



A Meeting of the
**BOARD OF DIRECTORS
 OF THE
 CENTRAL COAST WATER AUTHORITY**

will be held at 9:00 a.m., on Thursday, June 24, 2021
 via URL: <https://meetings.ringcentral.com/j/1493422285>
 or via telephone by dialing 1(623) 404-9000 and entering code 149 342 2285#

CCWA's Board meetings are conducted pursuant to California Government Code Section 54953 and Governor Newsom's Executive Orders (N-25-20, N-29-20 and N-35-20), temporarily suspending portions of the Brown Act in response to the COVID-19 pandemic. Members of the Board will participate in this meeting by video call or telephone.

- Eric Friedman
Chairman
- Ed Andrisek
Vice Chairman
- Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

- City of Buellton
- Carpinteria Valley
Water District
- City of Guadalupe
- City of Santa Barbara
- City of Santa Maria
- Goleta Water District
- Montecito Water District
- Santa Ynez River Water
Conservation District,
Improvement District #1
- Associate Member*
- La Cumbre Mutual
Water Company

Public Comment on agenda items may occur via video call or telephonically, or by submission to the Board Secretary via email at lhw@ccwa.com no later than 8:00 a.m. on the day of the meeting. In your email, please specify (1) the meeting date and agenda item (number and title) on which you are providing a comment and (2) that you would like your comment read into the record during the meeting. If you would like your comment read into the record during the meeting (as either general public comment or on a specific agenda item), please limit your comments to no more than 250 words.

Every effort will be made to read comments into the record, but some comments may not be read due to time limitations. Please also note that if you submit a written comment and do not specify that you would like this comment read into the record during the meeting, your comment will be forwarded to Board members for their consideration.

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available on the CCWA internet web site, accessible at <https://www.ccwa.com>.

- I. Call to Order and Roll Call**
- II. Public Comment – (Any member of the public may address the Board relating to any matter within the Board’s jurisdiction. Individual Speakers may be limited to three minutes; all speakers to a total of fifteen minutes.)**
- III. Election of Officers and Committee Appointments**
- IV. Consent Calendar – For Approval**
 - * A. Minutes of the May 27, 2021 Regular Meeting
 - * B. Bills
 - * C. Controller’s Report
 - * D. Operations Report
- V. Executive Director’s Report**
 - A. Water Supply Situation Report – *Information Only*
 - &** B. CCWA 2021 Supplemental Water Purchase Program Water Transfer Approvals
 - * C. Warren Act Contract Renewal Update– *Information Only*
 - * D. CCWA Urban Water Management Plan
 - 1. Resolution No. 21-03 Adopting the 2020 Urban Water Management Plan For the Central Coast Water Authority As Required By the California Urban Water Management Planning Act, California Water Code Section 10610 – *For Approval*
 - * E. CCWA South Coast Manager Workgroup Update – *Information Only*
 - F. Spare Pipe Procurement – *Information Only*

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- * Indicates attachment of document to original agenda packet.
- &** Additional materials related to this item may be posted prior to the meeting.

Continued

- * G. Ernst & Young Audit Report and Findings on the DWR 2021 Statement of Charges – *Information Only*
- H. State Water Contractors Update – *Information Only*
- * I. Legislative Report – *Information Only*

VI. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code section 54956.9(d) (1)
Name of case: Central Coast Water Authority, et al. v. Santa Barbara County
Flood Control and Water Conservation District, et al. (Case No. *not yet assigned*)

VII. Return to Open Session

VIII. Reports from Board Members for Information Only

IX. Items for Next Regular Meeting Agenda

X. Date of Next Regular Meeting: July 22, 2021

XI. Adjournment



Central Coast Water Authority

BOARD OF DIRECTORS

Eric Friedman, Chairman (City of Santa Barbara)
Ed Andrisek, Vice Chairman (City of Buellton)
Etta Waterfield, Director (City of Santa Maria)
Floyd Wicks Director, (Montecito Water District)
Jeff Clay, Director (Santa Ynez RWCD ID#1)
Farfalla Borah, Director (Goleta Water District)
Ariston Julian, Director (City of Guadalupe)
Shirley Johnson, Director (Carpinteria Valley Water District)

ALTERNATE DIRECTORS

Kristen Sneddon
John Sanchez, Dave King
Shad Springer
Nick Turner
Brad Joos
Lauren Hanson
Tony Ramirez
Polly Holcombe, Ken Stendell

COMMITTEES

FINANCE

Farfalla Borah (Goleta Water District)
Jeff Clay (Santa Ynez RWCD ID#1)
Eric Friedman (City of Santa Barbara)

PERSONNEL

Ed Andrisek (City of Buellton)
Etta Waterfield (City of Santa Maria)
Floyd Wicks (Montecito Water District)

GENERAL COUNSEL

Brownstein Hyatt Farber Schreck
Stephanie Hastings, General Counsel
Gary Kvistad, Contracts
Susan Petrovich, Environmental/Permitting

Stradling, Yocca, Carlson & Rauth
Jeff Dinkin, Personnel

BOND COUNSEL

Stradling, Yocca, Carlson & Rauth
Doug Brown

CCWA STAFF

Ray Stokes, Executive Director
Lacey Adam, Senior Accountant
Julie Baker, Administrative Assistant
John Brady, Deputy Director/Operations & Engrg
Cathy Bunke, Accounting Technician
Vacant, Safety & Environmental Specialist
Vacant, Controller
Christopher Wall, Engineering Technician
Lisa Watkins, Office Manager

Distribution O&M Staff

Tom Petersen, Distribution Supervisor
David Bazzell, Distribution Technician
Manuel Espinoza, Distribution Technician
Eric Kieding, Distribution Technician
Vacant, Distribution Technician
Don Ross, IT/Instrumentation & Control Specialist
James Thompson, Distribution Technician

Water Treatment Plant O&M Staff

Darin Dargatz, Water Treatment Plant Supervisor
Jason Aschle, Plant Maintenance Technician
Grant Endeman, Plant Operator
Cynthia Gonzalez, Administrative Assistant
Tony Grimmett, Maintenance/IC&R Technician
Brandon Ladd, Plant Operator
Joseph Parent, Plant Operator
David Renelle, Maintenance Foreman
Sean Rogers, Laboratory Analyst/Technician
Adam Scheer, Maintenance/IC&R Technician
Robert Sorensen, Plant Operator
Michael Steinbock, Plant Operator
Mark Swift, Plant Maintenance Technician
Jeffrey Tice, Senior Chemist
Todd York, Maintenance Superintendent

ENVIRONMENTAL

Cardno ENTRIX
Tamara Klug

OPERATING

Paeter Garcia, Chairman
(Santa Ynez RWCD ID#1)
Shad Springer, Vice Chairman
(City of Santa Maria)
Rose Hess (City of Buellton)
Cathy Taylor, interim (City of Santa Barbara)
Mike Alvarado (La Cumbre Mutual WC)
Shannon Sweeney (City of Guadalupe)
Pernell Rush (Vandenberg AFB)
Nick Turner (Montecito Water District)
John McInnes (Goleta Water District)
Robert McDonald (Carpinteria Valley WD)
Advisory Member
Matt van der Linden (City of Solvang)

ACWA JPIA

Ed Andrisek (City of Buellton)
Ray Stokes, Alternate (CCWA)

**MINUTES OF THE
CENTRAL COAST WATER AUTHORITY
BOARD OF DIRECTORS**

May 27, 2021

The Board meeting was conducted pursuant to California Government Code Section 54953 and Governor Newsom's Executive Orders, N-25-20, N-29-20 and N-35-20, temporarily suspending portions of the Brown Act to implement social distancing in response to the COVID-19 pandemic. Members of the Board participated in this meeting by video call or telephone. Public Comment on agenda items also occurred via e-mail, video call or telephonically.

Ms. Lisa Watkins, CCWA Board Secretary, confirmed that all Board members could hear each other, had received a copy of the meeting agenda, and could hear the proceedings.

I. Call to Order and Roll Call

Chairman Friedman called the Central Coast Water Authority (CCWA) Board of Directors meeting to order at 9:01 AM.

CCWA member agencies with voting privileges were represented by:

<u>Representative</u>	<u>Agency/City</u>	<u>Voting %</u>
Ed Andrisek ¹	City of Buellton	2.21%
Farfalla Borah	Goleta Water District	17.20%
Jeff Clay	Santa Ynez River Water Conservation District, ID #1	7.64%
Eric Friedman	City of Santa Barbara	11.47%
Shirley Johnson	Carpinteria Valley Water District	7.64%
Shad Springer	City of Santa Maria	43.19%
Floyd Wicks	Montecito Water District	9.50%

II. Public Comment

There was no public comment related to items not on the agenda.

III. Consent Calendar

- A. Minutes of the April 14, 2021 Special Meeting
- B. Minutes of the April 22, 2021 Regular Meeting
- C. Bills
- D. Controller's Report
- E. Operations Report

A motion to approve the Consent Calendar was made by Director Wicks, seconded by Director Borah and carried following a roll call vote, with Directors Borah, Clay, Friedman, Johnson, Springer and Wicks in favor, and none opposed.

¹ Mr. Andrisek was present, but due to technical difficulties was not recognized during the public portion of the meeting.

IV. Executive Director's Report

- A. Resolution No. 21-02 of the Board of Directors Expressing the Board's Appreciation to Ronald W. Cline for His Service to the Authority and the Central Coast

Ray Stokes, CCWA Executive Director, read the resolution detailing some of Mr. Cline's contributions to CCWA in his 25 years of service, thanking him for all his efforts, and congratulating him on his retirement. Mr. Cline was presented with a copy of the Resolution and members of the Board thanked him for his service.

A motion to approve Resolution No. 21-02 of the Board of Directors Expressing the Board's Appreciation to Ronald W. Cline for His Service to the Authority and the Central Coast was made by Director Springer, seconded by Director Borah and carried following a roll call vote, with Directors Borah, Clay, Friedman, Johnson, Springer and Wicks in favor, and none opposed.

Director Clay left the meeting.

- B. Water Supply Situation Report

Mr. Stokes, reviewed hydrology reports for the Northern Sierra, Tulare and San Joaquin Precipitation indices, noting that the reports illustrate the extreme dryness of the current year, with well below average precipitation, only slightly above the driest year for Northern Sierra and San Joaquin, and tracking with the driest year for Tulare. The State snowpack has melted, and indications are that there was little or no run off. Reservoir levels are also well below average.

Absent additional precipitation, DWR projects Lake Oroville could be at 850 thousand AF (TAF) or lower, the lowest level in 40 years. Due to fish concerns related to Oroville's storage target and temperature, it is possible DWR will have a 0% allocation next year even if the State receives average precipitation.

CCWA has initiated the 2021 Supplemental Water Purchase Program and three agencies have requested a total of 2,000 AF of supplemental water. Mr. Stokes is pursuing supplies through the State Water Contractors Dry Year Transfer Program, the Yuba Accord Purchase Agreement, Casitas Municipal Water District and Mojave Water Agency.

Mr. Stokes expressed concern over CCWA's ability to purchase water in 2022 if the current hydrology forecasts are correct.

In response to a question regarding San Luis Obispo County's unallocated Table A, and Mr. Stokes stated he has reached out to them and they have not indicated they have any excess water. With the new water management Amendment, it may be possible for CCWA to enter into an agreement with SLO County that would be beneficial to both parties.

- C. Update on Water Management Strategies Study

A schedule showing key dates for the Provost and Pritchard and Hallmark Group study being coordinated by CCWA and San Luis Obispo County was presented to the Board. The rules and regulations applying to all State Water Contractors, as

well as needs of Central Coast participants are being evaluated. The study is moving forward, and CCWA staff anticipates the report will be ready in October 2021.

D. Personnel Committee

Mr. Stokes reported the Personnel Committee had met on April 8, 2021 and reviewed the recommended changes to the CCWA Personnel Policy Manual, as detailed in the attached memorandum from Jeff Dinkin, CCWA's Personnel Attorney. The Personnel Committee recommended approval of the proposed changes by the Board of Directors.

1. 2021 Review of Personnel Policy Manual

Certain changes requested were to conform to statutory provisions, including use of employee sick leave to care for a child, regardless of age of dependency status and expansion of protected leave for employees who are victims of certain crimes and offenses. Also paid family leave legislation has expanded the reasons for which an employee may qualify for paid leave, including exigencies related to active duty in the Armed Forces of the United States.

Other changes were included to clarify that time already paid as premium pay is not eligible to be counted in the calculation of overtime.

Upon a motion by Director Wicks, seconded by Director Springer and carried following a roll call vote with Directors Borah, Friedman, Johnson, Springer and Wicks in favor and none opposed, the Board approved the proposed changes to the Personnel Policy Manual as outlined in the staff report.

E. State Water Contractors Update

DWR has created a database which went live on May 26, 2021 to allow State Water Contractors to access financial information that effects each Contractor's Statement of Charges (SOC). Mr. Stokes stated his expectation that this database will be very beneficial to CCWA.

A small workgroup led by Mr. Stokes has been created to address the contract compression issue which is impacting debt amortization. The workgroup is looking for ways under the current State Water Contract to mitigate the impacts, including potentially creating a special JPA for financing capital expenditures. The compression issue will continue until DWR finalizes the Contract Extension Amendment to the State Water Contract, which is being delayed due to a pending validation case.

DWR has informed SWCs that it will adjust the 2021 SOC, projecting a \$100 million increase and anticipates there will be a \$100 million increase for the 2022 SOC.

DWR will be making a presentation to City of Santa Barbara Water Commission regarding its goals on renewable energy.

Mr. Stokes reported he has been appointed Board Chair of the SWC Board.

F. Legislative Update

The item was included in the Board materials for the information of the Board. Mr. Stokes requested project participants express support of SB 559 and its companion bill sponsored by Senator Feinstein, as funding from these bills would offset some of the costs to State Water Project Contractors of subsidence of the California Aqueduct. Chair Friedman noted AB 377 is a major bill which may have impact to municipal water providers.

The Board adjourned to closed session at 10:19 AM.

V. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Initiation of litigation pursuant to Government Code section 54956.9(d) (4): 1 case

VI. Return to Open Session

The Board reconvened from closed session at 10:57 AM.

Chair Friedman reported there was nothing to report as a result of the closed session.

VII. Reports from Board Members for Information Only

There were no reports from Board members.

VIII. Items for Next Regular Meeting Agenda

- A. Election of Officers and Committee Appointments

IX. Date of Next Regular Meeting: June 26, 2021

X. Adjournment

The meeting was adjourned at 10:59 AM.

Respectfully submitted,

Elizabeth Watkins
Secretary to the Board



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - May 2021

VENDOR	INVOICE AMOUNT	DESCRIPTION
GENERAL & ADMINISTRATIVE EXPENSES		
ACCO Brands USA LLC	1,033.42	Back covers for packets
Baker, Julie	12.00	Reimbursable expenses - Postage
Bank of America Business Card	(71.98)	Lynda.com Training Renewal Refund
Bank of America Business Card	140.00	Advertising
Bank of America Business Card	169.50	Hotel for Tri State Seminar
Federal Express	55.25	Express shipping
SLO County Newspapers	59.64	Advertising - Chemical Bid Notice
United Parcel Service	188.95	Shipping expenses
Valley Oaks Printing	46.55	CAFR Covers
	<u>\$ 1,633.33</u>	Total General & Administrative
MONITORING EXPENSES		
Aramark	271.65	Lab supplies
Environmental Resource Association	191.58	QC Testing
Eurofins Eaton Analytical	80.00	Lab testing
USA Blue Book	311.40	Lab supplies
VWR International	2,094.92	Lab supplies
	<u>\$ 2,949.55</u>	Total Monitoring Expenses
OFFICE EXPENSES		
Bank of America Business Card	1,253.90	Office and kitchen supplies
Office Depot	343.22	Office, janitorial & kitchen supplies
Staples Inc.	273.50	Office, janitorial & kitchen supplies
Ultrex Business Products	106.67	Office supplies
	<u>\$ 1,977.29</u>	Total Office Expenses
OTHER EXPENSES		
Adam, Lacey	105.00	Internet reimbursement (3 months)
Airgas USA, LLC	60.61	Equipment Rental
Bank of America Business Card	31.24	Computer miscellaneous expenses
Brownstein Hyatt Farber	13,176.50	Legal Services: SWPPRQ
Cal Coast Machinery, Inc.	2,462.09	Equipment Rental - Mow Right of Way
Comcast	194.78	Internet Service
CompuVision	995.00	Datto Cloud Backup
CompuVision	5,085.00	Managed Service Agreement
De Lage Landen Financial Services	248.01	Copier Lease - BAO and WTP
Environmental Science Association	772.50	Reacquisition of Relinquished Entitlement
Fastenal	4,214.39	Safety Equipment
Gonzalez, Cynthia	22.00	Internet reimbursement
Home Depot Card Services	21.16	Tank 2 Erosion Repair
Long, Lisa	105.00	Internet reimbursement (3 months)
Marborg Industries	316.00	Tank 5/Tank 7/Tank 2/ EDV
Velosio	175.00	Microsoft Dynamics SL support services
Velosio	8,518.75	Microsoft Dynamics SL Renewal 2021-2022
Wilson Creek Communications	155.00	Internet Service
	<u>\$ 36,658.03</u>	Total Other Expenses
OTHER MISCELLANEOUS EXPENSES		
Department of Water Resources	1,181,850.00	Variable OMP&R, Delta Water & Transport Charge
	<u>\$ 1,181,850.00</u>	Total Other Miscellaneous Expenses

48567.1
6/16/2021
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CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - May 2021

VENDOR	INVOICE AMOUNT	DESCRIPTION
PERSONNEL EXPENSES		
CalPERS Health	33,347.92	Health Insurance
CalPERS Retirement	37,282.73	Pension Contributions
CCWA Payroll Wages/Taxes	260,639.15	Gross Payroll Wages/Taxes
Dental/Vision Payments	3,789.99	Dental/Vision Benefits
MetLife SBC Insurance	1,013.60	Life Insurance
Standard Insurance Company	1,377.36	Disability Insurance
	\$ 337,450.75	Total Personnel Expenses
PROFESSIONAL SERVICES		
Brownstein Hyatt Farber	142.50	Legal Services-Water Transfer General
Brownstein Hyatt Farber	760.00	Legal Services-Relations with DWR
Brownstein Hyatt Farber	1,852.50	Legal Services-Increase Delivery VAFB
Brownstein Hyatt Farber	7,160.00	Legal Services- SWC vs. DFW/DWR
Brownstein Hyatt Farber	7,589.00	Legal Services-General Meetings
Brownstein Hyatt Farber	63,800.23	Legal Services-SWC Amendment re Water Management
Cardno, Inc.	102.50	Environmental Consulting
County of Santa Barbara Water Agency	10,590.88	SWC Extension Administration
Samba Holdings, Inc.	71.70	DMV driver reports
Stradling Yocca Carlson Rauth	1,540.50	Legal - Employee Matters
Terrain Consulting	7,500.00	Consulting
	\$ 101,109.81	Total Professional Services
CIP PROJECTS - MATERIALS & OVERHEAD		
Analytical Technology Inc	600.56	Water Quality Instrumentation
Carpets Unlimited	19,983.93	Boardroom Furnishing and Carpet
Fastenal Company	11,730.77	Self-Contained Breathing Apparatus Replacement WTP
Fastenal Company	12,722.70	Self-Contained Breathing Apparatus Replacement DIST
Hach Company	39,745.76	Water Quality Instrumentation
Home Depot	64.87	Remote PLC Panel (RPP) Electrical Upgrade
	\$ 84,848.59	Total CIP Project - Materials and Overhead
REPAIRS & MAINTENANCE		
Aramark	381.57	Building maintenance supplies
Bank of America Business Card	2.36	Vehicles repairs and maintenance
Bank of America Business Card	831.99	Equipment repairs and maintenance
Coverall North America, Inc	979.00	Janitorial service - BAO/SYPS
Delta Liquid Energy	82.10	Forklift repairs
Grainger Inc.	106.09	Parts, repair and maintenance
Home Depot	157.03	Parts, repair and maintenance
Idexx Distributing Corp.	1,969.80	Parts, repair and maintenance
Independent Electric Supply	60.66	Equipment repairs and maintenance
Jan's Gardening Service	500.00	Landscape maintenance - BAO/SYPS
McMaster-Carr Supply Company	613.12	Maintenance supplies
Progressive Greenery	330.00	Landscape maintenance - WTP
Quinn Company	100.69	Equipment repairs and maintenance
Rio Vista Chevrolet	83.07	Vehicle maintenance
Staples	86.14	Janitorial Supplies
Surface Pumps, Inc.	1,448.05	Equipment repairs and maintenance
US Bank	39.61	Vehicle repairs and maintenance



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification - May 2021

VENDOR	INVOICE AMOUNT	DESCRIPTION
US Bank	656.98	Equipment repairs and maintenance
USA Blue Book	1,309.43	Equipment repairs and maintenance
Western Exterminator Co	110.00	Pest control spraying - BAO and SYPS
	\$ 9,847.69	Total Repairs & Maintenance
SUPPLIES & EQUIPMENT		
American Industrial Supply	75.04	Maintenance supplies
Aramark	904.97	Uniform expenses
Bank of America Business Card	523.36	Minor tools
Carquest Auto Parts	359.39	Equipment, Maintenance Supplies, Fuel & Lub
Chemtrade Chemicals US, LLC	7,484.06	Chemicals - WTP
Eagle Energy	630.20	Equipment service, Fuel & Lubricants
Grainger Inc.	1,088.15	Minor tools, equipment & maintenance supplies, safety supplies
Hill Brothers Chemical Company	1,415.68	Chemicals - WTP
Home Depot	201.36	Minor tools, equipment & maintenance supplies
Integrated Industrial Supply Inc	367.70	Safety supplies
JCI Jones Chemical	4,680.00	Chemicals - WTP
Univar Solutions USA, Inc.	8,694.51	Chemicals - WTP
US Bank	455.73	Maintenance supplies, Minor Tools, Safety Supplies
WEX Bank - Wright Express	6,922.26	Fuel - Autos
	\$ 33,802.41	Total Supplies & Equipment
UTILITIES		
Bank of America Business Card	38.22	Telephone conference charge
City of Buellton	306.57	Water - BAO
First Choice Technology	14.35	Phone - Long distance carrier, 800#
Frontier	302.21	Telephone charges
Health Sanitation Services	260.49	Waste Disposal - SYPS
Marborg Industries	303.03	Waste Disposal - BAO
Pacific Gas & Electric	13,972.67	Utilities - BAO/SYPS/WTP
San Miguel Garbage Company	225.02	Waste Disposal - WTP
SoCalGas	74.14	Natural Gas - BAO
Stokes, Ray	258.56	Reimbursable Expenses - Cell Phone charges
Surfnet Communications, Inc.	225.00	Wireless Internet - Chorro
Verizon Wireless	796.03	Cell phone charges
	\$ 16,776.29	Total Utilities
Subtotal - Bills for Ratification	\$ 1,808,903.74	



CENTRAL COAST WATER AUTHORITY

Bills for Approval

VENDOR	INVOICE AMOUNT	DESCRIPTION
State of California DWR	\$ 1,118,531.00	Capital Cost and Minimum OMP&R Charges - JUNE'21
Subtotal - Bills for Approval	\$ 1,118,531.00	
Total Ratification and Approval Bills	\$ <u>2,927,434.74</u>	



Statements of Net Position

ASSETS

	<u>May 31, 2021</u>	<u>April 30, 2021</u>
<u>Current Assets</u>		
Cash and investments	\$ 13,394,846	\$ 7,751,066
Accounts Receivable (Note 1)	15,674	15,674
Accrued interest receivable	16,023	7,820
Other assets	1,576,667	1,590,653
Total Current Assets	15,003,212	9,365,213
<u>Restricted Assets</u>		
Operations and Maintenance Reserve Fund (Note 2)	2,129,897	2,133,898
DWR Reserve Fund (Note 3)	2,005,652	2,005,570
Rate Coverage Reserve Fund (Note 4)	9,529,646	9,539,566
Debt Service Payments (Note 5)	5,028,466	85,751
Department of Water Resources (Note 6a)	37,483,457	13,459,831
Credits Payable (Note 7)	1,043,408	932,338
Escrow Deposits (Note 8)	515,408	515,387
Total Restricted Assets	57,735,935	28,672,343
<u>Property, Plant and Equipment</u>		
Construction in progress (Note 9)	1,089,642	997,726
Fixed assets (net of accumulated depreciation)	89,050,106	89,258,858
Total Property, Plant and Equipment	90,139,748	90,256,584
<u>Other Assets</u>		
Unamortized bond issuance costs (Note 10)	52,404	67,713
Long term receivable (Note 11)	975,495	1,270,283
Total Other Assets	1,027,898	1,337,995
Total Assets	\$ 163,906,793	\$ 129,632,136

Central Coast Water Authority

A handwritten signature in blue ink, appearing to be "MRS", located in the bottom right corner of the page.



Statements of Net Position

LIABILITIES AND FUND EQUITY

	<u>May 31, 2021</u>	<u>April 30, 2021</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 78,172	\$ 108,156
DWR and Warren Act Charge Deposits (Note 6a)	37,483,459	13,459,833
CCWA Variable Charge Deposits (Note 6b)	77,062	77,062
Accrued interest payable	84,126	42,064
Other liabilities	1,283,046	1,373,379
DWR Reserve Fund	2,005,652	2,005,570
Rate Coverage Reserve Fund	9,495,379	9,495,379
Unearned Revenue	11,779,869	758,617
Credits Payable to Project Participants	1,316,264	1,218,807
Total Current Liabilities	<u>63,603,030</u>	<u>28,538,868</u>
<u>Non-Current Liabilities</u>		
Bonds payable (Note 12)	10,095,000	10,095,000
Bond Original Issue Premium, net	140,484	181,524
OPEB Liability	874,907	874,907
Escrow Deposits	515,408	515,387
Net Pension Liability	3,745,005	3,745,005
Total Non-Current Liabilities	<u>15,370,804</u>	<u>15,411,823</u>
<u>Commitments and Uncertainties</u>		
<u>Net Assets</u>		
Contributed capital, net (Note 13)	22,562,433	22,562,433
Retained earnings	62,370,526	63,119,011
Total Net Assets	<u>84,932,959</u>	<u>85,681,444</u>
Total Liabilities and Net Assets	<u>\$ 163,906,793</u>	<u>\$ 129,632,136</u>



Statements of Revenues, Expenses and Changes in Net Position

	May 31, 2021	April 30, 2021
<u>Operating Revenues</u>		
Operating reimbursements from project participants	\$ 22,039,533	\$ 22,039,533
Other revenues	41,689	23,146
Total Operating Revenues	22,081,223	22,062,680
<u>Operating Expenses</u>		
Personnel expenses	4,430,414	4,091,834
Office expenses	16,398	14,421
General and administrative	148,014	137,695
Professional Services	731,598	628,199
Supplies and equipment	633,215	599,265
Monitoring expenses	88,305	83,562
Repairs and maintenance	205,483	197,429
Utilities	348,999	332,223
Depreciation and amortization	1,937,867	1,762,364
Other expenses	692,334	652,467
Total Operating Expenses	9,232,626	8,499,458
Operating Income	12,848,596	13,563,222
<u>Non-Operating Revenues</u>		
Investment income	254,469	244,718
Total Non-Operating Revenues	254,469	244,718
<u>Non-Operating Expenses</u>		
Interest	582,875	540,813
Current year credits payable	238,445	236,898
Total Non-Operating Expenses	821,320	777,710
Net Income	12,281,745	13,030,229
<u>Retained Earnings</u>		
Retained earnings at beginning of period	50,088,782	50,088,782
Retained earnings at end of period	\$ 62,370,526	\$ 63,119,011



Budget and Actual All Reaches

	May 31, 2021		
	<u>Budget</u>	<u>Actual</u>	<u>Percent Expended ⁽¹⁾</u>
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 10,773,067	10,773,067	100.00%
Variable operating assessments	2,618,077	2,201,535	84.09%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	<u>13,391,144</u>	<u>12,974,602</u>	<u>96.89%</u>
<u>Operating Expenses ⁽²⁾</u>			
Personnel expenses	5,221,432	4,430,414	84.85%
Office expenses	21,300	16,398	76.99%
General and administrative	322,412	148,014	45.91%
Professional Services	493,223	731,598	148.33%
Supplies and equipment	1,845,711	633,215	34.31%
Monitoring expenses	106,215	88,305	83.14%
Repairs and maintenance	293,760	205,483	69.95%
Utilities	1,143,895	348,999	30.51%
Depreciation and amortization	-	-	N/A
Other expenses	1,986,667	692,334	34.85%
Total Operating Expenses	<u>11,434,616</u>	<u>7,294,760</u>	<u>63.80%</u>
Operating Income	<u>1,956,528</u>	<u>5,679,842</u>	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	<u>-</u>	<u>-</u>	
<u>Non-Operating Expenses</u>			
Total Non-Operating Expenses	<u>-</u>	<u>-</u>	
Net Income (Loss)	<u>\$ 1,956,528</u>	<u>5,679,842</u>	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21



Budget and Actual Administration

	May 31, 2021		Percent Expended ⁽¹⁾
	Budget	Actual	
Operating Revenues			
Fixed operating assessments ⁽²⁾	\$ 1,978,585	\$ 1,978,585	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	1,978,585	1,978,585	100.00%
Operating Expenses ⁽²⁾			
Personnel expenses	954,884	804,528	84.25%
Office expenses	10,800	8,638	79.98%
General and administrative	212,162	113,765	53.62%
Professional Services	306,051	612,434	200.11%
Supplies and equipment	-	-	N/A
Monitoring expenses	-	-	N/A
Repairs and maintenance	29,960	22,316	74.48%
Utilities	17,738	12,550	70.75%
Depreciation and amortization	-	-	N/A
Other expenses	151,652	354,711	233.90%
Total Operating Expenses	1,683,248	1,928,941	114.60%
Operating Income	295,337	49,644	
Non-Operating Revenues			
Investment Income	-	-	
Total Non-Operating Revenues	-	-	
Non-Operating Expenses			
Current Year credits payable	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 295,337	49,644	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21



Budget and Actual Water Treatment Plant

	May 31, 2021		Percent Expended ⁽¹⁾
	Budget	Actual	
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 5,106,036	5,106,037	100.00%
Variable operating assessments	1,806,650	1,450,721	80.30%
Other revenues	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Total Operating Revenues	6,912,686	6,556,757	94.85%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	2,482,041	2,084,854	84.00%
Office expenses	6,500	4,130	63.54%
General and administrative	76,000	26,618	35.02%
Professional Services	83,439	57,175	68.52%
Supplies and equipment	1,742,800	562,742	32.29%
Monitoring expenses	106,215	88,305	83.14%
Repairs and maintenance	172,100	122,912	71.42%
Utilities	245,317	152,840	62.30%
Depreciation and amortization	-	-	N/A
Other expenses	861,572	200,684	23.29%
Total Operating Expenses	5,775,984	3,300,261	57.14%
Operating Income	1,136,702	3,256,496	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 1,136,702	3,256,496	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21

Central Coast Water Authority
Polonio Pass Water Treatment Plant
Fixed and Variable Cost per Acre-Foot

May 31, 2021

WTP Fixed O&M Costs	Jul 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Total for Year
Fixed O&M Expenses	\$ 343,627	\$ 216,513	\$ 229,684	\$ 300,299	\$ 207,298	\$ 233,220	\$ 234,487	\$ 234,251	\$ 249,860	\$ 273,478	\$ 200,567	\$ 2,723,285
Annual Table A Amount ⁽¹⁾	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908	43,908
Fixed WTP Cost per AF	\$ 7.83	\$ 4.93	\$ 5.23	\$ 6.84	\$ 4.72	\$ 5.31	\$ 5.34	\$ 5.34	\$ 5.69	\$ 6.23	\$ 4.57	\$ 62.02
WTP Variable O&M Costs												
Variable O&M Expenses	\$ 100,015	\$ 64,357	\$ 88,741	\$ 66,497	\$ 50,391	\$ 36,692	\$ 47,384	\$ 36,121	\$ 34,801	\$ 29,243	\$ 22,735	\$ 576,976
Actual Water Treated	2,006	1,849	1,607	1,172	315	591	808	737	880	577	781	11,323
Variable WTP Cost per AF	\$ 49.86	\$ 34.81	\$ 55.22	\$ 56.74	\$ 159.97	\$ 62.08	\$ 58.64	\$ 49.01	\$ 39.55	\$ 50.68	\$ 29.11	\$ 50.96
(1) Includes Santa Barbara County and San Luis Obispo County Table A amounts and excludes Goleta 2,500 AF drought buffer and Santa Barbara County 3,908 AF drought buffer.												



Budget and Actual Mission Hills II

	May 31, 2021		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 338,437	338,437	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	338,437	338,437	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	228,853	220,725	96.45%
Office expenses	513	447	87.13%
General and administrative	4,392	747	17.00%
Professional Services	13,303	2,426	18.24%
Supplies and equipment	13,198	10,744	81.41%
Monitoring expenses	-	-	N/A
Repairs and maintenance	11,760	7,096	60.34%
Utilities	8,902	2,443	27.45%
Depreciation and amortization	-	-	N/A
Other expenses	26,995	17,839	66.08%
Total Operating Expenses	307,916	262,466	85.24%
Operating Income	30,521	75,971	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 30,521	75,971	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21



Budget and Actual Santa Ynez I

	May 31, 2021		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 517,152	517,152	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	517,152	517,152	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	322,130	262,673	81.54%
Office expenses	722	575	79.70%
General and administrative	6,183	975	15.77%
Professional Services	18,725	2,990	15.97%
Supplies and equipment	18,577	11,479	61.79%
Monitoring expenses	-	-	N/A
Repairs and maintenance	16,553	8,487	51.27%
Utilities	12,530	5,109	40.78%
Depreciation and amortization	-	-	N/A
Other expenses	77,688	18,924	24.36%
Total Operating Expenses	473,107	311,212	65.78%
Operating Income	44,044	205,940	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 44,044	205,940	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21



Budget and Actual Santa Ynez II

	May 31, 2021		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 1,398,742	1,398,742	100.00%
Variable operating assessments	811,427	750,814	92.53%
Other revenues	-		N/A
Total Operating Revenues	2,210,169	2,149,556	97.26%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	462,614	458,067	99.02%
Office expenses	1,037	1,127	108.72%
General and administrative	8,879	3,434	38.67%
Professional Services	26,892	31,608	117.54%
Supplies and equipment	26,679	20,927	78.44%
Monitoring expenses	-	-	N/A
Repairs and maintenance	23,772	31,372	131.97%
Utilities	829,421	155,507	18.75%
Depreciation and amortization	-	-	N/A
Other expenses	471,082	43,200	9.17%
Total Operating Expenses	1,850,376	745,243	40.28%
Operating Income	359,794	1,404,314	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 359,794	1,404,314	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21



Budget and Actual Reach 33B

	May 31, 2021		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 743,550	743,550	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	743,550	743,550	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	356,428	302,623	84.90%
Office expenses	799	761	95.25%
General and administrative	6,841	1,272	18.59%
Professional Services	20,719	5,483	26.46%
Supplies and equipment	20,555	14,079	68.49%
Monitoring expenses	-	-	N/A
Repairs and maintenance	18,316	5,739	31.33%
Utilities	13,864	8,265	59.62%
Depreciation and amortization	-	-	N/A
Other expenses	188,866	33,727	17.86%
Total Operating Expenses	626,387	371,949	59.38%
Operating Income	117,163	371,601	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 117,163	371,601	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21



Budget and Actual Reach 34

	May 31, 2021		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 256,191	256,191	100.00%
Variable operating assessments	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	256,191	256,191	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	172,442	143,401	83.16%
Office expenses	387	371	96.09%
General and administrative	3,310	621	18.75%
Professional Services	10,024	2,037	20.32%
Supplies and equipment	9,945	6,764	68.02%
Monitoring expenses	-	-	N/A
Repairs and maintenance	8,861	4,237	47.81%
Utilities	6,708	5,150	76.79%
Depreciation and amortization	-	-	N/A
Other expenses	20,341	12,358	60.76%
Total Operating Expenses	232,017	174,940	75.40%
Operating Income	24,174	81,251	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 24,174	81,251	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21



Budget and Actual Reach 35

	May 31, 2021		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 166,466	166,466	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	166,466	166,466	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	113,552	40,251	35.45%
Office expenses	255	107	42.22%
General and administrative	2,179	180	8.24%
Professional Services	6,601	472	7.15%
Supplies and equipment	6,548	1,957	29.89%
Monitoring expenses	-	-	N/A
Repairs and maintenance	5,835	788	13.51%
Utilities	4,417	970	21.95%
Depreciation and amortization	-	-	N/A
Other expenses	13,394	3,458	25.82%
Total Operating Expenses	152,782	48,183	31.54%
Operating Income	13,684	118,282	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 13,684	118,282	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21



Budget and Actual Reach 37

	May 31, 2021		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 72,105	72,106	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	72,105	72,106	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	48,684	41,705	85.66%
Office expenses	109	103	94.83%
General and administrative	934	173	18.51%
Professional Services	2,830	454	16.05%
Supplies and equipment	2,808	2,007	71.50%
Monitoring expenses	-	-	N/A
Repairs and maintenance	2,502	759	30.35%
Utilities	1,894	520	27.47%
Depreciation and amortization	-	-	N/A
Other expenses	5,743	3,190	55.55%
Total Operating Expenses	65,503	48,912	74.67%
Operating Income	6,603	23,193	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 6,603	23,193	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21



Budget and Actual Reach 38

	May 31, 2021		
	Budget	Actual	Percent Expended ⁽¹⁾
<u>Operating Revenues</u>			
Fixed operating assessments ⁽²⁾	\$ 118,158	118,158	100.00%
Variable operating assessments	-	-	N/A
Non-annual recurring revenues	-	-	N/A
Other revenues	-	-	N/A
Total Operating Revenues	118,158	118,158	100.00%
<u>Operating Expenses</u> ⁽²⁾			
Personnel expenses	79,804	51,947	65.09%
Office expenses	179	138	76.93%
General and administrative	1,532	230	15.01%
Professional Services	4,639	604	13.02%
Supplies and equipment	4,602	2,506	54.45%
Monitoring expenses	-	-	N/A
Repairs and maintenance	4,101	1,010	24.62%
Utilities	3,104	692	22.29%
Depreciation and amortization	-	-	N/A
Other expenses	9,413	4,242	45.06%
Total Operating Expenses	107,374	61,367	57.15%
Operating Income	10,784	56,791	
<u>Non-Operating Revenues</u>			
Interest income	-	-	
Total Non-Operating Revenues	-	-	
<u>Non-Operating Expenses</u>			
Interest	-	-	
Total Non-Operating Expenses	-	-	
Net Income (Loss)	\$ 10,784	56,791	

(1) Percent of year expended: 92%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2019/20 to FY 2020/21

Central Coast Water Authority
Notes to Financial Statements
May 31, 2021

Note 1: Accounts Receivable

Accounts receivable consists of amounts payable by the State Water Project contractors and other miscellaneous receivables.

Note 2: O&M Reserve Fund

The O&M reserve fund represents cash reserves for emergency uses. The funding requirement is \$2,000,000 allocated on an entitlement basis for the Santa Barbara County project participants. Investment earnings on O&M reserve fund balances are credited against CCWA O&M assessments.

<u>Project Participant</u>	<u>Amount</u>
City of Guadalupe	\$ 28,281
City of Santa Maria	833,003
Golden State Water Company	25,710
Vandenberg AFB	401,597
City of Buellton	29,721
Santa Ynez ID #1 (Solvang)	77,130
Santa Ynez ID #1	25,616
Goleta Water District	234,144
Morehart Land Co.	10,284
La Cumbre Mutual Water Company	51,414
Raytheon Systems Company	2,571
City of Santa Barbara	154,260
Montecito Water District	153,699
Carpinteria Valley Water District	102,466
TOTAL:	<u>\$ 2,129,897</u>

Central Coast Water Authority
Notes to Financial Statements
 May 31, 2021

Note 3: DWR Reserve Fund

The DWR Reserve Fund was established to provide a funding source for payments to the State of California Department of Water Resources (DWR) when there is a difference between estimates used to prepare the DWR portion of the annual CCWA budget and the actual amounts billed to the Authority by DWR. Contributions to the DWR Reserve Fund are voluntary. Funding of each participating Project Participant's share of the DWR Reserve Fund will come from a combination of (1) CCWA Operating Expense budget surpluses, if any (2) Interest earnings on funds held in all other accounts on behalf of the participating Project Participant and (3) excess amounts, if any, from any of the DWR Statement of Charges cost components until the funding Target Amount is reached. The Target Amount will be equal to the participating Project Participant's proportional share of a \$10 million allocation of DWR Transportation Minimum OMP&R charges. The following schedule shows the current fund balance of the participating Project Participants.

Project Participant	Amount
City of Guadalupe	\$ 38,688
City of Santa Maria	1,175,616
Golden State Water Company	45,189
City of Buellton	63,608
Santa Ynez ID #1 (Solvang)	147,468
Santa Ynez ID #1	144,938
Morehart Land Co.	34,814
La Cumbre Mutual Water Company	99,040
Raytheon Systems Co.	9,186
City of Santa Barbara	247,106
TOTAL:	\$ 2,005,652

Note 4: Rate Coverage Reserve Fund Cash Deposits

The rate coverage reserve fund was established to provide CCWA project participants a mechanism to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement to impose rates and charges sufficient to collect 125% of their contract payments. The following schedule shows the current balances plus accrued interest receivable in the rate coverage reserve fund.

Project Participant	Amount
City of Guadalupe	\$ 191,910
City of Santa Maria	5,190,895
City of Buellton	276,152
Santa Ynez ID #1 (Solvang)	635,069
Santa Ynez ID #1	461,419
La Cumbre Mutual Water Company	402,233
Montecito Water District	1,495,508
Carpinteria Valley Water District	860,678
Shandon	15,783
TOTAL:	\$ 9,529,646

Central Coast Water Authority
Notes to Financial Statements
May 31, 2021

Note 5: Debt Service Payments

The following table shows the financing participant cash balances available to pay CCWA Series 2016-A revenue bond principal and interest payments.

Participant	Amount
Avila Beach	\$ 110
California Men's Colony	962
County of SLO	1,024
Cuesta College	481
Morro Bay	6,203
Oceano	804
Pismo Beach	1,328
Shandon	109
Guadalupe	147,964
Buellton	262,151
Santa Ynez (Solvang)	804,227
Santa Ynez	302,030
Goleta	20,467
Morehart Land	7,953
La Cumbre	557,279
Raytheon	24,389
Santa Barbara	12,432
Montecito	1,831,486
Carpinteria	1,047,072
TOTAL:	\$ 5,028,466

Central Coast Water Authority
Notes to Financial Statements
 May 31, 2021

Note 6a: Cash and Investments Payment to DWR and Warren Act and Trust Fund Charges

Cash deposits for payments to DWR and Warren Act and Trust Fund payments.

Project Participant	Amount
City of Guadalupe	\$ 702,177
City of Santa Maria	19,932,622
Golden State Water Company	591,529
Vandenberg AFB	3,030,817
City of Buellton	755,605
Santa Ynez ID #1 (Solvang)	1,733,018
Santa Ynez ID #1	1,142,248
Goleta Water District	956,740
Morehart Land Co.	39,366
La Cumbre Mutual Water Company	1,183,166
Raytheon Systems Co.	65,706
City of Santa Barbara	1,043,333
Montecito Water District	3,823,432
Carpinteria Valley Water District	2,483,696
TOTAL:	<u>\$ 37,483,457</u>

Note 6b: Cash Payments for CCWA Variable Charges

Cash deposits for payments to CCWA for Variable Assessments.

Project Participant	Amount
City of Guadalupe	\$ -
City of Santa Maria	-
Golden State Water Company	-
Vandenberg AFB	-
City of Buellton	-
Santa Ynez ID #1 (Solvang)	-
Santa Ynez ID #1	-
Goleta Water District	58,159
Morehart Land Co.	-
La Cumbre Mutual Water Company	-
Raytheon Systems Co.	1,375
City of Santa Barbara	3,299
Montecito Water District	3,299
Carpinteria Valley Water District	2,746
Shandon	4,620
Lopez Turnout	3,563
Chorro Turnout	-
TOTAL:	<u>\$ 77,062</u>

Central Coast Water Authority
Notes to Financial Statements
 May 31, 2021

Note 7: Credits Payable

Credits payable to, or (due from) CCWA project participants for investment earnings and O&M assessment credits.

<u>Project Participant</u>	<u>Amount</u>
City of Guadalupe	\$ 8,131
City of Santa Maria	319,639
Golden State Water Company	5,314
Vandenberg AFB	537,597
City of Buellton	15,097
Santa Ynez ID #1 (Solvang)	44,935
Santa Ynez ID #1	(106)
Goleta Water District	37,353
Morehart Land Co.	881
La Cumbre Mutual Water Company	5,516
Raytheon Systems Co.	254
City of Santa Barbara	23,808
Montecito Water District	19
Carpinteria Valley Water District	12
Shandon	(517)
Lopez Turnout	31,033
Chorro Turnout	14,442
TOTAL:	<u>\$ 1,043,408</u>

Note 8: Escrow Deposits

Cash deposits from certain project participants as required under the Water Supply Agreements.

<u>Project Participant</u>	<u>Amount</u>
Morehart Land Company	\$ 406,901
Raytheon Systems Company	108,507
TOTAL:	<u>\$ 515,408</u>

Note 9: Construction in Progress

Amounts in construction in progress represent expenditures incurred during FY 2020/21 and amounts retained in construction in progress at June 30, 2020. The following schedule shows the CIP expenditures for CCWA projects.

<u>Financial Reach</u>	<u>Amount</u>
Labor	\$ 125,618
Materials	299,129
Overhead	664,894
Project CIP Total:	<u>\$ 1,089,642</u>

Central Coast Water Authority
Notes to Financial Statements
 May 31, 2021

Note 10: Unamortized Bond Issuance Costs

Unamortized bond issuance costs for the 2016 revenue bonds include bond insurance and the 1992, 1996 and 2006 revenue bond deferred costs.

Note 11: Long-Term Receivable

The long-term receivable represents CCWA revenue bond expenditures for project participant local facilities which are owned by the individual project participants. The costs associated with the construction of these local facilities are financed with proceeds from the CCWA revenue bonds. Project participant revenue bond principal payments are proportionally divided between the long-term receivable and the CCWA owned facilities over the term of the bond issue.

Financing Participant	Long-Term Receivable
Avila Beach	\$ 2,905
California Men's Colony	64,873
County of SLO	69,185
Cuesta College	32,439
Morro Bay	496,260
Oceano	19,787
Pismo Beach	32,669
Shandon	2,387
Guadalupe	-
Buellton	-
Santa Ynez (Solvang)	-
Santa Ynez	-
Goleta	208,558
Morehart Land	903
La Cumbre	-
Raytheon	-
Santa Barbara	45,531
Montecito	-
Carpinteria	-
TOTAL:	\$ 975,495

Note 12: Bonds Payable

Bonds payable represents Series 2016-A revenue bonds outstanding. The last Series 2016-A principal payment is due on October 1, 2021 in the amount of \$10,095,000.

Central Coast Water Authority
Notes to Financial Statements
May 31, 2021

Note 13: Contributed Capital

Certain project participants elected to pay their share of CCWA project construction costs in cash. The amounts listed below show the capital contributions by project participant less the cost of local facilities and refunds to the project participants.

Project Participant	Amount
Avila Valley Water Company	\$ 15,979
City of Guadalupe	81,119
San Luis Schools	5,608
San Miguelito Water Company	233,605
Golden State Water Company	866,277
City of Santa Maria	13,498,802
Vandenberg AFB	7,861,043
TOTAL:	<u>\$ 22,562,433</u>

**MONTHLY SUMMARY OF MINERAL AND PHYSICAL ANALYSIS
RAW WATER (RW) AND SETTLED WATER (SW)**

System Name: Central Coast Water Authority

System Number: 4210030

Treatment Plant Name: Polonio Pass Water Treatment Plant

May 2021

Date:	RW pH (SU)	RW Turbidity (NTU)	SW Turbidity (NTU)	RW Odor (TON)	RW Total Coliform (MPN)	RW E. Coli (MPN)	RW Cl- (mg/L)	RW Alkalinity (mg/L)		RW Hardness (mg/L)		RW E.C. (uS/cm)	RW TOC (mg/L)
								Total	Phenol	Total	Ca		
1	8.85	0.69	0.41	1.0			116	96	10	135	63		
2	8.67	0.90	0.58	1.0			116	98	6	133	66		
3	8.62	0.64	0.41	1.0	291	<1.00	114	93	6	132	57	634	
4	8.55	0.70	0.47	1.0			110	93	4	140	65		
5	8.54	0.50	0.38	1.0			109	92	4	133	65		3.8
6	8.70	0.70	0.35	0.5			53	46	3	70	30		
7	8.70	0.50	0.33	1.0			107	91	5	132	64		
8	8.85	0.67	0.34	1.0			107	89	9	129	64		
9	8.90	0.60	0.26	1.0			108	88	9	131	64		
10	8.90	0.62	0.34	1.0	770	<1.00	107	91	12	130	63	598	
11	8.90	0.60	0.34	1.0			104	91	8	62	31		
12	8.80	0.70	0.34	1.0			105	92	9	129	63		
13	8.80	0.70	0.32	1.0			104	90	8	123	59		
14	8.80	0.60	0.36	1.0			104	90	8	120	57		
15	8.80	0.70	0.37	1.0			102	90	9	128	61		
16	8.80	1.00	0.43	1.0			103	90	8	127	62		
17	8.73	0.66	0.31	1.0	>2,419.60	2	102	90	8	123	60	583	
18	8.65	0.65	0.33	1.0			99	89	8	124	59		
19	8.70	0.80	0.40	1.0			101	89	5	127	58		
20	8.70	0.73	0.40	1.0			99	89	7	127	60		
21	8.70	0.59	0.33	1.0			99	88	4	120	57		
22	8.68	0.54	0.31	1.5			99	91	8	123	59		
23	8.70	0.50	0.28	1.0			97	87	3	125	59		
24	8.70	0.50	0.28	1.0	2419.60	1	97	88	7	120	56	558	
25	8.77	0.48	0.33	1.0			97	86	10	117	62		
26	8.81	0.56	0.39	1.0			97	89	9	117	60		
27	8.85	0.55	0.38	1.0			97	90	9	119	61		
28	8.83	0.49	0.30	1.0			100	90	7	118	58		
29	8.81	1.07	0.30	1.0			98	91	8	118	59		
30	8.80	0.46	0.32	1.0			98	92	7	119	61		
31	8.80	0.46	0.30	1.0	1203	1	98	94	6	119	60		
Avg:	8.76	0.64	0.35	1.0	1421	1	101	89	7	122	59	593	3.8

**MONTHLY SUMMARY OF MINERAL AND PHYSICAL ANALYSIS
TREATED WATER (TW) & CLEARWELL (CW)**

System Name: Central Coast Water Authority

System Number: 4210030

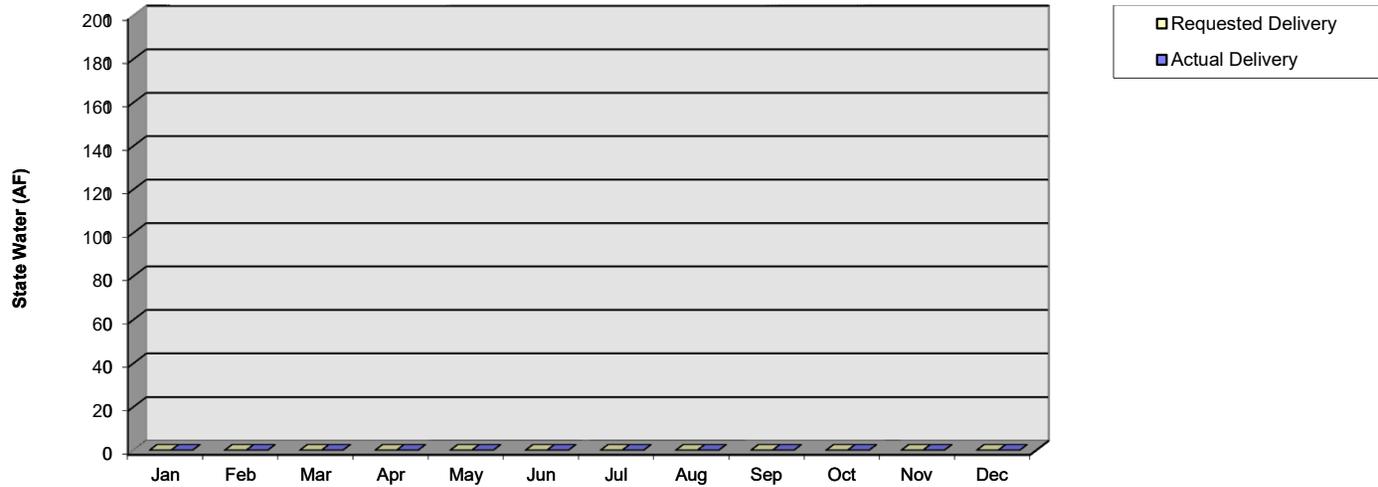
Treatment Plant Name: Polonio Pass Water Treatment Plant

May 2021

Date:	TW pH (SU)	TW Turbidity (NTU)	Filter Rate (gpm/ft ²)	CW Odor (TON)	TW Total Coliform	CW Cl- (mg/L)	CW Total Alk (mg/L)	CW Hardness (mg/L)		TW Chlorine (mg/L)		CCB3 Chlorine Free (mg/L)	TW NH3-N (mg/L)		(CCB3 Cl2 Free) / (TW NH3-N Total)	CW E.C. (uS/cm)	TW TOC (mg/L)
								Total	Ca	Total	Free		Total	Free			
1	8.16	0.05	4.85	0.0	ABSENT	119	84	130	63	3.53	0.00	3.31	0.67	0.01	4.9		
2	8.30	0.06	4.85	0.0	ABSENT	117	81	134	64	3.55	0.00	3.60	0.72	0.00	5.0		
3	8.37	0.06	4.53	0.0	ABSENT	119	84	132	60	3.62	0.00	3.50	0.73	0.00	4.8	714	
4	8.30	0.06	4.85	0.0	ABSENT	115	81	141	64	3.60	0.00	3.55	0.62	0.00	5.7		
5	8.20	0.07	4.66	0.0	ABSENT	115	82	139	65	3.40	0.00	3.20	0.62	0.01	5.2		2.2
6	8.20	0.06	4.85	0.0	ABSENT	112	81	135	64	3.75	0.00	3.67	0.70	0.00	5.2		
7	8.30	0.06	4.85	0.0	ABSENT	113	81	133	62	3.60	0.00	3.80	0.68	0.00	5.6		
8	8.23	0.05	4.85	0.0	ABSENT	111	77	133	64	3.87	0.00	3.92	0.74	0.00	5.3		
9	7.60	0.08	4.85	0.0	ABSENT	111	76	129	62	2.90	0.00	3.96	0.47	0.00	8.4		
10	8.32	0.06	4.85	0.0	ABSENT	110	76	129	63	3.85	0.00	3.86	0.74	0.00	5.2	680	
11	8.30	0.06	4.86	0.0	ABSENT	109	79	126	51	3.90	0.00	3.93	0.76	0.00	5.2		
12	8.50	0.05	4.86	0.0	ABSENT	108	79	127	62	3.76	0.00	3.69	0.69	0.00	5.3		
13	8.50	0.05	4.13	0.0	ABSENT	109	82	122	60	3.77	0.00	3.65	0.68	0.00	5.4		
14	8.40	0.06	4.86	0.0	ABSENT	108	80	122	56	3.50	0.00	3.38	0.75	0.05	4.5		
15	8.40	0.05	4.86	0.0	ABSENT	109	79	125	60	3.78	0.00	3.65	0.72	0.00	5.1		
16	8.55	0.05	4.86	0.0	ABSENT	109	81	124	61	3.55	0.00	3.80	0.69	0.00	5.5		
17	8.33	0.05	4.86	0.0	ABSENT	106	78	124	60	3.79	0.00	3.73	0.75	0.00	5.0	658	
18	8.39	0.05	4.77	0.0	ABSENT	105	75	124	57	3.68	0.00	3.58	0.73	0.00	4.9		
19	8.35	0.05	4.63	0.0	ABSENT	104	78	124	59	3.65	0.00	3.65	0.69	0.00	5.3		
20	8.23	0.06	4.34	0.0	ABSENT	104	78	124	59	3.76	0.00	3.73	0.72	0.00	5.2		
21	8.27	0.06	3.74	0.0	ABSENT	105	78	123	57	3.73	0.00	3.78	0.70	0.00	5.4		
22	8.33	0.06	3.23	0.0	ABSENT	103	80	126	56	3.53	0.00	3.45	0.66	0.00	5.2		
23	8.20	0.05	3.24	0.0	ABSENT	101	75	127	61	3.67	0.00	3.60	0.60	0.01	6.0		
24	8.32	0.05	3.69	0.0	ABSENT	101	76	122	60	3.73	0.00	3.69	0.70	0.00	5.3	645	
25	8.22	0.05	4.53	0.0	ABSENT	101	75	119	60	3.75	0.00	3.70	0.70	0.00	5.3		
26	8.30	0.05	4.69	0.0	ABSENT	98	77	118	60	3.68	0.00	3.61	0.70	0.00	5.2		
27	8.35	0.05	3.80	0.0	ABSENT	100	78	117	59	3.62	0.00	3.65	0.69	0.00	5.3		
28	8.37	0.06	3.40	0.0	ABSENT	102	80	117	57	3.67	0.00	3.72	0.69	0.00	5.4		
29	8.33	0.05	3.64	0.0	ABSENT	101	78	118	60	3.68	0.00	3.64	0.69	0.00	5.3		
30	8.18	0.06	3.80	0.0	ABSENT	102	79	121	61	3.70	0.00	3.77	0.69	0.00	5.5		
31	8.33	0.06	3.48	0.0	ABSENT	102	79	119	60	3.63	0.00	3.57	0.68	0.00	5.3		
Avg	8.29	0.06	4.40	0.00		107	79	126	60	3.65	0.00	3.66	0.69	0.00	5.3	674	2.20

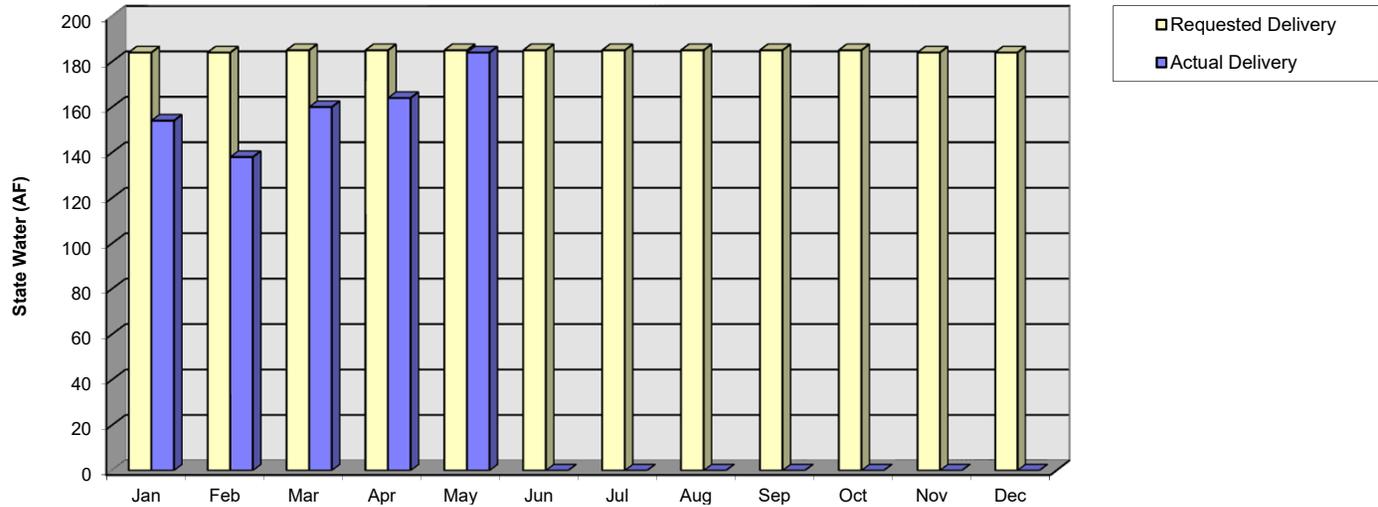
Shandon T.O - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	0	0	
Feb	0	0	
Mar	0	0	
Apr	0	0	
May	0	0	
Jun	0	0	
Jul	0	0	
Aug	0	0	
Sep	0	0	
Oct	0	0	
Nov	0	0	
Dec	0	0	
Total	0	0	



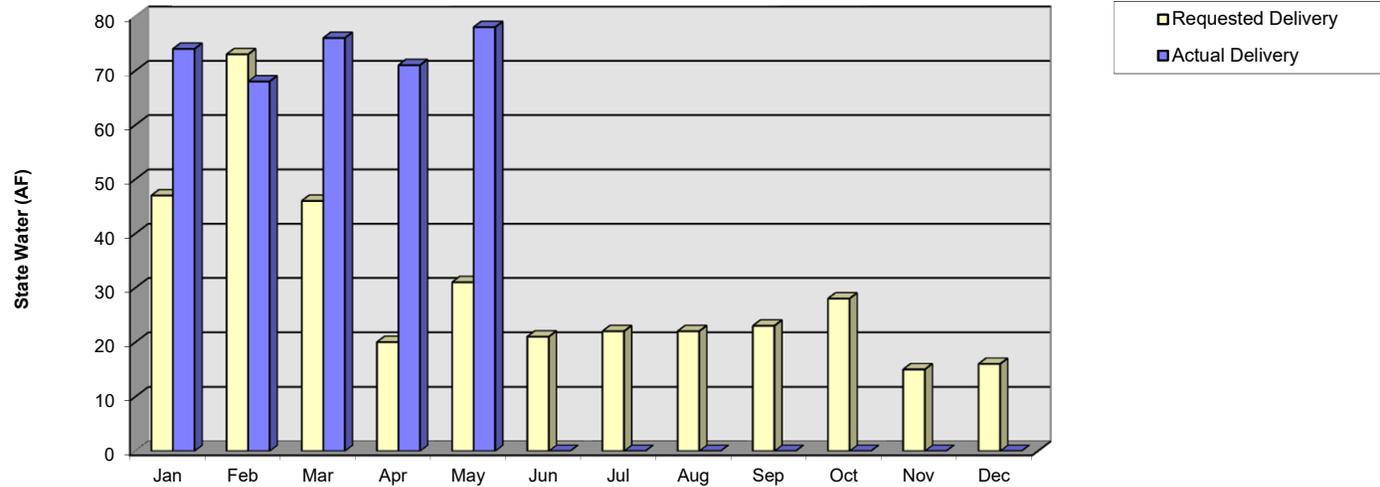
Chorro Valley T.O. - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	184	154	
Feb	184	138	
Mar	185	160	
Apr	185	164	
May	185	184	
Jun	185	0	
Jul	185	0	
Aug	185	0	
Sep	185	0	
Oct	185	0	
Nov	184	0	
Dec	184	0	
Total	2216	800	



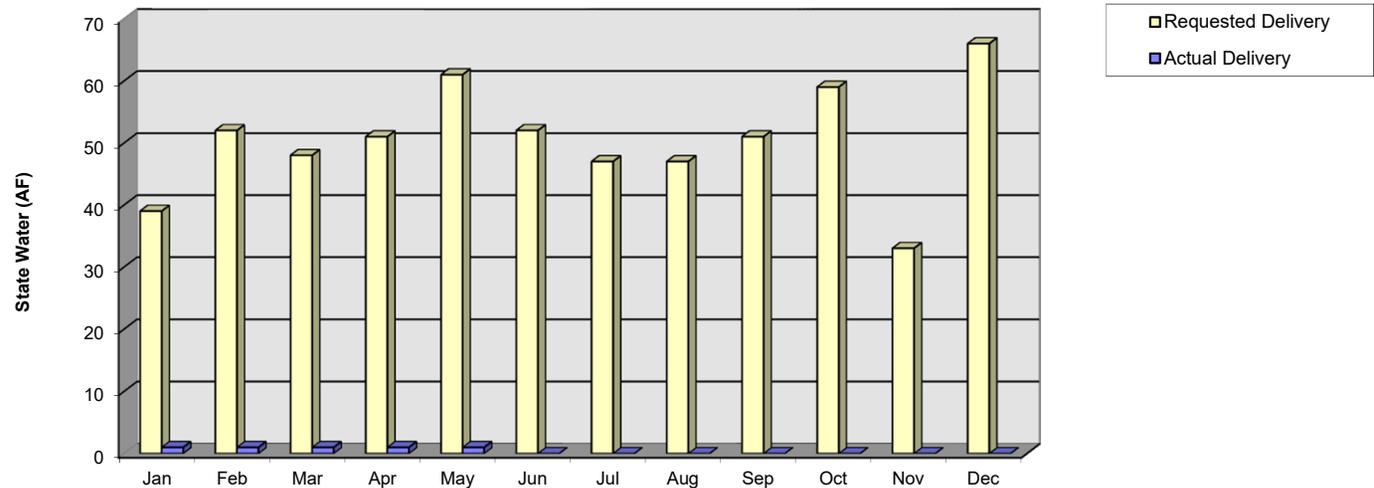
Lopez T.O. - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	47	74	
Feb	73	68	
Mar	46	76	
Apr	20	71	
May	31	78	
Jun	21		
Jul	22		
Aug	22		
Sep	23		
Oct	28		
Nov	15		
Dec	16		
Total	364	367	



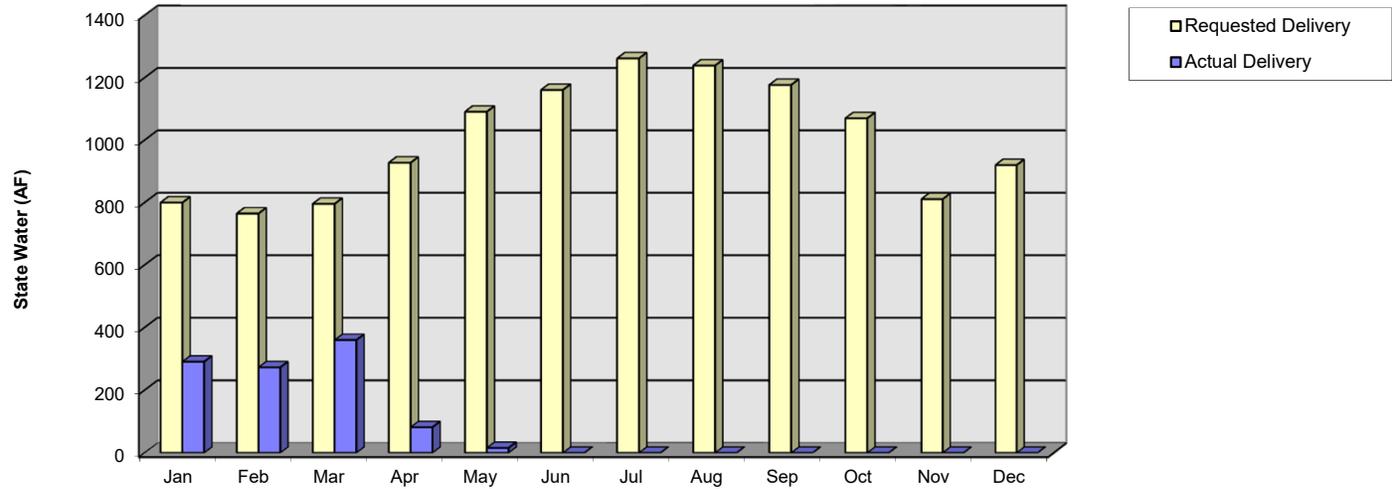
Guadalupe - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	39	1	
Feb	52	1	
Mar	48	1	
Apr	51	1	
May	61	1	
Jun	52		
Jul	47		
Aug	47		
Sep	51		
Oct	59		
Nov	33		
Dec	66		
Total	606	5	



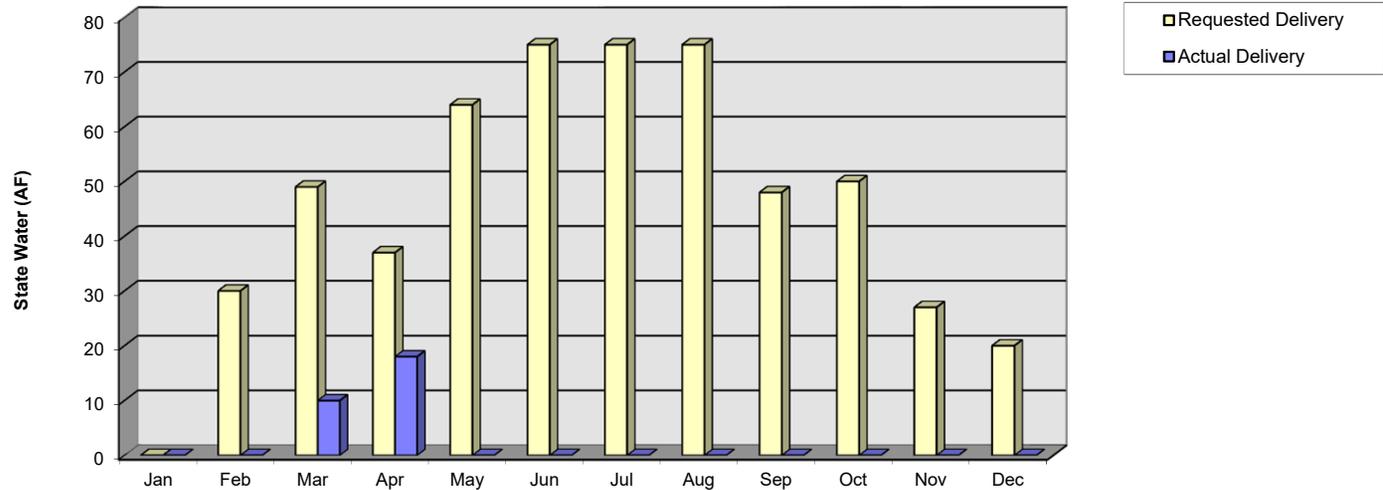
Santa Maria - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	800	291	
Feb	765	273	
Mar	796	360	
Apr	928	82	
May	1091	16	
Jun	1161		
Jul	1262		
Aug	1239		
Sep	1177		
Oct	1070		
Nov	811		
Dec	920		
Total	12020	1022	



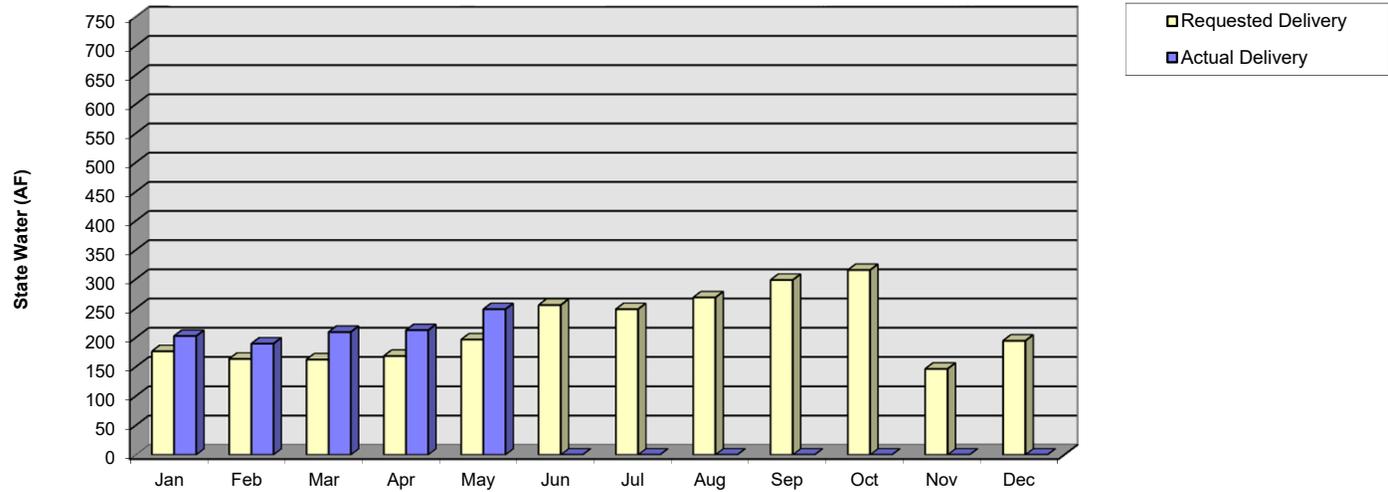
Golden State - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	0	0	
Feb	30	0	
Mar	49	10	
Apr	37	18	
May	64	0	
Jun	75		
Jul	75		
Aug	75		
Sep	48		
Oct	50		
Nov	27		
Dec	20		
Total	550	28	



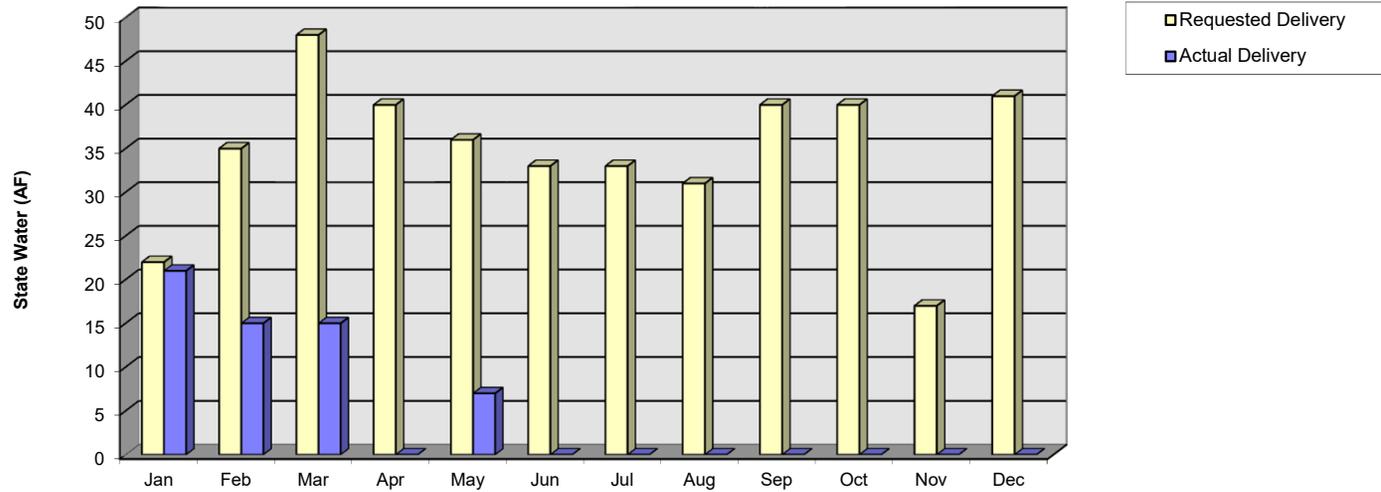
VAFB - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	177	203	
Feb	164	190	
Mar	163	210	
Apr	169	213	
May	197	249	
Jun	256		
Jul	249		
Aug	269		
Sep	299		
Oct	316		
Nov	147		
Dec	195		
Total	2601	1065	



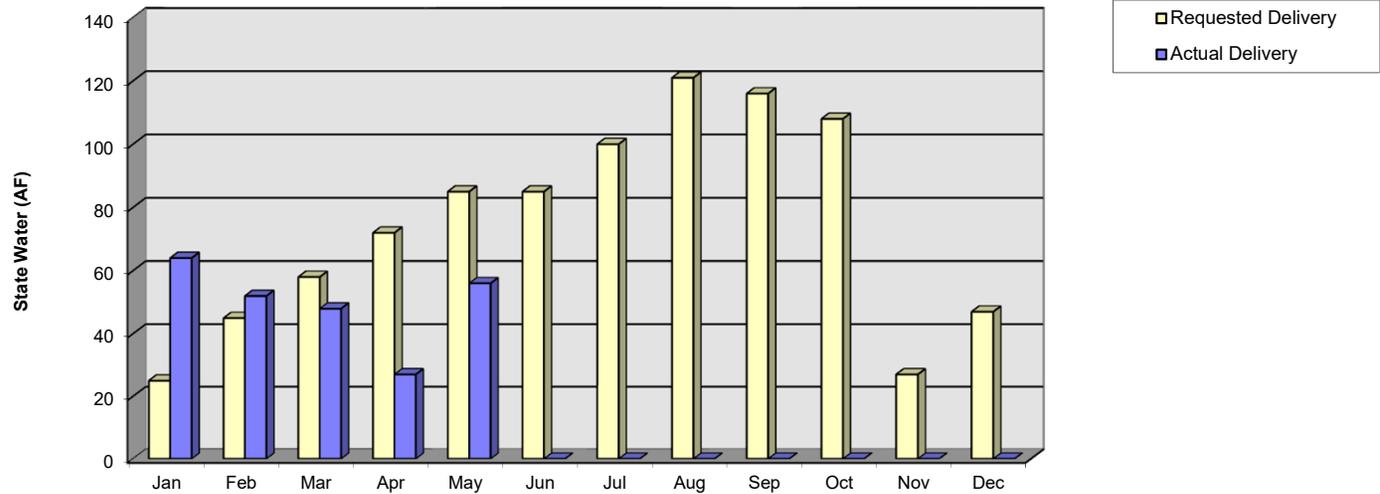
Buellton - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	22	21	
Feb	35	15	
Mar	48	15	
Apr	40	0	
May	36	7	
Jun	33		
Jul	33		
Aug	31		
Sep	40		
Oct	40		
Nov	17		
Dec	41		
Total	416	58	



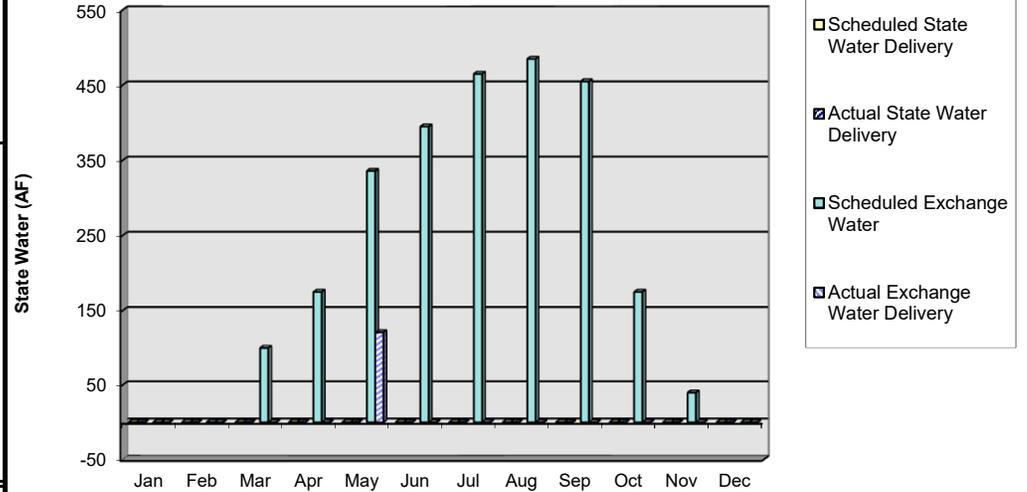
Santa Ynez - Solvang Only - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	25	64	
Feb	45	52	
Mar	58	48	
Apr	72	27	
May	85	56	
Jun	85		
Jul	100		
Aug	121		
Sep	116		
Oct	108		
Nov	27		
Dec	47		
Total	889	247	



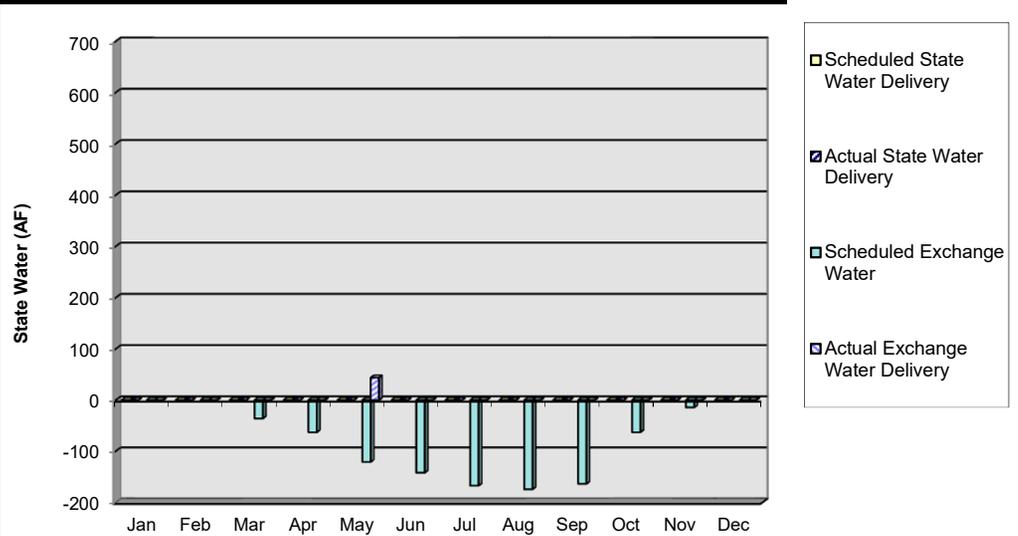
Santa Ynez (Without Solvang) - SWP Deliveries in Year 2021

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Schl'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	
Mar	0	100	100	0	0	0	
Apr	0	175	175	0	0	0	
May	0	336	336	0	121	121	
Jun	0	395	395				
Jul	0	465	465				
Aug	0	485	485				
Sep	0	455	455				
Oct	0	175	175				
Nov	0	40	40				
Dec	0	0	0				
Total	0	2626	2626	0	121	121	



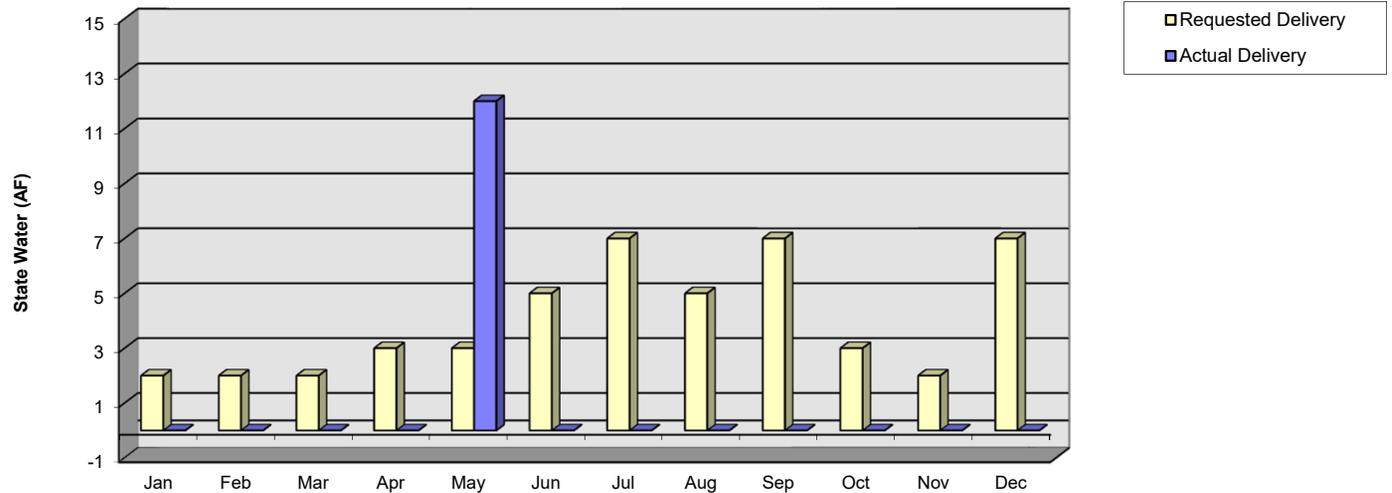
Goleta - SWP Deliveries in Year 2021

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Schl'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	0	0	0	0	0	0	
Feb	0	0	0	0	0	0	
Mar	0	-36	-36	0	0	0	
Apr	0	-63	-63	0	0	0	
May	0	-121	-120.96	0	44	44	
Jun	0	-142	-142.2				
Jul	0	-167	-167.4				
Aug	0	-175	-174.6				
Sep	0	-164	-163.8				
Oct	0	-63	-63				
Nov	0	-14	-14.4				
Dec	0	0	0				
Total	0	-945	-945	0	44	44	



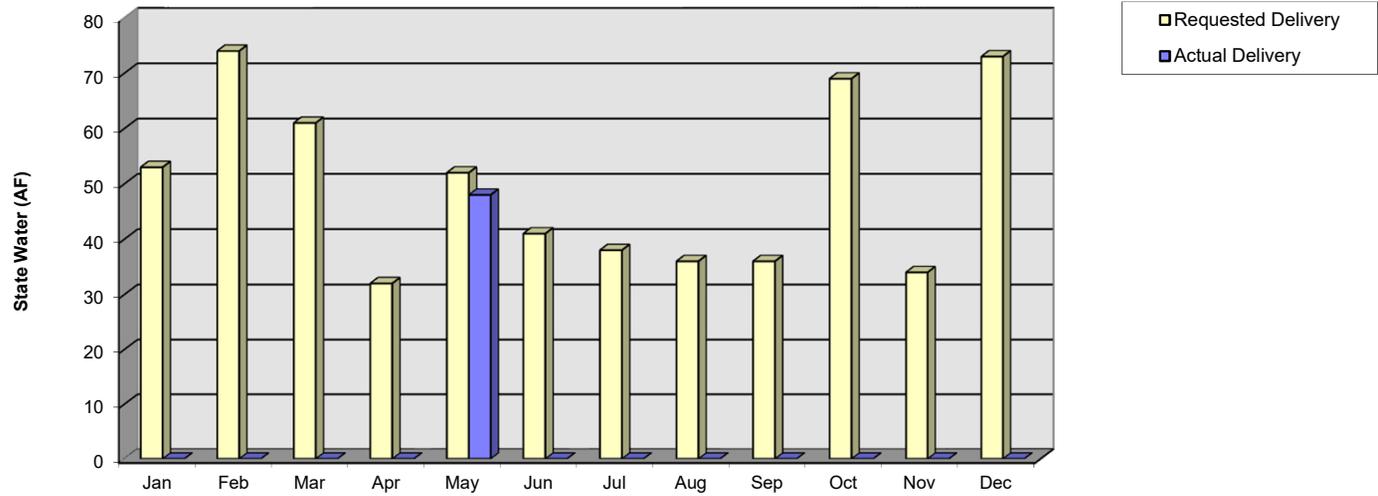
Morehart Land - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	2	0	
Feb	2	0	
Mar	2	0	
Apr	3	0	
May	3	12	
Jun	5	0	
Jul	7	0	
Aug	5	0	
Sep	7	0	
Oct	3	0	
Nov	2	0	
Dec	7	0	
Total	48	12	



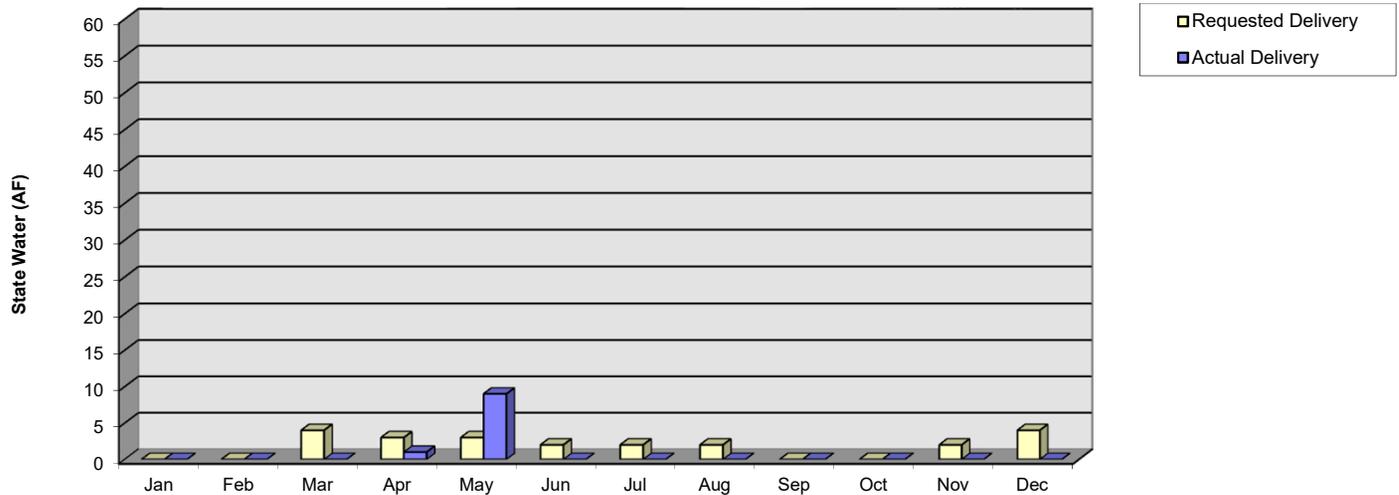
La Cumbre - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	53	0	
Feb	74	0	
Mar	61	0	
Apr	32	0	
May	52	48	
Jun	41		
Jul	38		
Aug	36		
Sep	36		
Oct	69		
Nov	34		
Dec	73		
Total	599	48	



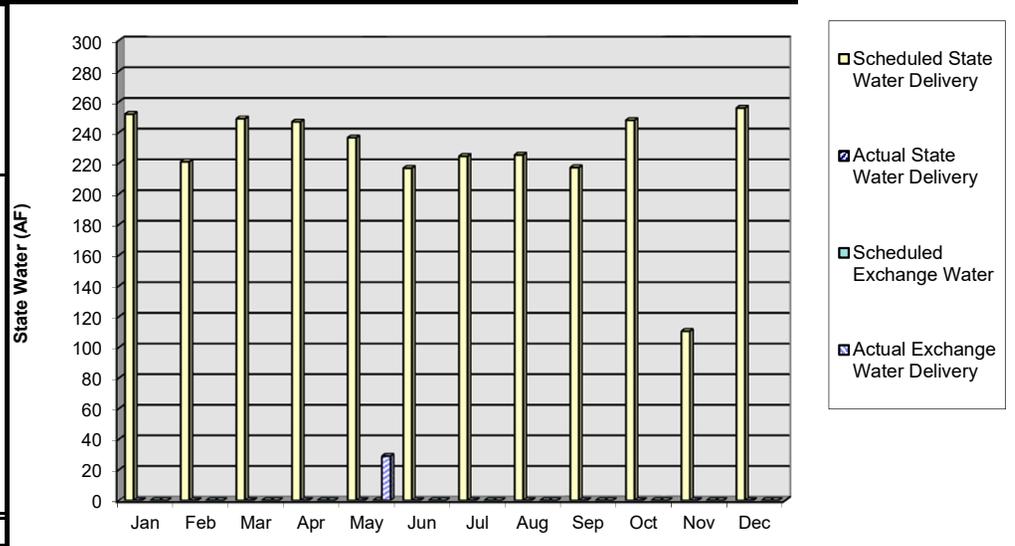
Raytheon (SBRC) - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery	Allocation Available
Jan	0	0	
Feb	0	0	
Mar	4	0	
Apr	3	1	
May	3	9	
Jun	2		
Jul	2		
Aug	2		
Sep	0		
Oct	0		
Nov	2		
Dec	4		
Total	22	10	



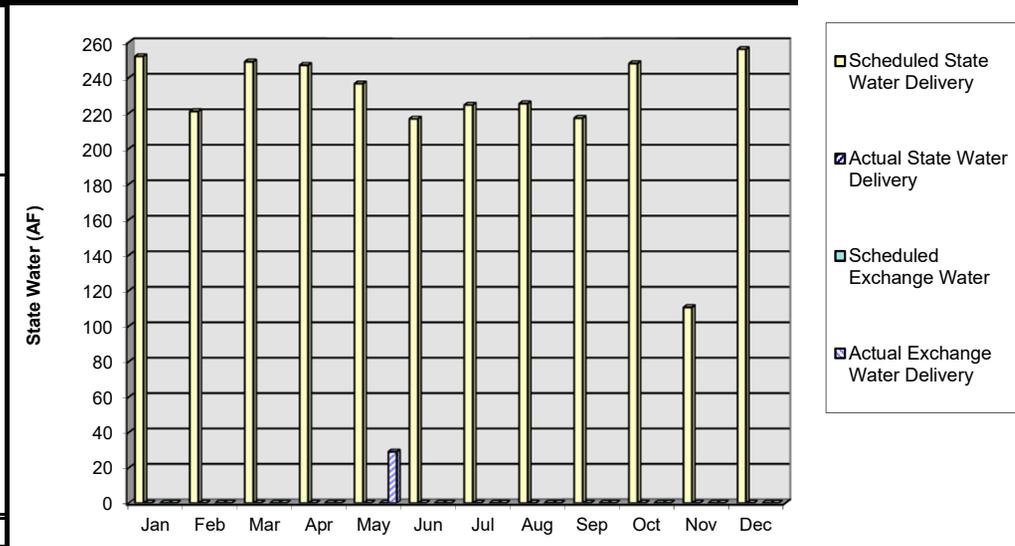
Santa Barbara - SWP Deliveries in Year 2021

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sch'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	252	0	252	0	0	0	
Feb	221	0	221	0	0	0	
Mar	249	-24	225	0	0	0	
Apr	247	-42	205	0	0	0	
May	237	-81	156	0	29	29	
Jun	217	-95	122				
Jul	225	-112	113				
Aug	225	-116	109				
Sep	217	-109	108				
Oct	248	-42	206				
Nov	111	-10	101				
Dec	256	0	256				
Total	2704	-630	2074	0	29	29	



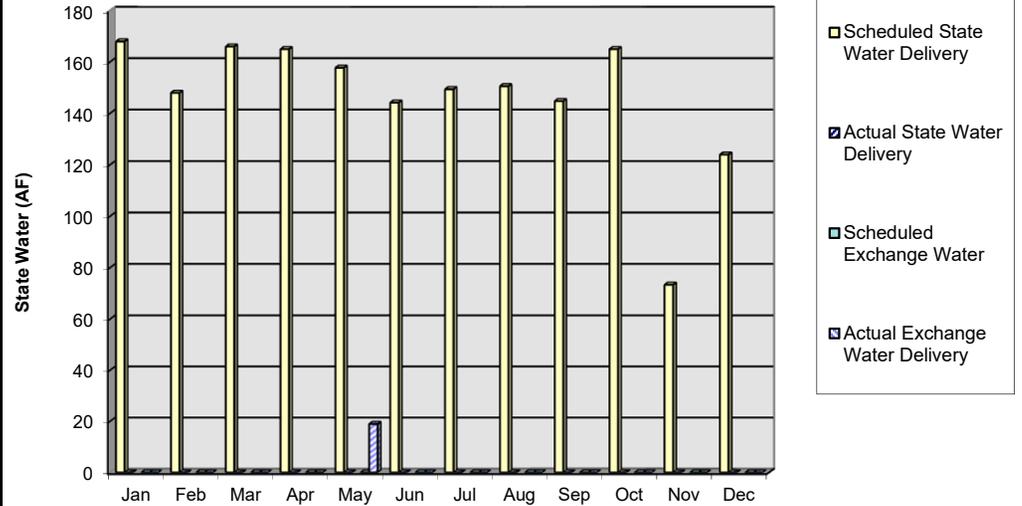
Montecito - SWP Deliveries in Year 2021

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Sch'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	252	0	252	0	0	0	
Feb	221	0	221	0	0	0	
Mar	249	-24	225	0	0	0	
Apr	247	-42	205	0	0	0	
May	237	-81	156	0	29	29	
Jun	217	-95	122				
Jul	225	-112	113				
Aug	225	-116	109				
Sep	217	-109	108				
Oct	248	-42	206				
Nov	111	-10	101				
Dec	256	0	256				
Total	2704	-630	2074	0	29	29	



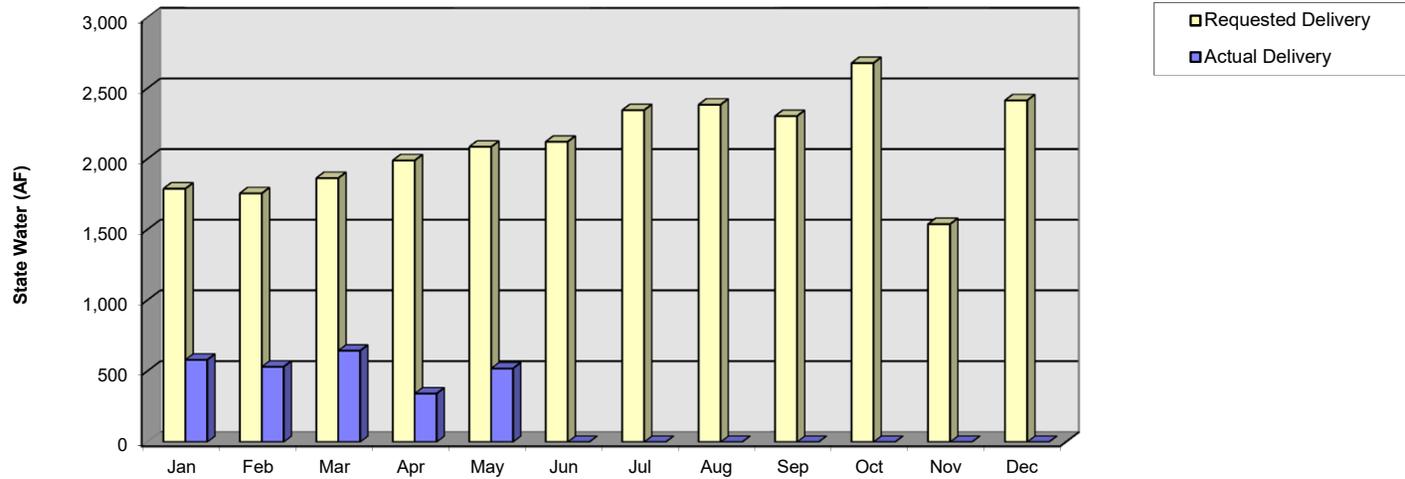
Carpinteria - SWP Deliveries in Year 2021

Month	Scheduled State Water Delivery	Scheduled Exchange Water	Total Schl'd State & Exch. Water Delivery	Actual State Water Delivery	Actual Exchange Water Delivery	Total Actual State & Exch. Water Delivery	Allocation Available
Jan	168	0	168	0	0	0	
Feb	148	0	148	0	0	0	
Mar	166	-16	150	0	0	0	
Apr	165	-28	137	0	0	0	
May	158	-54	104	0	19	19	
Jun	144	-63	81				
Jul	149	-74	75				
Aug	151	-78	73				
Sep	145	-73	72				
Oct	165	-28	137				
Nov	73	-6	67				
Dec	124	0	124				
Total	1756	-420	1336	0	19	19	



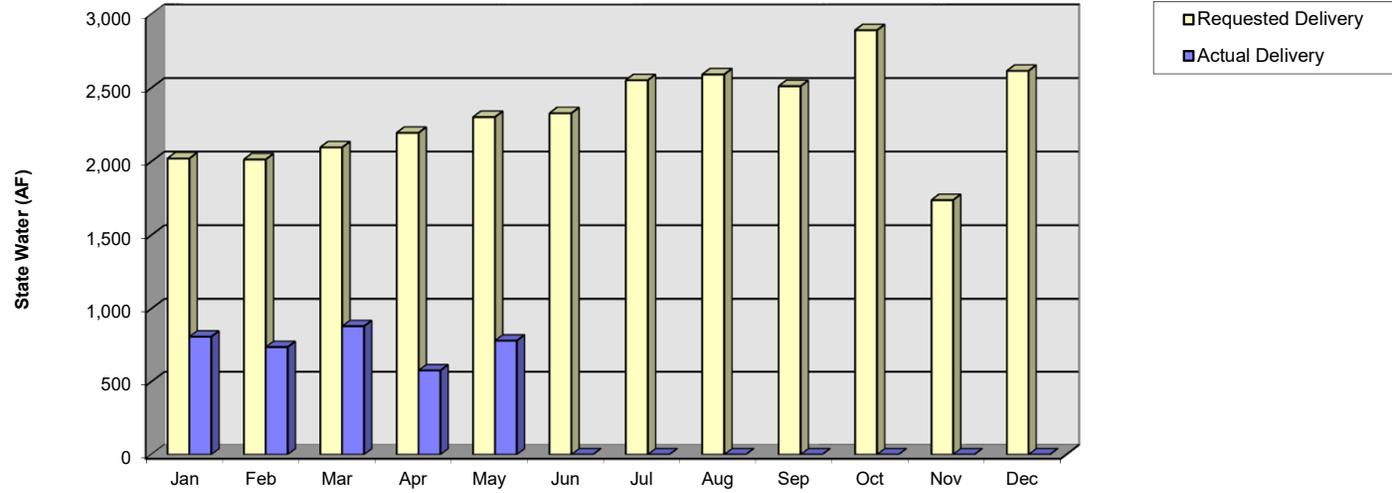
Total SB County - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery
Jan	1,790	580
Feb	1,757	531
Mar	1,865	644
Apr	1,990	342
May	2,086	519
Jun	2,122	
Jul	2,345	
Aug	2,384	
Sep	2,304	
Oct	2,679	
Nov	1,539	
Dec	2,415	
Total	25,276	2,616



Total SB and SLO County - SWP Deliveries in Year 2021

Month	Requested Delivery	Actual Delivery
Jan	2,021	808
Feb	2,014	737
Mar	2,096	880
Apr	2,195	577
May	2,302	781
Jun	2,328	
Jul	2,552	
Aug	2,591	
Sep	2,512	
Oct	2,892	
Nov	1,738	
Dec	2,615	
Total	27,856	3,783





April 26, 2021

Mr. Michael Jackson
U.S. Bureau of Reclamation
South-Central California Area Office
1243 N Street
Fresno, CA 93721-1813

SUBJ: Contract No. 5-07-20-W1282, dated July 25, 1995

Dear Mr. Jackson,

I am writing to request that our respective agencies, the U.S. Bureau of Reclamation (Bureau) and the Central Coast Water Authority (CCWA), begin negotiations on the renewal of CCWA's Water Act Contract (Contract) referenced above. As you're aware, we initially started negotiations in 2019 for an interim renewal contract, but then terminated that effort when it was determined that the current Contract does not expire until June 2022.

In light of the significant work we accomplished negotiating the interim contract, I recommend that we use that work as the starting point for a new 25-year contract.

With just a year remaining on the existing Contract, I would like to begin the contract negotiation and associated environmental review processes immediately to ensure we have adequate time to achieve an executed Contract prior to the expiration of the current Contract. Please let me know what dates and times work best for you and your team so that we can calendar a kick-off meeting.

Sincerely,

A handwritten signature in blue ink that reads "Ray A. Stokes". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ray A. Stokes
Executive Director

RAS

cc: Mike Alvarado, La Cumbre Mutual Water Company
Paeter Garcia, Santa Ynez River Water Conservation District, ID#1
Robert McDonald, Carpinteria Valley Water District
John McInnes, Goleta Water District
Catherine Taylor, City of Santa Barbara
Nick Turner, Montecito Water District

Eric Friedman
Chairman

Ed Andrisek
Vice Chairman

Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

June 15, 2021

TO: CCWA Board of Directors

FROM: John Brady
Deputy Director

SUBJECT: CCWA Urban Water Management Plan

Background

The California Urban Water Management Planning Act requires every urban water supplier to prepare and adopt an Urban Water Management Plan (UWMP). In addition, urban water suppliers are also required to update and adopt the UWMP every five years.

An "urban water supplier" is defined as a public water system that provides water for municipal purposes either directly or indirectly to more than 3,000 customers, or supplies more than 3,000 acre-feet of water annually. The Central Coast Water Authority (CCWA) is considered an urban water supplier because it is classified as a public water system by the California State Water Resources Control Board, Division of Drinking Water (DDW) and it supplies more than 3,000 acre-feet of water per year.

An urban water supplier that does not prepare, adopt, and submit an UWMP to the California Department of Water Resources (DWR) is ineligible to receive drought assistance from the State of California (State). Consequently, in order to preserve the ability to seek assistance from the State of California, CCWA has prepared an UWMP for 2020.

Discussion

CCWA staff and Provost and Pritchard Consultants prepared the draft CCWA 2020 UWMP to preserve the ability to pursue grants and other potential assistance from the State. The various milestones in preparing the UWMP included a number of advance notices and collaboration with the public and other agencies. These measures included the following:

- Provided 60 days advance notice of the Public Hearing to adopt the draft CCWA 2020 UWMP to all Cities and Counties that may ultimately receive water for the CCWA System.
- Provided Water Availability Projections from the State Water Project for future years under various hydrologic conditions to CCWA Project Participants.
- A Public Outreach program was implemented which included:
 - A public workshop on June 14, 2021. Public Notice of this workshop was made by (1) newspaper advertisements in the legal section 14 days in advance and (2) Public Notice was posted on the CCWA website.

- The draft CCWA 2020 UWMP was posted on the CCWA website, along with a copy of the Public Notice for the Workshop and Public Hearing.
- Scheduled a Public Hearing to adopt the draft CCWA 2020 UWMP during the June 24, 2021 CCWA Board of Directors Meeting.

The final CCWA 2020 UWMP must include a resolution of adoption from the CCWA Board of Directors. Once the CCWA 2020 UWMP is adopted, it will be submitted to DWR prior to July 1, 2021. Within 30 days of adoption, the CCWA 2020 UWMP will be forwarded to the State Library, all project participants, and cities and counties that ultimately receive water from the CCWA system. A copy of the final CCWA 2020 UWMP will also be made available for public review for 30 days after adoption.

The draft CCWA UWMP can be found on the CCWA webpage at the following link:

<https://www.ccwa.com/notices>

Financial Considerations

The FY 2020/2021 Budget included an approved project to prepare the 2020 UWMP, with a project budget of \$75,000. Competitive proposals were solicited from three qualified consultation firms by CCWA staff to update the CCWA 2015 UWMP. Provost and Pritchard Consultants was awarded the project at a negotiated cost of \$43,700.

CCWA staff worked with Pritchard and Provost to complete certain elements of the UWMP. In addition, CCWA legal counsel reviewed the UWMP as well and comments were incorporated into the plan. The cost for the legal review will be within the established project budget.

Recommendation

That the Board approve Resolution 21-03 Adopting The 2020 Urban Water Management Plan For The Central Coast Water Authority As Required By The California Urban Water Management Planning Act, California Water Code Section 10610.

JLB

Attachment

RESOLUTION NO. 21-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CENTRAL COAST WATER AUTHORITY
ADOPTING THE 2020 URBAN WATER MANAGEMENT PLAN FOR THE CENTRAL COAST
WATER AUTHORITY**

WHEREAS, California Water Code Section 10610 et seq., known as the Urban Water Management Planning Act (Planning Act), requires urban water suppliers to prepare and adopt an Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP) every five years on or before July 1, in years ending in six and one; and

WHEREAS, the Central Coast Water Authority (CCWA) is an urban water supplier, as defined by the Planning Act, because it is classified as a public water system by the California State Water Resources Control Board, Division of Drinking Water and it supplies more than 3,000 acre-feet of State Water Project water per year; and

WHEREAS, the Planning Act specifies the requirements and procedures for adopting UWMPs and WSCPs; and

WHEREAS, pursuant to the Planning Act, CCWA prepared a draft 2020 UWMP and draft WSCP which is included within the UWMP, in consultation with CCWA's project participants, to support long-term water resources planning in areas that include water demand forecasting, identification of local and imported supplies, and water shortage contingency planning; and

WHEREAS, CCWA provided notice and an opportunity to comment on the draft 2020 UWMP and draft WSCP through:

Sixty day notice posted on the CCWA website and e-mailed to all project participants
February 22, 2021
Reduced Reliance Notice to all project participants dated March 24, 2021
Supply forecast letter to all project participants dated April 28, 2021
June 10, 2021 posting of the draft UWMP and draft WSCP on the CCWA website
Notice published in the Santa Barbara News Press on June 9, and June 15, 2021 for the
Public Workshop and Public Hearing

WHEREAS, CCWA conducted one properly noticed public workshop regarding said draft 2020 UWMP and draft WSCP on June 14, 2021; and

WHEREAS, the CCWA conducted one properly noticed public hearing regarding said draft 2020 UWMP and draft WSCP on June 24, 2021; and

WHEREAS, pursuant to California Water Code section 10652, the preparation and adoption of an UWMP is exempt from the requirements of the California Environmental Quality Act (California Public Resources Code section 21000, et seq.).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Central Coast Water Authority:

Section 1.

The foregoing recitals are true and correct, have been duly performed in conformity with the Planning Act and other applicable law, and constitute the findings and determinations of the Board.

Section 2.

The final 2020 UWMP, dated _____, is approved and adopted.

The final 2020 WSCP, dated _____, is approved and adopted.

Section 3.

The Executive Director is hereby directed to:

- A. Submit the 2020 UWMP and WSCP to the California Department of Water Resources within 30 days of adoption and not later than July 1, 2021;
- B. Submit a copy of the 2020 UWMP and WSCP to the California State Library, each CCWA Participant, the County of Santa Barbara and the County San Luis Obispo, not later than 30 days after adoption;
- C. Make the 2020 UWMP and WSCP available for public review through the CCWA website as soon as practical after adoption; and
- D. Implement the 2020 UWMP and WSCP consistent with applicable law and other formal actions of the Board.

The Executive Director is further directed to periodically review the 2020 UWMP and WSCP in accordance with applicable law and recommend to the Board amendments to the documents as may be appropriate as a result of such review.

Section 4.

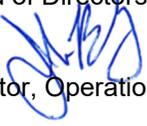
This resolution is effective upon adoption.



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

June 16, 2021

TO: CCWA Board of Directors
FROM: John Brady, 
Deputy Director, Operations and Engineering
SUBJECT: CCWA South Coast Manager Workgroup Update

Background

Due to higher than budgeted electrical costs in FY 2020/2021 for the operation of the Santa Ynez Pumping Plant (SYPP), a detailed electrical evaluation was conducted by CCWA staff. The conclusion of the analysis was that when SYPP is operated at higher monthly delivery rates, the cost per acre-foot (AF) is relatively stable. However, if SYPP is operated with low monthly delivery rates, the costs per AF will increase exponentially as monthly delivery rates decrease, particularly when SYPP is operated at less than 50% capacity.

CCWA staff presented the results of the analysis to the Board during their April 22, 2021 meeting and made several recommendations, which the Board approved. One of the recommendations was to establish a Workgroup of CCWA staff, the CCWA South Coast Operating Committee managers and other Project Participants to identify ways to mitigate the large electrical costs at the SYPP and to return to the full Operating Committee and CCWA Board with proposals for consideration.

The purpose of this report is to update the Board on the actions taken so far in establishing the Workgroup and what tasks have been accomplished to date.

Discussion

The Workgroup was established and the first meeting of the group was held on May 26, 2021. The agenda and related minutes are attached for review. CCWA staff is currently working on the following tasks:

- Continue correspondence with the US Bureau of Reclamation to seek authorization to use the excess storage capacity of Lake Cachuma. The purpose of seeking this approval is to facilitate aggregation of lake deliveries so that water can be cost effectively delivered to Lake Cachuma.
- Continue testing and analysis of SYPP for demand and energy consumption for various operational settings. The purpose of this work is to develop an operational matrix that could be utilized by CCWA staff and South Coast agencies in planning lake deliveries. The matrix will provide a cost estimate for lake deliveries, based on volume and delivery rates.

Upon completion of the above tasks, the second Workgroup meeting will be convened to review the new information and develop the additional steps that will lead to an overall recommendation to the CCWA Operating Committee and Board for controlling electrical costs at SYPP.

JLB
Attachments

**Central Coast Water Authority
Lake Cachuma Delivery Work Group
May 26, 2021, 1:00 PM**

Work Group Members

- Carpinteria Valley Water District
- City of Santa Barbara
- Goleta Water District
- Montecito Water District
- Santa Ynez River Conservation District,
Improvement District #1
- La Cumbre Mutual Water Company

CCWA Staff

- Ray Stokes, Executive director
- John Brady, Deputy Director
- Lisa Long, Controller

Agenda Items

1. Water Accounting Linked to Actual Use. (Lisa Long)
 - a. Conveyance will be based on Table A
 - b. Estimated Actual Delivery Schedules:
 - i. DWR will use these estimated in determining their billing.
 - ii. CCWA Accounting will use to establish and maintain the Variable Cost Deposit.
 - iii. CCWA Operations will use to implement efficient deliveries.
2. Santa Ynez Exchange (Ray Stokes)
 - a. Brief Description of SY Exchange Agreement.
 - i. Exchange is between available ID#1 Cachuma Supplies and available SWP supplies from Goleta, Santa Barbara, Montecito, Carpinteria. La Cumbre participates when available SWP supplies of the primary exchange partners are exhausted.
 - ii. CCWA is a signatory to the SY Agreement and has the responsibility to administer the program.
 - iii. Exchange Partners need to communicate Calendar Year Exchange Volume to CCWA by April 1.
 - iv. Historical perspective on Exchange Agreement issues
 - v. Current year water available to meet Exchange
3. Methods to Reduce Lake Delivery Costs (John Brady)
 - a. When SYPP is operated below 50% capacity, pumping costs start to increase exponentially.
 - b. Measures to control cost:
 - i. Aggregate delivery requests on a quarterly basis, if SYPP can not be operated above 50% capacity.
 - ii. Development of a SYPP Operational Matrix to present the cost for delivering water at specific volumes and delivery rate. This can be utilized in coordinating deliveries in advance.
 - iii. Use of the SY Exchange to facilitate lake delivery for Raytheon, Morehart or La Cumbre.
4. Call with US Bureau on May 26, 2021 on the Warren Act Contract negotiations.

Minutes of the
Central Coast Water Authority
Lake Cachuma Delivery Work Group
May 26, 2021 1:00 PM

Participants representing Work Group Members:

Robert McDonald, Carpinteria Valley Water District
Dakota Corey, City of Santa Barbara
Ryan Drake, Goleta Water District
Nick Turner, Montecito Water District
Paeter Garcia, Santa Ynez River Water Conservation District, ID #1
Mike Alvarado, La Cumbre Mutual Water Company
Ray Stokes, Central Coast Water Authority
John Brady, Central Coast Water Authority
Lisa Long, Central Coast Water Authority

Mr. Stokes called the meeting to order at 1:00 PM and noted the group had been authorized by the CCWA Operating Committee and Board to discuss alternatives to address the anticipated increase in pumping costs to deliver water to Lake Cachuma as well as changes to CCWA's billing procedures for variable costs and

Agenda Items:

1. Water Accounting Linked to Actual Use. (Lisa Long)

Participants will be asked quarterly for their anticipated deliveries. An initial variable deposit of 25% of Table A allocation (without drought buffer) or the participants requested estimated deliveries will be requested.

- a. Conveyance will be based on Table A
- b. Estimated Actual Delivery Schedules will be delivered to DWR
 - i. DWR will use these estimated in determining their billing
 - ii. CCWA Accounting will use to establish and maintain the Variable Cost Deposit
 - iii. CCWA Operations will use to implement efficient deliveries.

As long as requested deliveries don't vary significantly, should not be an issue. This will greatly reduce amount collected for variable costs. Invoices will be going out the first week of June.

Ms. Corey confirmed that there would be no advantage to an anticipated delivery amount that would be more than would actually be requested during the period. Mr. Stokes stated that capacity would be based on the participants Table A amount. Mr. Brady explained that any extra capacity would be shared according to Table A.

Estimated Actual Delivery Schedules will be delivered to DWR to avoid large over/under charges from DWR.

2. Santa Ynez Exchange (Ray Stokes)

- a. Brief Description of SY Exchange Agreement.
 - i. Exchange is between available ID#1 Cachuma Supplies and available SWP supplies from Goleta, Santa Barbara, Montecito, and Carpinteria. La Cumbre participates when available SWP supplies of the primary exchange partners are exhausted.
 - ii. CCWA is a signatory to the SY Agreement and has the responsibility to administer the program.
 - iii. Exchange Partners need to communicate Calendar Year Exchange Volume to CCWA by April 1
 - iv. Historical perspective on Exchange Agreement issues
- b. Current year water available to meet Exchange

Next water year will be very serious, according to DWR, and there may not be any water to effectuate the Exchange. It is important that a plan be established and agreed upon.

Mr. McDonald reviewed the difference between the cost of exchanging water pursuant to the SY Exchange Agreement (Exchange), which doesn't incur CCWA variable costs, as opposed to the higher cost of having water delivered to Lake Cachuma. Mr. Turner noted that the Montecito's shortage as anticipated is not due to any actions by MWD, and asked for clarification of water subject to the Exchange, if carryover water and banked water outside of Santa Barbara County is subject to the Exchange. Mr. Garcia noted the SYRWCDID#1's desire to maintain the Exchange as a mutually beneficial framework for the participants.

Mr. Stokes will draft a list of issues and distribute it to the workgroup.

3. Methods to Reduce Lake Delivery Costs (John Brady)

- a. When SYPP is operated below 50% capacity, pumping costs start to increase exponentially.
- b. Measures to control cost:
 - i. Aggregate delivery requests on a quarterly basis, if SYPP cannot be operated above 50% capacity
 - ii. Development of a SYPP Operational Matrix to present the cost for delivering water at specific volumes and delivery rate. This can be utilized in coordinating deliveries in advance.
- c. Use of the SY Exchange to facilitate lake delivery for Raytheon, Morehart or La Cumbre.

New electrical rates will cause cost per acre foot to increase exponentially during low flow periods. If deliveries are aggregated for several months this will be alleviated. Discussions have begun with the USBR to allow this and how evaporative losses will

be handled, and when the plan is fully developed it will be communicated to the participants.

Sixty-nine acre feet were delivered to the Lake this week to determine an operational matrix on pump usage and electrical costs. This will be used to calculate optimal delivery quantities.

Methods of utilizing the Exchange to accommodate small usage participants who are not participants in the Exchange is also being investigated.

Mr. Drake noted that the Exchange and evaporative losses was a sensitive issue between CCWA participants and Santa Barbara County during the last drought.

There is an operation plan that has been submitted to the Bureau and approved that allows CCWA to install a pipeline that would increase the capacity of delivery to the Lake by installing the bypass pipeline across the shelf. This will also decrease the demand charge as less energy is needed to move the water to the Lake.

Mr. Stokes suggested that a written plan on how these matters will be administered, especially on a monthly basis to reallocate available capacity.

4. Call with US Bureau on May 26, 2021 on the Warren Act Contract negotiations.

Mr. Stokes spoke with the USBR the morning of May 26, 2021 to discuss contract issues, including expiration of the current contract. USBR is required to do National Environmental Policy Act (NEPA) assessment, as a whole new contract will need to be negotiated. There may be a period when a temporary contract will be needed again if the re-consultation has not been finalized by NMFS, and this is out of CCWA's control. Mr. Drake pointed out that there is a biological assessment that includes verbiage that USBR intends to grant a 25 year contract to CCWA.



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

June 8, 2021

TO: CCWA Board of Directors

FROM: Ray A Stokes
Executive Director

SUBJECT: Ernst & Young Audit Report and Findings on the DWR 2021 Statement of Charges

DISCUSSION

CCWA and the San Luis Obispo County Flood Control and Water Conservation District (SLOFCWCD) engaged the accounting firm of Ernst & Young to audit the calendar year 2021 Statement of Charges for both entities. SLOFCWCD agreed to participate in this audit for 2021 because both entities share the same Coastal Branch facilities and so the benefits of the audit also apply to SLOFCWCD.

The audit report is attached to this memo. The three areas of focus of the audit were;

- Transportation Minimum
- Rate Management Credit Allocation
- Coastal Branch Extension Debt Service

Some of the main findings with the largest dollar amounts found in this years' audit are as follows:

1. Misallocation of Transportation Minimum Costs to CCWA totaling about \$180,345 which should have been allocated to other DWR financial reaches.
2. Misallocation of Coastal Branch Extension (Reaches 37 and 38) for debt service that should have been allocated to other State Water Project Contractors in the amount of \$458,129.
3. DWR has not corrected the Coastal Branch Extension debt service allocated to CCWA as a result of refinancing Coastal Branch Extension debt service, by failing to update the amounts charged to CCWA with the updated actual debt service paid by DWR. \$1,167,334 has been overcharged, to CCWA from 1998 to 2019, plus interest impact of \$891,796 for a total of \$2,059,130.

CCWA staff will provide an overview of these and other issues listed in the report at the CCWA Board meeting.

RAS

Attachment

SUMMARY OF 2020 PROCEDURES, FINDINGS,
AND RECOMMENDATIONS

Central Coast Water Authority
San Luis Obispo County Flood Control and Water Conservation District

Ernst & Young LLP





Ernst & Young LLP
Sacramento Office
Suite 300
2901 Douglas Boulevard
Roseville, CA 95661

Tel: +1 916 218 1900
Fax: +1 916 218 1999
ey.com

To the Representatives of Central Coast Water Authority and San Luis Obispo County Flood Control and Water Conservation District

We have completed our engagement to perform procedures at the California Department of Water Resources (DWR or the "Department") on behalf of Central Coast Water Authority (CCWA) and San Luis Obispo County Flood Control (FC) and Water Conservation District (WCD) (collectively, "SLO"). Our engagement was performed in accordance with Exhibit C-1 dated July 10, 2020, to the Statement of Work dated July 10, 2020, and our procedures were limited to those described in that Exhibit C-1.

Our findings and recommendations resulting from our procedures are presented in the memoranda, summaries, and schedules included in the Summary of 2020 Procedures, Findings, and Recommendations (Report). The procedures were performed based on information obtained principally by inquiries of officials and other personnel of the DWR and inspection of certain accounting related records and reports of the DWR. The specific sources of the various components of the information are indicated in the accompanying memoranda, summaries, and schedules. The information included in the Report, including the memoranda, summaries, and schedules, are solely those we received in response to our inquiries or obtained from documents furnished to us. Our work was limited in scope and time, and we stress that more detailed procedures may reveal findings that this engagement has not.

Except for ascertaining that certain information in tabulations and reports, received from the DWR, agreed with the accounting records (as specifically identified in the accompanying memoranda, summaries, and schedules), we were not requested to and did not perform procedures to evaluate the reliability or completeness of the information obtained. The procedures do not constitute an audit, a review, or other form of assurance in accordance with any generally accepted auditing, review, or other assurance standards, and accordingly, we do not express any form of assurance. While we believe the information obtained is substantially responsive to your request, we are not in a position to assess its sufficiency for your purposes.

Restrictions on the use of our work product

This Report is intended solely for the information and use of CCWA and SLO and is not intended to be and should not be used by anyone other than these specified parties. Except where compelled by legal process (of which CCWA and SLO shall promptly inform EY and tender to EY, if EY so elects, the defense), CCWA and SLO may not disclose, orally or in writing, the Report or any portion, abstract or summary thereof, to make any reference to EY in connection therewith, to any third party without obtaining the prior written consent of EY. To the extent CCWA and SLO are permitted to disclose the written Report as set forth herein, it shall disclose the Report only in the original, complete, and unaltered form provided by EY, with all restrictive legends and other agreements intact.

CCWA and SLO shall, among other responsibilities with respect to the Report, (i) make all management decisions and perform all management functions, including applying independent business judgment to the Report, making implementation decisions and determining further courses of action in connections with the Report; (ii) assign a competent employee within senior management to make all management decisions with respect to the Report; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Report.

Very truly yours,

March 3, 2021

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Executive Summary of 2020 Procedures

The transportation minimum component for CCWA and SLO (collectively, the "Central Coast Contractors") has seen volatility. The following tables show the change in the transportation minimum component for the 2019 calendar year for the 2021, 2020, and 2019 Statement of Charges (SOC):

Contractor	Year	2020 SOC	2021 SOC	Difference	% Change
CCWA	2019	\$ 12,336,361	\$ 11,588,072	\$ (748,289)	(6.1)%
SLO	2019	\$ 2,269,782	\$ 2,105,515	\$ (164,267)	(7.2)%

Contractor	Year	2019 SOC	2020 SOC	Difference	% Change
CCWA	2019	\$ 11,472,738	\$ 12,336,361	\$ 863,623	7.5%
SLO	2019	\$ 2,044,164	\$ 2,269,782	\$ 225,618	11.0%

This volatility is primarily caused by updates to the Central Coast Contractors' allocation percentages through alpha allocation cycles. We performed procedures on the transportation minimum component, by analyzing the costs charged to reach 33A, which had an allocation of 90% and 10% for CCWA and SLO, respectively. These procedures included testing direct costs charged to reach 33A related to invoices, labor costs, and indirect costs charged to reach 33A through the alpha allocation cycles. We performed an analysis of costs charged to reach 33A comparing the 2018 costs to the 2019 costs for specific cost centers and projects. Direct labor costs were a main driver of the overall change in these costs. The following table summarizes changes in direct to reach 33A charges.

Cost Center	Project	2018 Costs	2019 Costs	Increase/ (Decrease) in Costs (2018-2019)
2300871500	Repairs and Maintenance	\$ 109,134	\$ 294,313	\$ 185,179
2300871502	Inspection and Testing	\$ 197,521	\$ 88,128	\$ (109,393)
2300871502	Repairs and Maintenance	\$ 1,127,805	\$ 816,430	\$ (311,375)
2300871503	Environment	\$ 681	\$ 120,098	\$ 119,417
2300871503	Repairs and Maintenance	\$ 1,253,130	\$ 581,086	\$ (672,044)
2301871503	Pump Modification	\$ 12,821	\$ 248,294	\$ 235,473

The decrease in direct labor costs charged to reach 33A also impacts the indirect cost allocations for the transportation minimum component, as these allocations are calculated based on direct labor hours. The following table summarizes these changes.

Alpha Allocation Cycle	2018 Allocation	2019 Allocation
FDL907	65.4%	54.2%
FFN907	15.3%	10.2%
FAD908	3.5%	2.7%
FAD909	3.5%	2.7%
SAA913	2.4%	1.5%
SAA923	2.4%	1.5%

We selected a sample of direct labor hours charged to selected Internal Orders (IOs) and made inquiries to the Department to identify the nature of the work performed and the location the work pertained to. We then determined if the direct labor costs were billed to the reach based on the responses obtained from the selected employees.

Our procedures related to analyzing invoices charged to specific IOs has led to specific findings referenced in the Detailed Discussion of 2020 Procedures section of this report. Such invoice related findings pertain to costs charged to specific indirect cost allocations that look to be more appropriately allocated to other indirect or direct cost allocations based on the work being performed. We also observed alpha allocation cycle percentages being allocated using prior year allocation percentages.

We have performed procedures over the rate management credit allocation used in the 2021 SOC, and assessed whether the transportation capital component used in the calculation agreed to supporting documentation. We observed that the transportation capital component for CCWA and SLO agreed to the applicable support. Additionally, we performed a fluctuation analysis by Contractor to explain the change in rate management credit allocations.

We have performed procedures over Coastal Branch Extension (CBX) debt service to determine whether CCWA properly received credits for reduced debt service payments as a result of bond series Q and W refinancing. We observed that the Department bills debt service in the SOC in advance of bond refinancing, and then does not subsequently adjust the billings to reflect the impact of the refinanced debt for CCWA. \$1,167,334 has been overcharged to CCWA from 1998 to 2019, plus interest impact of \$891,796, for a total of \$2,059,130.

Detailed Discussion of 2020 Procedures

Areas of Focus

- Transportation Minimum
- Rate Management Credit Allocation
- CBX Direct Debt Service

Findings and Recommendations Summary Tables

Throughout the report, summary tables are categorized as findings or recommendations. Findings specifically relate to observations with a dollar impact to CCWA and SLO. Recommendations are process improvements observed for the Department specifically identified through current year procedures for which no dollar impact to CCWA or SLO was determined.

The findings and recommendations summary tables throughout the report identify the risk of future occurrence. This risk rating provides CCWA and SLO with a meaningful measurement of the likelihood of similar findings in subsequent years if the finding is not addressed or corrected. CCWA and SLO have requested that we use the following risk rating definitions:

- High – it is highly likely (or probable) that the error or process failure will be repeated
- Medium – it is more likely than not that the error or process failure will be repeated
- Low – it is possible that the error or process failure will be repeated

Internal Control Impact Framework

The internal control categories presented in the findings and recommendation summary tables detail the root cause of the finding or recommendation. We have summarized all findings and recommendations into internal control categories, which are presented in the Internal Control Impact Framework. This framework that has been developed by CCWA and SLO is as follows:

1. Control Activities:

- a. Internal Controls on Reconciliations, Approvals, Assets, Segregation of Duties – Findings in this category are the result of errant internal control measures or practices. This includes approvals, verifications, reconciliations, and segregation of duties.
- b. Internal Controls on Data Environment to Ensure Data Integrity – Findings in this category are the result of errant data control measures or practices. This includes practices that result in altered, damaged, or errant data included in calculations or reporting.

2. Control Environment:

- a. Policy: Determination of Beneficiary – Findings in this category are the result of no policy or lack of compliance with policy regarding full reimbursement of cost and having a defined beneficiary prior to providing service.
- b. Policy: Determination of Cost Categorization – Findings in this category are the result of no policy or lack of compliance with policy regarding controls and approvals of cost classification/codification prior to posting into a system of record.
- c. Policy: Accounting Standards for Consistency – Findings in this category are the result of the DWR adopting an accounting principle, method or practice and not consistently following the principle, method or practice in future accounting periods.
- d. Policy: Accounting Standards for Timeliness – Findings in this category are the result of DWR not following the accounting principle of timeliness or the need for accounting information to be presented to the users in time to fulfill their decision-making needs.
- e. Procedures: No Procedures – Findings in this category are the result of DWR not having established standardized processes or procedures.
- f. Procedures: Errant Procedures – Findings in this category are the result of DWR having errant standardized processes or procedures creating a weakness in internal control processes.
- g. Procedures: Procedures not Being Followed – Findings in this category are the result of DWR staff not following standardized processes or procedures creating a weakness in internal control processes.

Transportation Minimum

Procedures Performed

We performed the following detailed procedures on the transportation minimum component for reach 33A:

- Transportation minimum direct allocation for reach 33A:
 - Obtained a listing of IOs associated with costs of specific projects and performed an analysis comparing 2018 to 2019.
 - Assessed a sample of IOs with the largest increase in costs and hours charged from specific projects resulting from the analysis completed in the preceding procedure.
 - Assessed a sample from the largest new groups and employees of like IOs in 2019.
- Transportation minimum indirect allocation for reach 33A:
 - Selected the largest alpha allocation cycles causing the increase in indirect costs for the Statewide, San Joaquin Field Division, and Coastal Branch (CB) allocations:
 - Statewide: M-FAD908, M-FAD909, M-SAA913, M-SAA923
 - San Joaquin Field Division: M-FFN907
 - CB Field Division: M-FDL907
 - Obtained a listing of IOs associated with the costs for the alpha allocation cycles and the specific projects, and performed a fluctuation analysis from 2018 to 2019.
 - Assessed a sample of IOs with the largest increase in costs and hours charged from specific projects resulting from the fluctuation analysis from 2018 to 2019.
 - Assessed a sample from the largest new groups and employees of similar IOs in 2019.
- Downstream allocation for reach 33A:
 - Investigated the increase in downstream expenses.
- Investigated any variances identified.

Findings and Recommendations

We performed a fluctuation analysis on transportation minimum direct allocation to reach 33A and the largest alpha allocation cycles causing significant changes (increases or decreases) in indirect costs for the Statewide, San Joaquin Field Division, and CB Field Division allocations from 2018 to 2019. The results of this analysis are as follows:

Cost Center	Project	2018 Costs	2019 Costs	Increase/ (Decrease) in Costs (2018-2019)	Change Description
2300871500	Repairs and Maintenance	\$ 109,134	\$ 294,313	\$ 185,179	The change in costs from 2018 to 2019 primarily relates to an increase in miscellaneous costs. The increase in miscellaneous costs consisted of replacement valve seat costs and asphalt work performed for the CB.
2300871502	Inspection and Testing	\$ 197,521	\$ 88,128	\$ (109,393)	The change in costs from 2018 to 2019 primarily relates to a decrease in direct labor. The labor hours changed from 1,271 in 2018 to 370 in 2019. The change in labor was primarily related to relay tests that were performed at Devil's Den Pumping Plant in 2018 but were not performed in 2019.

Cost Center	Project	2018 Costs	2019 Costs	Increase/ (Decrease) in Costs (2018-2019)	Change Description
2300871502	Repairs and Maintenance	\$ 1,127,805	\$ 816,430	\$ (311,375)	The change in costs from 2018 to 2019 primarily relates to a decrease in direct labor. The labor hours changed from 11,961 in 2018 to 6,043 in 2019. The change in labor was primarily related to various repairs (i.e., draining the forebay and work performed on the air chamber) that were performed around the Devil's Den Pumping Plant in 2018, that were not performed in 2019 to the same extent.
2300871503	Environment	\$ 681	\$ 120,098	\$ 119,417	The change in costs from 2018 to 2019 primarily relates to an increase in direct labor. The labor hours changed from 7 in 2018 to 748 in 2019. The labor costs consisted of sediment removal and insecticide application in 2019.
2300871503	Repairs and Maintenance	\$ 1,253,130	\$ 581,086	\$ (672,044)	The change in costs from 2018 to 2019 primarily relates to a decrease in direct labor and miscellaneous costs. The labor hours changed from 11,782 in 2018 to 4,032 in 2019. The change in labor and miscellaneous costs was primarily related to pumping plant refurbishments and repairs that were performed in 2018 for Bluestone Pumping Plant but were not performed in 2019 to the same extent.
2301871503	Pump Modification	\$ 12,821	\$ 248,294	\$ 235,473	The change in costs from 2018 to 2019 primarily relates to an increase in miscellaneous costs. The miscellaneous costs consisted of pump modifications performed at the Bluestone Pumping Plant Unit 2 in 2019.
2300FDL907	General Time	\$ 388,179	\$ 122,795	\$ (265,384)	The change in costs from 2018 to 2019 primarily relates to a decrease in direct labor costs. The labor hours changed from 3,552 in 2018 to 1,161 in 2019. The direct labor costs consisted of work related to annual orders performed in 2018 classified under General Time in the CB, that were not performed in 2019 to the same extent.
2300FDL907	Weed Removal	\$ 247,470	\$ 39,324	\$ (208,146)	The change in costs from 2018 to 2019 primarily relates to a decrease in direct labor. This decrease is caused by a correction that moved costs related to weed removal to the specific reach that they pertained to. The costs were incorrectly allocated to the CB initially through alpha allocation cycle M-FDL907. These costs were moved direct to CB-R31A as the costs were specific to that reach.
2300FFN907	Vehicle	\$ 517,603	\$ 186,321	\$ (331,282)	The change in costs from 2018 to 2019 primarily relates to a decrease in direct labor costs, asset purchases, and materials costs. The labor hours changed from 199,842 in 2018 to 163,955 in 2019. The direct labor costs consisted of vehicle service and repairs that were performed in 2018 but were not performed to the same degree in 2019. The decrease in asset purchases and material costs pertain to a decrease in purchases of new vehicles and equipment. Additionally, the decrease is due to the change in Reach 33A's alpha allocation cycle percentage through FFN907 that changed from 15.3% in 2018 to 10.2% in 2019 which is calculated based on actual direct labor charges.
2300FFN907	Inspections and Testing	\$ 21,283	\$ 126,219	\$ 104,936	The change in costs from 2018 to 2019 primarily relates to an increase in direct labor costs. The labor hours changed from 832 in 2018 to 8,543 in 2019. The direct labor costs consisted of an increased number of tests and inspections performed in 2019 (i.e., smog tests, vehicle service tests, and California Highway Patrol inspections).
2300FFN907	General Time	\$ 971,643	\$ 229,620	\$ (742,023)	The change in costs from 2018 to 2019 primarily relates to a decrease in direct labor costs. The labor hours changed from 45,114 in 2018 to 9,208 in 2019. The direct labor costs consisted of general time related to water operations, engineering, security, etc. that were performed in 2018 but were not performed to the same degree in 2019. Additionally, the decrease is due to the change in Reach 33A's alpha allocation cycle percentage through FFN907 that changed from 15.3% in 2018 to 10.2% in 2019 which is calculated based on actual direct labor charges.
2300FFN907	Training	\$ 366,111	\$ 231,443	\$ (134,668)	The change in costs from 2018 to 2019 primarily relates to a decrease in direct labor costs. The labor hours changed from 17,292 in 2018 to 11,928 in 2019. The direct labor costs consisted of trainings for the San Joaquin Field Division performed in 2018, not performed to the same degree in 2019. Additionally, the decrease is due to the change in Reach 33A's alpha allocation cycle percentage through FFN907 that changed from 15.3% in 2018 to 10.2% in 2019 which is calculated based on actual direct labor charges.

Cost Center	Project	2018 Costs	2019 Costs	Increase/ (Decrease) in Costs (2018-2019)	Change Description
2310FAD908	Operations Control Office	\$ 496,789	\$ 352,828	\$ (143,961)	The change in costs from 2018 to 2019 primarily relates to decreases in direct labor. The labor hours changed from 62,636 in 2018 to 48,068 in 2019. The labor hours charged consisted of work related to energy management and control systems.
2310FAD908	Headquarters	\$ -	\$ 119,920	\$ 119,920	The change in costs from 2018 to 2019 primarily relates to increases in direct labor. The labor hours changed from 0 in 2018 to 24,890 in 2019. The labor hours charged consisted of communication and emergency services provided at Headquarters in 2019.
2325FAD908	Training	\$ 23,854	\$ 59,528	\$ 35,674	The change in costs from 2018 to 2019 primarily relates to increases in direct labor. The labor hours changed from 5,019 in 2018 to 12,773 in 2019. The labor hours charged consisted of internal, on-the-job, and instructor training.
2310FAD909	Operations Control Office	\$ 242,181	\$ 216,886	\$ (25,295)	The change in costs from 2018 to 2019 primarily relates to decreases in direct labor costs. The decrease in costs was driven by a decrease in labor costs relating to prescheduling and real-time dispatching costs mainly due to changes in hourly labor wages as different employees were working on these specific operations control office orders.
2350FAD909	Operations Control Office	\$ 115,759	\$ 118,595	\$ 2,836	The change in costs from 2018 to 2019 primarily relates to an increase in labor and management costs. The labor hours changed from 20,922 in 2018 to 21,416 in 2019. The direct labor costs consisted of scheduling, flood control, planning, compliance reporting, impact accounting, and Hydrology Branch work performed in 2019.
2350FAD909	Operations Control Office Resource Reporting System	\$ 35,813	\$ 34,213	\$ (1,600)	The change in costs from 2018 to 2019 primarily relates to a decrease in labor and management costs. The labor hours changed from 6,030 in 2018 to 5,910 in 2019. The direct labor costs consisted of data preparation that was performed in 2018, that was not performed in 2019 to the same extent. Additionally, the decrease is due to the change in Reach 33A's alpha allocation cycle percentage through FAD909 that changed from 3.5% in 2018 to 2.7% in 2019 which is calculated based on actual direct labor charges.
2300SAA913	Pro Rata Charges Program	\$ 559,899	\$ 594,920	\$ 35,021	The change in costs from 2018 to 2019 primarily relates to pro rata charges which are charges assessed from the State of California for state services and the change in reach 33A's alpha allocation cycle percentage through SAA913 that changed from 2.4% in 2018 to 1.5% in 2019 which is calculated based on actual direct labor charges. R33A was charged at the estimated rate of 2.7% for part of the year due to the Department not adjusting to actuals for all of 2019. This is the cause of the increase in pro rata charges.
2503SAA913	Debt	\$ 188,402	\$ 259,849	\$ 71,447	The change in costs from 2018 to 2019 primarily relates to an increase in external services and miscellaneous costs, consisting of SWP Debt Issuance and bond administration fees in 2019.
2502SAA923	Contracts	\$ 82,764	\$ 84,400	\$ 1,636	The change in cost from 2018 to 2019 primarily relates to an increase in direct labor costs, consisting mainly of contracts administration, contract renewal, and contract negotiation work performed in 2019. The contract administration costs had an overall increase in costs despite having a decrease in labor hours as the hourly rate increased for the employees charging time.
2530SAA923	Special Projects	\$ 23,364	\$ 29,801	\$ 6,437	The change in cost from 2018 to 2019 primarily relates to an increase in direct labor costs. The labor hours changed from 5,983 in 2018 to 7,704 in 2019. The direct labor costs consisted of special projects analysis and Bulletin 132 production performed in 2019.

We selected a sample of 102 invoices charged to reach 33A (28 charged direct to reach 33A and 74 charged indirect to reach 33A through an alpha allocation cycle) and tested for the following attributes:

1. We assessed whether they were classified as direct or indirect (through an alpha allocation cycle) to reach.
2. For invoices charged direct to reach, we assessed how they were assigned to the reach.
3. For invoices charged to multiple reaches, we assessed whether they were allocated to a statewide or field division alpha allocation cycle.
4. We assessed whether the invoice amount charged in the Financial Accounting System (an SAP module) PR5 reconciled to the Utility Cost Allocation and Billing System (an SAP module) (UCABS).
5. We assessed whether the invoice was recovered through the transportation minimum component.

Finding AUD-000479 – New	
Finding:	Commercial Door Company Inc. invoices related to claim numbers 1382645, 1373177, 1378534, 1370626, and 1357872 include costs related to work performed at Lost Hills (CA-R10A), Buena Vista Pumping Plan (CA-R14A), Teerink Pumping Plant (CA-R15A), Chrisman Pumping Plant (CA-R16A), Edmonston Pumping Plant (CA-R17E), and Badger Hill Pumping Plant (CA-R31A), but had costs allocated to the San Joaquin Field Division through alpha cost center 2300FFN907.
Dollar Amount:	\$54,055
Type:	Reallocation of costs among the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Determination of Cost Categorization
Contractors Affected:	San Luis Obispo County FC and WCD and Santa Barbara County FC and WCD
Recommendation:	The Department should charge the work performed for these claims direct to Lost Hills (CA-R10A), Buena Vista Pumping Plant (CA-R14A), Teerink Pumping Plant (CA-R15A), Chrisman Pumping Plant (CA-R16A), Edmonston Pumping Plant (CA-R17E), and Badger Hill Pumping Plant (CA-R31A).
Department Response:	The Department will reallocate the costs to Lost Hills (CA-R10A), Buena Vista Pumping Plant (CA-R14A), Teerink Pumping Plant (CA-R15A), Chrisman Pumping Plant (CA-R16A), Edmonston Pumping Plant (CA-R17E), and Badger Hill Pumping Plant (CA-R31A) as part of the 2022 SOC.

During our procedures to determine whether amounts recovered through the transportation minimum component are supported through the inspection of invoices, we observed that claim numbers listed above include work performed at Lost Hills (CA-R10A), Buena Vista Pumping Plant (CA-R14A), Teerink Pumping Plant (CA-R15A), Chrisman Pumping Plant (CA-R16A), Edmonston Pumping Plant (CA-R17E), and Badger Hill Pumping Plant (CA-R31A), but had costs incorrectly allocated to the CB through alpha cost center 2300FFN907. This results in a reallocation of costs among the Contractors, as follows:

Table CC.1 – Reallocation to CA-R10A, CA-R14A, CA-R15A, CA-R16A, CA-R17E, and CA-R31A

Contractor	Current Allocation	Adjusted Allocation	(Decrease)/Increase in Charges
Alameda County FC and WCD Zone 7	\$ 138	\$ 296	\$ 158
Antelope Valley-East Kern Water Agency	2,115	2,146	31
Coachella Valley Water District	2,379	2,495	116
Crestline-Lake Arrowhead Water Agency	92	94	2
Desert Water Agency	954	995	41
Dudley Ridge Water District (DRWD)	9	-	(9)
Empire West Side Irrigation District	-	-	-
Future San Joaquin	234	313	79
Kern County Water Agency (KCWA) – Agricultural (Ag)	4,458	8,212	3,754
KCWA – Municipal and Industrial (M&I)	309	697	388
County of Kings	9	11	2
Littlerock Creek Irrigation District	34	34	-
Metropolitan Water District of Southern California	29,521	29,932	411
Mojave Water Agency	1,678	1,843	165
Napa County FC and WCD	31	53	22
Palmdale Water District	312	318	6
San Bernardino Valley Municipal Water District (MWD)	1,635	1,657	22
San Gabriel Valley MWD	449	455	6
San Geronio Pass Water Agency	276	279	3
San Luis Obispo County FC and WCD	1,081	655	(426)
Santa Barbara County FC and WCD	6,167	1,207	(4,960)
Santa Clarita Valley Water Agency	1,825	1,985	160
Solano County Water Agency	48	79	31
Tulare Lake Basin Water Storage District	6	-	(6)
Ventura County Watershed Protection District	295	299	4
Total	\$ 54,055	\$ 54,055	\$ -

Finding AUD-000480 – New	
Finding:	Barc Industries and Development invoices related to claim numbers 1372191, 1381644, 1379684, 1374954, 1377297, 1373635, and 1379192 include costs related to work performed at Lost Hills (CA-R10A), Buena Vista Pumping Plant (CA-R14A), Teerink Pumping Plant (CA-R15A), Chrisman Pumping Plant (CA-R16A), Edmonston Pumping Plant (CA-R17E), Badger Hill Pumping Plant (CA-R31A), and Devil’s Den Pumping Plant (CA-R33A), but had costs allocated to the San Joaquin Field Division through alpha cost center 2300FFN907.
Dollar Amount:	\$135,200
Type:	Reallocation of costs among the Contractors
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Determination of Cost Categorization
Contractors Affected:	San Luis Obispo County FC and WCD and Santa Barbara County FC and WCD
Recommendation:	The Department should charge the work performed for these claims to Lost Hills(CA-R10A), Buena Vista Pumping Plant (CA-R14A), Teerink Pumping Plant (CA-R15A), Chrisman Pumping Plant (CA-R16A), Edmonston Pumping Plant (CA-R17E), Badger Hill Pumping Plant (CA-R31A), and Devil’s Den Pumping Plant (CA-R33A).
Department Response:	The Department will reallocate the costs to Lost Hills (CA-R10A), Buena Vista Pumping Plant (CA-R14A), Teerink Pumping Plant (CA-R15A), Chrisman Pumping Plant (CA-R16A), Edmonston Pumping Plant (CA-R17E), Badger Hill Pumping Plant (CA-R31A), and Devil’s Den Pumping Plant (CA-R33A).

During our procedures to determine whether amounts recovered through the transportation minimum component are supported through the inspection of invoices, we observed that claim numbers listed above include work performed at Lost Hills (CA-R10A), Buena Vista Pumping Plant (CA-R14A), Teerink Pumping Plant (CA-R15A), Chrisman Pumping Plant (CA-R16A), Edmonston Pumping Plant (CA-R17E), Badger Hill Pumping Plant (CA-R31A), and Devil’s Den Pumping Plant (CA-R33A), but had costs incorrectly allocated to the CB through alpha cost center 2300FFN907. This results in a reallocation of costs among the Contractors, as follows:

Table CC.2 – Reallocation to CA-R10A, CA-R14A, CA-R15A, CA-R16A, CA-R17E, CA-R31A, and CA-R33A

Contractor	M-FFN907 Allocation	Adjusted Allocation	(Decrease)/Increase in Charges
Alameda County FC and WCD Zone 7	\$ 352	\$ 352	\$ -
Antelope Valley-East Kern Water Agency	5,326	5,468	142
Coachella Valley Water District	5,989	5,940	(49)
Crestline-Lake Arrowhead Water Agency	233	239	6
Desert Water Agency	2,403	2,398	(5)
DRWD	23	-	(23)
Empire West Side Irrigation District	-	-	-
Future San Joaquin	590	409	(181)
KCWA – Ag	11,304	12,119	815
KCWA – M&I	783	1,052	269
County of Kings	23	14	(9)
Littlerock Creek Irrigation District	85	87	2
Metropolitan Water District of Southern California	74,319	76,300	1,981
Mojave Water Agency	4,226	3,978	(248)
Napa County FC and WCD	78	65	(13)
Palmdale Water District	786	808	22
San Bernardino Valley MWD	4,115	4,225	110
San Gabriel Valley MWD	1,130	1,160	30
San Geronio Pass Water Agency	694	712	18
San Luis Obispo County FC and WCD	2,623	2,084	(539)
Santa Barbara County FC and WCD	14,642	12,517	(2,125)
Santa Clarita Valley Water Agency	4,598	4,412	(186)
Solano County Water Agency	121	99	(22)
Tulare Lake Basin Water Storage District	15	-	(15)
Ventura County Watershed Protection District	742	762	20
Total	\$ 135,200	\$ 135,200	\$ -

Finding AUD-000481 – New																																									
Finding:	The 2019 F-series and S-series alpha allocation cycle percentages were not subsequently updated from estimates to actuals for all months for the 2021 SOC. The months not receiving an adjustment to actuals were January, February, March, April, May, July, August, and October. This results in the 2019 F-series and S-series allocation percentages using the estimated allocation percentages to allocate costs to the Contractors.																																								
Dollar Amount:	<p>Reallocation of costs for 2019 for the following alpha allocation cycles which allocate to reach 33A:</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%;">1101FAC947 – \$1,130,332</td> <td style="width: 50%;">2300FFN958 – \$648,760</td> </tr> <tr> <td>1101FAD908 – \$43,831</td> <td>2110SAA903 – \$945,089</td> </tr> <tr> <td>2109FAD908 – \$102</td> <td>2120SAA903 – \$1,457,761</td> </tr> <tr> <td>2300FAD908 – \$772,205</td> <td>2343SAA903 – \$248,095</td> </tr> <tr> <td>2301FAD908 – \$1,481,492</td> <td>2344SAA903 – \$214,090</td> </tr> <tr> <td>2310FAD908 – \$20,784,714</td> <td>2345SAA903 – \$16,383</td> </tr> <tr> <td>2311FAD908 – \$7,035,690</td> <td>2500SAA903 – \$4,058,061</td> </tr> <tr> <td>2320FAD908 – \$740,918</td> <td>2503SAA903 – \$753,717</td> </tr> <tr> <td>2325FAD908 – \$6,306,876</td> <td>2582SAA903 – \$154,821</td> </tr> <tr> <td>2330FAD908 – \$6,436,632</td> <td>1110SAA913 – \$523,240</td> </tr> <tr> <td>2340FAD908 – \$5,233,382</td> <td>2300SAA913 – \$25,638,737</td> </tr> <tr> <td>2341FAD908 – \$11,640</td> <td>2501SAA913 – \$(139,000)</td> </tr> <tr> <td>2350FAD908 – \$503,608</td> <td>2503SAA913 – \$15,996,061</td> </tr> <tr> <td>2380FAD908 – \$741,167</td> <td>2500SAA923 – \$1,368,046</td> </tr> <tr> <td>2310FAD909 – \$7,251,727</td> <td>2501SAA923 – \$1,973,628</td> </tr> <tr> <td>2350FAD909 – \$5,473,213</td> <td>2502SAA923 – \$3,858,660</td> </tr> <tr> <td>2300FDL907 – \$862,189</td> <td>2504SAA923 – \$2,964,552</td> </tr> <tr> <td>2314FDL907 – \$96,884</td> <td>2530SAA923 – \$1,281,513</td> </tr> <tr> <td>2300FFN907 – \$13,152,715</td> <td>2101SAA943 – \$21,449</td> </tr> <tr> <td>2314FFN907 – \$102,875</td> <td></td> </tr> </tbody> </table>	1101FAC947 – \$1,130,332	2300FFN958 – \$648,760	1101FAD908 – \$43,831	2110SAA903 – \$945,089	2109FAD908 – \$102	2120SAA903 – \$1,457,761	2300FAD908 – \$772,205	2343SAA903 – \$248,095	2301FAD908 – \$1,481,492	2344SAA903 – \$214,090	2310FAD908 – \$20,784,714	2345SAA903 – \$16,383	2311FAD908 – \$7,035,690	2500SAA903 – \$4,058,061	2320FAD908 – \$740,918	2503SAA903 – \$753,717	2325FAD908 – \$6,306,876	2582SAA903 – \$154,821	2330FAD908 – \$6,436,632	1110SAA913 – \$523,240	2340FAD908 – \$5,233,382	2300SAA913 – \$25,638,737	2341FAD908 – \$11,640	2501SAA913 – \$(139,000)	2350FAD908 – \$503,608	2503SAA913 – \$15,996,061	2380FAD908 – \$741,167	2500SAA923 – \$1,368,046	2310FAD909 – \$7,251,727	2501SAA923 – \$1,973,628	2350FAD909 – \$5,473,213	2502SAA923 – \$3,858,660	2300FDL907 – \$862,189	2504SAA923 – \$2,964,552	2314FDL907 – \$96,884	2530SAA923 – \$1,281,513	2300FFN907 – \$13,152,715	2101SAA943 – \$21,449	2314FFN907 – \$102,875	
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Type:	Reallocation of costs among the Contractors																																								
Risk of Future Occurrence:	Medium																																								
Internal Control Matter:	Procedures: Procedures not Being Followed																																								
Contractors Affected:	All Contractors																																								
Recommendation:	The Department should adjust all alpha allocation cycle percentages that were not appropriately adjusted to 2019 actuals.																																								
Department Response:	The Department will adjust all F-series and S-series alpha allocation cycle percentages that were not adjusted to actuals before the 2022 Statement of Charges.																																								

During our procedures to determine whether the invoice amounts charged in the Financial Accounting System PR5 reconciled to UCABS, we observed differences. Through inspection of the postings within PR5 and UCABS, we determined that the adjusting entries typically made in April to update the estimates to actuals were not made for all 2019 activity. We observed that reach 33A was overcharged Division and Statewide costs due to the estimated allocation percentages typically being higher than actuals. The Department noted that this error was due to the mechanism of how the programs were run to work in background processing and that the corrections will be made prior to the 2022 Statement of Charges. We observed the following differences between estimates and actuals:

Alpha Allocation	2019 Estimate Allocation Percentages	2019 Actual Allocation Percentages	Difference
M-FAC947	3.3%	2.7%	-0.6%
M-FAD908	3.3%	2.7%	-0.6%
M-FAD909	3.3%	2.7%	-0.6%
M-FDL907	68.8%	54.2%	-14.6%
M-FFN907	15.3%	10.2%	-5.1%
M-SAA903	2.7%	1.5%	-1.2%
M-SAA913	2.7%	1.5%	-1.2%
M-SAA923	2.7%	1.5%	-1.2%
M-SAA943	2.7%	1.5%	-1.2%

Below is an example of Finding AUD-000481, which was selected from order HSWP20PRRATA, which allocates through alpha allocation cycle M-SAA913 (Note: This is only an example. The total impact of AUD-000481 would be larger.):

Table CC.3 – Example Reallocation to Actual M-SAA913 for 2019

Contractor	Current Allocation	Adjusted Allocation	(Decrease)/Increase in Charges
Alameda County FC and WCD Zone 7	\$ 600,829	\$ 586,104	\$ (14,725)
Alameda County WD	251,253	247,471	(3,782)
Antelope Valley-East Kern Water Agency	714,392	727,310	12,918
County of Butte	81,227	84,762	3,535
Coachella Valley Water District	1,258,758	1,289,521	30,763
Crestline-Lake Arrowhead Water Agency	42,588	43,379	791
Desert Water Agency	408,358	412,979	4,621
DRWD	145,852	151,353	5,501
Empire West Side Irrigation District	10,257	10,634	377
Future San Joaquin	22,791	23,079	288
KCWA – Ag	3,278,844	3,415,244	136,400
KCWA – M&I	465,338	484,730	19,392
County of Kings	32,098	33,314	1,216
Littlerock Creek Irrigation District	11,606	11,761	155
Metropolitan Water District of Southern California	12,563,888	12,876,920	313,032
Mojave Water Agency	515,751	521,005	5,254
Napa County FC and WCD	210,573	204,872	(5,701)
Oak Flat Water District	16,836	17,569	733
Palmdale Water District	104,556	106,391	1,835
Plumas County FC and WCD	9,202	9,089	(113)
San Bernardino Valley MWD	1,202,240	1,035,883	(166,357)
San Gabriel Valley MWD	236,278	235,577	(701)
San Geronio Pass Water Agency	329,977	242,793	(87,184)
San Luis Obispo County FC and WCD	181,633	165,199	(16,434)
Santa Barbara County FC and WCD	757,172	583,912	(173,260)
Santa Clara Valley WD	726,151	638,568	(87,583)
Santa Clarita Valley Water Agency	555,031	570,754	15,723
Solano County Water Agency	317,937	300,489	(17,448)
Tulare Lake Basin Water Storage District	299,370	310,538	11,168
Ventura County Watershed Protection District	109,873	113,041	3,168
City of Yuba City	28,356	29,590	1,234
Recreation	149,723	154,907	5,184
Total	\$ 25,638,738	\$ 25,638,738	\$ -

We investigated the change in downstream expenses from calendar year 2018 to calendar year 2019. The following table shows the costs for each year:

2018 Costs	2019 Costs	Increase in Costs (2018-2019)
\$ 149,259	\$ 171,311	\$ 22,052

We observed an increase in downstream costs from 2018 to 2019. We observed operational losses increased by 211 acre-feet (1,163 in 2019 compared with 952 in 2018) and water deliveries decreased by 9,095 acre-feet (20,780 in 2019 compared with 29,875 in 2018). Due to the operational losses increasing by a higher percentage in comparison with the decrease in the unit rate percentage, there was an increase in downstream costs for reach 33A for 2019. We reperformed the downstream calculation for the 2019 year and recalculated the balance of \$171,311.

Rate Management Credit Allocation

Procedures Performed

We performed the following procedures to assess the rate management credit allocation used for the 2021 SOC:

- Assess the total transportation capital cost component used to supporting documentation.
- Investigate any changes in the rate management credit allocations for CCWA and SLO between the 2019 and 2021 SOC years. These are the years the Bulletin 132 Appendix A was updated, which is performed every five years for the rate management credit allocation.
- Perform a fluctuation analysis by contractor on the rate management credit received.

Findings and Recommendations

The rate management credit calculation represents the refund to Contractors of amounts collected under the existing water contracts, but exceeding allowable expenditures as defined by the Monterey Amendment. The Monterey Amendment, Article 51(c), defines the calculation of available funds for the rate management credit calculation as the following:

Revenues (chargeable to Contractors under existing contracts)	-	Revenue Needs (limited to specified purposes)	=	Available Funds (i.e., Rate Management Credits)
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Revenues in the above formula include all amounts collected from the Contractors under existing provisions of the water supply contracts.

The revenue needs in the formula above are limited to the following categories of expenses:

- (1) Amounts required to be collected with respect to revenue bonds issued by the State for project facilities.
- (2) Amounts required for payment of costs of maintenance and operation of the State Water Resources Development System (SWRDS), excluding Federal Central Valley Project Facilities acquired by the State after 1994, other than the State's share of joint use facilities, including San Luis Reservoir and Canal and related facilities.
- (3) Amounts required for payment of the principal and interest on bonds issued pursuant to the Burns-Porter Act.
- (4) Amounts required to be transferred to the California Water Fund in reimbursement for funds utilized for construction of the SWRDS.
- (5) Beginning in 1998, the amounts needed for deposit into the State Water Facilities Capital Account (limited to \$4.5 million per year for years 2001 and thereafter).

Available funds are the excess of amounts collected from Contractors over amounts needed for the purposes defined above. According to the Monterey Amendment, Section 51(d)(4), in 2001 and in each succeeding year, reductions of \$40.5 million are available for allocation between the Contractors.

Per the Monterey Amendment Article 51(f)(2)(i), the apportionment of reductions among Urban Contractors shall be made annually through the year 1999. Beginning in the year 2000, recalculations shall be made every five years unless an Urban Contractor requests a recalculation for an interim year and does so by request in writing delivered to the Department by January 1 of the year in which the recalculation is to take place. Per review of the Department's calculation, we

observed that the inputs used have been updated to reflect the inputs based on the appropriate Bulletin 132. The table below shows the Bulletin 132 used for the past three years:

CC.4 – Urban Rate Management Credit Update Calendar

SOC Year	Bulletin
2019	B132-14
2020	B132-19
2021	B132-19

The Monterey Amendment, Article 51(g) governs the allocation of reductions between Ag Contractors, and states that the allocation shall be based on each Contractor’s proportion of all Ag Contractors’ estimated capital and minimum components of the Delta Water Charge and the Transportation Charge, excluding Off-Aqueduct Power charges, and the Water System Revenue Bonds, from 1997 to 2035. This allocation is to be recalculated every five years beginning in 2002, if any Ag Contractor requests such a recalculation. Any recalculation shall be based on project cost data beginning with the year that the recalculation is to become effective through 2035. No requests have been made regarding a recalculation, so there have been no changes in the rate management credits for Ag Contractors.

As part of our procedures over the rate management credit allocations, we agreed the total transportation capital component used to Bulletin 132-19 Table B-15. We did not observe any differences as shown below:

CC.5 – Transportation Capital Component

Contractor	Per Calculation	Per B132-19 Table B-15	Difference
San Luis Obispo County FC and WCD	\$ 92,614,000	\$ 92,614,000	\$ -
Santa Barbara County FC and WCD	\$ 988,708,000	\$ 988,708,000	\$ -

We additionally performed a fluctuation analysis on the allocation of rate management credits by Urban Contractor for the SOC years of 2019 (the latest year which uses a different Bulletin 132) to 2021.

We observed that Alameda County FC and WCD Zone 7, Antelope Valley-East Kern Water Agency, Littlerock Creek Irrigation District, Palmdale Water District, San Bernardino Valley MWD, San Gorgonio Pass Water Agency, Santa Clarita Valley Water Agency, and Ventura County Watershed Protection District had increases in their rate management credit from 2019 to 2021. This is due to these Contractors having increased capital costs and an increased percentage of total transportation capital costs between the Urban Contractors when comparing B132-14 with B132-19. The Contractors receiving the largest increase in their rate management credit was San Bernardino Valley MWD and San Gorgonio Pass Water Agency. We observed an increase of rate management credits for San Bernardino Valley MWD of \$182,246 and for San Gorgonio Pass Water Agency of \$236,869. These increases are driven by increases in the East Branch Extension costs and the repayment of the associated debt.

Additionally, these increases are also the cause in the decrease in rate management credits for the remaining Contractors as all Contractors had an increase in their transportation capital costs when comparing 2019 with 2021, but not all Contractors had an increase in their percentage of the total transportation capital costs between the Urban Contractors.

When comparing 2019 with 2021, CCWA’s credit decreased by \$228,854 and SLO’s credit decreased by \$13,747. Despite CCWA and SLO having an increase in their transportation capital component from the B132-14 to the B132-19, these increases did not cause a corresponding increase in the rate management credit, as other Urban Contractors had a larger percentage increase

in their portion of the total transportation capital component. A summary of the fluctuation analysis by Urban Contractor is below:

CC.6 – Urban Contractors Rate Management Credit Fluctuation

Contractor	2019 Rate Management Credit	2021 Rate Management Credit	(Decrease)/ Increase in Charges
Alameda County FC and WCD District Zone 7	\$ 312,388	\$ 319,078	\$ 6,690
Alameda County Water District	313,313	301,564	(11,749)
Antelope Valley-East Kern Water Agency	835,510	837,274	1,764
County of Butte	84,013	84,013	-
Coachella Valley Water District	189,819	187,381	(2,438)
Crestline-Lake Arrowhead Water Agency	55,574	54,515	(1,059)
Desert Water Agency	312,970	308,958	(4,012)
KCWA – M&I	484,549	480,362	(4,187)
Littlerock Creek Irrigation District	14,445	14,458	13
Metropolitan Water District of Southern California	18,521,653	18,455,002	(66,651)
Mojave Water Agency	389,737	385,318	(4,419)
Napa County FC and WCD	456,246	423,744	(32,502)
Palmdale Water District	107,208	107,356	148
Plumas Country FC and WCD	10,851	10,601	(250)
San Bernardino Valley MWD	1,763,197	1,945,443	182,246
San Gabriel Valley MWD	295,294	289,522	(5,772)
San Geronio Pass Water Agency	951,872	1,188,741	236,869
San Luis Obispo County FC and WCD	340,928	327,181	(13,747)
Santa Barbara County FC and WCD	3,045,288	2,816,434	(228,854)
Santa Clara Valley Water District	888,643	856,292	(32,351)
Santa Clarita Valley Water Agency	428,848	432,984	4,136
Solano County Water Agency	519,583	495,278	(24,305)
Ventura County Watershed Protection District	148,743	149,173	430
City of Yuba City	29,328	29,328	-
Total	\$ 30,500,000	\$ 30,500,000	\$ -

We additionally performed a fluctuation on the transportation capital component as it impacts the rate management credit that is ultimately given to each Contractor. A summary of the fluctuation analysis by Urban Contractor is below:

CC.7 – Increase in Transportation Capital Component from 2019 to 2021 SOC

Contractor	\$ Increase	% Increase
Alameda County FC and WCD Zone 7	\$ 6,071	10.58%
Alameda County Water District	2,960	4.79%
Antelope Valley-East Kern Water Agency	15,281	11.09%
County of Butte	-	0.00%
Coachella Valley Water District	3,327	8.36%
Crestline-Lake Arrowhead Water Agency	951	7.53%
Desert Water Agency	5,488	8.36%
KCWA – M&I	2,676	6.73%
Littlerock Creek Irrigation District	268	10.82%
Metropolitan Water District of Southern California	414,199	10.03%
Mojave Water Agency	6,684	8.54%
Napa County FC and WCD	1,469	1.16%
Palmdale Water District	1,981	10.92%
Plumas Country FC and WCD	-	0.00%
San Bernardino Valley MWD	118,703	24.53%
San Gabriel Valley MWD	5,219	7.54%
San Geronio Pass Water Agency	119,348	39.77%
San Luis Obispo County FC and WCD	4,304	4.87%
Santa Barbara County FC and WCD	18,550	1.91%
Santa Clara Valley Water District	10,492	5.39%
Santa Clarita Valley Water Agency	10,861	12.36%
Solano County Water Agency	4,900	3.75%
Ventura County Watershed Protection District	3,266	11.16%
City of Yuba City	-	0.00%
Total	\$ 756,998	210.19%

Coastal Branch Extension Direct Debt Service

Procedures Performed

Determined whether the refinanced bonds were credited to the direct billed debt service for the CBX.

Findings and Recommendations

We determined whether the refinanced bonds were credited to the direct billed debt service for the CB construction. The direct billed debt service reflected in the SOC relates to the CBX, which appears as a separate line item. The CBX was originally funded by bond series Q and W. As interest rates have decreased over time, the Department has issued new debt and refinanced the older bonds to take advantage of the favorable interest rates. We observed that bond series Q and W were subsequently refinanced with several bond series and the CBX debt service schedule was adjusted for the new debt. Bond series Q and W were refinanced with bond series U, X, Z, AC, AD, AF, AH, AI, AJ, AK, AL, AN, AO, AS, AX, AY, and AZ. The Department bills debt service in the SOC in advance and did not subsequently adjust the billings to provide the benefit of the refinanced debt service to CCWA.

Finding AUD-000482 – Recurring	
Finding:	CBX direct billed debt service charged to CCWA is overstated, as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series Q and W.
Dollar Amount:	Overstatement of debt service charges of \$1,167,334 from 1998 to 2021 plus interest impact of \$891,796 = total of \$2,059,130
Type:	Overstatement of debt service charges to CCWA
Risk of Future Occurrence:	High
Internal Control Matter:	Policy: Determination of Beneficiary
Contractors Affected:	Santa Barbara County FC and WCD
Recommendation:	The Department should update the 2022 SOC to reflect the benefits of the refinanced debt service to CCWA.
Department Response:	The Department will re-evaluate the direct billed debt service charged to CCWA as part of a future SOC.

We compared the debt service charged in the SOC from 1998 to 2021 with the CBX debt service schedule that reflects the refinanced debt service and observed overstatement of costs to CCWA. The total overstatement for CCWA is \$1,167,334. It should be noted that this overstatement does not reflect interest impact in the amount of \$891,796 due to CCWA related to the overstatement. The impact by year is as follows:

Table CC.8 – CBX Refinanced Debt Service Compared to SOC

Year	CBX Refinanced Debt Service	SOC	(Decrease)/Increase in Charges	Interest Impact	(Decrease)/Increase in Charges with Interest Impact
1998	\$ 2,285,925	\$ 2,285,925	\$ -	\$ -	\$ -
1999	2,259,813	2,285,925	(26,112)	(44,268)	(70,380)
2000	2,259,813	2,259,813	-	-	-
2001	2,259,813	2,259,813	-	-	-
2002	3,307,999	3,259,490	48,509	65,703	114,212
2003	3,194,281	3,261,363	(67,082)	(83,900)	(150,982)
2004	3,147,937	3,168,429	(20,492)	(23,597)	(44,089)
2005	3,084,504	3,169,241	(84,737)	(89,542)	(174,279)
2006	3,094,236	3,093,986	250	242	492
2007	4,050,968	4,050,969	(1)	(1)	(2)
2008	2,933,276	2,935,347	(2,071)	(1,650)	(3,721)
2009	2,678,204	2,930,704	(252,500)	(181,150)	(433,650)
2010	6,061,464	6,096,435	(34,971)	(22,442)	(57,413)
2011	3,799,064	4,012,131	(213,067)	(121,319)	(334,386)
2012	3,471,904	3,853,949	(382,045)	(191,112)	(573,157)
2013	3,578,768	3,997,065	(418,297)	(181,591)	(599,888)
2014	4,154,286	4,265,240	(110,954)	(41,155)	(152,109)
2015	4,607,232	4,622,529	(15,297)	(4,750)	(20,047)
2016	4,596,161	4,593,900	2,261	572	2,833
2017	4,348,882	4,346,621	2,261	447	2,708
2018	3,135,756	3,347,340	(211,584)	(30,632)	(242,216)
2019	3,051,232	2,432,637	618,595	58,349	676,944
2020	3,484,310	3,484,310	-	-	-
2021	3,488,388	3,488,388	-	-	-
Total	\$ 82,334,216	\$ 83,501,550	\$ (1,167,334)	\$ (891,796)	\$ (2,059,130)

Finding AUD-000474 – Recurring	
Finding:	The CBX Refund Money Schedule for Series AZ was calculated using South Bay Enlargement amounts.
Dollar Amount:	Overstatement of debt service charges – \$368,906 for the 2019 SOC, plus interest credits of \$34,798 = total of \$403,704 Overstatement of debt service charges – \$52,027 for the 2020 SOC, plus interest credits of \$2,398 = total of \$54,425
Type:	Overstatement of debt service charges to Santa Barbara County FC and WCD
Risk of Future Occurrence:	High
Internal Control Matter:	Internal Controls on Data Environment for Data Integrity
Contractors Affected:	Santa Barbara County FC and WCD
Recommendation:	The Department should update the 2022 SOC to reflect the corrected debt service to the impacted Contractors.
Department Response:	The Department will correct the CBX Refund Money Schedule for Series AZ as part of the 2022 SOC.

During our procedures over debt service included in the SOC, it was observed that the CBX Refund Money Schedule for Series AZ was calculated using South Bay Enlargement balances. There was a clerical error in the manual Excel spreadsheet that was used to allocate this debt service to the Contractors. The Department tracks the debt service requirements in Excel, and any new or refinancing debt has to be manually updated in the spreadsheet. The Department should correct the Series AZ in order to properly allocate to the Contractors as follows:

Table CC.9 – Series AZ Impact by Contractor

Contractor	Series AZ Original	Series AZ Corrected	(Decrease)/Increase in Charges	(Decrease)/Increase in Charges with Interest
Alameda County FC and WCD, Zone 7	\$ 2,394,958	\$ 1,842,832	\$ (552,126)	\$ (600,766)
San Bernardino Valley MWD	\$ 227,148	\$ 843,493	\$ 616,345	\$ 670,715
San Geronio Pass Water Agency	\$ 131,463	\$ 488,177	\$ 356,714	\$ 388,180
Santa Barbara FC and WCD	\$ 928,853	\$ 507,920	\$ (420,933)	\$ (458,129)

Update of Prior Year Findings

This section contains an update of prior year findings as described in the 2018 and 2019 reports to CCWA and SLO. A summary of the findings corrected from the prior year report is summarized in the table below:

Prior Year Open Finding Count	Findings Corrected	Current Year Open Findings Count
19	2	17

	CCWA Decrease in Costs	SLO Decrease in Costs
Uncorrected Prior Year (Quantified) Findings Impact	\$ 1,828,065	\$ 34,625

Control Number	Finding Description	Resolved	Additional Comments/Updates
Finding AUD-000378	Claim numbers 1353731 and 1347698 include work performed for the CB but had costs allocated directly to Devil's Den Pumping Plant (CB2-R33A). Total dollar amount is \$32,044.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000379	Claim numbers 1352119, 1348033, 1343291, 1343290, 1338376, and 1344922 include work related to extraordinary minimum costs but had costs incorrectly charged through annual facilities operations and maintenance minimum cost centers. Total dollar amount is \$156,225 and \$233,964 in direct labor charges for 2017 and 2016, respectively.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000380	Claim numbers 1341055 and 1356131 include work performed at Edmonston Pumping Plant (CA-R17E) but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$5,094.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000381	Claim number 1356131 includes work performed at Las Perillas and Badger Hill Pumping Plants (CA-R31A) but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$6,864.	Yes	This claim has been reallocated to Las Perillas and Badger Hill Pumping Plants.
Finding AUD-000382	Claim number 1346694 includes work performed at Buena Vista Pumping Plant (CA-R14A) but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$25,755.	Yes	This claim has been reallocated to Buena Vista Pumping Plant.
Finding AUD-000383	Claim numbers 1354895 and 1348454 include work performed at Edmonston Pumping Plant (CA-R17E) but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$17,984.	No	These claims continue to have costs incorrectly allocated.

Control Number	Finding Description	Resolved	Additional Comments/Updates
Finding AUD-000384	Claim numbers 1341056 and 1338070 include work performed at Edmonston, Chrisman, Teerink, and Buena Vista Pumping Plants (CA-R17E, CA-R16A, CA-R15A, and CA-R14A) but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$6,674.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000385	Claim numbers 1350631, 1351993, 1353757, 1354778, 1339213, 1340620, 1341715, 1342632, 1344121, 1346441, 1348151, 1348985, 1354895, 1359866, 1351787, 1352565, 1346633, 1342957, 1338630, 1344625, 1341012, 1348455, 1352356, 1352538, 1354092, 1352761, 1350712, and 1344743 include work performed at the San Joaquin Field Division but had costs incorrectly allocated to the CB through alpha cost center 2300FFN907. Total dollar amount is \$586,728.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000386	Claim numbers 1343368, 1341123, 1350993, and 1355617 include work performed at Teerink, Chrisman and Edmonston Pumping Plants (CA-R15A, CA-R16A, and CA-R17E) but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$15,510.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000387 Finding AUD-000449	CBX direct billed debt service charged to CCWA is overstated as the amount charged in the SOC was not subsequently adjusted to provide the benefits of the refinanced debt service for bond series Q and W. This results in an overstatement of costs of \$1,167,334 from 1998 to 2019 (amount does not reflect interest credits due to CCWA related to the overstatement).	No	The debt service amounts continue to be overcharged.
Finding AUD-000442	Claim number 1368419 includes work performed for the CB but had costs allocated directly to Devil's Den Pumping Plant (CB2-R33A). Total dollar amount is \$6,088.	No	This claim continues to have costs incorrectly allocated.
Finding AUD-000443	Claim numbers 1361042, 1363709, 1359922, 1368419, and 1355267 include work related to extraordinary minimum costs but had costs incorrectly charged through annual facilities operations and maintenance minimum cost centers. Total dollar amount is \$526,774 in direct labor charges.	No	These claims continue to have extraordinary minimum costs incorrectly charged through annual facilities operations and maintenance cost centers.

Control Number	Finding Description	Resolved	Additional Comments/Updates
Finding AUD-000444	Claim numbers 1367605, 1359429, 1366826, and 1369030 include work performed at Edmonston Pumping Plant (CA-R17E) but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$31,629.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000445	Claim numbers 1366263 and 1360961 includes work performed at Lost Hills (CA- R11B), Buena Vista (CA-R14A), Teerink (CA-R15A), Chrisman (CA-R16A), Edmonston (CA-R17E), Las Perillas and Badger Hill (CA-R31A) pumping plants, but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$30,398.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000446	Claim numbers 1364828 and 1359429 includes work performed at Chrisman Pumping Plant (CA-R16A) but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$32,056.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000447	Claim number 1366263 includes work performed at Buena Vista (CA-R14A), Teerink (CA-R15A), Chrisman (CA-R16A), Edmonston (CA-R17E), Las Perillas and Badger Hill (CA-R31A) Pumping Plants, but had costs incorrectly allocated to the San Joaquin Field Division through alpha cost center 2300FFN907. Total dollar amount is \$13,900.	No	This claim continues to have costs incorrectly allocated.
Finding AUD-000448	Claim numbers 1366826, 1365679, 1359866, 1362138, 1359866, 1363452, 1369031, 1372110, 1363452, 1359866, 1365679, 1372109, 1359866, 1369030, 1362138, 1369030, 1372110, 1363453, 1363452, 1366826, 1359866, 1372109, 1379684, 1369059, 1369989, 1357148, 1359893, 1362918, 1362837, 1364990, and 1372109 include work performed at the San Joaquin Field Division but had costs incorrectly allocated to the CB through alpha cost center 2300FFN907. Total dollar amount is \$731,893.	No	These claims continue to have costs incorrectly allocated.
Finding AUD-000434	The CBX Refund Money Schedule for Series AZ was calculated using South Bay Enlargement balances. Total dollar amount is \$368,906 for 2019 and \$52,027 for 2020, which excludes the interest impact.	No	The debt service amounts continue to be overcharged.

Appendix – Glossary

Ag	Agricultural
CA	California Aqueduct
CB	Coastal Branch
CBX	Coastal Branch Extension
CCWA	Central Coast Water Authority
DWR or Department	Department of Water Resources
DRWD	Dudley Ridge Water District
EY	Ernst & Young LLP
FC	Flood Control
IO	Internal Order
KCWA	Kern County Water Agency
M&I	Municipal and Industrial
MWD	Municipal Water District
PR5	Financial Accounting System (an SAP module)
R	Reach
Report	Summary of 2020 Procedures, Findings, and Recommendations
SAP	Department's Accounting Software
SLO	San Luis Obispo County Flood Control and Water Conservation District
SOC	Statement of Charges
SWRDS	State Water Resources Development System
UCABS	Utility Cost Allocation and Billing System (an SAP module)
WCD	Water Conservation District

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State Water Contractors - State Legislation - Priority 1 List 6/8/2021

- [AB 271](#)** (**[Rivas, Robert D](#)**) **Santa Clara Valley Water District: contracts: best value procurement.**
Introduced: 1/19/2021
Last Amend: 4/5/2021
Status: 5/12/2021- Referred to Com. on GOV. & F.
Calendar: 6/10/2021 Upon adjournment of Session - John L. Burton Hearing Room (4203)
SENATE GOVERNANCE AND FINANCE, MCGUIRE, Chair
Summary: Current law authorizes certain local entities to select a bidder for a contract on the basis of "best value," as defined. Existing law governs various types of contract procedures applicable to the Santa Clara Valley Water District and prescribes competitive bidding procedures for any improvement or unit of work over \$50,000. This bill would authorize the district, upon approval by the board of directors of the district, to award contracts on a best value basis for any work of the Anderson Dam project, defined to include prescribed activities and works of construction with regard to the Leroy Anderson Dam and Reservoir and certain fish and aquatic habitat measures described in a federal-state settlement agreement.
- Position**
SWC - Monitor
- [AB 377](#)** (**[Rivas, Robert D](#)**) **Water quality: impaired waters.**
Introduced: 2/1/2021
Last Amend: 4/13/2021
Status: 5/25/2021- Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/19/2021)(May be acted upon Jan 2022)
Summary: Would require, by January 1, 2023, the State Water Resources Control Board and regional boards to prioritize enforcement of all water quality standard violations that are causing or contributing to an exceedance of a water quality standard in a surface water of the state. The bill would require the state board and regional boards, by January 1, 2025, to evaluate impaired state surface waters and report to the Legislature a plan to bring all water segments into attainment by January 1, 2050. The bill would require the state board and regional boards to update the report with a progress summary to the Legislature every 5 years. The bill would create the Waterway Recovery Account in the Waste Discharge Permit Fund and would make moneys in the Waterway Recovery Account available for the state board to expend, upon appropriation by the Legislature, to bring impaired water segments into attainment in accordance with the plan.
- Position**
SWC - Watch
- [AB 979](#)** (**[Frazier D](#)**) **Sacramento-San Joaquin Delta: projects: sea level rise analysis report.**
Introduced: 2/18/2021
Last Amend: 4/13/2021
Status: 5/25/2021- Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/19/2021)(May be acted upon Jan 2022)
Summary: The Sacramento-San Joaquin Delta Reform Act of 2009, provides that it is the policy of the state to, among other things, reduce reliance on the Sacramento-San Joaquin Delta in meeting California's future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency. Current law establishes the Delta Stewardship Council, which is required to develop, adopt, and commence implementation of a comprehensive management plan, known as the Delta Plan, for the Sacramento-San Joaquin Delta. This bill would require any individual or entity that undertakes a project, as defined, within the Delta to complete a report analyzing the impact of sea level rise on the project.
- Position**
SWC - O
- [AB 1500](#)** (**[Garcia, Eduardo D](#)**) **Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.**
Introduced: 2/19/2021
Last Amend: 5/11/2021
Status: 5/20/2021-Joint Rule 62(a), file notice suspended. From committee: Do pass and re-refer to Com. on RLS. (Ayes 12. Noes 3.) (May 20). Re-referred to Com. on RLS.
Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$7,080,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs.

Position
SWC-SifA

SB 45 (Portantino D) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.

Introduced: 12/7/2020

Last Amend: 4/8/2021

Status: 6/1/2021-Ordered to inactive file on request of Senator Portantino.

Summary: Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,595,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

Position
SWC-SifA

SB 369 (Pan D) Flood control: Yolo Bypass Cache Slough Partnership Multibenefit Program.

Introduced: 2/10/2021

Last Amend: 5/24/2021

Status: 5/24/2021-From committee with author's amendments. Read second time and amended. Re-referred to Com. on W.,P., & W.

Calendar: 6/17/2021 Upon adjournment of Session - State Capitol, Assembly Chamber
ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair

Summary: Would establish the Yolo Bypass Cache Slough Partnership Multibenefit Program to support the development and implementation of projects within the Yolo Bypass and Cache Slough region. The bill would define "Yolo Bypass Cache Slough Partnership" to mean the multiagency partnership established pursuant to a memorandum of understanding signed in May 2016 by a total of 15 participating federal, state, and local agencies. The bill would require the participating state agencies, including the Natural Resources Agency, the Department of Water Resources, the Department of Fish and Wildlife, the Central Valley Flood Protection Board, the State Water Resources Control Board, and the Central Valley Regional Water Quality Control Board, to work in collaboration with the participating federal and local agencies to promote the discussion, prioritization, and resolution of policy and other issues critical to the successful implementation of projects to advance specified objectives in the Yolo Bypass and Cache Slough region.

Position
SWC - Support

SB 559 (Hurtado D) Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

Introduced: 2/18/2021

Last Amend: 5/20/2021

Status: 6/3/2021-Referred to Com. on W.,P., & W.

Summary: Would establish the Canal Conveyance Capacity Restoration Fund in the State Treasury to be administered by the Department of Water Resources. The bill would require all moneys deposited in the fund to be expended, upon appropriation by the Legislature, in support of subsidence repair costs, including environmental planning, permitting, design, and construction and necessary road and bridge upgrades required to accommodate capacity improvements. The bill would require the department to expend from the fund, upon appropriation by the Legislature, specified monetary amounts to restore the capacity of 4 specified water conveyance systems, as prescribed, with 2 of those 4 expenditures being in the form of a grant to the Friant Water Authority and to the San Luis and Delta-Mendota Water Authority. The bill would make operation of these provisions contingent on specified conditions being met. The bill would make these provisions inoperative on July 1, 2030, and would repeal the provisions as of January 1, 2031.

Position
SWC - Support

SB 626 (Dodd D) Department of Water Resources: Procurement Methods.

Introduced: 2/18/2021

Last Amend: 5/25/2021

Status: 6/2/2021-Read third time. Passed. (Ayes 36. Noes 2.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

Summary: Current law authorizes the Department of Transportation, regional transportation agencies, and the San Diego Association of Governments to engage in a Construction Manager/General Contractor project delivery method (CM/GC method) for specified public work projects. This bill would, until January 1, 2033, authorize the Department of Water Resources to utilize the CM/GC method, as specified, for no more than 7 projects for elements of State Water Facilities, as defined. The bill would

require the Department of Water Resources, on all projects delivered by the department, to use department employees or consultants under contract with the department to perform all project design and engineering services related to design, and construction inspection services, required for the CM/GC method consistent with specified existing law.

Position

SWC - S/A

SB 786 (Becker D) Santa Clara Valley Water District.

Introduced: 2/19/2021

Last Amend: 5/11/2021

Status: 5/28/2021-Referred to Com. on L. GOV.

Summary: The Santa Clara Valley Water District Act authorizes the Clara Valley Water District to levy ad valorem taxes or assessments in the district to pay the general administrative costs and expenses of the district, to carry out the act's objects or purposes, and to pay the costs and expenses of constructing or extending works within the district. The act additionally authorizes the district to levy taxes or assessments upon all property or all real property within a portion of the district for specified purposes. The act authorizes the district to issue bonds for specified purposes, and requires that the bonds be paid by revenue derived from those tax levies and assessments, except the ad valorem taxes or assessments. This bill would additionally authorize the district to use the revenues from the ad valorem taxes or assessments to pay for the bonds.

Position

SWC - Monitor

SB 821 (Committee on Natural Resources and Water) Sacramento-San Joaquin Delta: Delta Independent Science Board.

Introduced: 3/9/2021

Last Amend: 4/5/2021

Status: 5/20/2021-Referred to Com. on W.,P., & W.

Calendar: 6/17/2021 Upon adjournment of Session - State Capitol, Assembly Chamber
ASSEMBLY WATER, PARKS AND WILDLIFE, GARCIA, EDUARDO, Chair

Summary: Current law establishes the Delta Independent Science Board and sets forth the composition of the board, including requiring the board to consist of no more than 10 members appointed by the Delta Stewardship Council. Current law requires the board to provide oversight of the scientific research, monitoring, and assessment programs that support adaptive management of the Sacramento-San Joaquin Delta through periodic reviews of each of those programs, as specified. Current law requires the board to submit to the council a report on the results of each review, including recommendations for any changes in the programs reviewed by the board. This bill would provide that members of the Delta Independent Science Board are not employees of the Delta Stewardship Council and would require the members of the board to exercise their scientific judgment and perform their functions independently from the council.

Position

SWC - Watch

Total Measures: 10

Total Tracking Forms: 10



SB 559 Toolkit

Show your support for SB 559 – the State Water Resiliency Act of 2021.

SB 559 (Hurtado, D-Sanger) offers a holistic, statewide approach to restore the conveyance capacity of California’s most critical water delivery infrastructure.

Over \$2 billion in repairs is necessary to address subsidence impacts to the Friant-Kern Canal, Delta-Mendota Canal, San Luis Canal and California Aqueduct.

Supported by a broad coalition of California's water agencies, SB 559 would create a fund in the state treasury for up to \$785 million in state funding to restore these critical conveyance systems.

KEY DATES

Key legislative committees and deadlines

- June 4:** Deadline for Senate to pass bill
- July 14:** Second house policy committee deadline
- Aug. 27:** Second house fiscal committee deadline
- Sept. 10:** Last day for each house to pass bill
- Oct. 10:** Last day for Governor to sign or veto bills

RESOURCES



SB 559 Fact Sheet



SB 559 Talking Points

SOCIAL MEDIA ACTIVATION



SB 559 Social Cards Suite



SB 559 Coalition Letter



SB 559 Sponsor Letter

Like, follow & share Sen. Hurtado’s content to show your support



Have more questions?

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