49%
5900.50	Non-Capitalized Equipment	35,000	5,849	50,000	1,152	50,000	-	0.00%
5900.60	Computer Expenses	36,212	34,422	38,107	84,146	79,372	41,265	108.29%
5900.70	Appropriated Contingency	104,235	-	109,852	-	118,311	8,459	7.70%
Total Other Expenses:		321,877	204,243	337,990	235,261	613,672	275,682	81.57%
Turnout Expenses		-	-	-	-	26,250	26,250	N/A
TOTAL OPERATING EXPENSES		\$ 4,274,525	\$ 3,598,330	\$ 4,503,952	\$ 3,628,181	\$ 4,877,003	\$ 373,051	8.28%

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 FY 2002/03 Budget

Project Participant	Administration Department			Water Treatment Plant Department Fixed Costs					Total Fixed WTP Costs	Turnout Costs
	Entitlement	Percentage	Administration Expenses	WTP Fixed	WTP and Capital Retirement	Exchange Fixed and Capital	Adjustments			
Shandon	-	-	\$ -	100	0.23%	\$ 3,757	-	-	3,757	-
Chorro Valley	-	-	-	2,338	5.32%	87,848	-	-	87,848	8,000
Lopez	-	-	-	2,392	5.45%	89,877	-	-	89,877	3,250
Guadalupe	550	1.41%	10,711	550	1.25%	20,666	16,562	-	37,227	2,500
Santa Maria	16,200	41.46%	315,498	16,200	36.90%	608,697	487,815	-	1,096,512	2,500
Southern California Water Co.	500	1.28%	9,738	500	1.14%	18,787	15,056	-	33,843	2,000
VAFB	5,500	14.07%	107,113	5,500	12.53%	206,657	165,616	-	372,273	2,000
Buellton	578	1.48%	11,257	578	1.32%	21,718	17,405	-	39,122	2,000
Santa Ynez (Solvang)	1,500	3.84%	29,213	1,500	3.42%	56,361	45,168	268,042	101,529	2,000
Santa Ynez	500	1.28%	9,738	500	1.14%	18,787	91,872	(128,631)	378,701	2,000
Goleta	4,500	11.52%	87,638	4,500	10.25%	169,083	(245,559)	-	(205,107)	-
Morehart Land	200	0.51%	3,895	200	0.46%	7,515	(14,992)	-	(7,478)	-
La Cumbre	1,000	2.56%	19,475	1,000	2.28%	37,574	(74,961)	-	(37,388)	-
Raytheon (SBRC)	50	0.13%	974	50	0.11%	1,879	(3,748)	-	(1,869)	-
Santa Barbara	3,000	7.68%	58,425	3,000	6.83%	112,722	(179,101)	(64,175)	(130,554)	-
Montecito	3,000	7.68%	58,425	3,000	6.83%	112,722	(197,879)	(37,854)	(123,011)	-
Carpinteria	2,000	5.12%	38,950	2,000	4.55%	75,148	(123,253)	(37,383)	(85,488)	-
TOTAL:	39,078	100.00%	\$ 761,050	43,908	100.00%	\$ 1,649,795	\$ 0	\$ -	\$ 1,649,795	\$ 26,250

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	692	-	-	-	-	-	-	-	-	692	4,449
Chorro Valley	16,170	8,465	-	-	-	-	-	-	-	16,170	112,018
Lopez	16,543	1,946	-	-	-	-	-	-	-	25,008	118,135
Guadalupe	3,804	57,327	2,327	38,837	-	-	-	-	-	8,077	58,516
Santa Maria	112,041	1,769	2,115	1,199	-	-	-	-	-	276,745	1,691,254
Southern California Water Co.	3,458	19,463	23,270	13,185	-	-	-	-	-	8,541	54,122
VAFB	38,039	3,998	2,445	1,386	20,522	39,110	-	-	-	153,589	634,975
Buellton	3,998	2,045	6,346	3,596	2,157	4,110	9,663	-	-	25,804	78,183
Santa Ynez (Solvang)	10,374	5,308	2,115	1,199	5,597	10,666	25,077	-	-	66,965	199,707
Santa Ynez	3,458	1,769	2,115	1,199	1,866	3,555	8,359	-	-	22,322	412,761
Goleta	31,123	15,924	19,039	10,788	16,791	31,999	75,232	76,799	-	277,695	160,226
Morehart Land	1,383	708	846	479	746	1,422	3,344	3,413	-	12,342	8,760
La Cumbre	6,916	3,539	4,231	2,397	3,731	7,111	16,718	17,066	-	61,710	43,798
Raytheon (SBRC)	346	177	212	120	187	356	836	853	-	3,085	2,190
Santa Barbara	20,748	10,616	12,693	7,192	11,194	21,333	50,155	51,199	-	185,130	113,001
Montecito	20,748	10,616	12,693	7,192	11,194	21,333	50,155	51,199	-	185,130	120,544
Carpinteria	13,832	7,077	8,462	4,795	7,462	14,222	33,437	34,133	-	123,420	76,882
TOTAL:	303,673	146,749	165,333	92,364	81,448	155,216	272,976	234,663	1,452,423	\$ 3,989,519	

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 FY 2002/03 Budget

Distribution Department Variable Costs

Project Participant	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II	Total Distribution Variable Costs
Shandon	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Chorro Valley	0	0	0	0	0	0	0	0	0
Lopez	0	0	0	0	0	0	0	0	0
Guadalupe	0	0	0	0	0	0	0	0	0
Santa Maria	0	0	0	0	0	0	0	0	0
Southern California Water Co.	0	0	0	0	0	0	0	0	0
VAFB	0	0	0	0	0	0	0	0	0
Buellton	0	0	0	0	0	0	0	0	0
Santa Ynez (Solvang)	0	0	0	0	0	0	0	0	0
Santa Ynez	0	0	0	0	0	0	0	227,793	227,793
Goleta	0	0	0	0	0	0	0	6,603	6,603
Morehart Land	0	0	0	0	0	0	0	67,253	67,253
La Cumbre	0	0	0	0	0	0	0	3,363	3,363
S.B. Research	0	0	0	0	0	0	0	25,632	25,632
Santa Barbara	0	0	0	0	0	0	0	53,175	53,175
Montecito	0	0	0	0	0	0	0	14,931	14,931
Carpinteria	0	0	0	0	0	0	0	0	0
TOTAL:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 398,751	\$ 398,751

Water Treatment Plant Variable Costs

Project Participant	WTP Variable			WTP Variable Exchange Adjustments	Total WTP Variable Costs	Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING COSTS
	Variable	Retreatment	WTP Variable				
Shandon	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,449
Chorro Valley	36,039				36,039	36,039	148,056
Lopez	28,519				28,519	28,519	146,654
Guadalupe	8,605	1,514			10,119	10,119	68,635
Santa Maria	248,079	45,153			293,232	293,232	1,984,486
Southern California Water Co.	8,090	1,388			9,478	9,478	63,600
VAFB	88,994	15,834			104,828	104,828	739,803
Buellton	8,502	1,506			10,008	10,008	88,191
Santa Ynez (Solvang)	22,065	4,204			26,268	26,268	225,975
Santa Ynez	12,018	7,551	37,524		57,094	57,094	469,854
Goleta	72,813	(43,325)	(18,008)		11,480	239,274	399,499
Morehart Land	1,589	(1,284)			304	6,908	15,667
La Cumbre	16,181	(657)			2,796	70,050	113,847
S.B. Research	809	(657)			152	3,515	5,705
Santa Barbara	15,151	(5,253)	(8,984)		914	26,546	139,548
Montecito	18,093	(10,187)	(5,299)		2,607	55,782	176,326
Carpinteria	8,826	(3,060)	(5,233)		533	15,464	92,346
TOTAL:	\$ 594,372	\$ 0	\$ 0	\$ 0	\$ 594,372	\$ 993,123	\$ 4,882,641





The Central Coast Water Authority Administrative office. CCWA leased the office effective August 1, 1994, moved into it October 3, 1994 and subsequently purchased it on December 1, 1998.

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 3.75
- 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 2002/03 O&M Budget \$755,412
- Non-Annual Recurring Expense deposits \$ 11,614
- **Total Administration Department FY 2002/03 Budgeted Expenses \$767,026**
- O&M Budget increase over FY 2001/02 \$ 47,687

Significant Accomplishments During FY 2001/02

- Planned and implemented the CCWA ten-year anniversary celebration.
- Successfully negotiated with DWR to restore the rate management credits in the 2002 Statement of Charges (\$3,600,000).
- Successfully negotiated with Zurich Insurance Company to obtain settlement proceeds for the pipeline storm damage insurance claim during construction (\$2,237,000).

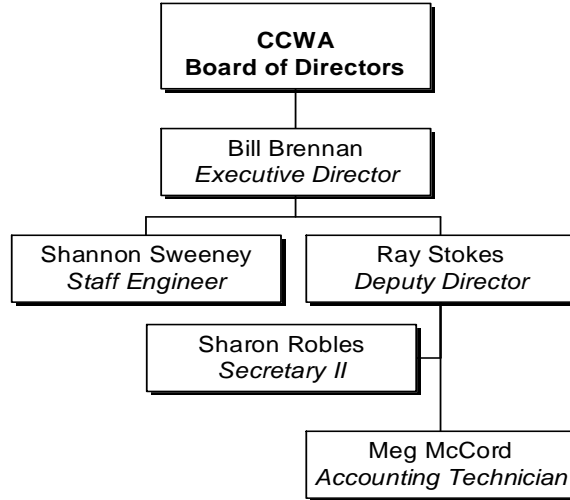
Significant Goals for FY 2002/03

- 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.
- Continue to work with DWR fiscal staff through the DWR/State Water Contractors Finance, Accounting and Invoice Review Group to implement full rate management credits for 2003.

Central Coast Water Authority
Administration Department
Fiscal Year 2002/03 Budget

The Administration Department is comprised of the Executive Director, Deputy Director, 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



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.

Central Coast Water Authority
Administration Department
Fiscal Year 2002/03 Budget

DEPUTY DIRECTOR

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 Deputy Director 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.

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 Deputy Director and one full-time Accounting Technician. Additional secondary duties include in-house administration and maintenance of the computer network system and participation in the State Water Contractors (SWC) audit-finance committee.

ENGINEERING

The Engineering Department consists of a Staff 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 Staff Engineer is charged with the responsibility for construction contract administration and management and provides technical support to the operations and maintenance departments.

Central Coast Water Authority
Administration Department
 Fiscal Year 2002/03 Budget

2001 ACCOMPLISHMENTS AND 2002 GOALS

The following pages list all of the Authority's 2001 goals and their status (i.e., "Accomplishments") and the Authority's 2002 goals. The 2001 accomplishments and 2002 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.

2001 ACCOMPLISHMENTS

<u>Goal</u>	<u>Status</u>
Implement project costing module for Solomon accounting system (1/01)	Done 4/01.
Prepare and submit FY 1999/00 report of continuing disclosure to Bond Trustee (03/01)	Done 3/01.
Implement CCWA web site financial section for use by CCWA project participants (06/01)	Done 7/01.
Develop Accounting Department policies and procedures manual (including risk management policies and procedures) (6/01)	Deferred to 6/02.
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 (07/01)	Done 9/01; also submitted to California Society of Municipal Officers (CSMFO) for the "Excellence in Operational Budgeting" award. Received GFOA and CSMFO awards for FY 2000/01 Budget 2/01.
Plan and implement CCWA ten-year anniversary celebration (8/01)	Ten-year anniversary celebration held 9/27/01
-	Developed computer compact disk presentation of project construction photographs, video clips, maps, schedules, and costs. Unveiled at the ten-year anniversary celebration.
Analyze preventive maintenance and purchasing software options and implement as appropriate (10/01)	Installed updated version of existing software 10/01

Central Coast Water Authority
Administration Department
 Fiscal Year 2002/03 Budget

<u>Goal</u>	<u>Status</u>
Prepare a Comprehensive Annual Financial Report (CAFR) for FY 2000/01 in conformance with GFOA standards and submit it to GFOA for the "Excellence in Financial Reporting" Award (11/01)	Done 11/01. Received GFOA award for FY 1999/00 CAFR 5/01. Also received CSMFO "Outstanding Financial Reporting" Award for FY 1999/00 CAFR 2/01.
Make CCWA financial presentation to the Santa Barbara County Board of Supervisors (11/01)	Presentation scheduled for 12/11/01.
Complete closeout of remaining revenue bond fund and capital deposit expenditures (12/01)	Deferred to 6/02 or later due to addition of Zurich Insurance settlement monies to remaining balance.
Participate and represent CCWA's interests in State Water Contractors Association (ongoing)	Most significant accomplishment was working with DWR to restore 2002 rate management funds credit (reduces CCWA FY 2001/02 expenditures by \$1.8 million and FY 2002/03 budget by \$1.8 million). Dan Masnada serving as SWC Vice President during FY 2001/02 and President during FY 2002/03. Ray Stokes chairing Finance Accounting Invoice Review Group.
Implement water transfers and sales as requested by project participants (ongoing)	Purchased DWR Turnback Pool Program, Article 21 and Dry Year Water Purchase Program water to supplement State water entitlement deliveries to requesting project participants (4,783 AF total). Also transferred water 1,335 AF in CCWA Turnback Pool Program.
Protect CCWA's interest with regard to the following lawsuits:	
<ul style="list-style-type: none"> • Adam vs. City of Santa Maria, et al. and related cases (Santa Maria groundwater basin litigation) • Mountain Cascade, Inc. vs. Zurich Insurance Company 	<p>Ongoing.</p> <p>Successfully completed settlement negotiations 6/01. CCWA settlement amount is \$2.237 million. Settlement discussions ongoing.</p>
<ul style="list-style-type: none"> • Planning and Conservation League, et. al. vs. Department of Water Resources, et. al. (Monterey Amendments litigation) 	CCWA lawsuit against Hensel Phelps and Howe Electric filed 8/01 to recover costs incurred for Polonio Pass Water Treatment Plant electrical modifications.

Central Coast Water Authority
Administration Department
 Fiscal Year 2002/03 Budget

Goal

Status

Contracts

Competitively bid and execute new bulk chemical contracts (6/01) Anticipate completing 12/01.

Preserve benefits of Monterey Amendment (Amendment No. 16 to the State Water Contract) to CCWA's project participants and their customers (12/01) See status of Monterey Amendments litigation under Administration and Accounting.

DWR Coordination

Complete review of DWR final project costs and allocation of said costs to CCWA (2/01) Anticipate completing 12/01.

Complete modifications to Valve Vault Facility that were not made by DWR or its contractors (4/01) Done 4/01.

Engineering

Update instrumentation documentation to reflect installed configurations (03/01) First phase completed 3/01. Final phase will require outside contractor assistance; anticipate completing in 2002 after new Staff Engineer is hired.

Close out contract for Polonio Pass Water Treatment Plant (PPWTP) electrical modifications a (2/01) and obtain cost reimbursement from PPWTP consultants and contractors (6/01) Contract closed out 12/00. Obtained partial cost reimbursement from project consultants 12/01 and filed suit against the construction contractor and electrical subcontractor for cost reimbursement 8/01.

Inspect Lake Cachuma discharge tower and Bradbury Dam outlet works (6/01) Done 6/01.

Conduct five-year warranty inspection of Reaches 5B and 6 and coordinate repair of any deficiencies with Kenko, Inc. (12/01) Inspection and repairs completed 11/01. Utilized video technology along with conventional manned techniques to inspect Reach

Central Coast Water Authority
Administration Department
 Fiscal Year 2002/03 Budget

Engineering (continued)

<u>Goal</u>	<u>Status</u>
Cooperate with Santa Barbara County et. al. in Santa Rosa Creek restoration project (ongoing)	Ongoing.
-	Commence planning for construction of the Orcutt Road Turnout.
-	Completed Schedule C pipeline repairs 11/01 (pipeline realignment) and 12/01 (pile retard system). Obtained Natural Disaster Assistance Act funding of 75% of the pipeline realignment cost 12/01. 5B/6 pipelines, resulting in savings of \$16,000, 2 1/2 weeks downtime, and nearly four million gallons of water.
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)	Deferred to 2002. Will be completed prior to next inspection 11/02.
Coordinate PPWTP electrical survey of CH2MHill and Montgomery Watson and implement modifications identified in the survey (12/01)	Done 10/01.
Participate in technical advisory committee regarding Bradbury Dam outlet works (ongoing)	Ongoing.

Environmental and Safety

Review and update training requirements for all positions (3/01)	Done 3/01.
Provide First Responder Training to all required personnel (07/01)	Deferred to 2002.
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)	HCP still being reviewed by U.S. Fish and Wildlife Service. Anticipate completing 7/02. The Corps permit will take another six months after the HCP is completed (12/02).

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

Ongoing. As of 12/01, the following recoveries have been achieved in accordance with regulatory agency requirements:

- Grasslands - 96%
- Chaparral - 31%
- Coastal Scrub - 95%
- Riparian Habitat - 80%
- Fresh Water Marsh - 100% signed off
- Surviving Oaks - 9,311

Post 2001 Goals

<u>Goal</u>	<u>Status</u>
Obtain approval of and implement Amendment 19 to the State Water Contract (including "Phase 2" issues)	On hold pending outcome of Monterey Amendments litigation.
Consider Table A entitlement reduction and, if appropriate, implement a State Water Contract amendment in accordance with Amendment 19.	Not possible for 2002 until Amendment 19 is implemented.
Identify and implement mechanisms to firm up water supply reliability as needed.	Operating Committee discussed potential programs to firm up water supply reliability and offset shortages due to drought during its 10/11/01 regular meetings.
Identify and implement mechanisms to offset shortages due to drought.	DWR and State Water Contractors have developed and are implementing a 2002 Dry year Water Purchase Plan.
Consider San Luis Obispo County membership in CCWA if requested.	-
Work with State Water Contractors and DWR to develop and Implement multi-year water transfer policy.	-

2002 GOALS

Administration and Accounting

Update CCWA web site and include project "photo album" CD contents [2/02]

Central Coast Water Authority
Administration Department
Fiscal Year 2002/03 Budget

Prepare and submit FY 1999/00 report of continuing disclosure to Bond Trustee [3/02]

Fill vacant Secretary II [1/02], Distribution Technician [2/02] and Staff Engineer [4/02] positions

Continue to work with Department of Water Resources fiscal staff through the DWR/State Water Contractors Finance, Accounting and Invoice Review Group to implement full rate management credits for 2003 [4/02]

Develop Accounting Department policies and procedures manual (including risk management policies and procedures) [6/02]

Assist San Luis Obispo County as needed in transferring Shandon entitlement and ensure the transfer does not detrimentally impact existing project participants [6/02]

Prepare the FY 2002/03 Budget in conformance with Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officers (CSMFO) standards and submit it to GFOA for the "Distinguished Budget Presentation" award and to CSMFO for the "Excellence in Operational Budgeting" award [7/02]

Prepare a Comprehensive Annual Financial Report for FY 2001/02 in conformance with GFOA and CSMFO standards and submit it to GFOA for the "Excellence in Financial Reporting" award and to CSMFO for the "Outstanding Financial Reporting" award [11/02]

Make CCWA financial presentation to the Santa Barbara County Board of Supervisors [11/02]

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

Implement 2001 SWP entitlement carry-over water sale program [1/02] and water transfers and sales as requested by project participants [ongoing]

Central Coast Water Authority
Administration Department
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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)
- Planning and Conservation League, et al. vs. Department of Water Resources, et al. (Monterey Amendments litigation)
- Central Coast Water Authority vs. Hensel Phelps Construction Company and Howe Electric, Inc.

Contracts

Competitively bid and execute new bulk chemical contracts [1/02]

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

DWR Coordination

Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance [11/02]

Engineering

Obtain cost reimbursement from Polonio Pass Water Treatment Plant (PPWTP) construction contractor and electrical subcontractor for PPWTP electrical modifications [6/02]

Complete update of instrumentation documentation to reflect installed configurations [8/02]

Update CCWA as-built drawings to reflect project start-up and subsequent modifications [8/02]

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 [9/02]

Determine nature of and implement cover restoration of two exposed sections of pipeline in the Santa Ynez River near Bradbury Dam [10/02].

Conduct internal inspection of Reach 1 pipeline and Tank 2 [11/02]

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 2002/03 Budget

Environmental and Safety

Provide First Responder Training to all required personnel [6/02]

Complete HCP (Habitat Conservation Plan) and Section 10 permitting for red-legged frogs and other endangered species [7/02] and obtain project operating permits from U.S. Army Corps of Engineers [12/02]

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

Service Efforts and Accomplishments

	Actual FY 2000/01	Estimated Actual FY 2001/02	Projected FY 2002/03
Workload			
Public presentations on State Water	12	6	4
State Water Contractor meetings attended	12	35	25
Maximum investment portfolio (millions)	\$ 75	\$ 65	\$ 65
Efficiency			
Annual return on investment portfolio	5.94%	4.00%	3.50%
# of months investment policy not in compliance with investment policy	0	0	0
Operating cost per employee (thousands)	\$ 94	\$ 182	\$ 201
Total budget cost per employee (all departments in millions)	\$ 1.55	\$ 1.67	\$ 1.63
Consulting expense as a percent of O&M budget	13%	10%	8%
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

Central Coast Water Authority
Administration Department
Fiscal Year 2002/03 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

The Administration Department operating expense budget for Fiscal Year 2002/03 is increasing by \$47,387, or 6.99% when compared to the FY 2001/02 Budget. The total FY 2002/03 budget is \$755,412 compared to the FY 2001/02 budget of \$708,025. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are decreasing by approximately \$55,000 due to the resignation of the prior Executive Director and allocation of 50% of the current Executive Director's salary and benefits to the Administration Department (with the remaining 50% allocation to the Operations and Maintenance departments). These decreases were partially offset by increases for the Administration Department portion of the FY 2002/03 salary pool.

Professional Services The professional services budget is increasing by about \$43,000 due to an increase in legal fees of \$10,000, an increase in auditing services expenses of \$4,000 and consulting expenses for the CCWA State Water Contractors board representative of \$30,000.

Other Expenses Other expenses are increasing by about \$43,000 due to an increase in computer expenses for outside computer consulting work (\$39,000) and an increase in insurance expense of approximately \$3,200.

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 2002/03 Non-Annual Recurring Expenses

The FY 2002/03 Administration Department non-annual recurring expenses total \$11,614 for the replacement of vehicles based on the Authority's ten-year vehicle replacement schedule (\$7,614) and future computer replacements (\$4,000).

The table on the following page shows the allocation of the FY 2002/03 non-annual recurring expenses for the Administration Department.

Central Coast Water Authority
Administration Department
 Fiscal Year 2002/03 Budget

Administration Department
FY 2002/03 Non-Annual Recurring Expenses

Financing Participant	Entitlement	Percentage	FY 2002/03 Non-Annual Recurring Expenses
Guadalupe	550	1.41%	\$ 163
Santa Maria	16,200	41.46%	4,815
SCWC	500	1.28%	149
VAFB	5,500	14.07%	1,635
Buellton	578	1.48%	172
Santa Ynez (Solvang)	1,500	3.84%	446
Santa Ynez	500	1.28%	149
Goleta	4,500	11.52%	1,337
Morehart Land	200	0.51%	59
La Cumbre	1,000	2.56%	297
Raytheon (SBRC)	50	0.13%	15
Santa Barbara	3,000	7.68%	892
Montecito	3,000	7.68%	892
Carpinteria	2,000	5.12%	594
TOTAL:	39,078	100.00%	\$ 11,614

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2002/03 Budget

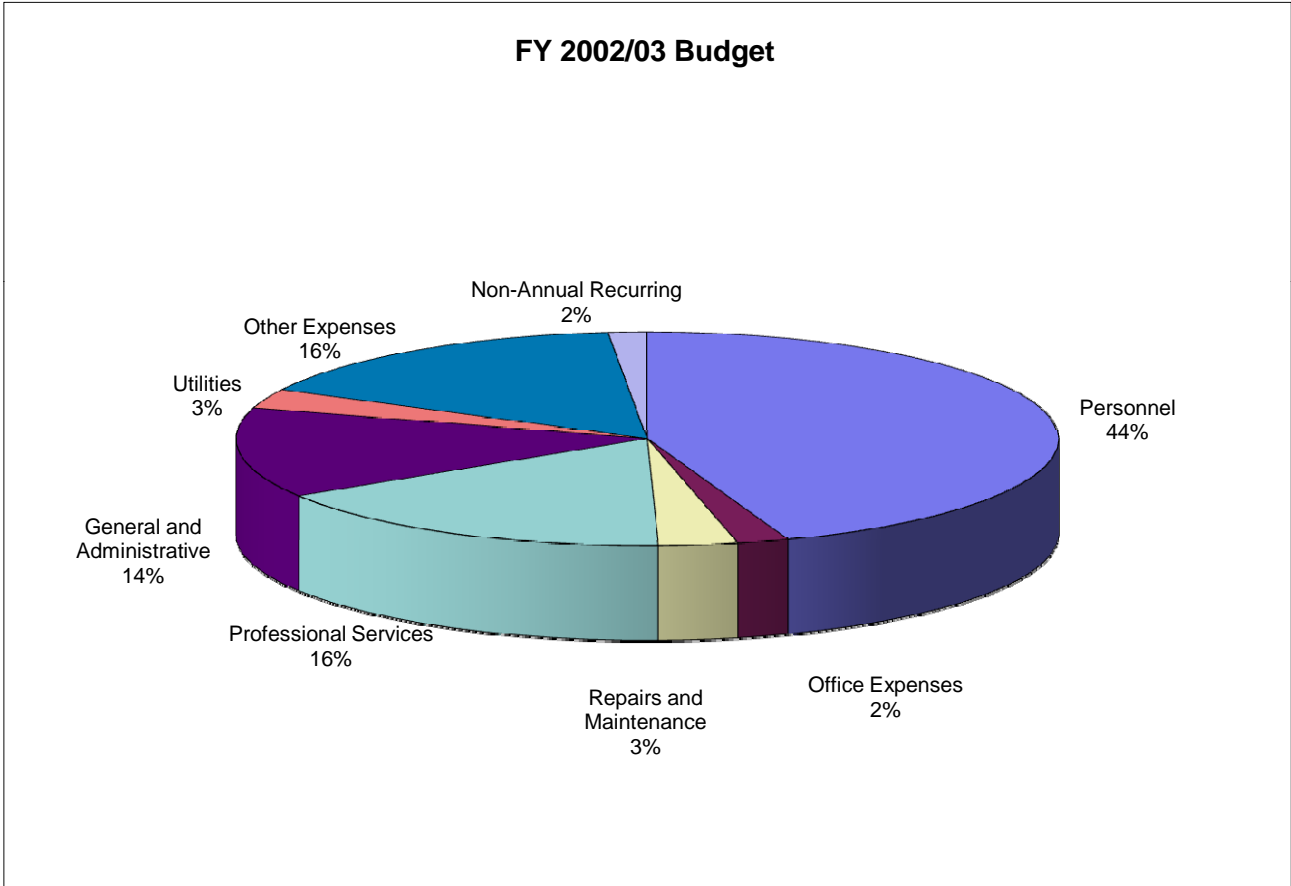
PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth.	Auth.	Requested	Over	Over
	FY 2000/01	FY 2001/02	FY 2002/03	FY 2000/01	FY 2001/02
Executive Director ⁽¹⁾	1	1	0.50	-0.50	-0.50
Deputy Director	1	1	1	0	0
Staff Engineer ⁽¹⁾	0.25	0.25	0.25	0	0
Accounting Technician	1	0.75	1	0	0.25
Administrative Assistant	1	0	0	-1	0
Secretary II	1	1	1	0	0
TOTAL:	5.25	4	3.75	-1.50	-0.25

PERSONNEL WAGE SUMMARY			
Position Title	Position Classification	Maximum	FY 2001/02
		Monthly Salary	Current Salary
Executive Director ⁽¹⁾	N/A	N/A	\$ 55,001
Deputy Director	N/A	N/A	\$ 95,000
Staff Engineer ⁽¹⁾	23	\$ 7,219	\$ 20,250
Accounting Technician	11	\$ 3,846	\$ 40,000
Secretary II	8	\$ 3,285	\$ 36,000
FY 2002/03 Salary Pool			\$ 11,178
TOTAL:			\$ 257,429

(1) The Executive Director is allocated to Administration (50%), Water Treatment Plan (25%) and Distribution (25%).
The Staff Engineer is allocated to Administration (25%), Water Treatment Plan (20%) and Distribution (55%).

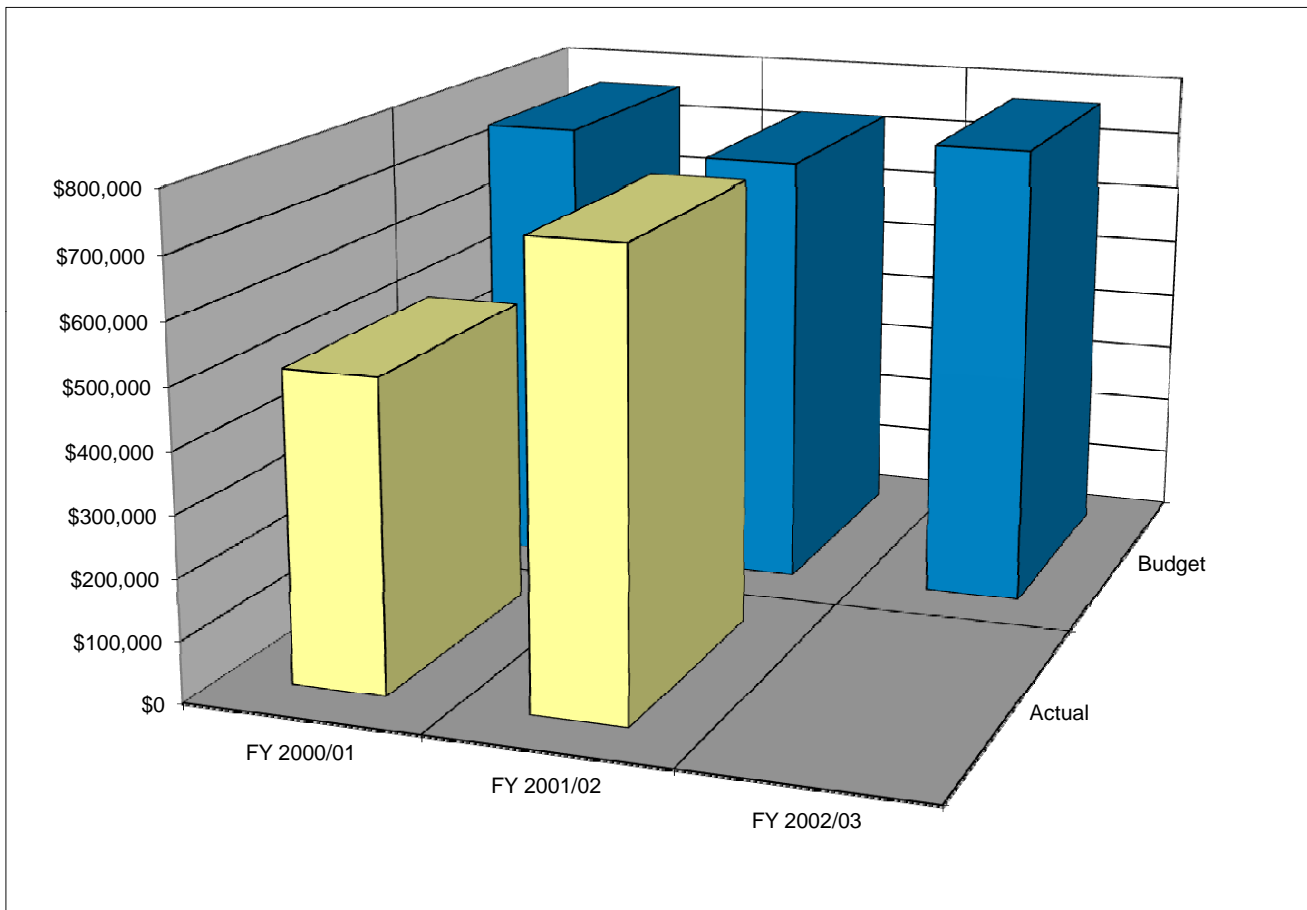
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2002/03 Budget

Item	FY 2002/03 Budget
Personnel	\$ 340,851
Office Expenses	15,500
Repairs and Maintenance	23,840
Professional Services	126,452
General and Administrative	103,992
Utilities	22,524
Other Expenses	122,253
Non-Annual Recurring	11,614
TOTAL:	\$ 767,026



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2002/03 Budget

Item	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Est. Actual	FY 2002/03 Budget
Personnel	\$ 389,421	\$ 383,840	\$ 396,304	\$ 376,735	\$ 340,851
Office Expenses	14,500	15,849	14,500	15,666	15,500
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	20,125	19,859	22,650	25,791	23,840
Professional Services	123,247	(74,211)	83,247	103,851	126,452
General and Administration	78,621	73,832	84,602	98,205	103,992
Utilities	36,000	20,556	27,420	22,080	22,524
Other Expenses	79,421	52,966	79,302	83,765	122,253
Subtotal	\$ 741,335	\$ 492,692	\$ 708,025	\$ 726,092	\$ 755,412
Non-Annual Recurring	\$ 15,243	\$ 15,243	\$ 14,400	\$ 14,400	\$ 11,614
TOTAL:	\$ 756,578	\$ 507,935	\$ 722,425	\$ 740,492	\$ 767,026



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 296,720	\$ 294,384	\$ 303,455	\$ 271,862	\$ 257,429	\$ (46,026)	-15.17%
5000.20	Overtime	1,000	-	1,000	954	1,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	40,066	38,622	38,150	35,036	31,602	(6,548)	-17.16%
5100.15	Medicare Taxes	4,317	4,967	4,538	4,402	3,867	(671)	-14.79%
5100.20	Health Insurance	19,227	17,360	21,357	15,477	15,798	(5,558)	-26.03%
5100.25	Workers' Compensation	1,234	1,430	1,015	1,637	1,839	824	81.15%
5100.30	Vehicle Expenses	4,320	3,697	4,320	2,995	6,000	1,680	38.89%
5100.35	IRC 457-Employer Paid	8,000	7,961	8,500	9,750	8,250	(250)	-2.94%
5100.40	Cafeteria Plan Benefits	268	2,404	59	2,640	1,009	950	1610.42%
5100.45	Dental/Vision Plan	5,313	6,982	5,313	3,471	5,625	313	5.88%
5100.50	Long-Term Disability	1,810	1,731	1,676	1,801	1,326	(349)	-20.85%
5100.55	Life Insurance	1,197	1,015	972	899	855	(117)	-12.00%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	5,000	3,286	5,000	25,000	5,000	-	0.00%
5100.70	Employee Incentive Programs	700	-	700	810	1,000	300	42.86%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
Total Personnel Expenses:		389,421	383,840	396,304	376,735	340,851	(55,453)	-13.99%

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Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	-	-	-	-	-	-	N/A
5200.20	Office Supplies	12,000	12,149	12,000	9,783	12,000	-	0.00%
5200.30	Miscellaneous Office Expenses	2,500	3,700	2,500	5,883	3,500	1,000	40.00%
Total Office Expenses:		14,500	15,849	14,500	15,666	15,500	1,000	6.90%
<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:		-	-	-	-	-	-	-

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Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	4,725	3,128	4,750	6,284	4,960	210	4.42%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	15,400	16,731	14,900	17,229	15,680	780	5.23%
5700.40	Landscape Maintenance	-	-	3,000	2,278	3,200	200	6.67%
Total Repairs and Maintenance:		20,125	19,859	22,650	25,791	23,840	1,190	5.25%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	5,000	8,764	5,000	7,888	34,120	29,120	582.40%
5400.20	Legal Services	70,000	(111,727)	40,000	60,963	50,000	10,000	25.00%
5400.30	Engineering Services	20,000	4,237	10,000	-	10,000	-	0.00%
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,400	3,110	3,400	10,000	3,400	-	0.00%
5400.60	Accounting Services	24,847	21,405	24,847	25,000	28,932	4,085	16.44%
5400.70	Payroll Service	-	-	-	-	-	-	N/A
Total Professional Services:		123,247	(74,211)	83,247	103,851	126,452	43,205	51.90%

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Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	16,000	21,478	16,000	30,447	27,500	11,500	71.88%
5300.20	Mileage Reimbursement	350	188	350	-	200	(150)	-42.86%
5300.30	Dues and Memberships	41,351	39,327	51,582	52,000	60,022	8,440	16.36%
5300.40	Publications	3,020	4,157	4,370	5,552	4,620	250	5.72%
5300.50	Training	3,000	992	3,000	1,688	3,000	-	0.00%
5300.60	Advertising	500	133	500	3,215	750	250	50.00%
5300.70	Printing and Binding	6,000	2,662	4,000	3,386	4,000	-	0.00%
5300.80	Postage	8,400	4,895	4,800	1,918	3,900	(900)	-18.75%
Total General and Administrative:		78,621	73,832	84,602	98,205	103,992	19,390	22.92%
<u>UTILITIES</u>								
5800.10	Other Utilities	-	-	-	-	-	-	N/A
5800.20	Natural Gas	900	465	900	170	600	(300)	-33.33%
5800.30	Electric-Fixed	7,800	3,764	6,300	4,679	4,200	(2,100)	-33.33%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	2,220	1,697	2,220	1,232	1,500	(720)	-32.43%
5800.50	Telephone	23,640	13,075	16,440	14,253	14,424	(2,016)	-12.26%
5800.60	Waste Disposal	1,440	1,555	1,560	1,746	1,800	240	15.38%
Total Utilities:		36,000	20,556	27,420	22,080	22,524	(4,896)	-17.86%

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Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	15,962	19,040	14,928	17,000	18,131	3,202	21.45%
5900.20	Insurance Claim Deductibles	5,000	-	-	-	-	-	N/A
5900.30	Non-Capitalized Projects	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	9,830	8,976	9,830	10,244	9,326	(504)	-5.13%
5900.50	Non-Capitalized Equipment	10,000	5,041	15,000	-	15,000	-	0.00%
5900.60	Computer Expenses	20,548	19,909	22,275	56,521	61,372	39,097	175.52%
5900.70	Appropriated Contingency	18,081	-	17,269	-	18,425	1,156	6.69%
Total Other Expenses:		79,421	52,966	79,302	83,765	122,253	42,951	54.16%
TOTAL OPERATING EXPENSES		\$ 741,335	\$ 492,692	\$ 708,025	\$ 726,092	\$ 755,412	\$ 47,387	6.69%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 BUDGET**

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

Description: Funds for Administration for 3 full-time regular employees, one employee charged 50% and one employee charged 25% to the Administration Department. Includes \$11,178 for the FY 2002/03 salary pool.

FY 02/03 Requested Budget	257,429
FY 01/02 Estimated Actual	271,862
Increase (Decrease)	(14,433)

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

Description: Overtime expenses for non-exempt Administration employees.

FY 02/03 Requested Budget	1,000
FY 01/02 Estimated Actual	954
Increase (Decrease)	46

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

Description: Funds for temporary employee services. Prior year amount included temporary help for the Administration Secretary during the position vacancy.

FY 02/03 Requested Budget	5,000
FY 01/02 Estimated Actual	25,000
Increase (Decrease)	(20,000)

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

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

Based on a 12.276% contribution rate for FY 2002/03. Decrease is due to a lower employer rate for FY 2002/03 of 5.276% compared to the FY 2001/02 rate of 5.572%.

FY 02/03 Requested Budget	31,602
FY 01/02 Estimated Actual	35,036
Increase (Decrease)	(3,434)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 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 02/03 Requested Budget	3,867
FY 01/02 Estimated Actual	4,402
Increase (Decrease)	(535)

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 2002.

FY 02/03 Requested Budget	15,798
FY 01/02 Estimated Actual	15,477
Increase (Decrease)	321

Family: \$7,978
Emp+1: \$6,886
Emp: \$2,921

ACCOUNT NUMBER: 5100.25 **ACCOUNT TITLE:** Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Administration Department. Based on \$0.95 per \$100 of covered wages with an X-Mod rate of 75%. Includes an estimated 30% increase over the FY 2001/02 rates.

FY 02/03 Requested Budget	1,839
FY 01/02 Estimated Actual	1,637
Increase (Decrease)	202

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

Description: Vehicle expenses for the Executive Director in the amount of \$250 per month, Deputy Director auto allowance of \$200 per month and Administration Department pool car fuel expenses of \$50 per month.

FY 02/03 Requested Budget	6,000
FY 01/02 Estimated Actual	2,995
Increase (Decrease)	3,005

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 BUDGET**

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

Description: Funds for employer paid deferred matching deferred compensation contributions for the

FY 02/03 Requested Budget	8,250
FY 01/02 Estimated Actual	9,750
Increase (Decrease)	(1,500)

Executive Director and Deputy Director. Executive Director portion is allocated 50% to administration, 25% to the water treatment plant and 25% to the distribution department.

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 02/03 Requested Budget	1,009
FY 01/02 Estimated Actual	2,640
Increase (Decrease)	(1,631)

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 \$1,500 per year per employee.

FY 02/03 Requested Budget	5,625
FY 01/02 Estimated Actual	3,471
Increase (Decrease)	2,154

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 02/03 Requested Budget	1,326
FY 01/02 Estimated Actual	1,801
Increase (Decrease)	(474)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 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 02/03 Requested Budget	855
FY 01/02 Estimated Actual	899
Increase (Decrease)	(44)

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

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

FY 02/03 Requested Budget	250
FY 01/02 Estimated Actual	-
Increase (Decrease)	250

ACCOUNT NUMBER: 5100.70 **ACCOUNT TITLE:** Employee Incentive Programs

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

FY 02/03 Requested Budget	1,000
FY 01/02 Estimated Actual	-
Increase (Decrease)	1,000

Safety Program	\$	500.00
EAAP	\$	500.00
TOTAL:	\$	1,000.00

ACCOUNT NUMBER: 5200.10 **ACCOUNT TITLE:** Administrative Costs

Description: _____

FY 02/03 Requested Budget	-
FY 01/02 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 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 02/03 Requested Budget	12,000
FY 01/02 Estimated Actual	9,783
Increase (Decrease)	2,217

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 02/03 Requested Budget	3,500
FY 01/02 Estimated Actual	5,883
Increase (Decrease)	(2,383)

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

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

FY 02/03 Requested Budget	27,500
FY 01/02 Estimated Actual	30,447
Increase (Decrease)	(2,947)

\$	2,500	ACWA Conferences
\$	12,000	SWC Meetings (\$1,000 per month)
\$	3,000	Other miscellaneous meetings
\$	10,000	SWC Board Representative
\$	27,500	TOTAL

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

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

FY 02/03 Requested Budget	200
FY 01/02 Estimated Actual	-
Increase (Decrease)	200

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 BUDGET**

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

Description: Funds for professional dues.
 \$ 25,257 SWC Bay Delta Charges/Urban Account
 \$ 21,515 State Water Contractors Dues
 \$ 7,500 AWCA
 \$ 1,000 CA Urban Water Conservation Council
 \$ 400 California Water Awareness
 \$ 350 Water Education Foundation
 \$ 4,000 Employee Professional Dues and Misc.
 \$ 60,022 TOTAL

FY 02/03 Requested Budget	60,022
FY 01/02 Estimated Actual	52,000
Increase (Decrease)	8,022

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

Description: Funds for publications received by CCWA
 \$ 720 News clipping service (\$180 quarterly)
 \$ 150 SB News Press (Annual)
 \$ 2,000 Personnel related subscriptions
 \$ 1,000 Employee professional publications
 \$ 750 Other Publications - General
 \$ 4,620 TOTAL

FY 02/03 Requested Budget	4,620
FY 01/02 Estimated Actual	5,552
Increase (Decrease)	(932)

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

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

FY 02/03 Requested Budget	3,000
FY 01/02 Estimated Actual	1,688
Increase (Decrease)	1,312

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 02/03 Requested Budget	750
FY 01/02 Estimated Actual	2,000
Increase (Decrease)	(1,250)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 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 02/03 Requested Budget	4,000
FY 01/02 Estimated Actual	3,386
Increase (Decrease)	614

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

Description: Funds for all postal and mail expenses.

FY 02/03 Requested Budget	3,900
FY 01/02 Estimated Actual	1,918
Increase (Decrease)	1,982

\$	3,000	Postage meter expenses (\$250 per month)
\$	900	Overnight and shipping svcs (\$75 per month)
\$	3,900	TOTAL

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

Description: Funds for miscellaneous consultants and other services.

FY 02/03 Requested Budget	34,120
FY 01/02 Estimated Actual	7,888
Increase (Decrease)	26,232

Arbitrage/Rebate Calculations-1996 bonds:	\$	2,500
Administration office alarm system		1,620
SWC Board Representative (\$2,500 per month)		30,000
TOTAL:	\$	34,120

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

Description: Funds for CCWA legal services.

FY 02/03 Requested Budget	50,000
FY 01/02 Estimated Actual	60,963
Increase (Decrease)	(10,963)

\$	50,000	Hatch & Parent Gen Counsel (\$4,167 per mo)
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**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 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 02/03 Requested Budget	10,000
FY 01/02 Estimated Actual	-
Increase (Decrease)	10,000

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 02/03 Requested Budget	3,400
FY 01/02 Estimated Actual	10,000
Increase (Decrease)	(6,600)

\$	900	IRC 125 Plan administraton 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 2001/02 Financial Statements and the State Water Contractors audit fees.

FY 02/03 Requested Budget	28,932
FY 01/02 Estimated Actual	25,000
Increase (Decrease)	3,932

<u>Includes an estimated 10% increase in State Water Contractor audit fees.</u>		
\$	17,432	State Water Contractor audit fees
\$	9,500	Auditing FY 2000/01 financial statements
\$	2,000	Single Audit for Federal Funds
\$	28,932	

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

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

FY 02/03 Requested Budget	4,960
FY 01/02 Estimated Actual	6,284
Increase (Decrease)	(1,324)

\$	2,000	Copier maint. agreement (\$500 quarterly)
\$	2,300	Other misc. repairs and maintenance
\$	660	Fax maintenance agreement (annual)
\$	4,960	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 BUDGET**

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

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

FY 02/03 Requested Budget	15,680
FY 01/02 Estimated Actual	17,229
Increase (Decrease)	(1,549)

\$	780	Monthly Pest Control
\$	10,500	Janitorial services
\$	3,000	Building repairs
\$	1,400	HVAC quarterly maintenance
\$	15,680	TOTAL

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

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

FY 02/03 Requested Budget	3,200
FY 01/02 Estimated Actual	2,278
Increase (Decrease)	922

\$	2,100	Gardener (\$175 per month)
\$	600	Irrigation Water (\$50 per month)
\$	500	Miscellaneous
\$	3,200	TOTAL

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

Description: Funds for natural gas service to the
Administration building (\$50 per month).

FY 02/03 Requested Budget	600
FY 01/02 Estimated Actual	500
Increase (Decrease)	100

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

Description: Funds for electrical service to the
Administration building (\$350 per month).

FY 02/03 Requested Budget	4,200
FY 01/02 Estimated Actual	4,679
Increase (Decrease)	(479)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 BUDGET**

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

Description: Funds for water and sewer service for the Administration building (\$125 per month).

FY 02/03 Requested Budget	1,500
FY 01/02 Estimated Actual	1,232
Increase (Decrease)	268

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

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

FY 02/03 Requested Budget	14,424
FY 01/02 Estimated Actual	14,253
Increase (Decrease)	171

\$	5,400	Long distance (\$450 per month)
\$	7,200	Local long distance (\$600 per month)
\$	144	Pager airtime (\$12 per month)
\$	1,680	Cell phone airtime (\$140 per month)
\$	14,424	TOTAL

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

Description: Funds for waste disposal services for the Administration building (\$150 per month).

FY 02/03 Requested Budget	1,800
FY 01/02 Estimated Actual	1,746
Increase (Decrease)	54

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

Description: Funds for insurance related expenses.

FY 02/03 Requested Budget	18,131
FY 01/02 Estimated Actual	17,000
Increase (Decrease)	1,131

\$	1,082	Property and auto insurance based on allocation provided by JPIA
\$	14,049	General Liability and E&O apportioned by payroll percentages.
\$	3,000	Employee fidelity bond
\$	18,131	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5900.20 **ACCOUNT TITLE:** Insurance Claim Deductibles

Description: Funds for deductibles on insurance claims.

FY 02/03 Requested Budget	-
FY 01/02 Estimated Actual	-
Increase (Decrease)	-

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

Description: Funds for rental of equipment.

FY 02/03 Requested Budget	9,326
FY 01/02 Estimated Actual	10,244
Increase (Decrease)	(918)

\$	4,100	Postage meter (\$300 per month)
\$	4,226	Copier lease (\$352 per month)
\$	1,000	Other
\$	9,326	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 02/03 Requested Budget	15,000
FY 01/02 Estimated Actual	-
Increase (Decrease)	15,000

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

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

FY 02/03 Requested Budget	61,372
FY 01/02 Estimated Actual	56,521
Increase (Decrease)	4,851

\$	2,160	Silicon Beach (Internet \$540 quarterly)
\$	15,812	Annual service agreements
\$	43,400	Compuvision and other computer expenses
\$	61,372	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2002/03 BUDGET**

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

Description: 2.5% of operating expenses

FY 02/03 Requested Budget	18,425
FY 01/02 Estimated Actual	-
Increase (Decrease)	18,425



*Right Insert: Foreground-construction of flocculation and sedimentation basins at the Polonio Pass Water Treatment Plant.
Left Insert: Foreground-filter construction.*

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 11.95
- Polonio Pass Water Treatment Plant design capacity 43 million gallons per day
- FY 2002/03 requested water deliveries 40,407 acre-feet

Budget Information

- Total FY 2002/03 O&M Budget \$2,244,167
- Non-Annual Recurring Expense deposits \$ 362,135
- **Total WTP FY 2002/03 Budgeted Expenses \$2,606,302**

- O&M Budget increase over FY 2001/02 \$ 178,721

- Fixed O&M Expenses \$1,649,795
- Variable O&M Expenses \$ 594,372

- FY 2002/03 budgeted chemical cost \$19.17 per acre-foot

Significant Accomplishments During FY 2000/01

- Taste and odor analysis completed with suggested solutions.

Significant Goals for FY 2002/03

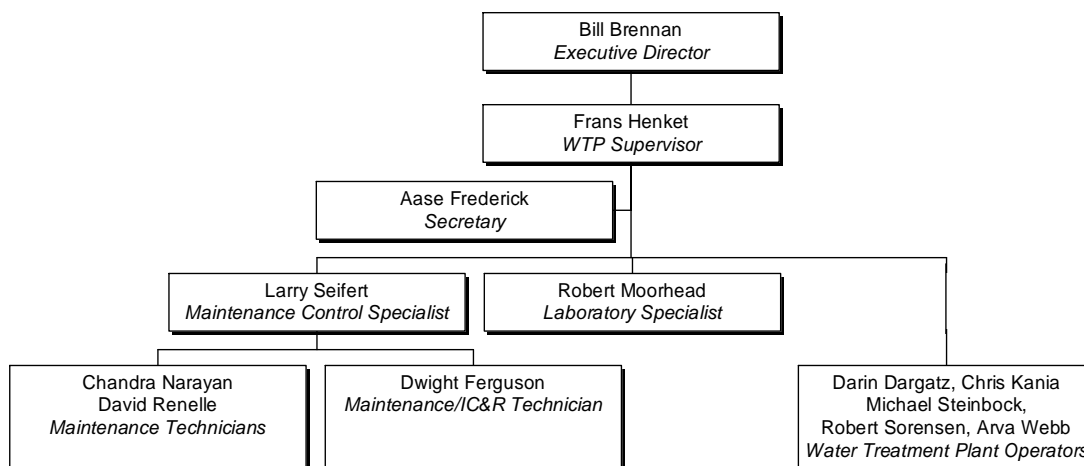
- Develop “early warning” system for water treatment plant taste and odor episodes and trigger points for the new organic carbon removal requirements.
- Replace granular activated carbon media in water treatment plant filters.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2002/03 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 Water Treatment Plant Department is supervised by the Water Treatment Plant Supervisor who is responsible for the day-to-day treatment plant operations, maintenance and laboratory functions.

CCWA Water Treatment Plant Staff



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.

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.

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.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2002/03 Budget

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 2001 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2002 goals for the Water Treatment Plant Department.

2001 ACCOMPLISHMENTS

<u>Goal</u>	<u>Operations and Maintenance</u>	<u>Status</u>
Investigate and implement as appropriate taste and odor strategies for treated State water (1/01)		Investigation completed 3/01; no action to be taken during 2001. (Operating Committee reviewed cost allocation alternatives for GAC replacement 7/01.)
Conduct in-house workshop to review and optimize O&M procedures and practices (2/01)		Done 3/01.
Review electrical cost schedule with PG&E and explore non-firm power options (2/01)		Done 2/01. CCWA did not elect to utilize ACWA USA's latest electrical vendor alternative due to low savings and risk of penalties for not using requested electricity.
Incorporate all instrumentation calibration and maintenance into the preventative maintenance program (4/01)		In progress but will not be completed until 2002 due to other priorities.
Add temperature probe at Bradbury Dam outlet works and connect to CCWA SCADA system (4/01)		Waiting on U.S. Bureau of Reclamation to provide power to site. Work will be completed within three months of power being supplied.
Investigate lease/purchase options for pipeline inspection video equipment (10/01)		Experience during the Schedule C and the two Reach 5B/6 inspections indicate that ownership would not be cost effective due to high maintenance and equipment redundancy (i.e., spares) requirements.
Meet project participants' delivery needs as requested (ongoing)		Ongoing. See status of water transfers and sales under <i>Administration and Accounting</i> .

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2002/03 Budget

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)

Enrolled Santa Ynez Pumping Facility in a summer time electrical demand relief program. Savings were small due to low pump facility usage during the affected period.

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

- Provided expert review of taste and odor problems and available solutions.
- Established taste and odor analysis reporting system with DWR.

Assist project participants in preparing to meet new federal and state water quality regulations (ongoing)

- Provided information on public health goals and distribution certification.
- Provided annual Consumer Confidence Report.

Service Efforts and Accomplishments

	Actual	Estimated	
	FY 2000/01	Actual FY 2001/02	
Workload			
Lab analyses completed	65,800	69,750	72,000
Work orders completed - Water Treatment Plant	763	561	520
Efficiency			
Days out of Service - Water Treatment Plant	7	22	7
Number of lab analyses not meeting state/federal standards	0	0	0
Operating cost per employee (thousands)	\$ 148	\$ 142	\$ 188
Overtime expense as a percent of the O&M budget	1.74%	2.13%	1.56%
Top Ops Competition California/Nevada Section Placement	3rd Place	N/A	

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2002/03 Budget

2002 GOALS

Operations and Maintenance

Meet new Enhanced Surface Water Treatment Rules and develop analysis procedures and trigger points for the new organic carbon removal requirements [2/02]

Develop “early warning” system for water treatment plant taste and odor episodes and other water quality issues using State Water Project “real time” data [6/02]

Conduct in-depth analysis of preventative maintenance program data collection and report functions and evaluate maintenance schedules based on repair history [8/02]

Replace granular activated carbon media in water treatment plant filters [8/02].

Replace galvanized piping on Reach 5B/6 AVAR's [10/02]

Conduct a system vulnerability assessment and prepare response plan [12/02]

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 [1/02], 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
Water Treatment Plant Department
 Fiscal Year 2002/03 Budget

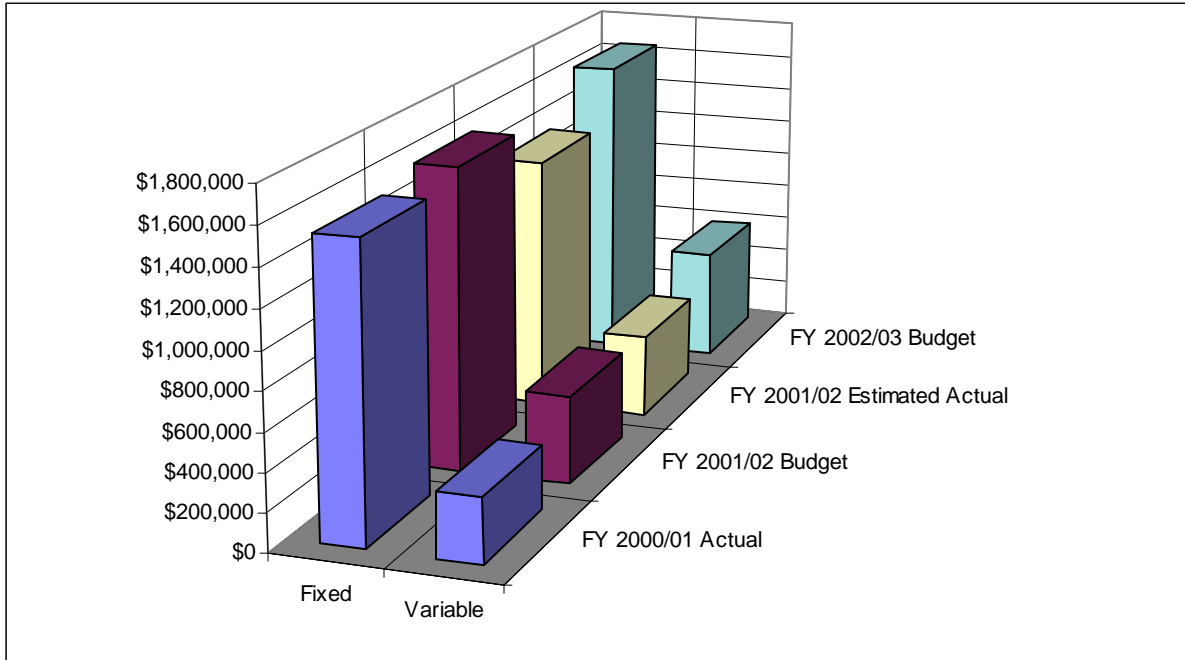
WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

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.

Fiscal Year 2002/03 Operating Expense Budget

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2002/03 Budget

The FY 2002/03 water treatment plant operating expense budget is \$2,244,167, which is \$178,721 higher than the previous year's budget of \$2,065,446, an 8.65% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 40% of the budget. Supplies and equipment comprise 24% 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 128 shows the allocation of the various components of the water treatment plant operating expense budget.

Personnel Expenses Total personnel expenses are about the same as the previous year with the following variances in specific personnel expense accounts.

- Full-time regular salaries are decreasing by approximately \$32,000 due to the elimination of the Operations Manager position and allocation of 20% of the Maintenance Control Specialist position to the Distribution Department. These decreases were partially offset by the salary increases for FY 2002/03.
- Stand-by pay is increasing by about \$5,700 for the CCWA Board adopted stand-by pay increase.
- Health insurance expenses are increasing by approximately \$14,000 due to premium increases effective January 1, 2002, a projected 15% increase for 2003 and changes in employee cafeteria plan elections.
- Workers' compensation insurance expenses are increasing by about \$21,000 for the anticipated premium increases of 30% and an increase in the CCWA experience modification rate from 68% to 75%.

Supplies and Equipment Supplies and equipment expenses are increasing by about \$130,000 when compared to the FY 2001/02 budget due to an increase in the chemical unit cost from \$15 an acre foot to \$19.175 an acre foot. Chemical expenses are based on 75% of requested deliveries for the second half of calendar year 2002 and 100% of requested deliveries for the first half of calendar year 2003.

Professional Services Professional services expenses are decreasing by approximately \$43,000 due to the elimination of legal fees for the Zurich storm damage insurance claim which was settled during FY 2001/02.

Utilities Utility expenses are increasing approximately \$23,000 due to an increase in electrical expenses.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2002/03 Budget

Other Expenses Other expenses are increasing by approximately \$69,000 due to the new account "Non-Capitalized Projects." This account is used for capital related items around the water treatment plant which are owned by DWR and not CCWA and therefore not eligible for capitalization.

For FY 2002/03, two projects are included in this account: WTP access road repairs and slurry seal (\$49,350) and WTP entry road reflectors (\$5,460).

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 (NARES) are charged to the project participants based on the specific expenditures classification (i.e., fixed or variable). With the exception of NARES deposits for the granular activated carbon filter media (GAC), NARES deposits are allocated on a fixed basis without adjustments for the regional water treatment plant allocation modifications and Santa Ynez 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 deposits made by the project participants over the prior years.

FY 2002/03 Non-Annual Recurring Expenses

The FY 2002/03 water treatment plant non-annual recurring expenses total \$362,135 and are comprised of the following expenses.

- \$16,944 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.
- \$341,691 for the replacement of the granular activated carbon (GAC) filter media which includes \$203,261 for the balance due from the GAC replacement in FY 2001/02 and \$140,000 for future GAC replacement. It is estimated that the GAC will need to be replaced every five years. GAC replacement and NARES deposits for GAC replacement are allocated on a variable basis in proportion to historical water deliveries and adjusted for the variable regional water treatment plant allocation and variable Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2002/03 Budget

The following table shows the allocation of the FY 2002/03 non-annual recurring expenses for the water treatment plant.

Water Treatment Plant
FY 2002/03 Non-Annual Recurring Expenses

Financing Participant	Entitlement	Percentage	FY 2002/03 Non-Annual Recurring Expenses
Shandon	100	0.23%	\$ 47
Chorro Valley	2,338	5.32%	40,148
Lopez	2,392	5.45%	17,464
Guadalupe	550	1.25%	5,108
Santa Maria	16,200	36.90%	157,792
So Cal Water Co.	500	1.14%	233
VAFB	5,500	12.53%	40,979
Buellton	578	1.32%	10,392
Santa Ynez (Solvang)	1,500	3.42%	698
Santa Ynez	500	1.14%	82,872
Goleta	4,500	10.25%	2,095
Morehart Land	200	0.46%	93
La Cumbre	1,000	2.28%	466
Raytheon (SBRC)	50	0.11%	23
Santa Barbara	3,000	6.83%	1,397
Montecito	3,000	6.83%	1,397
Carpinteria	2,000	4.55%	931
TOTAL:	43,908	100.00%	\$ 362,135

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2002/03 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth.	Auth.	Requested	Over	Over
	FY 2000/01	FY 2001/02	FY 2002/03	FY 2000/01	FY 2001/02
Executive Director ⁽¹⁾	0	0	0.25	0.25	0.25
Operations Manager	0.75	0.75	0	-0.75	-0.75
Staff Engineer ⁽²⁾	0.20	0.20	0.20	0	0
WTP Supervisor	1	1	1	0	0
Maintenance Control Specialist ⁽³⁾	1	1	0.80	-0.20	-0.20
Regulatory Specialist ⁽⁴⁾	0.25	0.25	0.25	0	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 II	0.75	0.75	0.75	0	0
TOTAL:	12.65	12.65	11.95	-0.70	-0.70

PERSONNEL WAGE SUMMARY			
Position Title	Position Classification	Maximum Monthly Salary	FY 2001/02 Current Salary
Executive Director ⁽¹⁾	N/A	\$ 8,450	\$ 27,500
Staff Engineer ⁽²⁾	23	\$ 7,219	\$ 16,200
WTP Supervisor	20	\$ 6,168	\$ 74,016
Maintenance Control Specialist ⁽³⁾	17	\$ 5,270	\$ 50,400
Regulatory Specialist ⁽⁴⁾	17	\$ 5,270	\$ 13,500
Laboratory Specialist	17	\$ 5,270	\$ 62,100
Maintenance Technicians	14	\$ 4,501	\$ 88,000
Maintenance IC&R Technician	14	\$ 4,501	\$ 45,500
WTP Operators	14	\$ 4,501	\$ 266,236
Secretary II	8	\$ 3,285	\$ 23,120
FY 2002/03 Salary Pool			\$ 33,443
TOTAL:			\$ 700,015

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

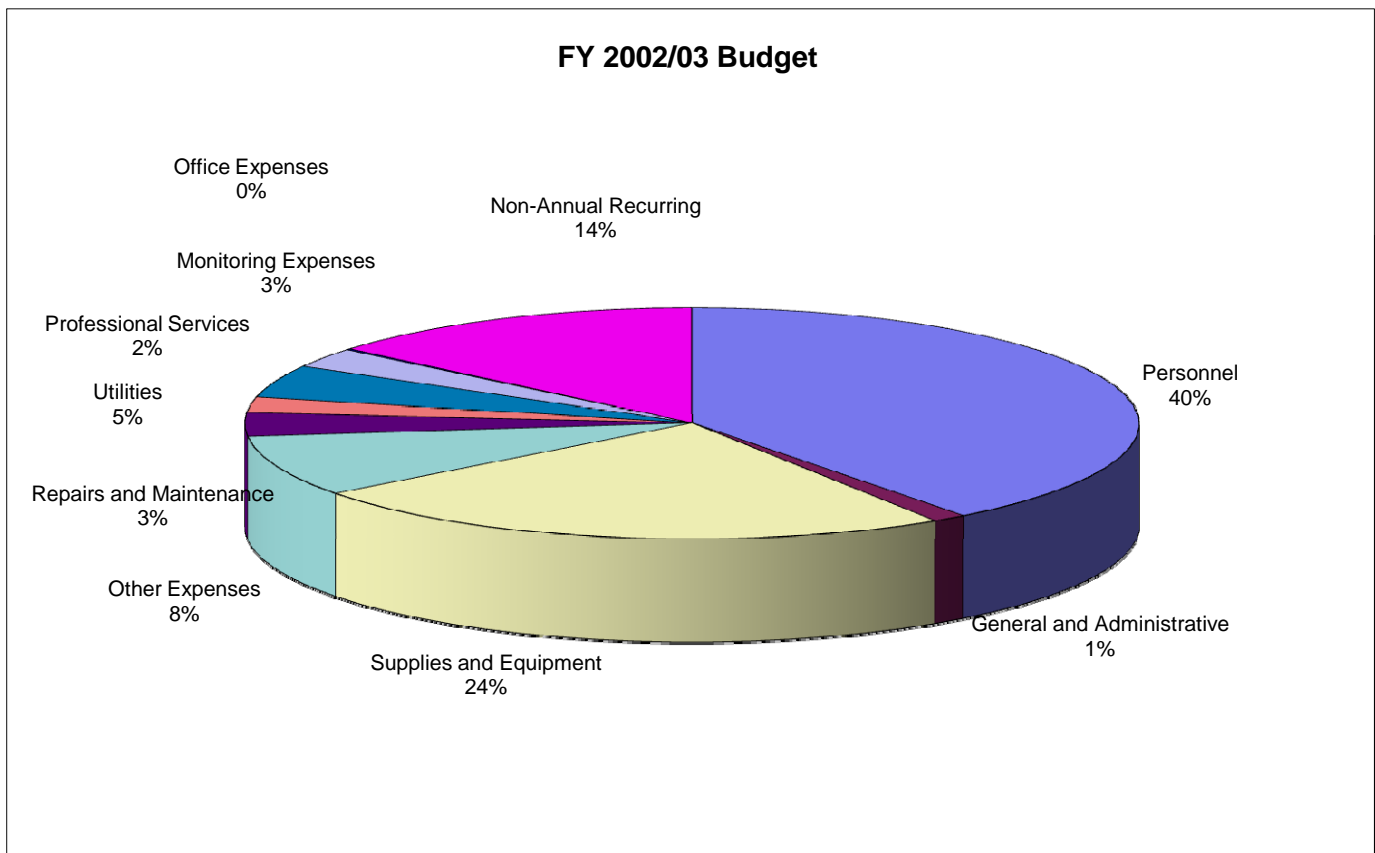
(2) The Staff Engineer is allocated to Administration (25%), Water Treatment Plant (20%) and Distribution (55%).

(3) The Maintenance Control Specialist is allocated to Water Treatment Plant (80%) and Distribution (20%).

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

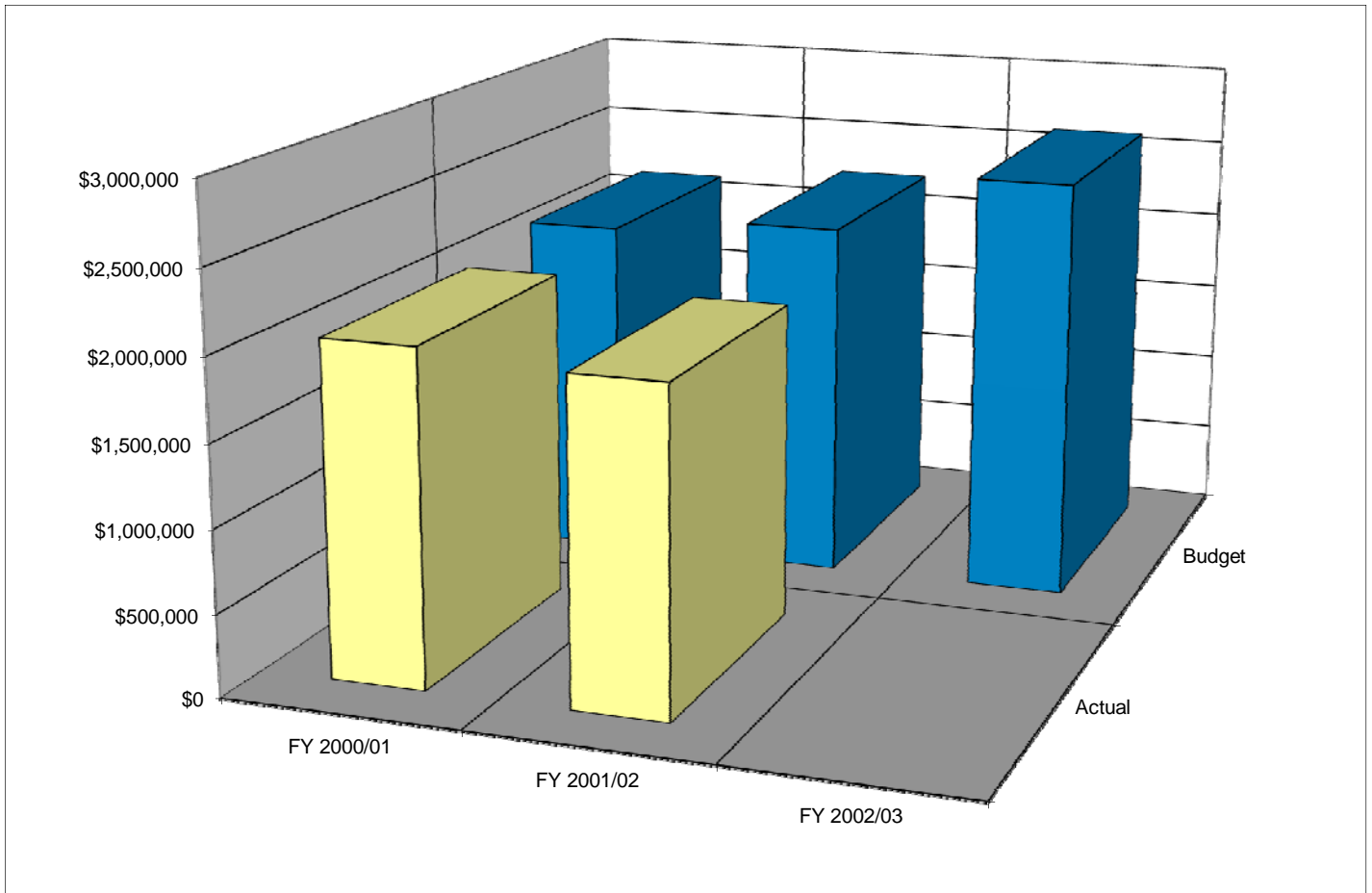
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2002/03 Budget

Item	FY 2002/03 Budget
Personnel	\$ 1,033,405
Office Expenses	4,200
Supplies and Equipment	619,547
Monitoring Expenses	72,000
Repairs and Maintenance	85,200
Professional Services	57,500
General and Administrative	32,000
Utilities	119,150
Other Expenses	221,166
Non-Annual Recurring	362,135
TOTAL:	\$ 2,606,302



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2002/03 Budget

Item	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget
Personnel	\$ 978,012	\$ 974,408	\$ 1,032,460	\$ 870,998	\$ 1,033,405
Office Expenses	5,400	3,337	4,200	3,849	4,200
Supplies and Equipment	458,700	373,516	489,095	455,444	619,547
Monitoring Expenses	87,000	54,504	87,000	79,037	72,000
Repairs and Maintenance	70,700	99,327	80,200	108,407	85,200
Professional Services	109,060	142,475	100,260	48,270	57,500
General and Administrative	32,400	15,878	24,700	14,548	32,000
Utilities	96,200	109,471	95,900	117,641	119,150
Other Expenses	130,209	93,883	151,631	98,403	221,166
Subtotal	\$ 1,967,682	\$ 1,866,797	\$ 2,065,446	\$ 1,796,597	\$ 2,244,167
Non-Annual Recurring	\$ 163,546	\$ 163,546	\$ 159,426	\$ 159,426	\$ 362,135
TOTAL:	\$ 2,131,228	\$ 2,030,343	\$ 2,224,872	\$ 1,956,023	\$ 2,606,302



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses

Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01		FY 2001/02		FY 2001/02		FY 2002/03		Increase Over FY 2001/02		% Increase (Decrease)
		Budget	Actual	Budget	Estimated Actual	Budget	Budget	Budget	Budget	Budget	FY 2001/02 Budget	
<u>PERSONNEL EXPENSES</u>												
5000.10	Full-Time Regular Wages	693,120	696,493	732,553	575,734	700,015	575,734	700,015	(32,538)		-4.44%	
5000.20	Overtime	34,656	32,410	36,628	38,244	35,001	38,244	35,001	(1,627)		-4.44%	
5000.40	Standby Pay	2,000	4,419	4,800	4,239	10,512	4,239	10,512	5,712		119.00%	
5000.50	Shift Differential Pay	11,000	10,298	11,000	11,636	11,500	11,636	11,500	500		4.55%	
5000.10	PERS Retirement	92,361	92,382	90,861	83,142	84,645	83,142	84,645	(6,216)		-6.84%	
5100.15	Medicare Taxes	10,553	10,898	11,692	10,377	11,214	10,377	11,214	(478)		-4.09%	
5100.20	Health Insurance	66,086	54,448	68,181	65,897	82,230	65,897	82,230	14,049		20.61%	
5100.25	Workers' Compensation	17,128	17,698	18,293	21,819	38,969	21,819	38,969	20,677		113.03%	
5100.30	Vehicle Expenses	-	-	-	-	-	-	-	-		N/A	
5100.35	IRC 457-Employer Paid	6,000	6,433	6,375	-	1,375	-	1,375	(5,000)		-78.43%	
5100.40	Cafeteria Plan Benefits	7,351	7,051	10,015	7,274	12,608	7,274	12,608	2,593		25.89%	
5100.45	Dental/Vision Plan	15,188	22,832	13,938	16,427	16,800	16,427	16,800	2,863		20.54%	
5100.50	Long-Term Disability	4,172	3,986	4,409	4,902	4,065	4,902	4,065	(344)		-7.79%	
5100.55	Life Insurance	3,452	3,205	3,366	3,230	2,920	3,230	2,920	(446)		-13.24%	
5100.60	Employee Physicals	1,430	815	1,650	2,490	1,650	2,490	1,650	-		0.00%	
5000.30	Temporary Services	11,315	11,001	16,500	23,481	16,500	23,481	16,500	-		0.00%	
5100.70	Employee Incentive Programs	1,200	-	1,200	-	2,400	-	2,400	1,200		100.00%	
5100.65	Employee Education Reimbursement	1,000	40	1,000	2,105	1,000	2,105	1,000	-		0.00%	
Total Personnel Expenses:		978,012	974,408	1,032,460	870,998	1,033,405	870,998	1,033,405	945		0.09%	

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Increase Over FY 2001/02 Budget	% Increase (Decrease)
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	-	-	-	-	-	-	N/A
5200.20	Office Supplies	3,600	2,205	2,400	2,432	2,400	-	0.00%
5200.30	Miscellaneous Office Expenses	1,800	1,132	1,800	1,417	1,800	-	0.00%
Total Office Expenses:		5,400	3,337	4,200	3,849	4,200	-	0.00%

SUPPLIES AND EQUIPMENT

5500.10	Uniform Expenses	9,200	7,061	9,425	8,654	9,425	-	0.00%
5500.15	Minor Tools and Equipment	9,000	4,990	8,000	11,597	8,000	-	0.00%
5500.20	Spare Parts	10,000	10,519	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	607	1,000	-	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	4,914	-	5,368	-	-	N/A
5500.31	Chemicals-Variable	408,000	317,784	440,670	404,740	573,122	132,452	30.06%
5500.35	Maintenance Supplies/Hardware	12,000	12,330	15,000	16,600	15,000	-	0.00%
5500.40	Safety Supplies	3,000	4,599	3,000	1,933	3,000	-	0.00%
5500.45	Fuel and Lubricants	6,500	10,711	12,000	6,552	10,000	(2,000)	-16.67%
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		458,700	373,516	489,095	455,444	619,547	130,452	26.67%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Increase Over FY 2001/02 Budget	% Increase (Decrease)
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	27,000	24,472	27,000	29,009	35,000	8,000	29.63%
5600.20	Lab Tools and Equipment	5,000	3,683	5,000	12,217	12,000	7,000	140.00%
5600.30	Lab Testing	55,000	26,348	55,000	37,811	25,000	(30,000)	-54.55%
Total Monitoring Expenses:		87,000	54,504	87,000	79,037	72,000	(15,000)	-17.24%
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	55,000	85,382	65,000	90,893	70,000	5,000	7.69%
5700.20	Vehicle Repairs and Maintenance	2,500	3,038	4,000	1,820	4,000	-	0.00%
5700.30	Building Maintenance	12,200	9,952	10,200	14,797	10,200	-	0.00%
5700.40	Landscape Maintenance	1,000	955	1,000	898	1,000	-	0.00%
Total Repairs and Maintenance:		70,700	99,327	80,200	108,407	85,200	5,000	6.23%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	14,500	18,739	15,200	21,714	14,000	(1,200)	-7.89%
5400.20	Legal Services	41,560	77,828	41,560	(6,000)	-	(41,560)	-100.00%
5400.30	Engineering Services	10,000	8,166	10,000	11,009	10,000	-	0.00%
5400.40	Permits	8,000	10,238	8,500	6,547	8,500	-	0.00%
5400.50	Non-Contractual Services	35,000	27,504	25,000	15,000	25,000	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
5400.70	Payroll Service	-	-	-	-	-	-	N/A
Total Professional Services:		109,060	142,475	100,260	48,270	57,500	(42,760)	-42.65%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Increase Over FY 2001/02 Budget	% Increase (Decrease)
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	12,000	4,185	7,500	1,188	6,500	(1,000)	-13.33%
5300.20	Mileage Reimbursement	500	68	500	-	500	-	0.00%
5300.30	Dues and Memberships	700	3,862	2,000	7,500	10,000	8,000	400.00%
5300.40	Publications	1,500	1,730	1,500	-	1,500	-	0.00%
5300.50	Training	16,500	4,186	11,000	5,000	11,000	-	0.00%
5300.60	Advertising	200	-	200	-	500	300	150.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	1,000	1,847	2,000	860	2,000	-	0.00%
Total General and Administrative:		32,400	15,878	24,700	14,548	32,000	7,300	29.55%

UTILITIES

5800.10	Other Utilities	-	-	-	-	-	-	N/A
5800.20	Natural Gas	1,200	4,963	2,400	1,054	2,400	-	0.00%
5800.30	Electric-Fixed	66,000	76,063	66,000	85,989	85,000	19,000	28.79%
5800.35	Electric-Variable	17,000	19,012	17,000	21,497	21,250	4,250	25.00%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	9,000	7,578	8,000	7,214	8,000	-	0.00%
5800.60	Waste Disposal	3,000	1,855	2,500	1,886	2,500	-	0.00%
Total Utilities:		96,200	109,471	95,900	117,641	119,150	23,250	24.24%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	FY 2001/02 Over Budget	Increase Budget	% Increase (Decrease)
<u>OTHER EXPENSES</u>									
5900.10	Insurance	55,885	56,750	56,254	60,000	66,620	10,366	18.43%	N/A
5900.20	Insurance Claim Deductibles	-	-	-	-	-	-	-	N/A
5900.30	Non-Capitalized Projects	-	-	-	-	54,810	54,810	54,810	N/A
5900.40	Equipment Rental	8,500	27,659	12,000	17,704	12,000	-	-	0.00%
5900.50	Non-Capitalized Equipment	10,000	808	25,000	1,152	25,000	-	-	0.00%
5900.60	Computer Expenses	7,832	8,666	8,000	19,546	8,000	-	-	0.00%
5900.70	Appropriated Contingency	47,992	-	50,377	-	54,736	4,359	4,359	8.65%
Total Other Expenses:		130,209	93,883	151,631	98,403	221,166	69,535	69,535	45.86%
TOTAL OPERATING EXPENSES		\$ 1,967,682	\$ 1,866,797	\$ 2,065,446	\$ 1,796,597	\$ 2,244,167	\$ 178,721	\$ 178,721	8.65%

CENTRAL COAST WATER AUTHORITY WATER TREATMENT PLANT FY 2002/03 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 \$33,443 for the FY 2002/03 salary pool.

FY 02/03 Requested Budget	700,015
FY 01/02 Estimated Actual	575,734
Increase (Decrease)	124,281

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 02/03 Requested Budget	35,001
FY 01/02 Estimated Actual	38,244
Increase (Decrease)	(3,243)

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Water Treatment Plant Department.

FY 02/03 Requested Budget	16,500
FY 01/02 Estimated Actual	23,481
Increase (Decrease)	(6,981)

\$	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 one employee assigned to stand-by duty on a 24-hour basis. Based on \$1.20 per hour (5% of average hourly rate) for 8,760 hours during the fiscal year. Increase based on adopted stand-by pay increase effective April 1, 2002.

FY 02/03 Requested Budget	10,512
FY 01/02 Estimated Actual	4,239
Increase (Decrease)	6,273

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Funds for shift employee pay.

FY 02/03 Requested Budget	11,500
FY 01/02 Estimated Actual	11,636
Increase (Decrease)	(136)

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

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

Based on a 12.276% contribution rate for FY 2002/03.

Increase is attributed to partial year position vacancies during FY 2001/02, partially offset by a decrease in the employer rate for FY 2002/03 of 5.276% compared to the FY 2001/02 rate of 5.572%.

FY 02/03 Requested Budget	84,645
FY 01/02 Estimated Actual	83,142
Increase (Decrease)	1,503

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 02/03 Requested Budget	11,214
FY 01/02 Estimated Actual	10,377
Increase (Decrease)	838

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.

Family: \$7,978
Emp+1: \$6,886
Emp: \$2,921

FY 02/03 Requested Budget	82,230
FY 01/02 Estimated Actual	65,897
Increase (Decrease)	16,333

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP department. Based on \$7.61 per \$100 of covered wages with and X-Mod rate of 75%. Includes an estimated 30% increase over the FY 2001/02 rates.

FY 02/03 Requested Budget	38,969
FY 01/02 Estimated Actual	21,819
Increase (Decrease)	17,150

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

Description: Employer paid deferred compensation contributions for the Executive Director.

FY 02/03 Requested Budget	1,375
FY 01/02 Estimated Actual	-
Increase (Decrease)	1,375

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 02/03 Requested Budget	12,608
FY 01/02 Estimated Actual	7,274
Increase (Decrease)	5,334

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 \$1,500 per year anticipating that the expenses will average this amount.

FY 02/03 Requested Budget	16,800
FY 01/02 Estimated Actual	16,427
Increase (Decrease)	373

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2002/03 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 02/03 Requested Budget	4,065
FY 01/02 Estimated Actual	4,902
Increase (Decrease)	(837)

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 02/03 Requested Budget	2,920
FY 01/02 Estimated Actual	3,230
Increase (Decrease)	(310)

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 02/03 Requested Budget	1,650
FY 01/02 Estimated Actual	2,490
Increase (Decrease)	(840)

\$ 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 02/03 Requested Budget	1,000
FY 01/02 Estimated Actual	2,105
Increase (Decrease)	(1,105)

CENTRAL COAST WATER AUTHORITY WATER TREATMENT PLANT FY 2002/03 BUDGET

ACCOUNT NUMBER: 5100.70

ACCOUNT TITLE: Employee Incentive Programs

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

FY 02/03 Requested Budget	2,400
FY 01/02 Estimated Actual	-
Increase (Decrease)	2,400

Safety Program	\$ 1,200.00
EAAP	\$ 1,200.00
TOTAL:	\$ 2,400.00

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 02/03 Requested Budget	2,400
FY 01/02 Estimated Actual	2,432
Increase (Decrease)	(32)

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 02/03 Requested Budget	1,800
FY 01/02 Estimated Actual	1,417
Increase (Decrease)	383

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meeting and Travel

Description: Funds for WTP employee meetings and travel expenses.

FY 02/03 Requested Budget	6,500
FY 01/02 Estimated Actual	1,188
Increase (Decrease)	5,312

CENTRAL COAST WATER AUTHORITY WATER TREATMENT PLANT FY 2002/03 BUDGET

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 02/03 Requested Budget	500
FY 01/02 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 02/03 Requested Budget	10,000
FY 01/02 Estimated Actual	7,500
Increase (Decrease)	2,500

Includes AWWA Research Foundation dues for \$6,000

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 02/03 Requested Budget	1,500
FY 01/02 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

Description: Funds for training of WTP personnel.

Does not include educational reimbursement.

FY 02/03 Requested Budget	11,000
FY 01/02 Estimated Actual	5,000
Increase (Decrease)	6,000

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 02/03 Requested Budget	500
FY 01/02 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 02/03 Requested Budget	2,000
FY 01/02 Estimated Actual	860
Increase (Decrease)	1,140

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description: Outside professional services including:

\$	3,000	Cathodic protection
\$	2,000	Fire system/extinguisher inspection
\$	2,000	HVAC
\$	3,000	Security
\$	1,500	Crane inspection
\$	700	Road and lot cleaning
\$	800	Oil analysis
\$	1,000	misc.
\$	14,000	TOTAL

FY 02/03 Requested Budget	14,000
FY 01/02 Estimated Actual	21,714
Increase (Decrease)	(7,714)

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for this fiscal year.

FY 02/03 Requested Budget	-
FY 01/02 Estimated Actual	(6,000)
Increase (Decrease)	6,000

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

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

FY 02/03 Requested Budget	10,000
FY 01/02 Estimated Actual	11,009
Increase (Decrease)	(1,009)

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 02/03 Requested Budget	8,500
FY 01/02 Estimated Actual	6,547
Increase (Decrease)	1,953

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

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

FY 02/03 Requested Budget	25,000
FY 01/02 Estimated Actual	15,000
Increase (Decrease)	10,000

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 02/03 Requested Budget	9,425
FY 01/02 Estimated Actual	8,654
Increase (Decrease)	771

\$	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 2002/03 BUDGET**

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 02/03 Requested Budget	8,000
FY 01/02 Estimated Actual	11,597
Increase (Decrease)	(3,597)

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 02/03 Requested Budget	-
FY 01/02 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

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

FY 02/03 Requested Budget	1,000
FY 01/02 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.

FY 02/03 Requested Budget	573,122
FY 01/02 Estimated Actual	404,740
Increase (Decrease)	168,381

Based on \$19.175 per acre foot and 29,889 acre feet of requests in FY 2002/03 (75% of 2002 requests and 100% of 2003 requests)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2002/03 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 02/03 Requested Budget	15,000
FY 01/02 Estimated Actual	16,600
Increase (Decrease)	(1,600)

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 02/03 Requested Budget	3,000
FY 01/02 Estimated Actual	1,933
Increase (Decrease)	1,067

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 02/03 Requested Budget	10,000
FY 01/02 Estimated Actual	6,552
Increase (Decrease)	3,448

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

Description: Funds for the purchase of laboratory supplies including chemicals. Includes \$5,000 for one time tracer study analysis.

FY 02/03 Requested Budget	35,000
FY 01/02 Estimated Actual	29,009
Increase (Decrease)	5,991

CENTRAL COAST WATER AUTHORITY WATER TREATMENT PLANT FY 2002/03 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 02/03 Requested Budget	12,000
FY 01/02 Estimated Actual	12,217
Increase (Decrease)	(217)

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 02/03 Requested Budget	25,000
FY 01/02 Estimated Actual	37,811
Increase (Decrease)	(12,811)

	\$ 25,000	Outside Lab Testing
	\$ 25,000	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 02/03 Requested Budget	70,000
FY 01/02 Estimated Actual	90,893
Increase (Decrease)	(20,893)

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 02/03 Requested Budget	4,000
FY 01/02 Estimated Actual	1,820
Increase (Decrease)	2,180

CENTRAL COAST WATER AUTHORITY WATER TREATMENT PLANT FY 2002/03 BUDGET

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 02/03 Requested Budget	10,200
FY 01/02 Estimated Actual	14,797
Increase (Decrease)	(4,597)

\$	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 02/03 Requested Budget	1,000
FY 01/02 Estimated Actual	898
Increase (Decrease)	102

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service to the WTP.

FY 02/03 Requested Budget	2,400
FY 01/02 Estimated Actual	1,054
Increase (Decrease)	1,346

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 02/03 Requested Budget	85,000
FY 01/02 Estimated Actual	85,989
Increase (Decrease)	(989)

CENTRAL COAST WATER AUTHORITY WATER TREATMENT PLANT FY 2002/03 BUDGET

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP.

FY 02/03 Requested Budget	21,250
FY 01/02 Estimated Actual	21,497
Increase (Decrease)	(247)

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 02/03 Requested Budget	-
FY 01/02 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 02/03 Requested Budget	8,000
FY 01/02 Estimated Actual	7,214
Increase (Decrease)	786

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 02/03 Requested Budget	2,500
FY 01/02 Estimated Actual	1,886
Increase (Decrease)	614

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 02/03 Requested Budget	66,620
FY 01/02 Estimated Actual	60,000
Increase (Decrease)	6,620

\$	28,417	Property and auto coverage based on the apportionment provided by JPIA.
\$	38,203	General liability and E&O based on salary proportions.
\$	66,620	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects around the WTP which are not eligible for capitalization because the facilities are owned by DWR and not CCWA.

FY 02/03 Requested Budget	54,810
FY 01/02 Estimated Actual	-
Increase (Decrease)	54,810

WTP Access Road Repairs and Slurry Seal		
Entrance road to the WTP is beginning to slide to the east and west. Repairs are needed to key in the bank and stabilize the slope. Slurry seal preventative maintenance is also required for the WTP asphalt.		
Estimated charge:	\$	47,000
Contingency (5%)	\$	2,350
TOTAL COST:	\$	49,350

Entry Road Reflectors		
Road reflectors will illuminate the access road and define the double yellow line in the center. This is especially important at night and during foggy weather.		
Estimated charge:	\$	5,200
Contingency (5%)	\$	260
TOTAL COST:	\$	5,460

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 02/03 Requested Budget	12,000
FY 01/02 Estimated Actual	17,704
Increase (Decrease)	(5,704)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2002/03 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. (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 02/03 Requested Budget	25,000
FY 01/02 Estimated Actual	1,152
Increase (Decrease)	23,848

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 02/03 Requested Budget	8,000
FY 01/02 Estimated Actual	19,546
Increase (Decrease)	(11,546)

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.5% of requested budget.

FY 02/03 Requested Budget	54,736
FY 01/02 Estimated Actual	-
Increase (Decrease)	54,736



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 9.30
- 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 2002/03 O&M Budget \$1,877,424
- Non-Annual Recurring Expense deposits \$ 49,136
- **Total Distribution Department FY 2002/03
Budgeted Expenses \$1,926,560**
- O&M Budget increase over FY 2001/02 \$ 133,818
- Fixed O&M expenses \$1,478,673
- Variable O&M expenses \$ 398,751
- FY 2002/03 budgeted electrical cost \$69 per acre-foot

Significant Accomplishments During FY 2001/02

- Completed Reach 5B/6 inspections and repairs.

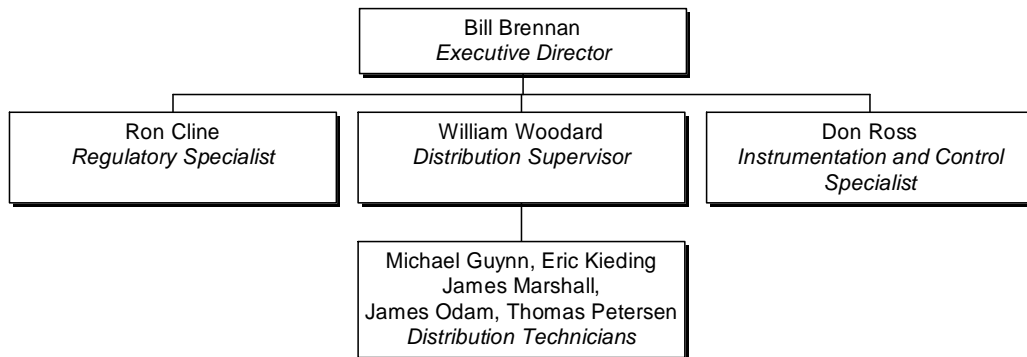
Significant Goals for FY 2002/03

- Ensure Distribution Technicians are fully certified in accordance with most recent Department of Health Services requirements.
- Meet new Enhanced Surface Water Treatment Rules and develop analysis procedures and trigger points for the new organic carbon removal requirements.
- Conduct internal inspection of Reach 1 pipeline and Tank 2.

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

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. 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 reports to the Executive Director and maintains all distribution electrical, electronic, fiber optic and instrumentation systems. He also assists the Maintenance Control Specialist in maintaining plant electrical, electronic and fiber optic systems.

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

The following pages list the 2001 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2002 goals for the Distribution Department.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2002/03 Budget

2001 ACCOMPLISHMENTS

Operations and Maintenance

Goal	<u>Status</u>
Investigate and implement as appropriate taste and odor strategies for treated State water (1/01)	Investigation completed 3/01; no action to be taken during 2001. (Operating Committee reviewed cost allocation alternatives for GAC replacement 7/01.)
Conduct in-house workshop to review and optimize O&M procedures and practices (2/01)	Done 3/01.
Review electrical cost schedule with PG&E and explore non-firm power options (2/01)	Done 2/01. CCWA did not elect to utilize ACWA USA's latest electrical vendor alternative due to low savings and risk of penalties for not using requested electricity.
Incorporate all instrumentation calibration and maintenance into the preventative maintenance program (4/01)	In progress but will not be completed until 2002 due to other priorities.
Add temperature probe at Bradbury Dam outlet works and connect to CCWA SCADA system (4/01)	Waiting on U.S. Bureau of Reclamation to provide power to site. Work will be completed within three months of power being supplied.
Investigate lease/purchase options for pipeline inspection video equipment (10/01)	Experience during the Schedule C and the two Reach 5B/6 inspections indicate that ownership would not be cost effective due to high maintenance and equipment redundancy (i.e., spares) requirements.
Meet project participants' delivery needs as requested (ongoing)	Ongoing. See status of water transfers and sales under <i>Administration and Accounting</i> .
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)	Enrolled Santa Ynez Pumping Facility in a summer time electrical demand relief program. Savings were small due to low pump facility usage during the affected period.

<u>Goal</u>	<u>Status</u>
Identify and pursue approaches to maximize and maintain	<ul style="list-style-type: none"> • Provided expert review of taste

Central Coast Water Authority
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high water quality consistent with project participants' needs (ongoing)

and odor problems and available solutions.

- Established taste and odor analysis reporting system with DWR.

Assist project participants in preparing to meet new federal and state water quality regulations (ongoing)

- Provided information on public health goals and distribution certification.
- Provided annual Consumer Confidence Report.

2002 GOALS

Operations and Maintenance

Ensure Distribution Technicians are fully certified in accordance with most recent Department of Health Services requirements [2/02]

Meet new Enhanced Surface Water Treatment Rules and develop analysis procedures and trigger points for the new organic carbon removal requirements [2/02]

Develop “early warning” system for water treatment plant taste and odor episodes and other water quality issues using State Water Project “real time” data [6/02]

Conduct in-depth analysis of preventative maintenance program data collection and report functions and evaluate maintenance schedules based on repair history [8/02]

Replace granular activated carbon media in water treatment plant filters [8/02].

Replace galvanized piping on Reach 5B/6 AVAR's [10/02]

Conduct a system vulnerability assessment and prepare response plan [12/02]

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 [1/02], 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 2002/03 Budget

Service Efforts and Accomplishments

	Actual FY 2000/01	Estimated Actual FY 2001/02	Projected FY 2002/03
	Workload		
Work orders completed - Distribution ⁽¹⁾	314	2,500	2,500
	Efficiency		
Days out of Service - Distribution	0	30	15
Days out of Service SCADA/communications	30	1	0
Operating cost per employee (thousands)	\$ 140	\$ 125	\$ 207
Overtime expense as a percent of the O&M budget	1.99%	0.90%	2.02%
(1) Work orders were previously grouped by construction reach and are now tracked by each piece of equipment on which the Distribution Technicians work.			

DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

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

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

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

Central Coast Water Authority
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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 163 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

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 2000/01 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 2002/03 Budget

<i>Distribution Department Financial Reach Allocation</i>			
Financial Reach	FY 2002/03 Allocation Percentage	FY 2001/02 Allocation Percentage	Increase (Decrease)
Reach 33B	20.42%	21.51%	-1.09%
Reach 34	8.11%	8.79%	-0.68%
Reach 35	9.88%	7.24%	2.65%
Reach 37	5.99%	4.36%	1.63%
Reach 38	5.69%	4.96%	0.73%
Mission Hills II	11.86%	16.39%	-4.53%
Santa Ynez I	20.87%	21.94%	-1.07%
Santa Ynez II	17.17%	14.82%	2.35%
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 2002/03 Operating Expense Budget

The Fiscal Year 2002/03 Distribution Department operating expense budget is \$1,877,424, which is \$133,818 higher than the previous year's budget of \$1,730,480 (net of Santa Ynez Exchange Agreement Modifications), an increase of 7.73%.

The personnel expense section of the Distribution Department budget represents approximately 41% of the budget. Utilities comprise 23%, with other expenses making up the balance of the budget. The chart on page 164 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 \$70,000 attributed to the following:

- Proposed salary increases for FY 2002/03.
- Stand-by pay increase of about \$15,500 representing the CCWA Board adopted increase in the stand-by pay.
- Health insurance expense increase of approximately \$16,000 based on the actual increases effective January 1, 2002 and a 15% projected increase as of January 1, 2003.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2002/03 Budget

- Workers' compensation insurance increase of about \$16,000 based on an estimated increase of 30% for FY 2002/03 and a projected experience modification factor increase from 62% to 75%

Professional Services Professional services are decreasing by approximately \$56,000 mainly attributed to the elimination of legal services for the Zurich storm damage insurance claim which was settled in FY 2001/02.

Utilities The utilities expense budget is decreasing by approximately \$56,000 due to a decrease in the variable electrical expenses for the Santa Ynez II financial reach. Electrical expenses are budgeted at \$69 per acre-foot and based on 75% of requested water deliveries for the second half of 2002 and 100% of requested deliveries for the first half of 2003.

Other Expenses Other expenses are increasing by about \$163,000 primarily due to the new account, "Non-Capitalized Projects." This new account is used to fund large capital related projects on portions of the pipeline which are not owned by CCWA and are allocated to specific financial reaches (*see the discussion beginning on page 159 regarding Non-Capitalized Projects*).

Turnout Expenses Previously, CCWA did not specifically allocate O&M expenses for the various turnouts along the pipeline but included these expenses in the general overall Distribution O&M budget. However, since the turnout expenses are paid by individual project participants who receive water from each turnout, the expenses are being allocated to each specific turnout for FY 2002/03.

The following table shows the FY 2002/03 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES						
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	TOTAL	
Guadalupe	\$ 1,000	\$ 1,000	\$ -	\$ 500	\$ 2,500	
Santa Maria	1,000	1,000	-	500	2,500	
Southern California Water Co.	-	1,500	-	500	2,000	
Vandenberg Air Force Base	-	1,500	-	500	2,000	
Buellton	500	1,000	-	500	2,000	
Santa Ynez (Solvang)	500	1,000	-	500	2,000	
Santa Ynez	-	1,500	-	500	2,000	
Chorro Valley	-	2,500	5,000	500	8,000	
Lopez	750	2,000	-	500	3,250	
TOTAL:	\$ 3,750	\$ 13,000	\$ 5,000	\$ 4,500	\$ 26,250	

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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 2002/03 Non-Annual Recurring Expenses

The FY 2002/03 Distribution Department non-annual recurring expenses total \$49,136 for the replacement of vehicles based on the Authority's ten-year vehicle replacement schedule (\$45,525) and future computer replacements (\$3,500).

The table on page 162 shows the allocation of the FY 2002/03 non-annual recurring expenses for the Distribution Department.

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, since CCWA does not own the DWR portion of the Coastal Branch Extension, capital related expenditures may not be capitalized as an asset on its books.

Beginning with the FY 2002/03 Budget, certain projects and expenditures have been included on the Coastal Branch Extension and are shown in the O&M expense section of the Distribution Department budget. Additionally, the expenses are allocated only to the financial reach associated with each project.

A brief description of each project follows.

- PLC Processor and Hydraulic Panel PLC Replacement in Valve Vault Facility \$19,110 (Reach 34). The old PLC processors are no longer supported by the manufacturer and must therefore be replaced.
- Road Repairs to EDV Access Road \$12,000 (Reach 34). Repairs to the EDV access road in advance of sealing the road.
- Fog Seal EDV Road/Site \$9,500 (Reach 34). Slurry/fog seal of the EDV access road. This procedure has not be done since CCWA began operation.
- Thompson Road Pipe Inspection/Repair \$10,368 (Reach 35). Excavate damaged pipeline near Thompson Road.
- Slurry Seal/Fog Seal Tank 2 \$10,950 (Reach 33B) Slurry/fog seal the Tank 2 site.

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- ?? Inspection of Reach 1 \$25,628 (Reach 33B) Drain and make internal inspection of the pipeline in Reach 1. Anticipated to occur during the month of November 2003.
- ?? 5B/6 AVAR Replacement \$46,672 (Reaches 35, 37 and 38) Replace all 2" and 3" AVAR's in Reach 5B/6. During the previous 5B/6 inspection, the AVAR's were found to be non-operational and must therefore be replaced.
- ?? Repairs to Exposed Pipeline \$10,000 (Reach Santa Ynez II)

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2002/03.

Non-Capitalized Projects-Reach Specific		
Project Description	Financial Reach	Amount
PLC Processor and Hydraulic Panel in valve vault facility	34	\$ 19,110
Road Repairs to EDV Access Road	34	12,000
Fog Seal EDV Road/Site	34	9,500
Thompson Road Pipe Inspection/Repair	35	10,368
Slurry Seal/Fog Seal Tank 2	33B	10,950
Inspection of Reach 1	33B	25,628
<u>5B/6 AVAR Replacement</u>	5B/6 ⁽¹⁾	
Reach 35 (55%)	35	25,670
Reach 37 (30%)	37	14,002
Reach 38 (15%)	38	7,001
Project Total:		46,672
Repairs to Exposed Pipeline	SYII	10,000
TOTAL:		\$ 144,228

(1) Reach 5B/6 expenses allocated in proportion to construction percentages.

Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2002/03 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2000/01	Number Auth. FY 2001/02	Number Requested FY 2002/03	Change Over FY 2000/01	Change Over FY 2001/02
Executive Director ⁽¹⁾	0	0	0.25	0.25	0.25
Operations Manager	0.25	0.25	0	-0.25	-0.25
Staff Engineer ⁽²⁾	0.55	0.55	0.55	0	0
Regulatory Specialist ⁽³⁾	0.75	0.75	0.75	0	0
Distribution Supervisor	1	1	1	0	0
Instrumentation Technician	1	1	1	0	0
Maintenance Control Specialist ⁽⁴⁾	0	0	0.20	0.20	0.20
Maintenance/IC&R Technician	0.30	0.30	0.30	0	0
Distribution Technician	5	5	5	0	0
TOTAL:	8.85	8.85	9.05	0.20	0.20

PERSONNEL WAGE SUMMARY			
Position Title	Position Classification	Maximum Monthly Salary	FY 2001/02 Current Salary
Executive Director ⁽¹⁾	N/A	\$ 8,450	\$ 27,500
Staff Engineer ⁽²⁾	23	\$ 7,219	\$ 44,550
Regulatory Specialist ⁽³⁾	17	\$ 5,270	\$ 40,500
Distribution Supervisor	19	\$ 5,853	\$ 64,700
Instrumentation Specialist	17	\$ 5,270	\$ 60,000
Maintenance Control Specialist ⁽⁴⁾	17	\$ 5,270	\$ 12,600
Maintenance/IC&R Technician	14	\$ 4,501	\$ 15,000
Distribution Technicians	14	\$ 4,501	\$ 234,500
FY 2002/03 Salary Pool			\$ 20,560
TOTAL:			\$ 519,910

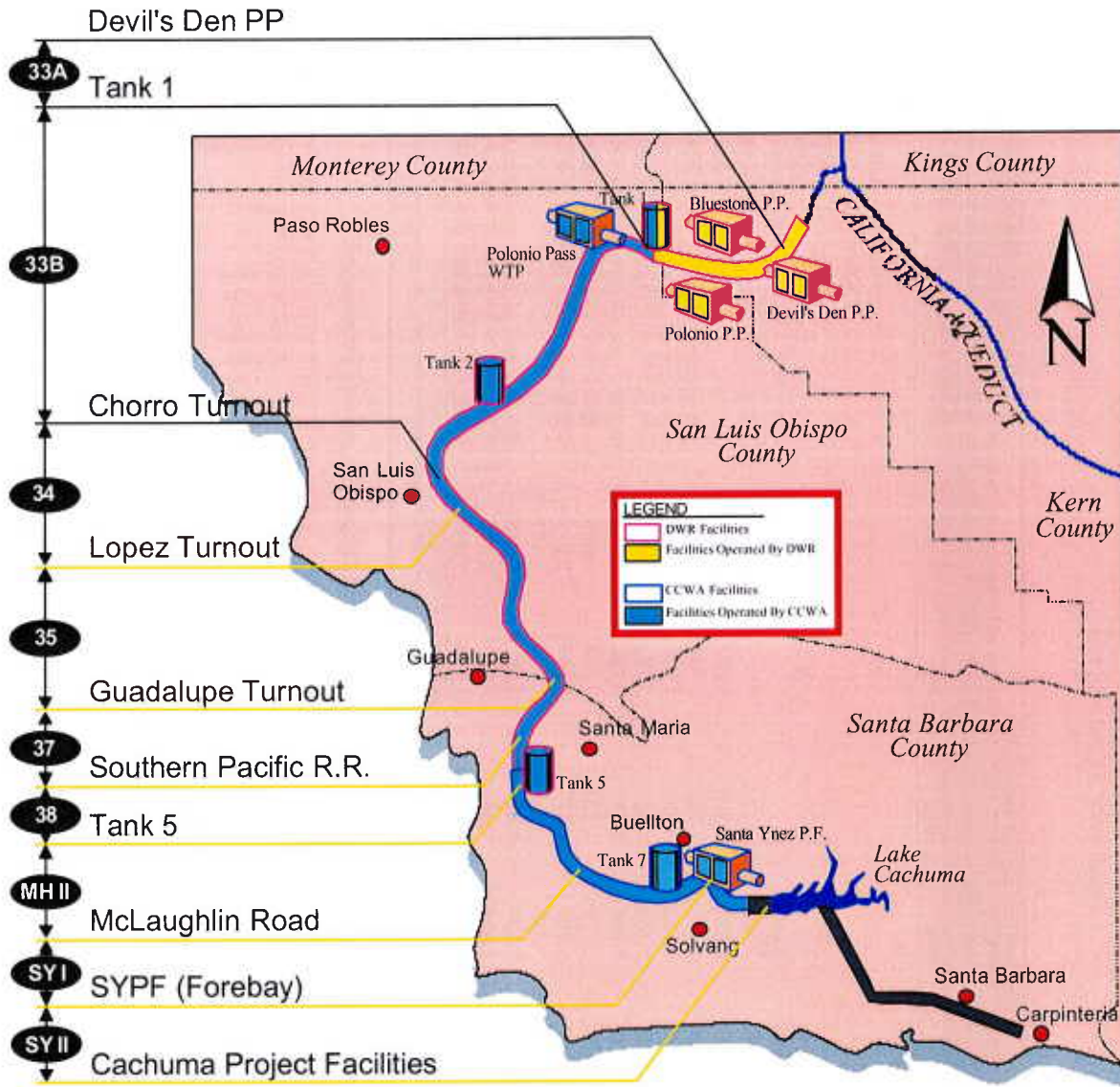
- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
(2) The Staff Engineer is allocated to Administration (25%), Water Treatment Plant (20%) and Distribution (55%).
(3) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).
(4) The Maintenance Control Specialist is allocated to Water Treatment Plant (80%) and Distribution (20%).

Central Coast Water Authority
Distribution Department Non-Annual Recurring Expenses
 Fiscal Year 2002/03 Budget

Project Participant	WEIGHTED ENTITLEMENTS										Total Entitlement All Reaches	Melded Percentage	FY 2002/03 Non-Annual Recurring Expenses					
	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	17.17%	20.87%				11.86%	5.69%	5.99%	9.88%	8.11%
Shandon	110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110	0.05%	\$ 23
Chorro Valley	2,574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,574	1.09%	534
Lopez	2,633	1,108	-	-	-	-	-	-	-	-	-	-	-	-	-	3,741	1.58%	776
Guadalupe	605	255	329	-	-	-	-	-	-	-	-	-	-	-	-	1,189	0.50%	247
Santa Maria	17,832	7,503	9,699	5,962	-	-	-	-	-	-	-	-	-	-	-	40,996	17.32%	8,510
SCWC	550	232	299	184	-	-	-	-	-	-	-	-	-	-	-	1,265	0.53%	263
VAFB	6,054	2,547	3,293	2,024	3,394	7,077	-	-	-	-	-	-	-	-	-	24,390	10.30%	5,063
Buellton	636	268	346	213	357	744	1,749	-	-	-	-	-	-	-	-	4,312	1.82%	895
Santa Ynez (Solvang)	1,651	695	898	552	926	1,930	4,538	-	-	-	-	-	-	-	-	11,189	4.73%	2,323
Santa Ynez	550	232	299	184	309	643	1,513	-	-	-	-	-	-	-	-	3,730	1.58%	774
Goleta	4,953	2,084	2,694	1,656	2,777	5,790	13,613	13,305	-	-	-	-	-	-	-	46,873	19.80%	9,729
Morehart Land	220	93	120	74	123	257	605	591	-	-	-	-	-	-	-	2,083	0.88%	432
La Cumbre	1,101	463	599	368	617	1,287	3,025	2,957	-	-	-	-	-	-	-	10,416	4.40%	2,162
Raytheon (SBRC)	55	23	30	18	31	64	151	148	-	-	-	-	-	-	-	521	0.22%	108
Santa Barbara	3,302	1,389	1,796	1,104	1,851	3,860	9,076	8,870	-	-	-	-	-	-	-	31,249	13.20%	6,486
Montecito	3,302	1,389	1,796	1,104	1,851	3,860	9,076	8,870	-	-	-	-	-	-	-	31,249	13.20%	6,486
Carpinteria	2,201	926	1,197	736	1,234	2,573	6,050	5,913	-	-	-	-	-	-	-	20,832	8.80%	4,324
TOTAL:	48,331	19,206	23,396	14,180	13,471	28,086	49,395	40,653	49,395	28,086	40,653	49,395	40,653	236,718	100.00%	\$ 49,136		

The entitlement for each financial reach is adjusted for the weighted allocation percentage. (i.e., actual FY 2000/01 operating expense percentages). Includes funding for vehicle replacements (\$45,636), computer replacements (\$3,500).

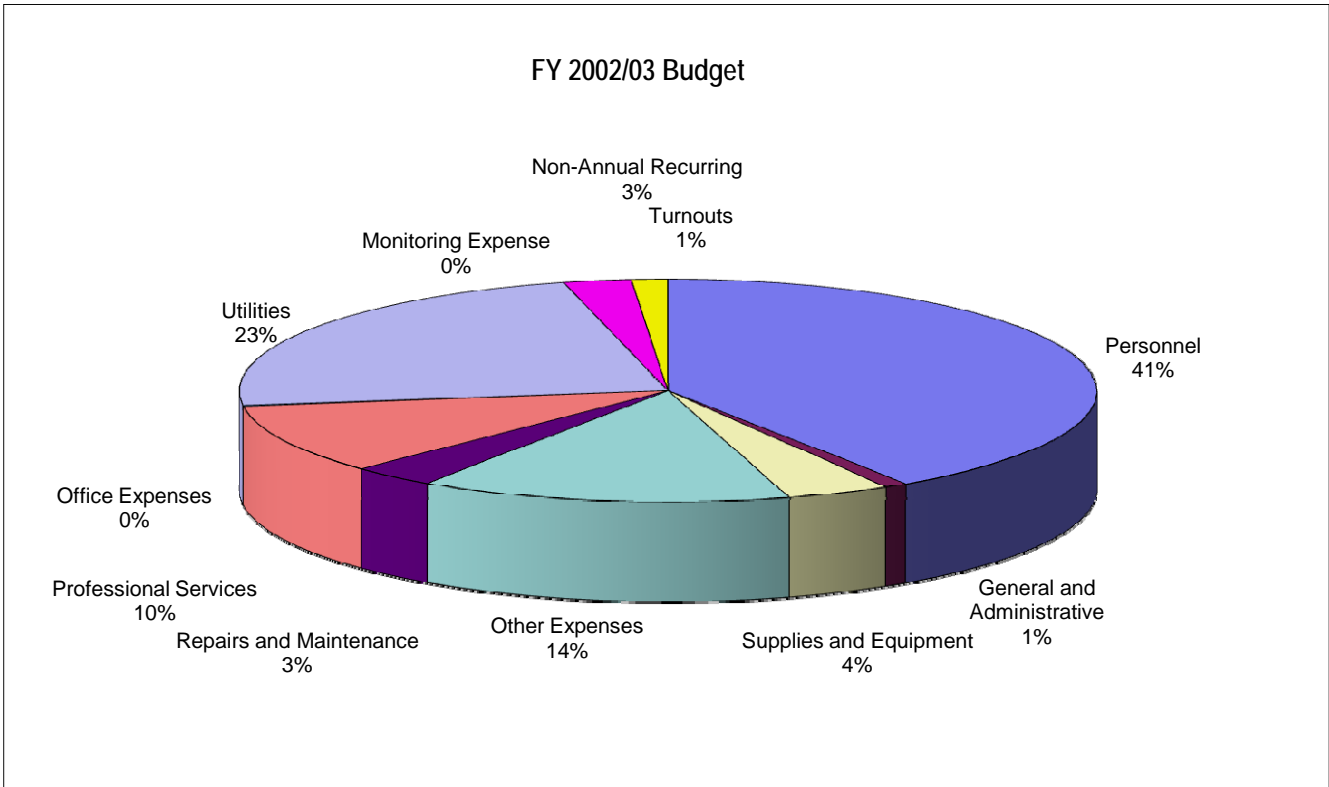
COASTAL BRANCH FINANCIAL REACHES



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

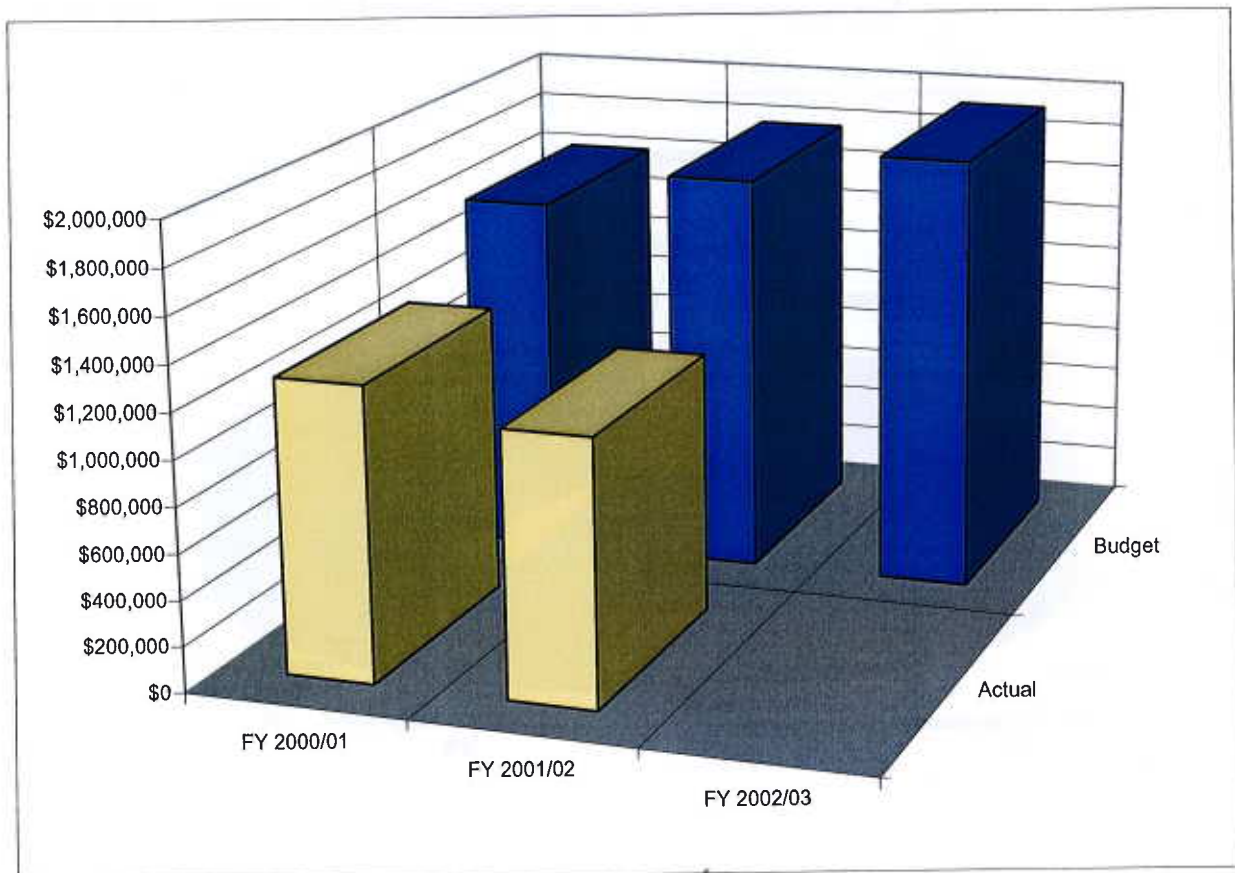
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2002/03 Budget

Item	FY 2002/03 Budget
Personnel	\$ 783,480
Office Expenses	2,700
Supplies and Equipment	75,142
Monitoring Expenses	-
Repairs and Maintenance	61,148
Professional Services	194,600
General and Administrative	16,800
Utilities	447,051
Other Expenses	270,253
Non-Annual Recurring	49,136
Turnouts	26,250
TOTAL:	\$ 1,926,560



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2002/03 Budget

Item	FY 2000/01	FY 2000/01	FY 2001/02	FY 2001/02	FY 2002/03
	Budget	Actual	Budget	Est. Actual	Budget
Personnel	\$ 701,769	\$ 543,110	\$ 713,333	\$ 484,879	\$ 783,480
Office Expenses	2,200	2,591	2,200	3,176	2,700
Supplies and Equipment	82,662	61,094	77,142	66,234	75,142
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	70,300	83,110	61,148	61,691	61,148
Professional Services	247,540	395,208	250,540	219,280	194,600
General and Administrative	23,400	9,064	15,800	8,758	16,800
Utilities	324,490	87,269	503,262	208,379	447,051
Other Expenses	112,246	57,394	107,056	53,093	270,253
Turnouts	-	-	-	-	26,250
Subtotal	\$ 1,564,608	\$ 1,238,841	\$ 1,730,481	\$ 1,105,491	\$ 1,877,424
Non-Annual Recurring	\$ 48,292	\$ 48,292	\$ 50,301	\$ 50,301	\$ 49,136
TOTAL:	\$ 1,612,900	\$ 1,287,133	\$ 1,780,782	\$ 1,155,792	\$ 1,926,560



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 487,435	\$ 385,023	\$ 497,858	\$ 350,000	\$ 519,910	\$ 22,052	4.43%
5000.20	Overtime	36,372	24,659	36,893	10,000	37,996	1,103	2.99%
5000.40	Standby Pay	4,000	4,445	5,500	4,431	21,024	15,524	282.25%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	64,587	52,505	61,355	45,000	61,298	(57)	-0.09%
5100.15	Medicare Taxes	7,595	6,247	7,864	6,000	8,414	550	6.99%
5100.20	Health Insurance	55,669	37,983	57,005	39,428	73,245	16,240	28.49%
5100.25	Workers' Compensation	12,251	10,647	12,628	14,548	28,580	15,953	126.33%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	2,000	2,144	2,125	-	1,375	(750)	-35.29%
5100.40	Cafeteria Plan Benefits	1,058	447	1,565	122	3,236	1,671	106.82%
5100.45	Dental/Vision Plan	11,063	11,476	10,750	9,964	13,575	2,825	26.28%
5100.50	Long-Term Disability	2,918	2,334	2,977	2,266	3,046	69	2.32%
5100.55	Life Insurance	2,601	1,925	2,433	1,616	2,182	(252)	-10.35%
5100.60	Employee Physicals	1,040	681	1,200	600	1,200	-	0.00%
5000.30	Temporary Services	11,880	2,335	11,880	-	6,000	(5,880)	-49.49%
5100.70	Employee Incentive Programs	800	-	800	905	1,400	600	75.00%
5100.65	Employee Education Reimbursement	500	258	500	-	1,000	500	100.00%
Total Personnel Expenses:		701,769	543,110	713,333	484,879	783,480	70,147	9.83%

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Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	-	-	-	-	-	-	N/A
5200.20	Office Supplies	1,200	1,653	1,200	809	1,200	-	0.00%
5200.30	Miscellaneous Office Expenses	1,000	938	1,000	2,367	1,500	500	50.00%
Total Office Expenses:		2,200	2,591	2,200	3,176	2,700	500	22.73%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	5,892	6,397	5,892	6,109	5,892	-	0.00%
5500.15	Minor Tools and Equipment	8,000	7,399	8,000	12,531	12,000	4,000	50.00%
5500.20	Spare Parts	15,000	8,133	10,000	864	-	(10,000)	-100.00%
5500.25	Landscape Equipment and Supplies	2,500	1,789	2,500	225	2,000	(500)	-20.00%
5500.30	Chemicals-Fixed	2,520	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	8,731	13,000	18,531	18,000	5,000	38.46%
5500.40	Safety Supplies	5,000	4,798	5,000	663	5,000	-	0.00%
5500.45	Fuel and Lubricants	18,250	20,885	23,250	20,132	23,250	-	0.00%
5500.50	Seed/Erosion Control Supplies	15,000	2,962	9,000	7,178	8,500	(500)	-5.56%
5500.55	Backflow Prevention Supplies	500	-	500	-	500	-	0.00%
Total Supplies and Equipment:		82,662	61,094	77,142	66,234	75,142	(2,000)	-2.59%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	N/A

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Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	50,000	57,569	45,000	43,512	45,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	9,000	9,478	9,000	11,142	9,000	-	0.00%
5700.30	Building Maintenance	5,000	12,391	4,000	2,721	4,000	-	0.00%
5700.40	Landscape Maintenance	6,300	3,672	3,148	4,316	3,148	-	0.00%
Total Repairs and Maintenance:		70,300	83,110	61,148	61,691	61,148	-	0.00%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	166,600	206,661	166,600	142,451	166,600	-	0.00%
5400.20	Legal Services	58,440	136,179	58,440	50,000	-	(58,440)	-100.00%
5400.30	Engineering Services	10,000	22,507	10,000	24,762	16,000	6,000	60.00%
5400.40	Permits	1,000	844	1,000	-	1,500	500	50.00%
5400.50	Non-Contractual Services	11,500	29,018	14,500	2,068	10,500	(4,000)	-27.59%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
5400.70	Payroll Service	-	-	-	-	-	-	N/A
Total Professional Services:		247,540	395,208	250,540	219,280	194,600	(55,940)	-22.33%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	9,000	2,560	5,000	(175)	5,000	-	0.00%
5300.20	Mileage Reimbursement	-	3	-	-	-	-	N/A
5300.30	Dues and Memberships	700	808	1,000	2,096	1,500	500	50.00%
5300.40	Publications	1,000	678	800	358	800	-	0.00%
5300.50	Training	12,000	2,395	8,000	1,379	8,000	-	0.00%
5300.60	Advertising	200	2,143	500	5,514	1,000	500	100.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	500	476	500	(414)	500	-	0.00%
Total General and Administrative:		23,400	9,064	15,800	8,758	16,800	1,000	6.33%
<u>UTILITIES</u>								
5800.10	Other Utilities	-	-	-	-	-	-	N/A
5800.20	Natural Gas	400	462	400	150	400	-	0.00%
5800.30	Electric Fixed	22,500	24,052	29,676	38,874	26,700	(2,976)	-10.03%
5800.35	Electric-Variable	284,640	47,962	454,986	150,000	398,751	(56,235)	-12.36%
5800.40	Water	1,200	1,099	1,200	979	1,200	-	0.00%
5800.50	Telephone	15,000	12,184	15,000	18,031	18,000	3,000	20.00%
5800.60	Waste Disposal	750	1,510	2,000	345	2,000	-	0.00%
Total Utilities:		324,490	87,269	503,262	208,379	447,051	(56,211)	-11.17%

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Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2002/03 Administration/O&M Budget

Account Number	Account Name	FY 2000/01 Budget	FY 2000/01 Actual	FY 2001/02 Budget	FY 2001/02 Estimated Actual	FY 2002/03 Budget	Change From FY 2001/02 Budget	Percent Change from FY 2001/02 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	39,253	45,484	35,017	36,000	48,874	13,857	39.57%
5900.20	Insurance Claim Deductibles	-	-	-	-	-	-	N/A
5900.30	Non-Capitalized Projects	-	-	-	-	144,228	144,228	N/A
5900.40	Equipment Rental	12,000	6,064	12,000	9,015	12,000	-	0.00%
5900.50	Non-Capitalized Equipment	15,000	-	10,000	-	10,000	-	0.00%
5900.60	Computer Expenses	7,832	5,846	7,832	8,078	10,000	2,168	27.68%
5900.70	Appropriated Contingency	38,161	-	42,207	-	45,151	2,944	6.97%
Total Other Expenses:		112,246	57,394	107,056	53,093	270,253	163,196	152.44%
	Turnouts	-	-	-	-	26,250	26,250	N/A
TOTAL OPERATING EXPENSES		\$ 1,564,608	\$ 1,238,841	\$ 1,730,481	\$ 1,105,491	\$ 1,877,424	133,818	7.73%

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$20,560 for FY 2002/03 salary pool. Increase is due to prior year position vacancies.

FY 02/03 Requested Budget	519,910
FY 01/02 Estimated Actual	350,000
Increase (Decrease)	169,910

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 02/03 Requested Budget	37,996
FY 01/02 Estimated Actual	10,000
Increase (Decrease)	27,996

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 02/03 Requested Budget	6,000
FY 01/02 Estimated Actual	-
Increase (Decrease)	6,000

\$	2,500	ROW watering
\$	2,500	ROW planting and maintenance
\$	1,000	Other
\$	6,000	TOTAL

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Standby Pay

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by pay on a 24-hour basis. Based on \$1.20 per hour (5% of average hourly rate) for 17,520 hours (two employees) during the fiscal year. Increase based on adopted stand-by pay increase effective April 1, 2002.

FY 02/03 Requested Budget	21,024
FY 01/02 Estimated Actual	4,431
Increase (Decrease)	16,593

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Not anticipated.

FY 02/03 Requested Budget	-
FY 01/02 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 12.276% contribution rate for FY 2002/03.

Increase is attributed to partial year position vacancies during FY 2001/02, partially offset by a decrease in the employer rate for FY 2002/03 of 5.276% compared to the FY 2001/02 rate of 5.572%.

FY 02/03 Requested Budget	61,298
FY 01/02 Estimated Actual	45,000
Increase (Decrease)	16,298

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 02/03 Requested Budget	8,414
FY 01/02 Estimated Actual	6,000
Increase (Decrease)	2,414

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: \$7,978

Emp+1: \$6,886

Emp: \$2,921

FY 02/03 Requested Budget	73,245
FY 01/02 Estimated Actual	39,428
Increase (Decrease)	33,817

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP department. Based on \$7.61 per \$100 of covered wages with and X-Mod rate of 75%. Includes an estimated 30% increase over the FY 2001/02 rates.

FY 02/03 Requested Budget	28,580
FY 01/02 Estimated Actual	14,548
Increase (Decrease)	14,033

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

Description: Employer paid deferred compensation contributions for the Executive Director.

FY 02/03 Requested Budget	1,375
FY 01/02 Estimated Actual	-
Increase (Decrease)	1,375

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 Distribution employees based on each employee's benefit election.

FY 02/03 Requested Budget	3,236
FY 01/02 Estimated Actual	122
Increase (Decrease)	3,114

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 \$1,500 per year anticipating that the expenses will average this amount.

FY 02/03 Requested Budget	13,575
FY 01/02 Estimated Actual	9,964
Increase (Decrease)	3,611

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 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 02/03 Requested Budget	3,046
FY 01/02 Estimated Actual	2,266
Increase (Decrease)	780

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 02/03 Requested Budget	2,182
FY 01/02 Estimated Actual	1,616
Increase (Decrease)	566

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 02/03 Requested Budget	1,200
FY 01/02 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 02/03 Requested Budget	1,000
FY 01/02 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5100.70

ACCOUNT TITLE: Employee Incentive Programs

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

FY 02/03 Requested Budget	1,400
FY 01/02 Estimated Actual	-
Increase (Decrease)	1,400

Safety Program	\$	700.00
EAAP	\$	700.00
TOTAL:	\$	1,400.00

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 02/03 Requested Budget	1,200
FY 01/02 Estimated Actual	809
Increase (Decrease)	391

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 02/03 Requested Budget	1,500
FY 01/02 Estimated Actual	2,367
Increase (Decrease)	(867)

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meeting and Travel

Description: Funds for Distribution Department employee meetings and travel expenses.

FY 02/03 Requested Budget	5,000
FY 01/02 Estimated Actual	(175)
Increase (Decrease)	5,175

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 02/03 Requested Budget	-
FY 01/02 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues and memberships in required areas.

FY 02/03 Requested Budget	1,500
FY 01/02 Estimated Actual	2,096
Increase (Decrease)	(596)

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 02/03 Requested Budget	800
FY 01/02 Estimated Actual	358
Increase (Decrease)	442

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

\$ 8,000 - \$1,000 per employee

FY 02/03 Requested Budget	8,000
FY 01/02 Estimated Actual	1,379
Increase (Decrease)	6,621

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 02/03 Requested Budget	1,000
FY 01/02 Estimated Actual	5,514
Increase (Decrease)	(4,514)

ACCOUNT NUMBER: 5300.70

ACCOUNT TITLE: Printing and Binding

Description: _____

FY 02/03 Requested Budget	-
FY 01/02 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 02/03 Requested Budget	500
FY 01/02 Estimated Actual	(414)
Increase (Decrease)	914

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 02/03 Requested Budget	166,600
FY 01/02 Estimated Actual	142,451
Increase (Decrease)	24,149

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 02/03 Requested Budget	-
FY 01/02 Estimated Actual	50,000
Increase (Decrease)	(50,000)

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 02/03 Requested Budget	16,000
FY 01/02 Estimated Actual	24,762
Increase (Decrease)	(8,762)

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 02/03 Requested Budget	1,500
FY 01/02 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

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

FY 02/03 Requested Budget	10,500
FY 01/02 Estimated Actual	2,068
Increase (Decrease)	8,432

\$	5,000	Electrical repair service
\$	1,500	PM software service contract
\$	3,000	Electrical panel sealing and repairs to T-2 and EDV
\$	1,000	Miscellaneous
\$	10,500	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 02/03 Requested Budget	5,892
FY 01/02 Estimated Actual	6,109
Increase (Decrease)	(217)

\$	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 02/03 Requested Budget	12,000
FY 01/02 Estimated Actual	12,531
Increase (Decrease)	(531)

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: _____

FY 02/03 Requested Budget	-
FY 01/02 Estimated Actual	864
Increase (Decrease)	(864)

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 02/03 Requested Budget	2,000
FY 01/02 Estimated Actual	225
Increase (Decrease)	1,775

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded for FY 2002/03.

FY 02/03 Requested Budget	-
FY 01/02 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 02/03 Requested Budget	18,000
FY 01/02 Estimated Actual	18,531
Increase (Decrease)	(531)

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 02/03 Requested Budget	5,000
FY 01/02 Estimated Actual	663
Increase (Decrease)	4,337

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 02/03 Requested Budget	23,250
FY 01/02 Estimated Actual	20,132
Increase (Decrease)	3,118

\$	20,000	Vehicles
\$	1,000	Emergency Generator Sets
\$	1,500	Lubricants
\$	750	Miscellaneous
\$	23,250	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 02/03 Requested Budget	8,500
FY 01/02 Estimated Actual	7,178
Increase (Decrease)	1,323

\$	1,000	Seed
\$	2,500	Plants and materials
\$	5,000	Erosion control
\$	8,500	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 02/03 Requested Budget	500
FY 01/02 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 02/03 Requested Budget	-
FY 01/02 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 02/03 Requested Budget	-
FY 01/02 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 02/03 Requested Budget	45,000
FY 01/02 Estimated Actual	43,512
Increase (Decrease)	1,488

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 02/03 Requested Budget	9,000
FY 01/02 Estimated Actual	11,142
Increase (Decrease)	(2,142)

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 02/03 Requested Budget	4,000
FY 01/02 Estimated Actual	2,721
Increase (Decrease)	1,279

\$	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 (SYPF).

FY 02/03 Requested Budget	3,148
FY 01/02 Estimated Actual	4,316
Increase (Decrease)	(1,168)

\$	2,448	SYPF (\$204 month)
\$	700	SYPF spring mowing
\$	3,148	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

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

FY 02/03 Requested Budget	400
FY 01/02 Estimated Actual	150
Increase (Decrease)	250

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 02/03 Requested Budget	26,700
FY 01/02 Estimated Actual	38,874
Increase (Decrease)	(12,174)

\$	7,800	Suite B & C	\$650 month
\$	1,200	4 Iso vaults	\$100 month
\$	4,200	2 Tanks	\$350 month
\$	2,220	11 Rectifiers	\$185 month
\$	3,000	EDV	\$250 month
\$	8,280	SYPF	\$690 month
\$	26,700	TOTAL	

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 02/03 Requested Budget	398,751
FY 01/02 Estimated Actual	150,000
Increase (Decrease)	248,751

Acre feet pumped	5,779
Cost per acre foot	\$69
TOTAL	\$398,751
<i>(Based on 75% of 2002 requests and 100% of 2003 requests)</i>	

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 02/03 Requested Budget	1,200
FY 01/02 Estimated Actual	979
Increase (Decrease)	221

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 02/03 Requested Budget	18,000
FY 01/02 Estimated Actual	18,031
Increase (Decrease)	(31)

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 02/03 Requested Budget	2,000
FY 01/02 Estimated Actual	345
Increase (Decrease)	1,655

\$	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 02/03 Requested Budget	48,874
FY 01/02 Estimated Actual	36,000
Increase (Decrease)	12,874

\$	20,501	Property and Auto Insurance as apportioned by JPIA.
\$	28,374	General liability and E&O insurance pro rated by salary percentages.
\$	48,874	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects along the pipeline on facilities which are not owned by CCWA or do not qualify for capitalization under the CCWA capitalization policy (see detailed breakout in this section of the budget).

FY 02/03 Requested Budget	144,228
FY 01/02 Estimated Actual	-
Increase (Decrease)	144,228

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 2002/03 BUDGET**

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

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

FY 02/03 Requested Budget	12,000
FY 01/02 Estimated Actual	9,015
Increase (Decrease)	2,985

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 02/03 Requested Budget	10,000
FY 01/02 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 02/03 Requested Budget	10,000
FY 01/02 Estimated Actual	8,078
Increase (Decrease)	1,922

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.5% of requested budget.

FY 02/03 Requested Budget	45,151
FY 01/02 Estimated Actual	-
Increase (Decrease)	45,151



*Above: Devil's Den Pumping Plant building wall reinforcement bars prior to concrete forming and pouring.
Inset: Aerial view of completed pumping plant, inlet canal and Coastal Branch Phase I aqueduct in background.*

Non-Operating Expenses

The Non-Operating Expense section of the FY 2002/03 Budget includes information regarding capital improvements, debt and reserves.



Central Coast Water Authority
Non-Operating Expenses
Fiscal Year 2002/03 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.





*Above: Alisal Bridge crossing in Solvang. This is one of four locations where the pipeline is visible (i.e., not buried).
Inset: Installation of pipe-support brackets on Alisal Bridge.*

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 2002/03 CIP Budget **\$196,408**

- New Facilities and Equipment \$132,471
- Equipment Replacement and Repair \$ 63,937

CIP Funding Sources

- **Total FY 2002/03 CIP Budget** **\$196,408**
- Assessment Funded CIP \$ 5,638
- Non-Annual Recurring Expenses \$ 24,579
- Revenue Bond and Capital Deposits \$ 166,191

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2002/03 Budget

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2002/03 is \$196,408.

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 2002/03 the NFE budget is \$132,471 . The budgeted expenditures for NFE are listed below.

New Facilities and Equipment	
Main Electrical Service Disconnect	\$ 16,500
Bar Coding Hardware and Software	3,375
Air Conditioner for Laboratory	17,850
Epoxy Coat Chemical Containment Vaults	15,750
Sodium Bisulfite Analyzer at the Santa Ynez Pumping Facility	6,652
Vehicle Parking Cover	15,260
Bridge (Palmer Jackson)	11,227
Optical Time Domain Reflector	15,640
Fire-Proof Safe	5,638
Subtotal:	107,892
Small Four-Wheel Drive Pickup	24,579
CIP Funded from Non-Annual Recurring Expense Deposits	24,579
TOTAL NEW FACILITIES AND EQUIPMENT	\$ 132,471

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2002/03 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 2002/03 the ERR budget is \$63,937. The budgeted expenditures for ERR are listed below.

Equipment Replacement and Repair	
Two-Way Radio System	\$ 12,375
PCM 100 PLC Processor Replacement	22,000
SCADA Video Monitors	5,412
WTP Inlet Valve Actuators	11,550
Chemical Tank Level Transmitters	12,600
TOTAL EQUIPMENT REPLACEMENT AND REPAIR	\$ 63,937

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 2002/03.

Funding of Capital Improvements Expenditures

The FY 2002/03 CIP expenditures are being funded from three funding sources – FY 20021/032 O&M Assessments (\$5,638), Non-Annual Recurring Expense Deposits (\$24,579) and Revenue Bond fund and Capital Deposits (\$166,191).

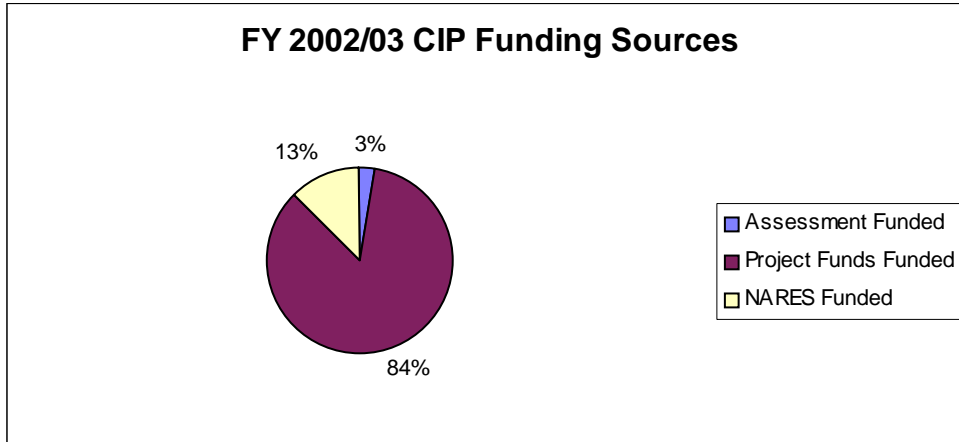
The table on the following page shows the allocation of FY 2002/03 capital improvements by department and financial reach.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2002/03 Budget

FY 2002/03 Capital Improvements					
Capital Improvements	Specific	Water Treatment			Total
Assessment Funded CIP	Financial Reach	Administration	Plant	Distribution	
Fire-Proof Safe		\$ 5,638	\$ -	\$ -	\$ 5,638
Subtotal:		<u>5,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,638</u>
Non-Annual Recurring Expense Funded CIP					
Small Four-Wheel Drive Pickup		-	\$ -	\$ 24,579	24,579
Subtotal:		<u>-</u>	<u>-</u>	<u>24,579</u>	<u>24,579</u>
Revenue Bond and Capital Deposit Funded CIP					
Two-Way Radio System		-	12,375	-	12,375
Main Electrical Service Disconnect		-	16,500	-	16,500
PCM 100 PLC Processor Replacement		-	22,000	-	22,000
SCADA Monitors		-	5,412	-	5,412
Bar Coding Hardware and Software		-	3,375	-	3,375
WTP Inlet Valve Actuators		-	11,550	-	11,550
Air Conditioner for Laboratory		-	17,850	-	17,850
Chemical Tank Level Transmitters		-	12,600	-	12,600
Epoxy Coat Chemical Containment Vaults		-	15,750	-	15,750
Vehicle Parking Cover		-		15,260	15,260
Optical Time Domain Reflector		-		15,640	15,640
Subtotal:		<u>-</u>	<u>117,412</u>	<u>30,900</u>	<u>148,312</u>
Sodium Bisulfite Analyzer at the Santa Ynez Pumping Facility	Santa Ynez II	-	-	6,652	6,652
Bridge (Palmer Jackson)	Santa Ynez I	-	-	11,227	11,227
Subtotal Distribution Reach Specific:		<u>-</u>	<u>-</u>	<u>17,879</u>	<u>17,879</u>
Subtotal:		<u>-</u>	<u>117,412</u>	<u>48,779</u>	<u>166,191</u>
TOTAL CIP		<u>\$ 5,638</u>	<u>\$ 117,412</u>	<u>\$ 73,358</u>	<u>\$ 196,408</u>

Central Coast Water Authority
Capital Improvements
Fiscal Year 2002/03 Budget

The following graph shows the funding source for the FY 2002/03 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 II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities which traverse the Santa Ynez Mountains.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2002/03 Budget

Fiscal Year 2002/03 CIP Budget

Description: ***Two Way Radio System***

Department: WTP

Expanded Description: Base station and hand held radios will replace existing radios purchased during construction.

Estimated Charge \$11,000
Sales Tax \$ 825
Contingency (5%) \$ 550

Total Cost: \$12,375

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact: CCWA spent over \$2,000 last year on radio repairs. Motorola stated they will no longer maintain the old radios.

Description: ***Main Electrical Service Disconnect***

Department: WTP

Expanded Description: Will allow one person to disconnect the WTP from PG&E's 12 KV electrical service.

Estimated Charge \$15,000
Sales Tax \$
Contingency (5%) \$ 1,500

Total Cost: \$16,500

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact: PG&E now charges CCWA for a 3 to 4 man crew to respond to system disconnects. This is also a safety item.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2002/03 Budget

Description: ***PCM 100 PLC Processor Replacement***

Department: WTP

Expanded Description: Replacement of obsolete PLC processors that are no longer supported by the manufacturer.

Estimated Charge \$20,000
Sales Tax \$
Contingency (5%) \$ 2,000

Total Cost: \$22,000

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact: Old processors are no longer supported by the manufacturer and spare parts are no longer available.

Description: ***SCADA Monitors***

Department: WTP and Distribution

Expanded Description: Computer video monitors for the SCADA servers.

Estimated Charge \$4,800
Sales Tax \$ 372
Contingency (5%) \$ 240

Total Cost: \$5,412

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact: Current monitors are seven years old and are losing resolution and color balance. Screen failure may mean lapses in operations.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2002/03 Budget

Description: ***Bar Coding Hardware and Software***

Department: WTP

Expanded Description: This equipment will assist WTP staff maintain supply and repair part inventory.

Estimated Charge \$3,000
Sales Tax \$ 225
Contingency (5%) \$ 150

Total Cost: \$3,375

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact: Equipment should have a positive effect on repair time for equipment.

Description: ***WTP Inlet Valve Actuators***

Department: WTP

Expanded Description: Replacement of two inlet valve actuators.

Estimated Charge \$11,000
Sales Tax \$
Contingency (5%) \$ 550

Total Cost: \$11,550

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact: Current actuators are too small and require annual rebuilding.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2002/03 Budget

Description: ***Air Conditioner for Laboratory***

Department: WTP

Expanded Description: Lab equipment creates too much heat for operations building heat pump to handle. A separate air conditioner for the space is necessary.

Estimated Charge \$ 17,000
Sales Tax \$
Contingency (5%) \$ 850

Total Cost: \$17,850

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact: High heat in lab is bad for computers and analytical equipment.

Description: ***Chemical Tank Level Transmitters***

Department: WTP

Expanded Description: Replacement for defective Ammonia, Polymer and Sulfuric Acid tank level transmitters.

Estimated Charge \$12,000
Sales Tax \$
Contingency (5%) \$ 600

Total Cost: \$12,600

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact: New transmitters are required to accurately measure chemical usage.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2002/03 Budget

Description: ***Epoxy Coat Chemical Containment Vaults***

Department: WTP

Expanded Description: Epoxy Coating will resist chemical deterioration of the concrete in the chemical containment vaults.

Estimated Charge \$15,000
Sales Tax \$
Contingency (5%) \$ 750

Total Cost: \$15,750

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact:

Description: ***Sodium Bisulfite Analyzer at the Santa Ynez Pumping Facility***

Department: Distribution - Santa Ynez II

Expanded Description: Analyzer will measure sodium bisulfite residual in water pumped to Lake Cachuma.

Estimated Charge \$5,900
Sales Tax \$ 457
Contingency (5%) \$ 295

Total Cost: \$6,652

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact: Analyzer will insure proper chemical dosage and eliminate over feeding.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2002/03 Budget

Description: **Vehicle Parking Cover**

Department: Distribution - All Financial Reaches

Expanded Description: Vehicles would have protection from the environment, which includes tree sap, UV and public site. A storage area for each vehicle would allow staff to keep equipment in a protected area out of site of the environment and the public.

Estimated Charge \$ 14,533
Contingency (5%) \$727
Total Cost: \$15,260

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact:

Description: **Bridge (Palmer Jackson)**

Department: Distribution - Santa Ynez I

Expanded Description: Bridge for access to Gardner Ranch.

Estimated Charge \$ 10,692
Sales Tax \$
Contingency (5%) \$ 535
Total Cost: \$ 11,227

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact:

Central Coast Water Authority
Capital Improvements
Fiscal Year 2002/03 Budget

Description: ***Optical Time Domain Reflector***

Department: Distribution - All reaches

Expanded Description: Equipment for testing fiber optic cable. Current equipment is obsolete.

Estimated Charge \$ 14,895
Sales Tax \$
Contingency (5%) \$ 745

Total Cost: \$ 15,640

Funding Source: Revenue bond proceeds and capital deposits.

Operating Budget Impact:

Description: ***Small Four Wheel Drive Pickup with Tools***

Department: Distribution - All reaches

Expanded Description: Four wheel drive pickup (does not replace existing vehicle) including a Craftsman's 678-piece tool set.

Vehicle Cost \$ 20,000
Tool Set \$ 1,800
Sales Tax \$ 1,689
Contingency (5%) \$ 1,090

Total Cost: \$ 24,579

Funding Source: NARES Deposits

Operating Budget Impact:

Central Coast Water Authority
Capital Improvements
Fiscal Year 2002/03 Budget

Description: ***Fire-Proof Safe***

Department: Administration

Expanded Description: Fire-proof safe for blank check stock and computer network back-up tapes.

Estimated Charge \$ 5,000
Sales Tax \$ 388
Contingency (5%) \$ 250

Total Cost: \$ 5,638

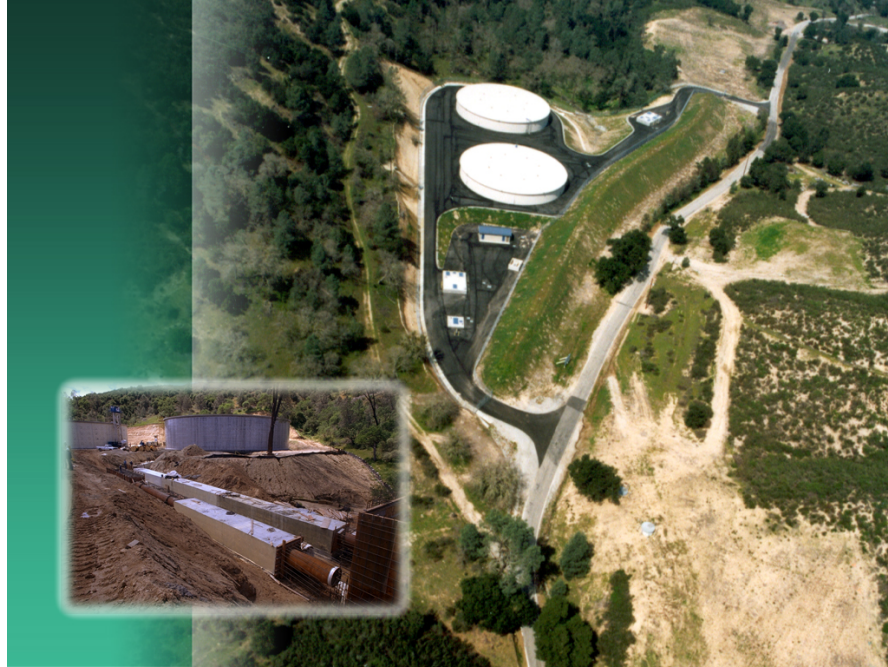
Funding Source: O&M Assessments

Operating Budget Impact: None.

Central Coast Water Authority
Revenue Bond and Capital Deposit Retention Schedule
 Amended November 10, 2001

Construction Contracts	Sorting	Project	Allocation	Amended Budget	Expenditures June 98 to April 02	Remaining Balance
Applied Earthworks	1	Environmental	Pipeline All	\$ 24,337	6,577	17,760
Other	9			137,769	73,421	64,348
Subtotal Schedule ABC:				574,704	492,597	82,107
		Financial Reach	Percentage	Allocation		
		Mission Hills II	28.1289%	161,658	138,562	23,096
		Santa Ynez I	58.3604%	335,400	287,481	47,918
		Santa Ynez II	13.5107%	77,646	66,553	11,093
			100.0000%	\$ 574,704	\$ 492,597	\$ 82,107
<u>Mission Hills II</u>						
Burton Mesa Mitigation Reserve	13			108,000	-	108,000
Other	14	Includes Zurich Proceeds	Mission Hills II	142,273	(2,904)	145,177
Subtotal Mission Hills II:				256,439	3,262	253,177
<u>Santa Ynez I</u>						
SYI Pipeline Realignment	19.5	Zuirch Proceeds	Santa Ynez I	921,731	937,155	(15,424)
Subtotal Santa Ynez I:				975,057	990,481	(15,424)
<u>Santa Ynez II</u>						
Other	24	Includes Zurich Proceeds	Santa Ynez II	36,730	(345)	37,075
Subtotal Santa Ynez II:				53,413	16,339	37,074
<u>Water Treatment Plant</u>						
Various	39	SCADA System	WTP	260,610	250,469	10,141
Other	40.5	Admin Server Upgrade	WTP	37,185	42,055	(4,870)
Other	41	Zuirch Proceeds and Other	WTP	727,958	-	727,958
Subtotal WTP:				1,758,728	1,790,640	733,231
TOTAL CONSTRUCTION PROJECTS & OTHER ITEMS:				\$ 4,172,844	3,847,821	1,090,166
TOTAL BOND FUND AND CAPITAL DEPOSIT RETENTION				\$ 4,688,230	4,363,207	1,090,166





*Above: Aerial view of the completed Tank 2 site.
Inset: Partially completed inlet piping in the foreground with tanks in background at the Tank 2 site.*

Debt Management

The Debt Management section of the FY 2002/03 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 **\$11,578,405**

- FY 2002/03 Principal Payment \$ 3,535,000
- FY 2002/03 Interest Payments \$ 8,043,405
- FY 2001/02 Bond Trustee Payments \$ 4,500

Bond Payment Funding Sources **\$11,578,405**

- Fixed Assessments from Project Participants \$10,654,207
- Guaranteed Investment Contract Interest \$ 697,904
- Debt Service Account Interest Income \$ 230,804

1996 Revenue Bond Information

- Principal Payment Date October 1st
- Interest Payment Dates October 1st and April 1st
- Outstanding Principal Balance (6-30-02) \$159,000,000
- True Interest Cost (TIC) 5.55%
- Restricted Arbitrage Rate 5.47%
- Arbitrage Rebate Liability (6-30-02) \$0

Central Coast Water Authority
Debt Management
Fiscal Year 2002/03 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 2002/03 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

During FY 2001/02, the five-year rebate liability on the 1996 refunding revenue bonds was paid to the Internal Revenue Service in the amount of \$26,963.

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.

Construction Project Close Out and Final Reconciliation

Central Coast Water Authority
Debt Management
Fiscal Year 2002/03 Budget

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.

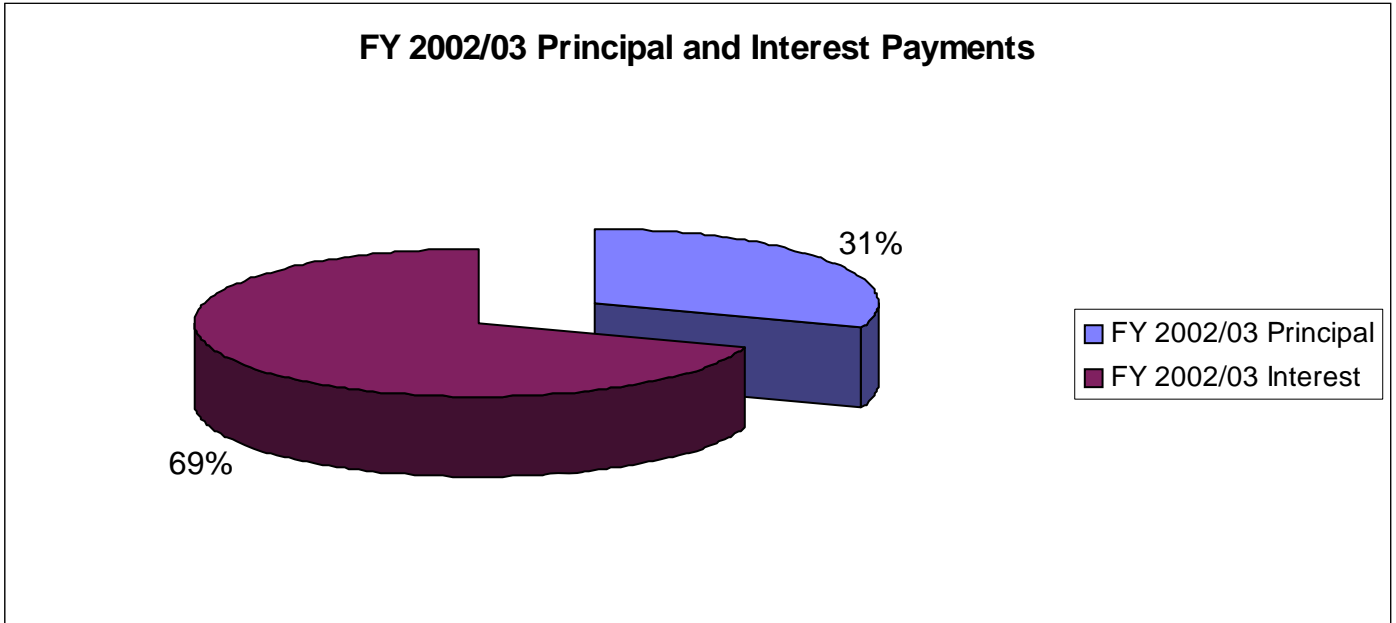
Fiscal Year 2002/03 Debt Service Budget

For FY 2002/03, total Series A principal payments is \$3,535,000 and total interest due is \$8,043,405, totaling \$11,578,405. Additionally, Bond Trustee fees in the amount of \$4,500 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 2002/03 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 \$230,804 for FY 2002/03.

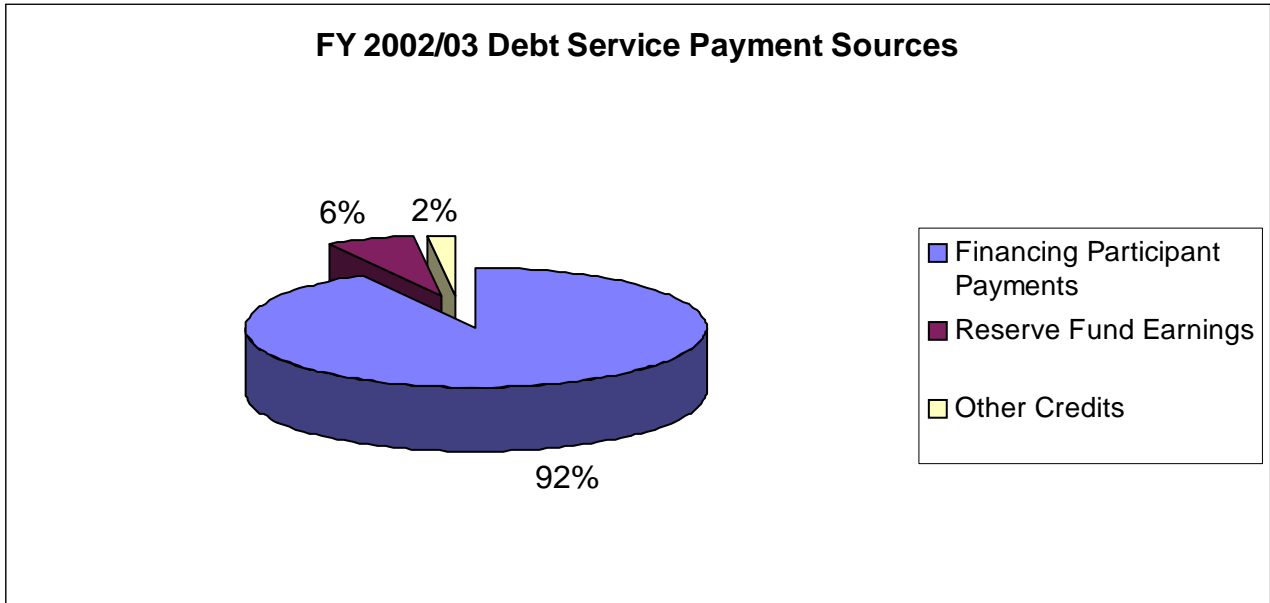
Central Coast Water Authority
Debt Management
Fiscal Year 2002/03 Budget

The following chart shows the total principal and interest payments for the 1996 revenue bonds for FY 2002/03.



Central Coast Water Authority
Debt Management
Fiscal Year 2002/03 Budget

The following chart shows the sources of cash for the FY 2002/03 debt service payments.



The table on the following page shows the principal and interest payments for each financing participant for FY 2002/03 and the various credits discussed on the preceding pages.

Central Coast Water Authority
1996 Revenue Bond Series A Debt Service Payments
 Fiscal Year 2002/03 Budget

Financing Participant	FY 2002/03	FY 2002/03	FY 2002/03	Trustee	Debt Service	Reserve	FY 2002/03
	Series A (10/1/02) Principal Payment	Series A (10/1/02) Interest Payment	Series A (4/1/03) Interest Payment	Expenses	Account Interest Income (1)	Fund Interest Earnings (2)	Total Payments
Avila Beach	\$ 5,407	\$ 5,063	\$ 4,942	6	\$ (319)	\$ (887)	\$ 14,212
California Men's Colony	45,771	42,864	41,834	48	(2,701)	(7,506)	120,311
County of SLO	48,754	45,657	44,560	52	(2,877)	(7,995)	128,150
Cuesta College	22,887	21,444	20,919	24	(1,351)	(3,753)	60,170
Morro Bay	284,507	266,437	260,035	301	(16,791)	(46,654)	747,835
Oceano	39,604	37,088	36,197	42	(2,337)	(6,494)	104,099
Pismo Beach	65,456	61,299	59,826	69	(3,863)	(10,734)	172,054
Shandon	5,138	4,811	4,696	5	(303)	(842)	13,504
Guadalupe	62,936	58,938	57,522	67	(3,739)	(10,320)	165,404
Buellton	111,462	104,383	101,875	118	(6,276)	(18,278)	293,284
Santa Ynez (Solvang)	100,567	291,741	289,478	312	(13,785)	(48,434)	619,880
Santa Ynez	37,655	109,235	108,387	117	(5,170)	(18,135)	232,089
Goleta	1,077,070	1,008,659	984,425	1,139	(60,638)	(176,620)	2,834,034
Morehart Land	23,695	44,471	43,938	47	(2,252)	(7,340)	102,560
La Cumbre	113,481	212,978	210,425	227	(10,511)	(35,150)	491,449
Raytheon (SBRC)	10,364	9,706	9,472	11	(628)	(1,699)	27,226
Santa Barbara	662,392	620,320	605,416	700	(37,317)	(108,620)	1,742,891
Montecito	372,735	699,541	691,154	744	(34,534)	(115,453)	1,614,187
Carpinteria	445,119	416,847	406,832	471	(25,410)	(72,991)	1,170,868
TOTAL:	\$ 3,535,000	\$ 4,061,471	\$ 3,981,934	\$ 4,500	\$ (230,804)	\$ (697,904)	\$ 10,654,207

Notes:

- (1) Represents interest on the financing participant debt service payments for FY 2001/02.
- (2) Represents interest on the reserve fund guaranteed investment contract (GIC). Calculated using a par amount of \$12,758,750 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>\$ 173,015,000</u>	<u>\$ 146,407,788</u>	<u>\$ 319,422,788</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
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
						FY 2002/03
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





*Above: Framing and pouring of concrete for the Blue Stone Pumping Plant wall.
Inset: Interior of the Blue Stone Pumping Plant building housing six horizontal pumps and motors.*

Reserves and Cash Management

The Reserves and Cash Management section of the FY 2002/03 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 2002/03 Total Reserve Balances **\$9,892,084**

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 7,353,134
- Non-Annual Recurring Expenses (6-30-03) \$ 538,958

Non-Annual Recurring Expenses

- FY 2002/03 Beginning Balance \$ 176,334
- Additional Deposits for FY 2002/03 \$386,547
- FY 2002/03 Expenditures \$ 24,579

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2002/03 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 2002/03 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 Systems Company	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
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 2002/03 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 2002/03 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 February 28, 2002. Participation in the fund for FY 2002/03 is not yet known. Prior to June 30, 2002, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2002/03.

FY 2001/02 Rate Coverage Reserve Fund

Project Participant	FY 2001/02 Deposit
City of Buellton	\$ 235,752
Carpinteria Valley Water District	776,160
City of Guadalupe	159,582
La Cumbre Mutual Water Company	355,852
Montecito Water District	989,662
City of Santa Maria	3,784,139
Santa Ynez, RWCD, I.D. #1 (Solvang)	529,007
Santa Ynez, RWCD, I.D. #1	381,354
County of San Luis Obispo (Shandon)	14,365
Avila Beach Community Services District	27,309
Oceano Community Services District	99,954
TOTAL:	\$ 7,353,134

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2002/03 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 anticipated activity in the non-annual recurring expense cash deposits for FY 2001/02 and FY 2002/03.

Non-Annual Recurring Expense Cash Deposits

Financing Participant	FY 2001/02 Beginning Balance	FY 2001/02 Interest Income	FY 2001/02 NARES Expenditures	FY 2002/03 Additional Deposits	FY 2002/03 NARES Expenditures	FY 2002/03 Ending Balance
Shandon	\$ 1,931	\$ 77	\$ (39)	\$ -	\$ (11)	\$ 1,959
Chorro Valley	27,637	1,427	(56,753)	39,256	(267)	11,567
Lopez	37,269	1,477	(39,142)	16,763	(388)	16,367
Guadalupe	11,661	421	(12,489)	5,097	(123)	4,567
Santa Maria	372,180	12,966	(400,973)	158,150	(4,257)	138,066
SCWC	11,493	407	(7,352)	238	(131)	4,654
VAFB	146,424	4,860	(135,312)	42,816	(2,532)	56,256
Buellton	16,155	553	(19,436)	10,906	(448)	7,730
Santa Ynez (Solvang)	41,922	1,434	(12,548)	2,032	(1,162)	31,679
Santa Ynez	25,226	840	(85,803)	82,954	(387)	22,830
Goleta	111,657	3,880	(40,834)	9,282	(4,867)	79,118
Morehart Land Co.	4,964	174	(1,760)	411	(216)	3,573
La Cumbre	24,816	866	(9,743)	2,058	(1,082)	16,917
Raytheon Systems Co.	1,242	44	(491)	102	(54)	843
Santa Barbara	74,439	2,587	(26,368)	6,187	(3,245)	53,602
Montecito	74,451	2,600	(26,518)	6,175	(3,245)	53,463
Carpinteria	49,659	1,731	(17,579)	4,119	(2,163)	35,767
TOTAL:	\$ 1,033,126	\$ 36,346	\$ (893,138)	\$ 386,547	\$ (24,579)	\$ 538,958

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 2002/03 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.



Top Insert: Tank 1 and Polonio Pass Water Treatment Plant site with raw water tanks in foreground. Above and left insert: Construction of treated water tanks with concrete roof-support columns visible inside the partially completed tank.

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 2005/06. 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 2002/03 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) Excluding Exchange Deliveries				Calendar Year Deliveries (acre feet) Excluding Exchange Deliveries				
	FY 2002/03	FY 2003/04	FY 2004/05	FY 2005/06	2002	2003	2004	2005	2006
Shandon									
Chorro Valley	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450
Lopez	1,939	1,960	1,980	1,996	1,927	1,954	1,966	1,990	2,002
Guadalupe	585	605	605	605	605	605	605	605	605
Santa Maria	16,865	17,222	17,569	17,785	16,689	17,058	17,405	17,756	17,820
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	1,000	1,500	1,500	1,500	1,500
Santa Ynez	817	700	700	700	700	700	700	700	700
Goleta	4,950	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	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030
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:	40,407	40,752	41,176	41,483	39,584	40,545	40,969	41,414	41,560



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 2002/03	40,407	-	40,407	
FY 2003/04	40,752	-	40,752	
FY 2004/05	41,176	-	41,176	
FY 2005/06	41,483	-	41,483	

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 2002/03	\$ 4,276,065	\$ 1,176,718	\$ (1,176,718)	\$ -	\$ -	\$ -	\$ -	\$ 6,495,679	\$ 10,771,744
FY 2003/04	4,105,078	1,189,342	(1,189,342)	0	-	-	-	11,007,874	15,112,952
FY 2004/05	4,242,140	1,210,177	(1,210,177)	-	-	-	-	11,100,734	15,342,874
FY 2005/06	4,306,996	1,232,006	(1,232,006)	-	-	-	-	11,222,234	15,529,230

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

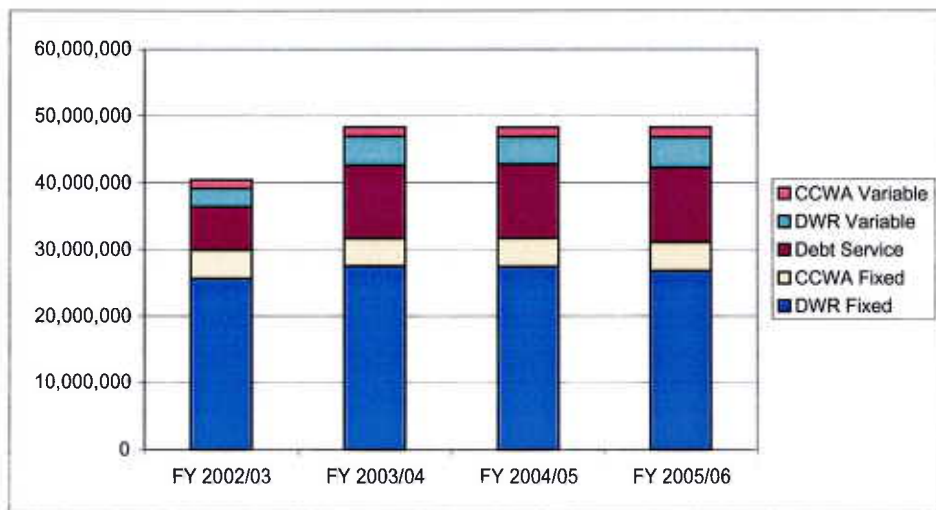
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 1,149,089	\$ 483,155	\$ 95,937	\$ (95,937)	\$ 0	\$ -	\$ (147,958)	\$ (155,967)	\$ 1,328,319
FY 2003/04	1,192,093	529,946	111,892	(111,892)	0	-	(147,958)	(160,443)	1,413,638
FY 2004/05	1,239,192	533,252	116,164	(116,164)	0	-	(147,958)	(165,542)	1,458,944
FY 2005/06	1,270,830	537,602	120,945	(120,945)	0	-	(147,958)	(169,862)	1,490,611

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			CCWA			Total State Water Charges		
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	Fixed	Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2002/03	\$ 25,623,528	\$ 2,709,055	\$ 28,332,583	\$ 4,276,065	\$ 1,328,319	\$ 6,495,679	\$ 25,623,528	\$ 2,709,055	\$ 40,432,094
FY 2003/04	27,502,555	4,291,662	31,794,217	4,105,078	1,413,638	11,007,874	27,502,555	4,291,662	48,320,807
FY 2004/05	27,406,754	4,101,116	31,507,870	4,242,140	1,458,944	11,100,734	27,406,754	4,101,116	48,309,689
FY 2005/06	26,762,139	4,482,640	31,244,778	4,306,996	1,490,611	11,222,234	26,762,139	4,482,640	48,264,619

(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 2002/03	36,018	-	36,018	
FY 2003/04	36,342	-	36,342	
FY 2004/05	36,746	-	36,746	
FY 2005/06	37,037	-	37,037	

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 2002/03	\$ 3,821,922	\$ 1,176,718	\$ (1,176,718)	\$ -	\$ -	\$ -	\$ 5,302,370	\$ 9,124,293	
FY 2003/04	3,852,413	1,189,342	(1,189,342)	0	-	-	9,618,347	13,470,761	
FY 2004/05	3,982,108	1,210,177	(1,210,177)	-	-	-	9,715,739	13,697,847	
FY 2005/06	4,042,596	1,232,006	(1,232,006)	0	-	-	9,837,257	13,879,854	

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

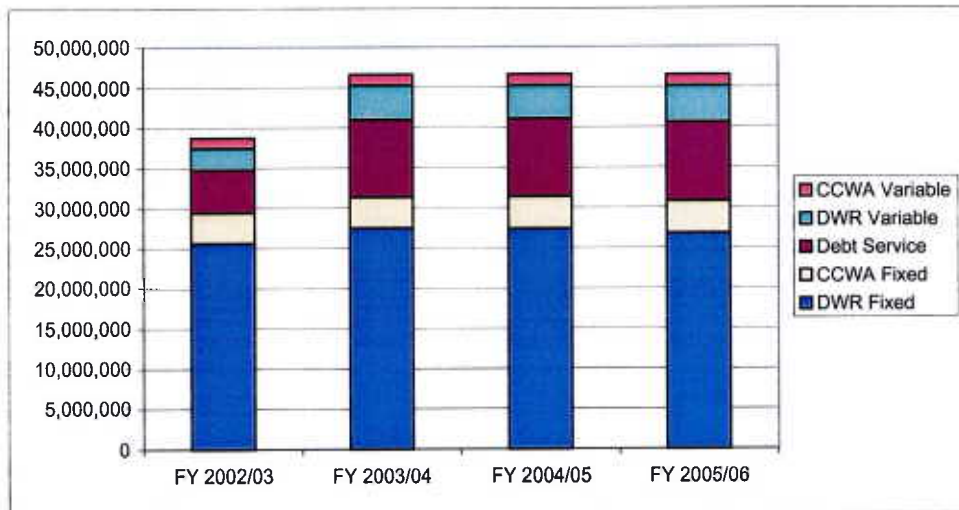
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 1,084,531	\$ 483,155	\$ 95,937	\$ (95,937)	\$ 0	\$ -	\$ (147,958)	\$ (155,967)	\$ 1,263,761
FY 2003/04	1,125,280	529,946	111,892	(111,892)	0	-	(147,958)	(160,443)	1,346,825
FY 2004/05	1,170,066	533,252	116,164	(116,164)	0	-	(147,958)	(165,542)	1,389,818
FY 2005/06	1,199,369	537,602	120,945	(120,945)	0	-	(147,958)	(169,862)	1,419,151

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 2002/03	\$ 25,623,528	\$ 2,709,055	\$ 28,332,583	\$ 3,821,922	\$ 1,263,761	\$ 5,302,370	\$ 25,623,528	\$ 2,709,055	\$ 38,720,637
FY 2003/04	27,502,555	4,291,662	31,794,217	3,852,413	1,346,825	9,618,347	27,502,555	4,291,662	46,611,803
FY 2004/05	27,406,754	4,101,116	31,507,870	3,982,108	1,389,818	9,715,739	27,406,754	4,101,116	46,595,536
FY 2005/06	26,762,139	4,482,640	31,244,778	4,042,596	1,419,151	9,837,257	26,762,139	4,482,640	46,543,783

(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 2002/03	-	-	-	
FY 2003/04	-	-	-	
FY 2004/05	-	-	-	
FY 2005/06	-	-	-	

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 2002/03	\$ 4,449						\$ 13,112	\$ 17,561	
FY 2003/04	4,626						13,794	18,420	
FY 2004/05	4,773						13,749	18,522	
FY 2005/06	4,861						13,739	18,600	

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

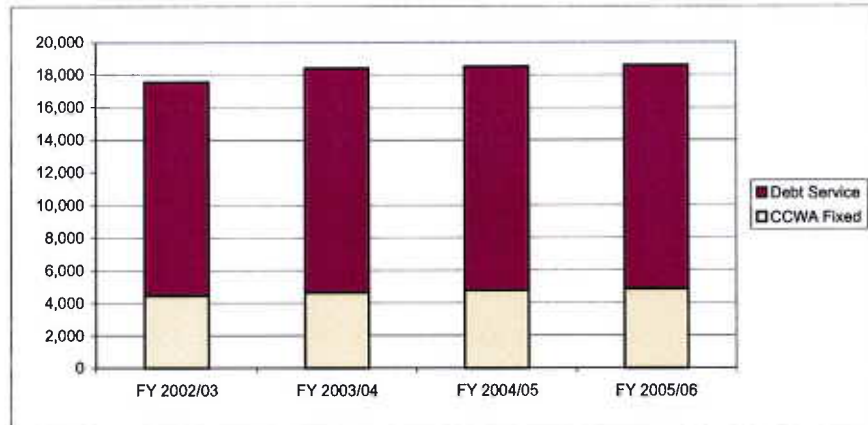
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$0							-	
FY 2003/04	-							-	
FY 2004/05	-							-	
FY 2005/06	-							-	

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 2002/03		\$ -	\$ -	\$ 4,449	\$ -	\$ 13,112	\$ -	\$ -	\$ 17,561
FY 2003/04		-	-	4,626	-	13,794	-	-	18,420
FY 2004/05		-	-	4,773	-	13,749	-	-	18,522
FY 2005/06		-	-	4,861	-	13,739	-	-	18,600

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

Shandon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ -	0
June 1, 2002	\$ 17,561	n/a
July 1, 2002	\$ -	0
October 1, 2002	\$ -	0
January 1, 2003	\$ -	0
April 1, 2003	\$ -	0
June 1, 2003	\$ 18,420	n/a
July 1, 2003	\$ -	0
October 1, 2003	\$ -	0
January 1, 2004	\$ -	0
April 1, 2004	\$ -	0
June 1, 2004	\$ 18,522	n/a
July 1, 2004	\$ -	0
October 1, 2004	\$ -	0
January 1, 2005	\$ -	0
April 1, 2005	\$ -	0
June 1, 2005	\$ 18,600	n/a
July 1, 2005	\$ -	0
October 1, 2005	\$ -	0
January 1, 2006	\$ -	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 2002/03	2,450	-	2,450	
FY 2003/04	2,450	-	2,450	
FY 2004/05	2,450	-	2,450	
FY 2005/06	2,450	-	2,450	

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 2002/03	\$ 151,273						\$ 1,056,466	\$ 1,207,739	
FY 2003/04	121,190						1,079,135	1,200,324	
FY 2004/05	124,617						1,075,615	1,200,232	
FY 2005/06	126,675						1,075,824	1,202,499	

- (1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

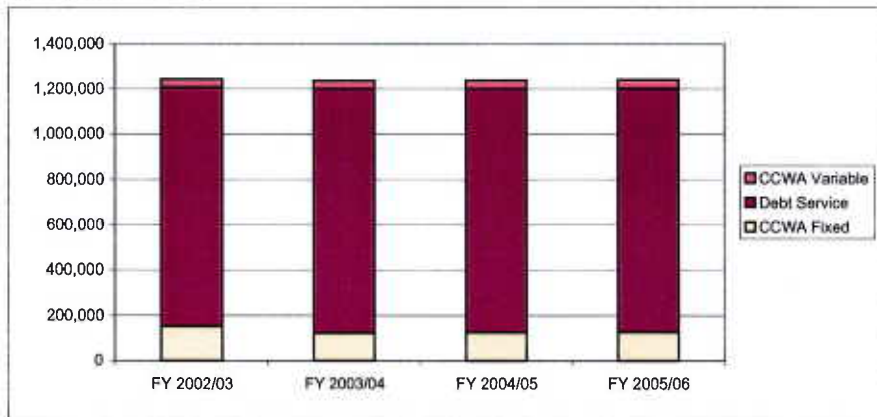
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 36,039							\$ 36,039	
FY 2003/04	37,120							37,120	
FY 2004/05	38,234							38,234	
FY 2005/06	39,381							39,381	

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR		Total SWP Charges
				Fixed	Variable O&M		Fixed	Variable O&M	
FY 2002/03			\$ -	\$ 151,273	\$ 36,039	\$ 1,056,466	\$ -	\$ -	\$ 1,243,778
FY 2003/04			-	121,190	37,120	1,079,135	-	-	1,237,444
FY 2004/05			-	124,617	38,234	1,075,615	-	-	1,238,465
FY 2005/06			-	126,675	39,381	1,075,824	-	-	1,241,880

- (2) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

Chorro Valley

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ 10,654	691
June 1, 2002	\$ 1,207,739	n/a
July 1, 2002	\$ 8,556	555
October 1, 2002	\$ 7,351	477
January 1, 2003	\$ 9,479	615
April 1, 2003	\$ 10,973	691
June 1, 2003	\$ 1,200,324	n/a
July 1, 2003	\$ 8,812	555
October 1, 2003	\$ 7,571	477
January 1, 2004	\$ 9,763	615
April 1, 2004	\$ 11,302	691
June 1, 2004	\$ 1,200,232	n/a
July 1, 2004	\$ 9,077	555
October 1, 2004	\$ 7,798	477
January 1, 2005	\$ 10,056	615
April 1, 2005	\$ 11,642	691
June 1, 2005	\$ 1,202,499	n/a
July 1, 2005	\$ 9,349	555
October 1, 2005	\$ 8,032	477
January 1, 2006	\$ 10,358	615

Central Coast Water Authority
Lopez Turnout
 Four Year Financial Plan Charges

Entitlement				2,392
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2002/03	1,939	-	1,939	
FY 2003/04	1,960	-	1,960	
FY 2004/05	1,980	-	1,980	
FY 2005/06	1,996	-	1,996	

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 2002/03	\$ 134,898						\$ 287,253	\$ 422,151	
FY 2003/04	126,849						296,598	423,447	
FY 2004/05	130,643						295,630	426,274	
FY 2005/06	132,864						295,413	428,277	

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

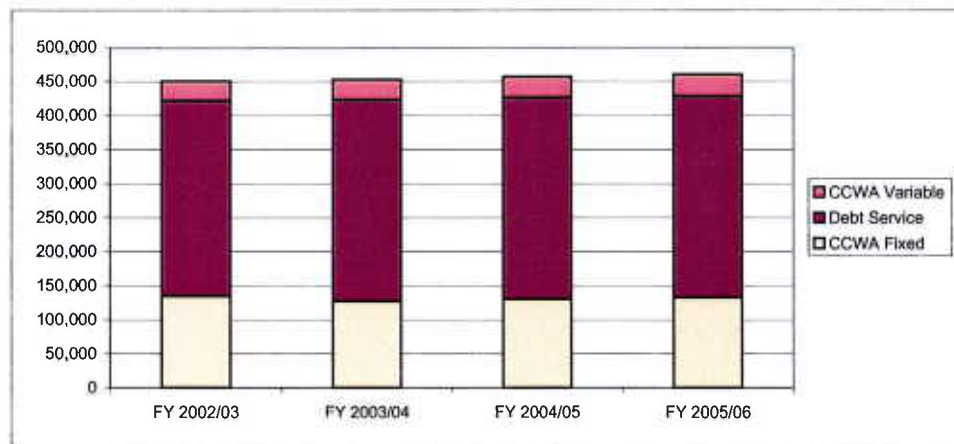
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 28,519							\$ 28,519	
FY 2003/04	29,693							29,693	
FY 2004/05	30,893							30,893	
FY 2005/06	32,080							32,080	

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 2002/03		-	-	\$ 134,898	\$ 28,519	\$ 287,253	\$ -	\$ -	\$ 450,670
FY 2003/04		-	-	126,849	29,693	296,598	-	-	453,140
FY 2004/05		-	-	130,643	30,893	295,630	-	-	457,166
FY 2005/06		-	-	132,864	32,080	295,413	-	-	460,357

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

Lopez

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ 8,972	639
June 1, 2002	\$ 422,151	n/a
July 1, 2002	\$ 6,499	463
October 1, 2002	\$ 5,709	407
January 1, 2003	\$ 7,339	523
April 1, 2003	\$ 9,344	643
June 1, 2003	\$ 423,447	n/a
July 1, 2003	\$ 6,765	465
October 1, 2003	\$ 5,937	408
January 1, 2004	\$ 7,647	526
April 1, 2004	\$ 9,724	647
June 1, 2004	\$ 426,274	n/a
July 1, 2004	\$ 7,038	468
October 1, 2004	\$ 6,170	410
January 1, 2005	\$ 7,961	530
April 1, 2005	\$ 10,091	651
June 1, 2005	\$ 428,277	n/a
July 1, 2005	\$ 7,301	471
October 1, 2005	\$ 6,405	413
January 1, 2006	\$ 8,283	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 2002/03	585	-	585	
FY 2003/04	605	-	605	
FY 2004/05	605	-	605	
FY 2005/06	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 2002/03	\$ 47,051	\$ 16,562	\$ -	\$ 16,562	\$ -	\$ -	\$ -	\$ 155,290	\$ 218,903
FY 2003/04	42,160	16,739	-	16,739	-	-	-	168,979	227,879
FY 2004/05	43,490	17,033	-	17,033	-	-	-	168,428	228,950
FY 2005/06	44,166	17,340	-	17,340	-	-	-	168,304	229,810

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

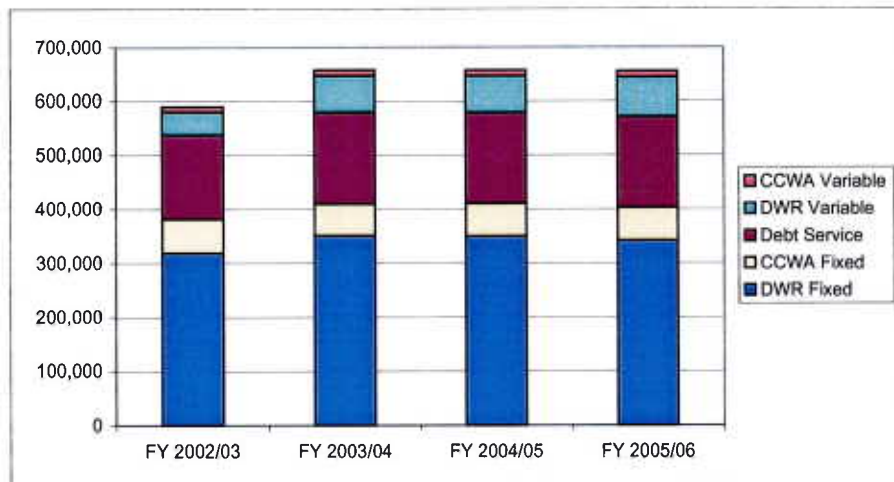
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 8,605	\$ -	\$ 1,514	\$ -	\$ 1,514	\$ -	\$ -	\$ -	\$ 10,119
FY 2003/04	9,166	-	1,817	-	1,817	-	-	-	10,983
FY 2004/05	9,441	-	1,866	-	1,866	-	-	-	11,307
FY 2005/06	9,725	-	1,928	-	1,928	-	-	-	11,653

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 2002/03	\$ 318,108	\$ 42,471	\$ 360,579	\$ 63,613	\$ 10,119	\$ 155,290	\$ 318,108	\$ 42,471	\$ 589,601	
FY 2003/04	350,833	68,101	418,934	58,899	10,983	168,979	350,833	68,101	657,795	
FY 2004/05	349,505	67,593	417,098	60,522	11,307	168,428	349,505	67,593	657,355	
FY 2005/06	341,011	73,095	414,106	61,506	11,653	168,304	341,011	73,095	655,569	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

City of Guadalupe

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ 14,164	205
June 1, 2002	\$ 537,011	n/a
July 1, 2002	\$ 12,607	115
October 1, 2002	\$ 12,348	100
January 1, 2003	\$ 13,472	165
April 1, 2003	\$ 27,117	210
June 1, 2003	\$ 578,712	n/a
July 1, 2003	\$ 18,156	130
October 1, 2003	\$ 13,640	100
January 1, 2004	\$ 20,170	165
April 1, 2004	\$ 24,808	210
June 1, 2004	\$ 578,455	n/a
July 1, 2004	\$ 16,729	130
October 1, 2004	\$ 14,982	100
January 1, 2005	\$ 22,381	165
April 1, 2005	\$ 27,765	210
June 1, 2005	\$ 570,822	n/a
July 1, 2005	\$ 18,613	130
October 1, 2005	\$ 15,397	100
January 1, 2006	\$ 22,973	165

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 2002/03	16,865	-	16,865	
FY 2003/04	17,222	-	17,222	
FY 2004/05	17,569	-	17,569	
FY 2005/06	17,785	-	17,785	

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 2002/03	\$ 1,361,589	\$ 487,815	\$ -	\$ 487,815	\$ -	\$ -	\$ -	\$ (2,293,415)	\$ (444,011)
FY 2003/04	1,270,128	493,048	-	493,048	-	-	-	-	1,763,177
FY 2004/05	1,310,284	501,686	-	501,686	-	-	-	-	1,811,970
FY 2005/06	1,330,260	510,735	-	510,735	-	-	-	-	1,840,995

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

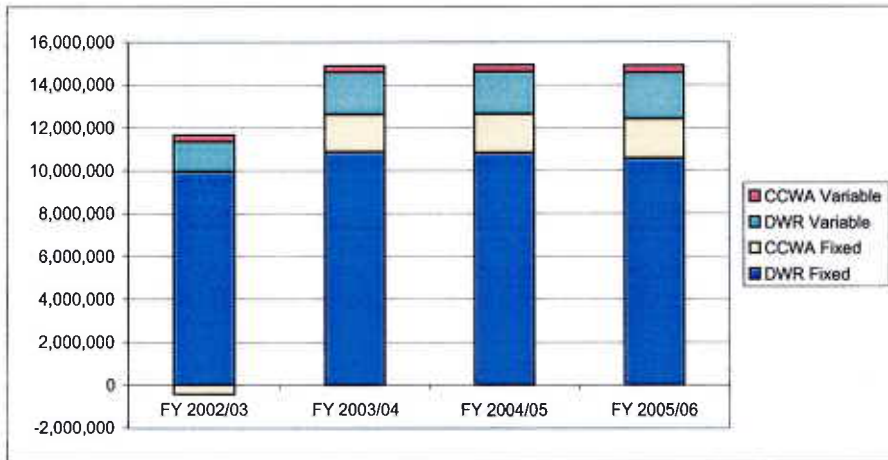
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 248,079	\$ -	\$ 45,153	\$ -	\$ 45,153	\$ -	\$ -	\$ -	\$ 293,232
FY 2003/04	280,930	-	53,321	-	53,321	-	-	-	314,251
FY 2004/05	274,173	-	55,839	-	55,839	-	-	-	330,012
FY 2005/06	285,870	-	58,348	-	58,348	-	-	-	344,218

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			CCWA			DWR		Total SWP Charges
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Credits	DWR Fixed	DWR Variable O&M	
FY 2002/03	\$ 9,956,904	\$ 1,402,119	\$ 11,359,023	\$ 1,849,404	\$ 293,232	\$ (2,293,415)	\$ 9,956,904	\$ 1,402,119	\$ 11,208,244
FY 2003/04	10,862,692	1,944,365	12,807,057	1,763,177	314,251	0	10,862,692	1,944,365	14,884,484
FY 2004/05	10,823,443	1,959,537	12,782,980	1,811,970	330,012	0	10,823,443	1,959,537	14,924,962
FY 2005/06	10,564,457	2,141,590	12,706,047	1,840,995	344,218	0	10,564,457	2,141,590	14,891,260

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Maria

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ 436,891	4,967
June 1, 2002	\$ 9,512,893	n/a
July 1, 2002	\$ 416,444	3,791
October 1, 2002	\$ 405,855	3,182
January 1, 2003	\$ 436,161	4,925
April 1, 2003	\$ 675,040	5,077
June 1, 2003	\$ 12,625,869	n/a
July 1, 2003	\$ 540,176	3,874
October 1, 2003	\$ 431,859	3,242
January 1, 2004	\$ 611,541	5,029
April 1, 2004	\$ 625,252	5,183
June 1, 2004	\$ 12,635,413	n/a
July 1, 2004	\$ 500,713	3,951
October 1, 2004	\$ 477,382	3,301
January 1, 2005	\$ 686,203	5,134
April 1, 2005	\$ 713,483	5,290
June 1, 2005	\$ 12,405,452	n/a
July 1, 2005	\$ 569,335	4,031
October 1, 2005	\$ 494,173	3,312
January 1, 2006	\$ 708,818	5,152

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 2002/03	550	-	550	
FY 2003/04	550	-	550	
FY 2004/05	550	-	550	
FY 2005/06	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 2002/03	\$ 39,304	\$ 15,056	\$ -	\$ 15,056	\$ -	\$ -	\$ -	\$ (236)	\$ 54,124
FY 2003/04	38,029	15,218	-	15,218	-	-	-	-	53,247
FY 2004/05	39,269	15,484	-	15,484	-	-	-	-	54,753
FY 2005/06	39,885	15,763	-	15,763	-	-	-	-	55,649

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

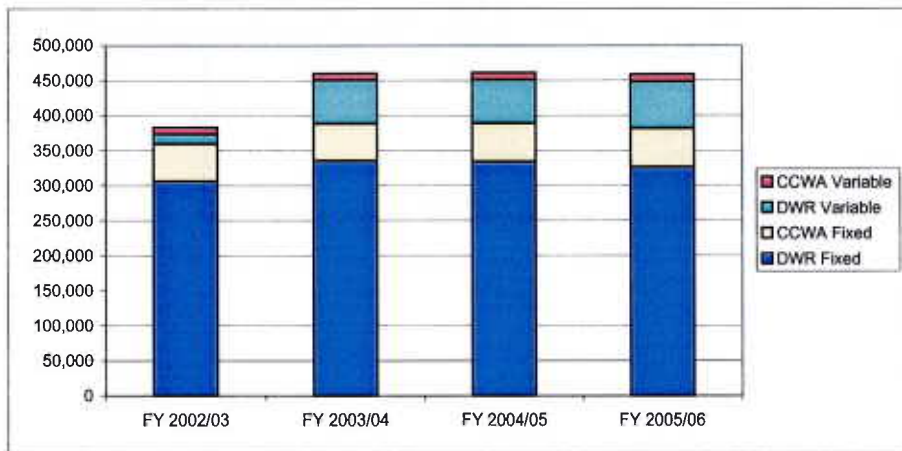
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 8,090	\$ -	\$ 1,388	\$ -	\$ 1,388	\$ -	\$ -	\$ -	\$ 9,478
FY 2003/04	8,333	-	1,605	-	1,605	-	-	-	9,938
FY 2004/05	8,583	-	1,649	-	1,649	-	-	-	10,232
FY 2005/06	8,841	-	1,705	-	1,705	-	-	-	10,545

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 2002/03	\$ 305,511	\$ 13,868	\$ 319,378	\$ 54,360	\$ 9,478	\$ (236)	\$ 305,511	\$ 13,868	\$ 382,980	
FY 2003/04	335,268	61,666	396,934	53,247	9,938	0	335,268	61,666	460,119	
FY 2004/05	334,057	61,719	395,776	54,753	10,232	0	334,057	61,719	460,761	
FY 2005/06	326,063	66,495	392,559	55,649	10,545	0	326,063	66,495	458,753	

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

Southern California Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ 6,862	197
June 1, 2002	\$ 359,635	n/a
July 1, 2002	\$ 5,035	91
October 1, 2002	\$ 4,759	75
January 1, 2003	\$ 6,690	187
April 1, 2003	\$ 25,318	197
June 1, 2003	\$ 388,515	n/a
July 1, 2003	\$ 13,453	91
October 1, 2003	\$ 10,796	75
January 1, 2004	\$ 22,037	187
April 1, 2004	\$ 23,151	197
June 1, 2004	\$ 388,810	n/a
July 1, 2004	\$ 12,455	91
October 1, 2004	\$ 11,803	75
January 1, 2005	\$ 24,542	187
April 1, 2005	\$ 25,920	197
June 1, 2005	\$ 381,712	n/a
July 1, 2005	\$ 13,803	91
October 1, 2005	\$ 12,136	75
January 1, 2006	\$ 25,181	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 2002/03	6,050	-	6,050	
FY 2003/04	6,050	-	6,050	
FY 2004/05	6,050	-	6,050	
FY 2005/06	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 2002/03	\$ 512,175	\$ 165,616	\$ -	\$ 165,616	\$ -	\$ -	\$ -	\$ (45,793)	\$ 631,998
FY 2003/04	506,293	167,393	-	167,393	-	-	-	-	673,686
FY 2004/05	523,009	170,325	-	170,325	-	-	-	-	693,334
FY 2005/06	531,251	173,398	-	173,398	-	-	-	-	704,649

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

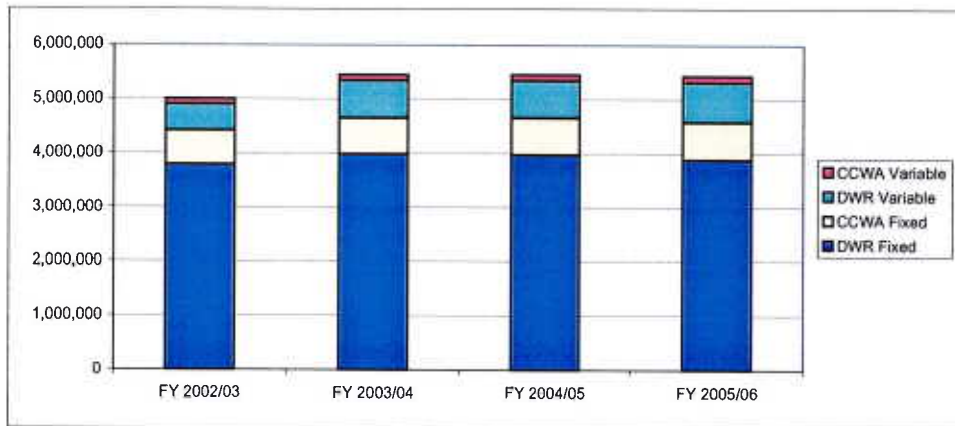
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 68,994	\$ -	\$ 15,834	\$ -	\$ 15,834	\$ -	\$ -	\$ -	\$ 104,828
FY 2003/04	91,663	-	18,317	-	18,317	-	-	-	109,980
FY 2004/05	94,413	-	18,810	-	18,810	-	-	-	113,223
FY 2005/06	97,246	-	19,439	-	19,439	-	-	-	116,685

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 2002/03	\$ 3,789,169	\$ 475,523	\$ 4,264,692	\$ 677,791	\$ 104,828	\$ (45,793)	\$ 3,789,169	\$ 475,523	\$ 5,001,518
FY 2003/04	3,982,489	679,677	4,662,166	673,686	109,980	0	3,982,489	679,677	5,445,832
FY 2004/05	3,969,096	677,409	4,646,505	693,334	113,223	0	3,969,096	677,409	5,453,062
FY 2005/06	3,876,258	731,197	4,607,455	704,649	116,685	0	3,876,258	731,197	5,428,789

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

Vandenberg Air Force Base

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ 153,327	1,988
June 1, 2002	\$ 4,421,167	n/a
July 1, 2002	\$ 141,354	1,297
October 1, 2002	\$ 136,624	1,024
January 1, 2003	\$ 149,047	1,741
April 1, 2003	\$ 258,677	1,988
June 1, 2003	\$ 4,656,174	n/a
July 1, 2003	\$ 181,259	1,297
October 1, 2003	\$ 138,838	1,024
January 1, 2004	\$ 210,883	1,741
April 1, 2004	\$ 236,818	1,988
June 1, 2004	\$ 4,662,430	n/a
July 1, 2004	\$ 167,016	1,297
October 1, 2004	\$ 152,583	1,024
January 1, 2005	\$ 234,216	1,741
April 1, 2005	\$ 264,886	1,988
June 1, 2005	\$ 4,580,907	n/a
July 1, 2005	\$ 185,818	1,297
October 1, 2005	\$ 156,793	1,024
January 1, 2006	\$ 240,386	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 2002/03	578	-	578	
FY 2003/04	578	-	578	
FY 2004/05	578	-	578	
FY 2005/06	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 2002/03	\$ 71,684	\$ 17,405	\$ -	\$ 17,405	\$ -	\$ -	\$ -	\$ 293,560	\$ 382,649
FY 2003/04	65,595	17,591	-	17,591	-	-	-	299,271	382,457
FY 2004/05	67,791	17,900	-	17,900	-	-	-	298,295	383,985
FY 2005/06	68,823	18,223	-	18,223	-	-	-	298,076	385,122

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

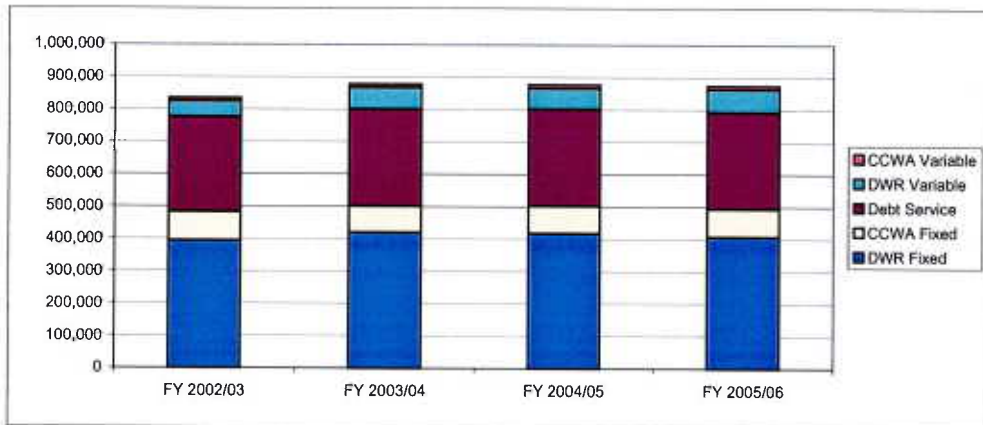
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 8,502	\$ -	\$ 1,506	\$ -	\$ 1,506	\$ -	\$ -	\$ -	\$ 10,008
FY 2003/04	8,757	-	1,742	-	1,742	-	-	-	10,499
FY 2004/05	9,020	-	1,789	-	1,789	-	-	-	10,809
FY 2005/06	9,291	-	1,849	-	1,849	-	-	-	11,139

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 2002/03	\$ 393,483	\$ 47,733	\$ 441,216	\$ 89,089	\$ 10,008	\$ 293,560	\$ 393,483	\$ 47,733	\$ 833,873
FY 2003/04	418,528	66,188	484,715	83,186	10,499	299,271	418,528	66,188	877,671
FY 2004/05	417,120	64,805	481,925	85,690	10,809	298,295	417,120	64,805	876,719
FY 2005/06	407,364	69,990	477,353	87,046	11,139	298,076	407,364	69,990	873,614

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

City of Buellton

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ 15,206	189
June 1, 2002	\$ 776,132	n/a
July 1, 2002	\$ 13,907	114
October 1, 2002	\$ 13,595	96
January 1, 2003	\$ 15,033	179
April 1, 2003	\$ 24,951	189
June 1, 2003	\$ 800,985	n/a
July 1, 2003	\$ 16,549	114
October 1, 2003	\$ 13,424	96
January 1, 2004	\$ 21,762	179
April 1, 2004	\$ 22,515	189
June 1, 2004	\$ 801,106	n/a
July 1, 2004	\$ 14,940	114
October 1, 2004	\$ 14,355	96
January 1, 2005	\$ 23,803	179
April 1, 2005	\$ 25,225	189
June 1, 2005	\$ 792,485	n/a
July 1, 2005	\$ 16,644	114
October 1, 2005	\$ 14,792	96
January 1, 2006	\$ 24,468	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 2002/03	1,500	-	1,500	
FY 2003/04	1,500	-	1,500	
FY 2004/05	1,500	-	1,500	
FY 2005/06	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 2002/03	\$ 156,571	\$ 45,168	\$ -	\$ 45,168	\$ -	\$ -	\$ -	\$ 603,833	\$ 805,572
FY 2003/04	161,387	45,653	-	45,653	-	-	-	633,199	840,238
FY 2004/05	167,086	46,452	-	46,452	-	-	-	632,318	845,857
FY 2005/06	169,766	47,290	-	47,290	-	-	-	632,120	849,177

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

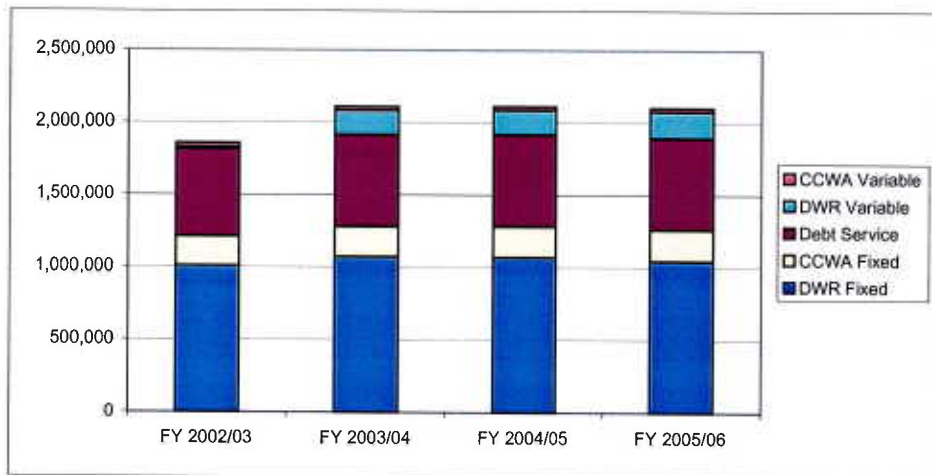
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 22,065	\$ -	\$ 4,204	\$ -	\$ 4,204	\$ -	\$ -	\$ -	\$ 26,268
FY 2003/04	22,726	-	4,862	-	4,862	-	-	-	27,589
FY 2004/05	23,408	-	4,991	-	4,991	-	-	-	28,399
FY 2005/06	24,111	-	5,156	-	5,156	-	-	-	29,267

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 2002/03	\$ 1,006,951	\$ 15,005	\$ 1,021,956	\$ 201,739	\$ 26,268	\$ 603,833	\$ 1,006,951	\$ 15,005	\$ 1,853,797	
FY 2003/04	1,071,892	167,770	1,239,662	207,040	27,589	633,199	1,071,892	167,770	2,107,489	
FY 2004/05	1,068,292	168,780	1,237,072	213,539	28,399	632,318	1,068,292	168,780	2,111,328	
FY 2005/06	1,042,981	181,428	1,224,409	217,056	29,267	632,120	1,042,981	181,428	2,102,853	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 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, 2002	\$ 10,318	375
June 1, 2002	\$ 1,812,523	n/a
July 1, 2002	\$ 10,318	375
October 1, 2002	\$ 10,318	375
January 1, 2003	\$ 10,318	375
April 1, 2003	\$ 51,007	375
June 1, 2003	\$ 1,912,131	n/a
July 1, 2003	\$ 51,007	375
October 1, 2003	\$ 46,673	375
January 1, 2004	\$ 46,673	375
April 1, 2004	\$ 46,888	375
June 1, 2004	\$ 1,914,149	n/a
July 1, 2004	\$ 46,888	375
October 1, 2004	\$ 51,702	375
January 1, 2005	\$ 51,702	375
April 1, 2005	\$ 52,268	375
June 1, 2005	\$ 1,892,158	n/a
July 1, 2005	\$ 52,268	375
October 1, 2005	\$ 53,079	375
January 1, 2006	\$ 53,079	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 2002/03	817	2,551	3,368	
FY 2003/04	700	2,551	3,251	
FY 2004/05	700	2,551	3,251	
FY 2005/06	700	2,551	3,251	

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 2002/03	\$ 135,800	\$ 91,872	\$ -	\$ 91,872	\$ 172,191	\$ 95,851	\$ 268,042	\$ 127,613	\$ 623,328
FY 2003/04	72,840	92,857	-	92,857	172,191	98,727	270,918	237,084	673,700
FY 2004/05	74,740	94,484	-	94,484	173,976	101,688	275,664	236,755	681,643
FY 2005/06	75,633	96,188	-	96,188	175,897	104,739	280,637	236,680	689,139

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

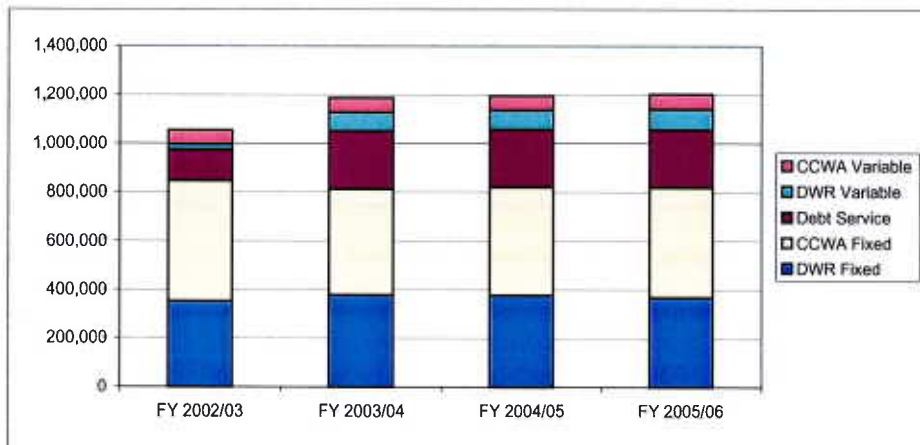
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 12,018	\$ -	\$ 7,551	\$ -	\$ 7,551	\$ 37,524	\$ -	\$ -	\$ 57,094
FY 2003/04	10,806	-	8,300	-	8,300	38,650	-	-	57,556
FY 2004/05	10,924	-	8,535	-	8,535	39,810	-	-	59,268
FY 2005/06	11,252	-	8,827	-	8,827	41,004	-	-	61,083

DWR Charges

Total State Water Charges

Fiscal Year	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 2002/03	\$ 351,209	\$ 22,685	\$ 373,895	\$ 495,714	\$ 57,094	\$127,613	\$ 351,209	\$ 22,685
FY 2003/04	376,285	77,830	454,116	436,616	57,556	237,084	376,285	77,830	1,185,371
FY 2004/05	375,015	79,278	454,293	444,888	59,268	236,755	375,015	79,278	1,195,204
FY 2005/06	366,567	84,753	451,320	452,458	61,083	236,680	366,567	84,753	1,201,541

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 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, 2002	\$ 35,812	0	1,778
June 1, 2002	\$ 974,537	n/a	n/a
July 1, 2002	\$ 12,910	427	427
October 1, 2002	\$ 8,434	163	163
January 1, 2003	\$ 22,623	227	1,000
April 1, 2003	\$ 35,637	0	1,778
June 1, 2003	\$ 1,049,985	n/a	n/a
July 1, 2003	\$ 38,744	310	310
October 1, 2003	\$ 20,460	163	163
January 1, 2004	\$ 40,546	227	1,000
April 1, 2004	\$ 36,579	0	1,778
June 1, 2004	\$ 1,056,658	n/a	n/a
July 1, 2004	\$ 35,330	310	310
October 1, 2004	\$ 22,644	163	163
January 1, 2005	\$ 43,992	227	1,000
April 1, 2005	\$ 37,735	0	1,778
June 1, 2005	\$ 1,055,706	n/a	n/a
July 1, 2005	\$ 39,646	310	310
October 1, 2005	\$ 23,251	163	163
January 1, 2006	\$ 45,204	227	1,000

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 2002/03	4,950	(1,224)	3,726	
FY 2003/04	4,950	(1,217)	3,733	
FY 2004/05	4,950	(1,212)	3,738	
FY 2005/06	4,950	(1,205)	3,745	

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 2002/03	\$ 543,697	\$ 98,641	\$ (344,200)	\$ (245,559)	\$ (82,633)	\$ (45,998)	\$ (128,631)	\$ 2,691,685	\$ 2,861,193
FY 2003/04	555,181	99,915	(348,644)	(248,729)	(82,155)	(47,104)	(129,260)	2,891,881	3,069,053
FY 2004/05	574,948	101,831	(355,332)	(253,501)	(82,640)	(48,303)	(130,943)	2,882,448	3,072,953
FY 2005/06	583,578	103,887	(362,504)	(258,618)	(83,075)	(49,467)	(132,543)	2,880,330	3,072,748

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

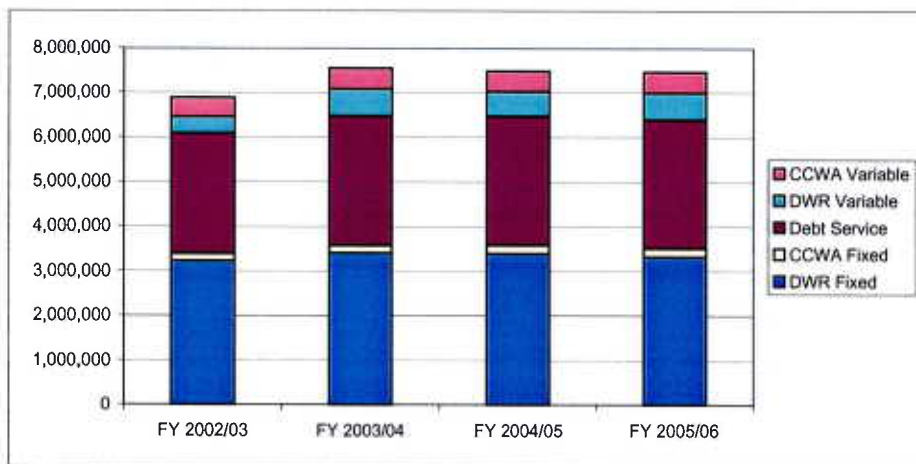
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 375,453	\$ 263,579	\$ 11,480	\$ (54,805)	\$ (43,325)	\$ (18,008)	\$ (71,004)	\$ (74,847)	\$ 431,849
FY 2003/04	386,323	287,100	13,296	(63,419)	(50,123)	(18,441)	(70,593)	(76,550)	457,716
FY 2004/05	398,467	287,100	13,652	(65,370)	(51,718)	(18,910)	(70,281)	(78,634)	466,024
FY 2005/06	409,169	287,100	14,117	(67,425)	(53,308)	(19,366)	(69,879)	(80,225)	473,490

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	Total State Water Charges					
				CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2002/03	\$ 3,225,272	\$ 367,136	\$ 3,592,409	\$ 169,508	\$ 431,849	\$ 2,691,685	\$ 3,225,272	\$ 367,136	\$ 6,885,451
FY 2003/04	3,406,746	613,079	4,019,825	177,173	457,716	2,891,881	3,406,746	613,079	7,546,594
FY 2004/05	3,394,929	554,714	3,949,643	190,504	466,024	2,882,449	3,394,929	554,714	7,488,620
FY 2005/06	3,318,276	603,441	3,921,716	192,418	473,490	2,880,330	3,318,276	603,441	7,467,954

(3) Net of DWR account interest income. Includes DWR fixed costs for the Goleta additional 2500 AF.



Central Coast Water Authority
FY 2002/03 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, 2002	\$ 136,310	1,239	384
June 1, 2002	\$ 6,086,465	n/a	n/a
July 1, 2002	\$ 235,278	1,238	1,238
October 1, 2002	\$ 235,046	1,236	1,236
January 1, 2003	\$ 192,351	1,237	868
April 1, 2003	\$ 208,266	1,239	389
June 1, 2003	\$ 6,475,800	n/a	n/a
July 1, 2003	\$ 312,262	1,238	1,238
October 1, 2003	\$ 297,545	1,236	1,236
January 1, 2004	\$ 252,722	1,237	870
April 1, 2004	\$ 179,781	1,239	392
June 1, 2004	\$ 6,467,882	n/a	n/a
July 1, 2004	\$ 285,117	1,238	1,238
October 1, 2004	\$ 300,569	1,236	1,236
January 1, 2005	\$ 255,271	1,237	872
April 1, 2005	\$ 199,887	1,239	397
June 1, 2005	\$ 6,391,023	n/a	n/a
July 1, 2005	\$ 306,087	1,238	1,238
October 1, 2005	\$ 308,316	1,236	1,236
January 1, 2006	\$ 262,641	1,237	874

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 2002/03	108	-	108	
FY 2003/04	122	-	122	
FY 2004/05	139	-	139	
FY 2005/06	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 2002/03	\$ 24,162	\$ 6,022	\$ (21,015)	\$ (14,992)	\$ -	\$ -	\$ -	\$ 89,554	\$ 98,725
FY 2003/04	24,661	6,087	(21,240)	(15,153)	-	-	-	110,900	120,408
FY 2004/05	25,540	6,194	(21,612)	(15,419)	-	-	-	116,446	126,568
FY 2005/06	25,924	6,305	(22,002)	(15,697)	-	-	-	122,322	132,549

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

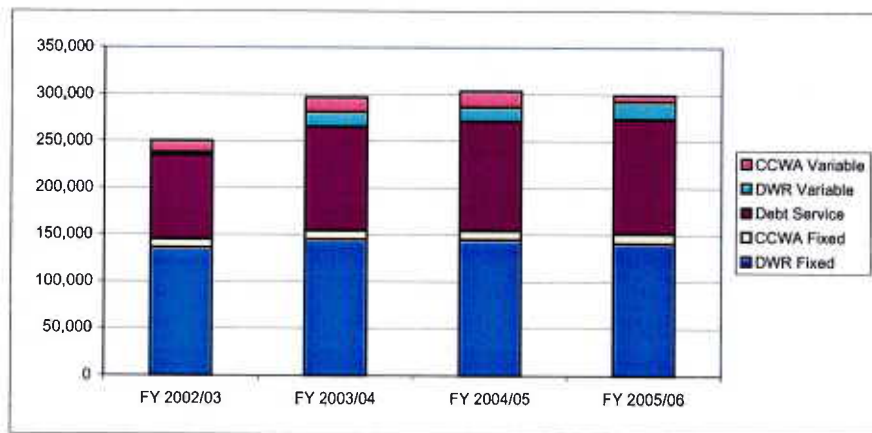
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 8,192	\$ 5,539	\$ 304	\$ (1,589)	\$ (1,284)	\$ -	\$ -	\$ -	\$ 12,447
FY 2003/04	9,521	7,076	396	(2,073)	(1,677)	-	-	-	14,921
FY 2004/05	11,189	8,062	461	(2,431)	(1,970)	-	-	-	17,282
FY 2005/06	-	9,222	544	(2,862)	(2,318)	-	-	-	6,904

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 2002/03	\$ 135,760	\$ 3,019	\$ 138,779	\$ 9,170	\$ 12,447	\$ 89,554	\$ 135,760	\$ 3,019	\$ 249,949
FY 2003/04	144,818	15,928	160,746	9,508	14,921	110,900	144,818	15,928	296,074
FY 2004/05	144,331	15,033	159,364	10,122	17,282	116,446	144,331	15,033	303,213
FY 2005/06	140,955	18,692	159,647	10,227	6,904	122,322	140,955	18,692	299,100

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

Morehart Land Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ 3,636	25
June 1, 2002	\$ 234,484	n/a
July 1, 2002	\$ 3,636	25
October 1, 2002	\$ 3,982	28
January 1, 2003	\$ 4,212	30
April 1, 2003	\$ 7,576	29
June 1, 2003	\$ 265,225	n/a
July 1, 2003	\$ 7,360	28
October 1, 2003	\$ 7,650	31
January 1, 2004	\$ 8,264	34
April 1, 2004	\$ 7,686	34
June 1, 2004	\$ 270,899	n/a
July 1, 2004	\$ 7,066	31
October 1, 2004	\$ 8,342	35
January 1, 2005	\$ 9,220	39
April 1, 2005	\$ 6,250	39
June 1, 2005	\$ 273,504	n/a
July 1, 2005	\$ 5,973	37
October 1, 2005	\$ 6,335	39
January 1, 2006	\$ 7,038	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 2002/03	1,100	-	1,100	
FY 2003/04	1,100	-	1,100	
FY 2004/05	1,100	-	1,100	
FY 2005/06	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 2002/03	\$ 120,817	\$ 30,112	\$ (105,073)	\$ (74,961)	\$ -	\$ -	\$ -	\$ (338,224)	\$ (292,368)
FY 2003/04	123,525	30,435	(106,201)	(75,766)	-	-	-	531,114	578,873
FY 2004/05	127,922	30,968	(108,061)	(77,093)	-	-	-	557,675	608,504
FY 2005/06	129,840	31,527	(110,010)	(78,484)	-	-	-	585,817	637,174

- (1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

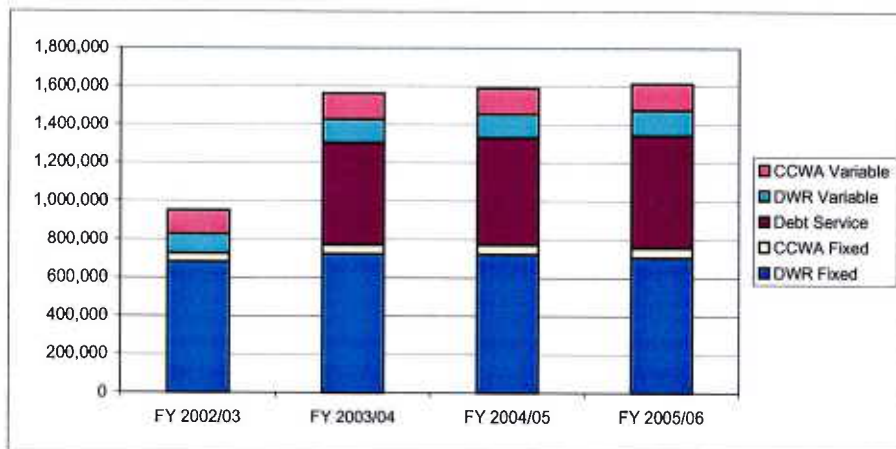
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 83,434	\$ 54,752	\$ 2,796	\$ (16,181)	\$ (13,384)	\$ -	\$ -	\$ -	\$ 124,802
FY 2003/04	85,850	63,800	3,235	(18,688)	(15,454)	-	-	-	134,196
FY 2004/05	88,548	63,800	3,323	(19,235)	(15,913)	-	-	-	136,436
FY 2005/06	90,926	63,800	3,434	(19,803)	(16,369)	-	-	-	138,357

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	Total State Water Charges			DWR Fixed	DWR Variable O&M	Total SWP Charges
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	Debt Service			
FY 2002/03	\$ 681,521	\$ 98,979	\$ 780,501	\$ 45,856	\$ 124,802	\$ (338,224)	\$ 681,521	\$ 98,979	\$ 612,934
FY 2003/04	724,089	123,887	847,975	47,759	134,196	531,114	724,089	123,887	1,561,045
FY 2004/05	721,654	122,822	844,476	50,829	136,436	557,675	721,654	122,822	1,589,416
FY 2005/06	704,774	132,887	837,661	51,356	138,357	585,817	704,774	132,887	1,613,192

- (3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 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, 2002	\$ 69,900	398
June 1, 2002	\$ 389,153	n/a
July 1, 2002	\$ 50,386	226
October 1, 2002	\$ 41,536	148
January 1, 2003	\$ 61,958	328
April 1, 2003	\$ 92,446	398
June 1, 2003	\$ 1,302,962	n/a
July 1, 2003	\$ 55,319	226
October 1, 2003	\$ 36,772	148
January 1, 2004	\$ 73,546	328
April 1, 2004	\$ 88,666	398
June 1, 2004	\$ 1,330,158	n/a
July 1, 2004	\$ 53,176	226
October 1, 2004	\$ 38,982	148
January 1, 2005	\$ 78,433	328
April 1, 2005	\$ 94,727	398
June 1, 2005	\$ 1,341,948	n/a
July 1, 2005	\$ 56,729	226
October 1, 2005	\$ 39,817	148
January 1, 2006	\$ 79,971	328

Central Coast Water Authority
Raytheon Systems Company
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				55
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2002/03	55	-	55	
FY 2003/04	55	-	55	
FY 2004/05	55	-	55	
FY 2005/06	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 2002/03	\$ 6,040	\$ 1,506	\$ (5,254)	\$ (3,748)	\$ -	\$ -	\$ -	\$ 24,381	\$ 26,673
FY 2003/04	6,177	1,522	(5,310)	(3,788)	-	-	-	27,827	30,216
FY 2004/05	6,397	1,548	(5,403)	(3,855)	-	-	-	27,736	30,278
FY 2005/06	6,493	1,576	(5,501)	(3,924)	-	-	-	27,716	30,284

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

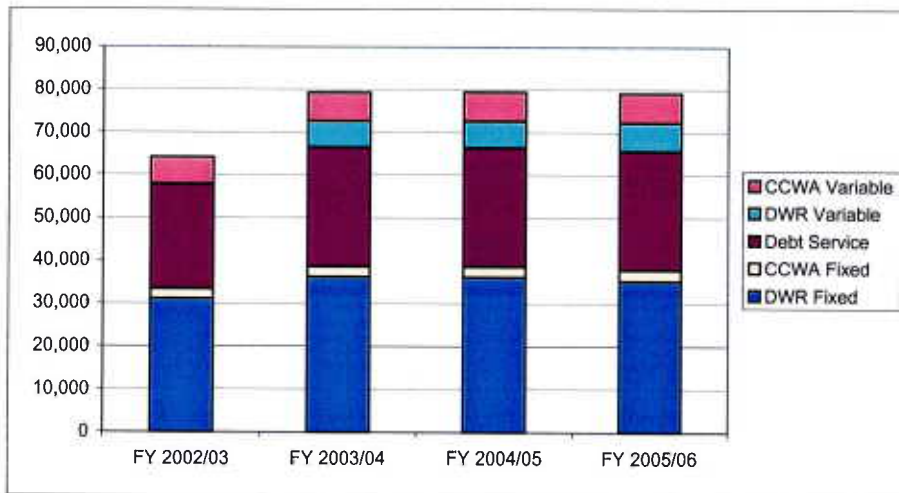
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 4,172	\$ 2,828	\$ 152	\$ (809)	\$ (657)	\$ -	\$ -	\$ -	\$ 6,342
FY 2003/04	4,292	3,190	176	(934)	(759)	-	-	-	6,724
FY 2004/05	4,427	3,190	180	(962)	(781)	-	-	-	6,836
FY 2005/06	4,546	3,190	187	(990)	(804)	-	-	-	6,933

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 2002/03	\$ 31,067	\$ 60	\$ 31,127	\$ 2,292	\$ 6,342	\$ 24,381	\$ 31,067	\$ 60	\$ 64,143
FY 2003/04	36,204	6,123	42,327	2,389	6,724	27,827	36,204	6,123	79,267
FY 2004/05	36,083	6,221	42,303	2,542	6,836	27,736	36,083	6,221	79,418
FY 2005/06	35,239	6,658	41,896	2,569	6,933	27,716	35,239	6,658	79,113

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 Four Year Financial Plan
 Project Participant Payment Summary

Raytheon Systems Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2002	\$ 1,745	15
June 1, 2002	\$ 57,740	n/a
July 1, 2002	\$ 1,168	10
October 1, 2002	\$ 1,745	15
January 1, 2003	\$ 1,745	15
April 1, 2003	\$ 3,568	15
June 1, 2003	\$ 66,420	n/a
July 1, 2003	\$ 2,488	10
October 1, 2003	\$ 3,395	15
January 1, 2004	\$ 3,395	15
April 1, 2004	\$ 3,426	15
June 1, 2004	\$ 66,361	n/a
July 1, 2004	\$ 2,393	10
October 1, 2004	\$ 3,619	15
January 1, 2005	\$ 3,619	15
April 1, 2005	\$ 3,658	15
June 1, 2005	\$ 65,523	n/a
July 1, 2005	\$ 2,552	10
October 1, 2005	\$ 3,690	15
January 1, 2006	\$ 3,690	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 2002/03	1,030	(611)	419	
FY 2003/04	1,030	(607)	423	
FY 2004/05	1,030	(605)	425	
FY 2005/06	1,030	(601)	429	

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 2002/03	\$ 362,464	\$ 71,945	\$ (251,046)	\$ (179,101)	\$ (41,226)	\$ (22,949)	\$ (64,175)	\$ 1,734,106	\$ 1,853,295
FY 2003/04	369,908	72,824	(254,114)	(181,290)	(40,988)	(23,501)	(64,488)	1,778,491	1,902,621
FY 2004/05	383,099	74,183	(258,855)	(184,672)	(41,230)	(24,099)	(65,328)	1,772,690	1,905,789
FY 2005/06	388,853	75,630	(263,905)	(188,275)	(41,447)	(24,680)	(66,126)	1,771,387	1,905,838

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

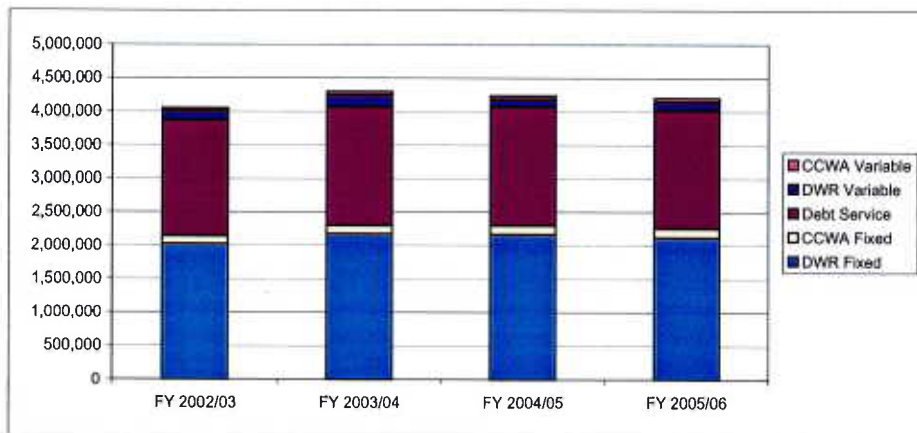
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$78,125	\$ 56,962	\$ 914	\$ (6,167)	\$ (5,253)	\$ (8,984)	\$ (35,424)	\$ (37,342)	\$ 48,084
FY 2003/04	80,386	59,740	1,064	(7,183)	(6,119)	(9,200)	(35,219)	(38,191)	51,397
FY 2004/05	82,913	59,740	1,101	(7,440)	(6,339)	(9,434)	(35,064)	(39,231)	52,588
FY 2005/06	85,140	59,740	1,149	(7,722)	(6,573)	(9,662)	(34,863)	(40,025)	53,758

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 2002/03	\$ 2,017,510	\$ 129,488	\$ 2,146,999	\$ 119,190	\$ 48,084	\$ 1,734,106	\$ 2,017,510	\$ 129,488	\$ 4,048,379
FY 2003/04	2,172,267	170,341	2,342,607	124,130	51,396.88	1,778,491	2,172,267	170,340.93	4,296,625
FY 2004/05	2,164,961	112,544	2,277,505	133,098	52,585.74	1,772,690	2,164,961	112,544.05	4,235,880
FY 2005/06	2,114,323	128,656	2,242,978	134,451	53,757.57	1,771,387	2,114,323	128,655.53	4,202,574

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 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, 2002	\$ 54,349	618	192
June 1, 2002	\$ 3,870,807	n/a	n/a
July 1, 2002	\$ 32,372	0	0
October 1, 2002	\$ 32,372	0	0
January 1, 2003	\$ 58,479	412	228
April 1, 2003	\$ 101,206	618	194
June 1, 2003	\$ 4,074,887	n/a	n/a
July 1, 2003	\$ 19,607	0	0
October 1, 2003	\$ 19,607	0	0
January 1, 2004	\$ 81,318	412	229
April 1, 2004	\$ 80,674	618	196
June 1, 2004	\$ 4,070,750	n/a	n/a
July 1, 2004	\$ 5,621	0	0
October 1, 2004	\$ 5,621	0	0
January 1, 2005	\$ 73,214	412	230
April 1, 2005	\$ 91,072	618	198
June 1, 2005	\$ 4,020,161	n/a	n/a
July 1, 2005	\$ 7,443	0	0
October 1, 2005	\$ 7,443	0	0
January 1, 2006	\$ 76,455	412	231

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 2002/03	1,230	(360)	870	
FY 2003/04	1,280	(373)	907	
FY 2004/05	1,320	(383)	937	
FY 2005/06	1,375	(395)	980	

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 2002/03	\$ 362,452	\$ 79,488	\$ (277,367)	\$ (197,879)	\$ (24,317)	\$ (13,536)	\$ (37,854)	\$ 1,214,187	\$ 1,340,907
FY 2003/04	369,943	79,956	(278,998)	(199,043)	(25,172)	(14,432)	(39,604)	1,744,477	1,875,774
FY 2004/05	383,134	81,058	(282,846)	(201,788)	(26,089)	(15,249)	(41,338)	1,831,721	1,971,729
FY 2005/06	388,888	82,129	(286,584)	(204,454)	(27,232)	(16,215)	(43,448)	1,924,154	2,065,140

- (1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

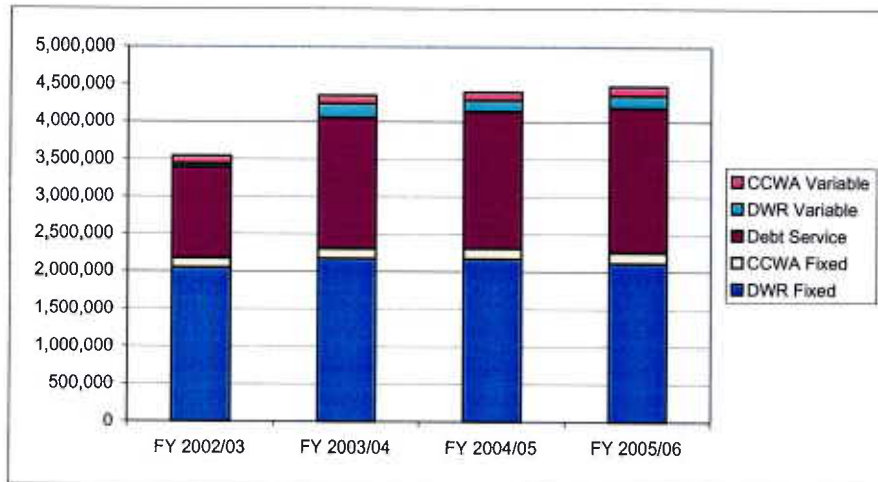
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 93,294	\$ 66,314	\$ 2,607	\$ (12,794)	\$ (10,187)	\$ (5,299)	\$ (20,895)	\$ (22,026)	\$ 101,201
FY 2003/04	99,898	74,240	3,143	(15,411)	(12,268)	(5,650)	(21,629)	(23,454)	111,136
FY 2004/05	106,258	76,560	3,328	(16,393)	(13,065)	(5,970)	(22,187)	(24,824)	116,772
FY 2005/06	113,658	79,750	3,592	(17,644)	(14,052)	(6,348)	(22,907)	(26,298)	123,804

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 2002/03	\$ 2,047,598	\$ 46,959	\$ 2,094,557	\$126,720	\$ 101,201	\$ 1,214,187	\$ 2,047,598	\$ 46,959	\$ 3,536,665
FY 2003/04	2,172,267	190,882	2,363,148	131,297	111,136	1,744,477	2,172,267	190,882	4,350,059
FY 2004/05	2,164,961	145,349	2,310,310	140,009	116,772	1,831,721	2,164,961	145,349	4,398,811
FY 2005/06	2,114,323	168,289	2,282,612	140,986	123,804	1,924,154	2,114,323	168,289	4,471,556

- (3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 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, 2002	\$ 24,727	360	112
June 1, 2002	\$ 3,388,505	n/a	n/a
July 1, 2002	\$ 39,084	235	235
October 1, 2002	\$ 43,156	270	270
January 1, 2003	\$ 41,193	365	253
April 1, 2003	\$ 69,233	375	118
June 1, 2003	\$ 4,048,040	n/a	n/a
July 1, 2003	\$ 71,538	240	240
October 1, 2003	\$ 77,981	285	285
January 1, 2004	\$ 83,266	380	264
April 1, 2004	\$ 53,850	385	122
June 1, 2004	\$ 4,136,691	n/a	n/a
July 1, 2004	\$ 58,695	250	250
October 1, 2004	\$ 70,692	290	290
January 1, 2005	\$ 78,883	395	276
April 1, 2005	\$ 63,238	400	128
June 1, 2005	\$ 4,179,463	n/a	n/a
July 1, 2005	\$ 67,672	265	265
October 1, 2005	\$ 76,071	300	300
January 1, 2006	\$ 85,112	410	287

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 2002/03	600	(356)	244	
FY 2003/04	600	(354)	246	
FY 2004/05	600	(352)	248	
FY 2005/06	600	(350)	250	

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 2002/03	\$ 241,636	\$ 49,511	\$ (172,764)	\$ (123,253)	\$ (24,015)	\$ (13,368)	\$ (37,383)	\$ 862,305	\$ 963,305
FY 2003/04	246,605	50,104	(174,835)	(124,731)	(23,876)	(13,690)	(37,566)	1,195,124	1,279,433
FY 2004/05	255,399	51,031	(178,067)	(127,036)	(24,017)	(14,038)	(38,055)	1,191,226	1,281,534
FY 2005/06	259,235	52,015	(181,501)	(129,486)	(24,144)	(14,376)	(38,520)	1,190,351	1,281,579

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA charges.

CCWA Variable O&M Charges

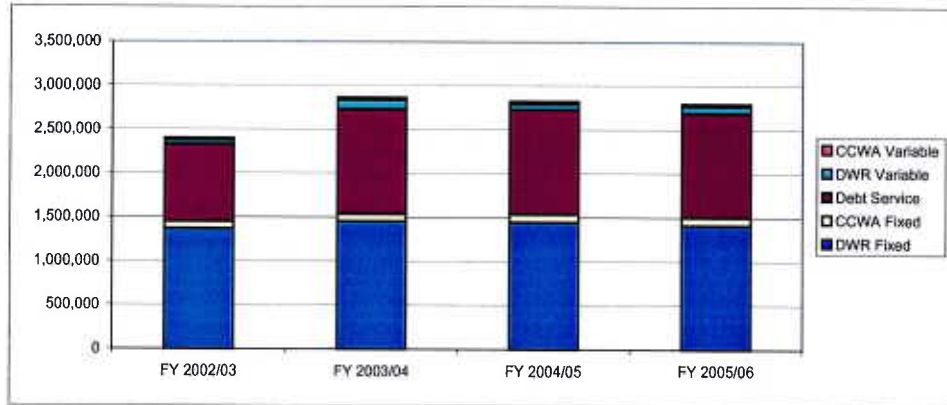
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2002/03	\$ 45,509	\$ 33,182	\$ 533	\$ (3,592)	\$ (3,060)	\$ (5,233)	\$ (20,635)	\$ (21,752)	\$ 28,010
FY 2003/04	46,827	34,800	620	(4,184)	(3,564)	(5,359)	(20,516)	(22,247)	29,940
FY 2004/05	48,299	34,800	641	(4,334)	(3,692)	(5,496)	(20,426)	(22,853)	30,632
FY 2005/06	49,596	34,800	669	(4,498)	(3,829)	(5,628)	(20,309)	(23,315)	31,315

DWR Charges

Total State Water Charges

Fiscal Year	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 2002/03	\$ 1,363,464	\$ 44,009	\$ 1,407,473	\$ 81,000	\$ 28,010	\$ 882,305	\$ 1,363,464	\$ 44,009
FY 2003/04	1,448,178	105,827	1,554,004	84,308	29,940	1,195,124	1,448,178	105,827	2,863,377
FY 2004/05	1,443,308	65,311	1,508,619	90,308	30,632	1,191,226	1,443,308	65,311	2,820,785
FY 2005/06	1,409,548	75,471	1,485,019	91,229	31,315	1,190,351	1,409,548	75,471	2,797,914

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2002/03 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, 2002	\$ 23,804	360	112
June 1, 2002	\$ 2,326,769	n/a	n/a
July 1, 2002	\$ 11,002	0	0
October 1, 2002	\$ 11,002	0	0
January 1, 2003	\$ 26,210	240	133
April 1, 2003	\$ 60,605	360	113
June 1, 2003	\$ 2,727,610	n/a	n/a
July 1, 2003	\$ 13,071	0	0
October 1, 2003	\$ 13,071	0	0
January 1, 2004	\$ 49,019	240	133
April 1, 2004	\$ 46,932	360	114
June 1, 2004	\$ 2,724,841	n/a	n/a
July 1, 2004	\$ 3,212	0	0
October 1, 2004	\$ 3,212	0	0
January 1, 2005	\$ 42,587	240	134
April 1, 2005	\$ 53,183	360	115
June 1, 2005	\$ 2,691,128	n/a	n/a
July 1, 2005	\$ 4,467	0	0
October 1, 2005	\$ 4,467	0	0
January 1, 2006	\$ 44,668	240	134





Above and inset: Construction by Valley Engineers of a section of Reach 5A1 that was redesigned subsequent to DWR's award of the Reach 5A1 construction contract to Homer J. Olsen. The redesign was required to mitigate impacts to oak trees and woodlands.

Appendix

The Appendix to the FY 2002/03 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 2002/03 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	24.75
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 2002/03 Santa Barbara County estimated deliveries	36,018 acre-feet
San Luis Obispo State water entitlement	4,830 acre-feet
FY 2002/03 estimated San Luis Obispo estimated deliveries	4,389 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 25 percent of the Authority's surplus money invested.

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"

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,

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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.

T

Table A Entitlement Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This elections is for a minimum of two

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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.