

CENTRAL COAST WATER AUTHORITY

FY 2012/13
CONTINUING
DISCLOSURE ANNUAL
REPORT

\$123,190,000
REFUNDING REVENUE BONDS
(STATE WATER PROJECT REGIONAL
FACILITIES)
SERIES 2006A

FY 2012/13 CONTINUING DISCLOSURE

ANNUAL REPORT

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March 3, 2014

Ms. Valere Jones-Shaw
Bank of New York Mellon Trust Company
400 South Hope Street, 4th Floor
Los Angeles, CA 90071

Jack Boysen
Chairman

Richard Shaikewitz
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

RE: Central Coast Water Authority Fiscal Year 2012/13 Annual Report on
Continuing Disclosure for the \$123,190,000 Refunding Revenue Bonds
(State Water Project Regional Facilities), Series 2006A

Dear Valere:

Attached is the Fiscal Year 2012/13 Annual Report pursuant to the Continuing
Disclosure Agreement between the Central Coast Water Authority and Bank of New
York Western Trust Company (as successor Trustee).

Fiscal Year 2012/13 State Water Deliveries

A table showing deliveries during Fiscal Year 2012/13 to Santa Barbara and San
Luis Obispo County State water contractors is attached.

Rate Coverage Reserve Fund

On December 18, 1997, the Authority Board of Directors established the Rate
Coverage Reserve Fund. This fund provides a mechanism to allow Authority
Contractors to satisfy a portion of their obligation under Section 20(a) of the Water
Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of
their Contract Payments (refer to the attached Rate Coverage Reserve Fund Policy
for additional information).

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

The following agencies elected to participate in the CCWA Rate Coverage Reserve
Fund during Fiscal Year 2012/13 and have deposited the following amounts:

255 Industrial Way
Buellton, CA 93427-9565
(805) 688-2292
FAX: (805) 686-4700

Project Participant	FY 2012/13	
	Rate Coverage	Fund Deposit
City of Buellton	\$	258,427
Carpinteria Valley Water District		816,100
City of Guadalupe		167,787
La Cumbre Mutual Water Company		391,135
Montecito Water District		1,087,787
City of Santa Maria		4,290,188
Santa Ynez, RWCD, I.D. #1 (City of Solvang)		606,183
Santa Ynez, RWCD, I.D. #1		418,061
TOTAL:	\$	8,035,669

Continuing Disclosure Annual Report

Consistent with Section 4 of the Continuing Disclosure Report, the Fiscal Year 2012/13 Annual Report includes the charts described under the captions, "Historic Water Connections and Sales Revenues," "Historic Water Deliveries," "Largest Customers," "Water System Rates and Charges," "Historic Operating Results" and "Debt Service Coverage" for each of the following Contractors:

- City of Santa Maria
- City of Santa Barbara
- City of Guadalupe
- City of Buellton
- Goleta Water District
- Montecito Water District
- Carpinteria Valley Water District
- La Cumbre Mutual Water Company
- Santa Ynez River Water Conservation District, Improvement District No. 1
(including the City of Solvang as an attachment)
- City of Pismo Beach
- City of Morro Bay

Section 4 of the Continuing Disclosure Agreement requires that the Authority submit a copy of its audited financial statements. Five copies of the Authority's FY 2012/13 Comprehensive Annual Financial Report were previously sent to you under separate cover.

City of Morro Bay From the information presented to CCWA, the City of Morro Bay did not meet the required 1.25 coverage ratio during FY 2012/13. The City has provided a letter (included), which describes the steps it is taking to meet the requirement in the future.

City of Buellton From the information presented to CCWA, the City of Buellton did not meet the required 1.25 coverage ratio during FY 2012/13. The City has provided a letter (included), which describes the steps it is taking to meet the requirement in the future.

Audited Financial Statements The City of Morro Bay and the City of Guadalupe did not submit audited financial statements for FY 2012/13. As such, CCWA was unable to verify the actual operating results with their financial statements.

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

Sincerely,



Ray A. Stokes
Executive Director

RAS

Attachments

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

40121_1.docx
RAS

FY 2012/13 STATE WATER DELIVERIES

Central Coast Water Authority

Fiscal Year 2012/13 State Water Deliveries

Fiscal Year 2012/13 Continuing Disclosure Annual Report

Project Participant	<i>Acre-Feet</i>		
	Requests	Exchange	Net Deliveries
Lopez Turnout (SLO County)	2,139		2,139
Chorro Valley Turnout (SLO County)	2,069		2,069
City of Guadalupe	411		411
City of Santa Maria	10,817		10,817
Golden State Water Company	324		324
Vandenberg Air Force Base	2,180		2,180
City of Buellton	374		374
Santa Ynez ID#1 (Solvang only)	1,098		1,098
Santa Ynez ID#1 (excluding Solvang)	347	2,247	2,594
Goleta Water District	810	(810)	-
Morehart Land Company	-	-	-
LaCumbre Mutual Water Co.	475	-	475
Raytheon Systems Co.	36	-	36
City of Santa Barbara	399	(399)	-
Montecito Water District	872	(679)	193
Carpinteria Valley Water District	359	(359)	-
TOTAL:	22,710	-	22,710

Central Coast Water Authority
Rate Coverage Reserve Fund Policy

Adopted: December 18, 1997

Rate Coverage Reserve Fund

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

Purpose: The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).

Contributions: Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor which has elected to participate in the Rate Fund shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor’s Contract Payments with respect to that year. A participating Contractor’s initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund’s creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty- (60) days of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor’s obligations until the subsequent July 1. For example: to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund’s creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.

Withdrawal: A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority
Rate Coverage Reserve Fund Policy

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

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

CITY OF BUELLTON

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active domestic water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual domestic water sales revenues. Sales revenues for the year ended June 30, 2013 increased by 7%. This was primarily due to a water rate increase.

Historic Water Connections and Sales and Service Revenues

Fiscal Year Ending June 30	Connections	Water Sales Revenues
2009	1,548	\$1,467,933
2010	1,558	1,467,931
2011	1,557	1,387,651
2012	1,570	1,368,805
2013	1,569	1,460,658

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending June 30	Santa Ynez River Appropriation	Groundwater Basin	State Water	Total
2009	169	738	377	1,284
2010	371	701	228	1,300
2011	152	706	326	1,184
2012	222	462	528	1,212
2013	369	484	373	1,227

WATER SYSTEM RATES AND CHARGES

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

Water Service Charges. The City separates its customers into commercial and residential. Charges are associated with the water meter size (an additional dwelling unit fee of \$7.00 per dwelling unit) and quantity of water used. The City increased its water rates approximately 40% effective on July 25, 1995 and further increased the rates on July 26, 1996 by 15% on consumption price plus \$7.00 per additional dwelling unit. As a result, the Water Quantity Charge for commercial and residential customers is now \$1.97 per 100 cubic feet. The Water Meter Charges are set forth below:

Meter Size	Monthly Service Charge ¹
Up to 3/4"	\$ 19.20
1"	21.65
1 1/2"	26.48
2"	36.21
3"	55.60
4"	73.80
6"	104.11
8"	140.51

Collection Procedures. The City is on a monthly billing cycle, sending out bills for the prior month service. Payment is due upon receipt and is considered delinquent if not paid by the 20th day of the following month. If payment is not received, a delinquency notice appears on the next water bill. Currently 10% of the accounts, which account for approximately 1% of the Water System Revenues, are delinquent. The City reports, however, that upon receipt of such delinquent notices almost all of its customers pay delinquent amounts within two weeks. Water service for all accounts not paid in full within 55 days of the original billing date are discontinued by the City until full payment is made, including late penalties and a \$20.00 re-connection fee, if reinstated during business hours and \$53.00 after hours.

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

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

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2013, as determined by the amount of their respective annual payments.

	Water Usage ²	Annual Payments
Professional Investment Planning	22,662	\$70,961
Buellton Union School District	19,969	41,358
FPA Flying Flags Assoc., L.P.	15,415	31,707
Santa Ynez Valley Marriott	13,121	27,188
Rivergrove Mobile Home Park	9,243	27,943
The Inn Group	9,039	19,709
Terravant Wine Co	8,238	17,355
Rancho De Maria	6,808	15,575
Laurel Co	4,033	9,168
Buellton Shell	<u>3,818</u>	<u>7,851</u>
TOTAL	112,346	\$268,815

These ten customers accounted for approximately 18.40% of the City's water service revenues for fiscal year 2012/13.

² Hundred Cubic Feet

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2012/13. These results have been derived from the City's audited financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF BUELLTON

<u>REVENUES</u>	<u>June 30, 2013</u>
Water Sales	\$ 1,460,658
Connection Fees	-
Other Fees & Income	45,974
Interest Income	<u>5,611</u>
TOTAL REVENUES	<u>1,512,243</u>
 <u>OPERATING EXPENSES</u>	
Operations & Maintenance Expenses	550,655
FmHA Debt Service	<u>-</u>
TOTAL OPERATING EXPENSES	<u>550,655</u>
 NET REVENUES	 961,588
Rate Coverage Reserve Fund Deposit	<u>258,427</u>
Adjusted Net Revenues	<u>1,220,015</u>
 State Water Payments	 1,017,156
 <i>Coverage Ratio</i>	 <i>1.20</i>
 Available for Capital Improvements and other purposes	 (\$ 55,568)

Source: City of Buellton



City of Buellton

January 21, 2014

Ray Stokes, Executive Director
Central Coast Water Authority
255 Industrial Way
Buellton, CA 93427

Subject: 2012-13 Continuing Disclosure – Coverage Ratio

Dear Mr. Stokes:

This letter is to let you know that the City of Buellton did not meet the rate coverage ratio of 1.25. The current ratio is 1.20 and we believe the City will meet the required ratio by taking the following actions. We have initiated a recent rate increase and are reviewing the possibility of implementing annual cost of living adjustments. We are preparing to do a rate study by the end of 2015 including a cost of service analysis.

If additional information is required please contact me at (805) 686-7422.

Yours truly,

Carolyn Galloway-Cooper, CPA
Finance Director

c: Rose Hess, Public Works Director
Laura Matthews, Controller

107 W. Highway 246 • P.O. Box 1819 • Buellton, CA 93427 • t: 805.688.5177 • f:805.686.0086 • www.cityofbuellton.com

CARPINTERIA VALLEY WATER DISTRICT

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active domestic and agricultural water connections to the District’s water system for the five most recent fiscal years, and corresponding annual water sales revenues. All sales revenue numbers include monthly service charges as well as the unit cost of water.

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Ag.	%	Dom.	%	Ag.	%
2009	3,859	90	429	10	7,741,070	74	2,652,531	26
2010	3,896	90	430	10	7,789,308	77	2,300,628	23
2011	3,893	90	429	10	7,915,815	78	2,185,382	22
2012	3,912	90	427	10	8,129,365	77	2,382,813	23
2013	4,029	91	412	9	8,171,789	76	2,626,845	24

The following table of total sales revenues shows categories of water revenue based on the unit cost of water and monthly service charges including those for fire protection.

Total Sales Revenue (\$)

Fiscal Year Ending June 30	Water Revenue	Monthly Service Charge	Total
2009	4,644,278	5,749,324	10,393,601
2010	4,266,070	5,823,866	10,089,936
2011	4,124,997	5,979,200	10,101,197
2012	4,381,982	6,193,234	10,575,216
2013	4,789,302	6,009,332	10,798,634

Operating revenues decreased in FY 08/09 due to a decrease in water sales as well as the termination of the Plains Exploration and Production Option Agreement with annual payments of \$300,000. Sales revenue decreased in FY 09/10 due to cooler than average weather resulting in a drop in water sales by approximately 500 AF. Sales revenues in FY 10/11 were little changed from the previous year. Operating revenues increased in FY 12 primarily due to an increase in water sold of approximately 271 acre feet. The District also sold a combined total of 800 AF of water to neighboring water agencies for \$120,000. Sales revenue increased in FY 13 due to dryer weather conditions.

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending June 30	Residential ²	Commercial	Public Authority	Industrial	Irrigation	Total
2009	1,506	370	145	110	1,968	4,099
2010	1,452	349	149	79	1,796	3,825
2011	1,397	365	135	69	1,633	3,599
2012	1,429	346	151	80	1,865	3,871
2013	1,523	369	220	85	2,155	4,352

Sources

Fiscal Year Ending June 30	Groundwater	State Water	Cachuma Project	Total
2009	1,827	464	2,167	4,459
2010	1,327	363	2,876	4,546
2011	797	516	3,100	4,413
2012	1,174	470	3,148	4,792
2013	864	359	3,648	4,871

MANAGEMENT DISCUSSION OF HISTORIC WATER CONNECTIONS, SALES REVENUES AND DELIVERIES

The decrease in FY 08/09 was due to a wet year. FY 09/10 was a cooler than average year that also resulted in a decrease in demand for water. FY 10/11 continued cold and wet, resulting in further diminished water sales. Water sales increased in FY 11/12 by 274 AF as a result of a dryer year as compared to FY 10/11. The FY 11/12 deliveries figure also includes the sale of 800 AF of water to neighboring water agencies. Water sales increased in FY 12/13 as dry weather continued.

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

The following table sets forth the ten largest customers of the District's water system as of June 30, 2013, as determined by the amount of their respective water usage:

Customer	Water Usage (units: HCF)	Annual Payments
Cate School	43,003	\$ 195,444
Circle G	25,807	86,471
Reiter Brothers Inc	23,877	57,444
Villa Del Mar Hoa	23,697	215,098
Cervini Farm CA Inc	23,505	126,566
Sandpiper Village	22,642	42,761
Casitas Village HOA	22,091	212,482
City Of Carpinteria	18,886	270,546
Van Wingerden, Wm	17,437	33,810
Westerlay Orchids	<u>16,466</u>	<u>50,074</u>
	237,411	\$1,269,638

These ten customers accounted for approximately 11.8% of water service revenues for the year ending June 30, 2013.

WATER SYSTEM RATES AND CHARGES

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

Water Service Charges. The District has separated its customer base into two classes of service – domestic and agricultural. Domestic service is further separated into two types: 1) residential and 2) commercial, industrial, public authority and landscape.

In FY 08/09 the water rate for agricultural users increased to \$1.70 per HCF. All other Residential, Domestic - commercial, industrial and public authority users' tiered structure increased to \$3.00 through \$4.15 per HCF depending on use. In FY 09/10 changes included an increase in the unit cost of water to Domestic-commercial, industrial and public authority users. The tiered structure effective 7/1/2009 increased to \$3.11-\$4.32 per HCF. The agricultural rate increased to \$1.74 per HCF. In FY 09/10 the Base tier decreased to \$3.00 per HCF, the mid-level tier remained unchanged at \$3.85 per HCF and the Peak tier increased to \$4.85 per HCF. The Irrigation rate decreased to \$1.70 per HCF. Also decreased was the Capital Improvement Program rate to \$2.42 per HCF. In FY 10/11, water rates remained at FY 09/10 levels: Base tier \$3.00 per HCF, Mid-level tier \$3.85 per HCF, Peak tier \$4.85 per HCF; Irrigation rate \$1.70 per HCF; Capital Improvement Program rate \$2.42 per HCF. In FY 11/12 the tiered water rate structure remained the same as FY 09/10 rates. In FY 12/13 water rates increased to \$3.05 for the Base tier, \$3.92 for the Mid-Level tier and \$4.93 for the Peak tier. Agricultural rates increased to \$1.72 per HCF. The rate for the Capital Improvement Program charge increased to \$2.75 per HCF. State Water Project charges also increased as reflected in the schedule below.

A schedule of the District's current monthly service charges effective since July 1, 2013 is shown below:

MONTHLY SERVICE CHARGES			
METER SIZE	BASIC	STATE WATER	TOTAL
5/8"	\$4.88	\$26.49	\$30.79
3/4"	4.88	26.49	31.37
1"	8.13	44.15	52.28
1 1/2"	16.25	88.30	104.55
2"	26.00	141.28	167.28
3"	52.00	282.56	334.56
4"	81.25	441.50	522.75
6"	162.50	883.00	1,045.50
8"	373.84	2,030.90	2,404.65

CAPITAL IMPROVEMENT CHARGES		
Rate	\$2.75	Per HCF
Minimum	\$16.50	6 HCF
Maximum	\$275.00	100 HCF

Connection Fees. For every new meter installation, the District charges the installation cost of the new service and meter plus a "Capital Cost Recovery Fee". The base charge component of Capital Cost Recovery Fees ranges from \$1,307 to \$150,303 depending on the size of the meter. In addition to the base charge, there is a "fully loaded equivalent State Water Project monthly service charge" component. This second component is an amount added to the base charge, equivalent to State Water Project monthly service charges that would have been paid beginning July 1, 1996. The Board of Directors adopted the Capital Cost Recovery Fees on July 16, 1997. A third component was added in September of 2000 to capture the monthly service charge increases necessary to fund the debt service for the \$9 million COPs issued in May of 2000, to pay for the District's Capital Improvement Program. The Series 2000 COPs were subsequently refinanced in FY 05/06 and replaced by the Series 2006A COPs in the amount of \$10 million. The District also has three State Revolving Fund loans that total approximately \$21.8 million. These are assigned to the Capital Improvement Program component of the Capital Cost Recovery Fee. The final component recovers annual capital expenditures made to District infrastructure. This meter-based charge varies annually and was added to the Capital Cost Recovery Fee schedule in July 2007. In fiscal year 2010 the board approved a fixed annual Capital Cost Recovery Fee Schedule to be updated annually as needed. Effective July 1, 2013 CCRF rates are:

Meter Size	Capital Cost Recovery Fees
3/4"	11,000.00
1"	16,364.00
1 1/2"	29,836.00
2"	46,015.00
3"	89,107.00

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

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2011/12. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

CARPINTERIA VALLEY WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2013</u>
Muni. & Ind. Water Sales	\$3,143,983
Agricultural Water Sales	1,418,988
Water Service Charge	6,009,332
Fire Protect & Service Revenue	221,989
Capital Cost Rec Fee	855,845
Interest Revenue	33,394
Other Income	128,631
Overhead charges	<u>23,365</u>
TOTAL REVENUES:	<u>11,835,527</u>
<u>OPERATING EXPENSES</u>	
Cost of Purchased Water	354,603
Pumping Expense	225,971
Treatment expense	949,594
Trans & Dist Exp	899,177
Customer Accounts	47,448
Cachuma Operating Expense	498,379
General & Admin.	<u>2,093,291</u>
TOTAL OPERATING EXPENSES:	<u>5,068,463</u>
NET REVENUES	6,767,064
Rate Coverage Reserve Fund Deposit	<u>816,100</u>
Adjusted Net Revenues	<u>7,583,164</u>
State Water Payments	3,135,384
<i>Coverage Ratio:</i>	<i>2.42</i>
Additional Debt Service	1,395,709
Available for Capital improvements and other purposes	\$3,452,071

Source: Carpinteria Valley Water District

GOLETA WATER DISTRICT

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	*Other	%	Dom.	%	*Other	%
2009	15,970	97.53	403	2.47	16,349,523	91.38	1,542,229	8.62
2010	15,937	97.49	409	2.51	15,157,916	91.56	1,396,734	8.44
2011	15,986	97.47	415	2.53	13,619,146	86.63	2,102,769	13.37
2012	15,878	97.44	417	2.56	16,692,802	89.42	1,975,206	10.58
2013	16,096	97.45	422	2.55	18,819,581	84.88	3,351,673	15.12

The number of active connections to the District’s water system increased slightly in 2013. From 2009 thru 2013, the number of active connections has increased at an annual average of less than 0.5%. Water service revenue has steadily decreased from 2008 thru 2011, reflecting wet and cool weather conditions coupled with a struggling economy. Water service revenue increased in 2012 and 2013 primarily due to increases in rates effective July 1, 2011 and July 1, 2012 along with relatively dry weather.

*Other connections and sales revenue includes Agriculture, Landscape and Recycled water deliveries.

HISTORIC WATER DELIVERIES

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

*Historic Water Deliveries
(In Acre-Feet per Year)*

Fiscal Year Ending June 30	Ag-Recreation- Recycled Deliveries	Urban Deliveries	Total
2009	4,424	9,774	14,198
2010	4,023	8,948	12,971
2011	3,517	8,644	12,161
2012	3,579	8,696	12,275
2013	5,029	8,894	13,923

Weather variability and local economic performance both have a direct influence on total demand for water service, thus the amount of water delivered varies from year to year. Deliveries, as shown above for the past five years, responded consistently with exhibited weather and economic patterns.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District’s water system as of June 30, 2013, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage¹</u>	<u>Annual Payments</u>
U.C.S.B.	934	\$ 1,885,142
Santa Barbara County	271	650,853
Santa Barbara Airport	132	410,479
Cavaletto Ranches, LLC	721	367,991
Glen Annie Golf Club	253	344,335
Santa Barbara Unified School D.	126	310,564
Goleta Union School District	121	276,013
Bacara Resort	108	265,280
Michael Towbes	84	215,794
Sandpiper Golf Course	<u>270</u>	<u>214,498</u>
TOTAL	3,020	\$ 4,940,949

These ten customers accounted for approximately 21.7% of the water usage and 15.9% of the water service revenues for the year ended June 30, 2013. The water usage is shown in acre-feet.

WATER SYSTEM RATES AND CHARGES

The District’s current rates and charges as of June 30, 2013 are as follows:

	<u>Commodity Charge</u>
Agriculture, West Conduit System	\$1.18/HCF
Agriculture, Urban	\$1.29/HCF
Urban	\$4.78/HCF
Urban, Conservation	\$4.58/HCF
Recreation	\$3.45/HCF
Reclaimed	\$2.76/HCF

<u>Meter Size</u>	<u>Volume</u>	<u>Monthly Charge</u>
5/8” or 3/4”	Ultra low flow	\$ 11.87
5/8” or 3/4”	Low flow	23.74
5/8” or 3/4”	All other	35.61
1”	N/A	59.36
1 1/2”	N/A	118.69
2”	N/A	189.94
3”	N/A	356.12
4”	N/A	593.54
6”	N/A	1,187.06
8”	N/A	1,899.32
10”	N/A	4,511.59

The 5/8” and 3/4” Monthly Meter Charges are based on a 12 month trailing average of water use, defined as Ultra low flow (4 or less HCF), Low flow (greater than 4 but less than 8 HCF), and All other (greater than 8 HCF). Residential Agricultural customers are charged at the Urban rate unless usage exceeds 11 HCF per dwelling for any given month, beyond which Agriculture commodity charges apply.

¹Acre-feet

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2013. These results have been derived from the District's draft audited financial statements for 2013. A final version of the CAFR for Fiscal Year 2013 will be provided to CCWA.

GOLETA WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2013</u>
Water Sales	\$ 22,171,254
Monthly Service Charges	8,906,789
Other Fees & Income	1,269,979
Interest Income	<u>61,671</u>
TOTAL REVENUES:	<u>32,409,693</u>
<u>OPERATING EXPENSES</u>	
Source of Supply	4,764,428
Water Treatment	2,527,104
Transmission & Distribution	2,941,150
Customer Accounts	1,053,854
General and Administrative	<u>3,859,878</u>
TOTAL OPERATING EXPENSES:	<u>15,146,414</u>
NET REVENUES	17,263,279
State Water Payments	7,284,547
<i>Coverage Ratio:</i>	<i>2.37</i>
Other Debt Service	3,522,624
Capital Contributions (excluded for purposes of coverage ratio calculations)	1,049,478
Available for Capital Improvements and other purposes	\$ 7,505,586

Source: Goleta Water District

CITY OF GUADALUPE

The information set forth below has been provided by the City of Guadalupe (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below. All numbers presented for the Fiscal Year ending June 30, 2013 are unaudited.

HISTORIC WATER CONNECTIONS AND SALES

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

Fiscal Year Ending June 30	Connections	Sales Revenues
2009	1,926	\$1,303,214
2010	1,915	1,344,941
2011	1,927	1,315,006
2012	1,931	1,461,669
2013	1,940	1,515,152

The number of connections increased for FY 2012/2013 by approximately 9 services. There was an increase in revenue of about \$53,483 from the prior year. This rise resulted from enhanced water use at agricultural production businesses and a water rate CPI adjustment effective January 2013. The city continues to anticipate the additional sales revenue from planned new developments. The CPI rate increase and new development sales revenue will increase actual revenue in future years.

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending June 30	Deliveries ¹
2009	966
2010	900
2011	871
2012	924
2013	909

¹ Groundwater and State Water

The following table sets forth the ten largest customers of the City's water system as of June 30, 2013 as determined by the amount of their respective annual payments.

LARGEST CUSTOMERS

<u>Customer</u>	<u>Water Usage²</u>	<u>Annual Payments</u>
Apio Cooler	142,751	\$ 504,768
County Housing Authority	8,033	29,932
Riverview	6,949	25,011
Guadalupe Union School District	5,463	19,404
Obispo Cooling	5,246	18,542
Guadalupe Laundromat	3,617	12,903
Simplot	1,976	7,605
P&M Properties	1,810	6,405
Pan American Seed	2,285	8,076
Salvador Barragan	<u>1,145</u>	<u>4,047</u>
TOTAL	179,275	\$ 636,693

These ten customers accounted for approximately 42% of water service revenues for the year ended June 30, 2013.

WATER SYSTEM RATES AND CHARGES

Consumption Charges. All classes of water users are charged the same rate. Specifically, all users pay \$21.41 monthly for the first six (6) units [one (1) unit = 100 cubic feet] as a minimum charge. For each unit above the base six (6) units the charge is \$3.57 per unit. Beginning January 1, 2014, the base charge will increase to \$3.60 per unit.

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

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

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

² Hundred Cubic Feet

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2012/13. These results have been estimated by the City, but exclude certain non-cash items and include certain other adjustments. This table has not been audited by the City's auditor.

CITY OF GUADALUPE

<u>REVENUES</u>	<u>June 30, 2013</u>
M&I Sales	\$ 1,462,443
Connection Fees	0
Interest Income	219
Other Revenues	<u>52,490</u>
TOTAL REVENUES:	<u>\$ 1,515,152</u>
<u>OPERATING EXPENSES</u>	
Salaries & Benefits	135,138
Operations & Maintenance	<u>299,866</u>
TOTAL OPERATING EXPENSES:	<u>435,004</u>
NET REVENUES	1,080,148
Rate Coverage Reserve Fund Deposit	<u>167,787</u>
Adjusted Net Revenues	1,247,935
State Water Payments	758,852
<i>Coverage Ratio:</i>	<i>1.64</i>
Available for Capital improvements and Other purposes	\$ 321,296

Source: City of Guadalupe

LA CUMBRE MUTUAL WATER COMPANY

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Fiscal Year Ending Dec. 31	Connections					Sales Revenues				
	Dom.	%	Ag.	%	Total	Dom.	%	Ag.	%	Total
2008	1,437	98	31	2	1,468	2,383,812	96	105,898	4	2,489,710
2009	1,437	98	31	2	1,468	2,476,318	96	110,200	4	2,586,518
2010	1,437	98	30	2	1,469	2,290,754	96	86,885	4	2,377,639
2011	1,431	97	40	3	1471	2,515,941	96	92,096	4	2,608,037
2012	1,431	97	40	3	1471	2,892,733	96	131,256	4	3,023,989

HISTORIC WATER DELIVERIES

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

*Historic Water Deliveries
(In Acre-Feet per Year)*

Fiscal Year Ending Dec. 31	Domestic Deliveries	Agricultural Deliveries	Total
2008	1,698	99	1,937
2009	1,608	94	1,702
2010	1,449	74	1,523
2011	1,399	66	1,465
2012	1,499	88	1,587

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the Company’s water system as of December 31, 2012, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage (HCF)</u>	<u>Annual Payment</u>
La Cumbre Golf & Country Club	67,664	\$224,044
Stanford Farms	9,817	67,625
Timothy Pasquinelli	7,280	52,640
Stephen Redding	5,679	37,780
Marsupial Properties	4,499	36,426
Jeffrey Henley	5,570	34,566
Carriage Hill Association	4,079	27,854
Overwater, LLC	3,972	25,846
Paula Patrick	4,092	25,595
Christopher & Ann Conway	3,446	23,551
TOTAL	116,098	\$555,928

These ten customers account for approximately 15% of all water service revenues in fiscal year 2012.

WATER SYSTEM RATES AND CHARGES

The District's current rates and charges are as follows (all on a two month billing cycle):

CURRENT (effective July 1, 2011)	
Residential – Tiered Rate	
Tier 1 (0-50)	\$3.90/HCF
Tier 2 (51-120)	\$4.65/HCF
Tier 3 (121-240)	\$5.40/HCF
Tier 4 (241 & >)	\$6.65/HCF
 Commercial –Tiered Rate	
100% of past 3 year average on a bi-monthly avg.	\$3.90/HCF
Any usage above 3 year average	\$5.40/HCF
 Multi-Family Rate – Tiered Rate	
(0-18) HCF/Dwelling/2mo.	\$3.90/HCF
(19-60) HCF/Dwelling/2mo.	\$4.65/HCF
(>60) HCF/Dwelling/2mo.	\$5.40/HCF
 Schools and Golf Courses – Tiered Rate	
100% of past 3 year average on a bi-monthly avg.	\$3.03/HCF
Any usage above 3 year average	\$5.40/HCF
 Agricultural – Tiered Rate	
Tier 1 for first 40 HCF	\$3.90/HCF
Tier 2 for <=870 HCF/ag acres/12 mo. period	\$2.92/HCF
Tier 3 for >870 HCF/ag acres/12 mo. period	\$5.40/HCF

CURRENT (effect. July 1, 2011)	
<u>Item</u>	<u>Bi-Monthly Charge</u>
"A" less than 50 HCF/Year *	\$ 10.00
"B" less than 100 HCF/Year *	20.00
3/4" meter	30.00
1" meter	50.00
1 1/2" meter	100.00
2" meter	160.00
3" meter	300.00
4" meter	500.00
Fire Sprinkler System under 2"	21.00
Over 2"	42.00
Private Fire Hydrant	21.00

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

<u>Item</u>	CURRENT (effective Oct. 22, 2012) <u>Connection Charge + Cap Cost Recovery Fee</u>
3/4" meter	\$ 6,338 + 12,918
1" meter	7,245 + 20,813
1 1/2" meter	8,153 + 45,213
2" meter	9,060 + 71,766
3" meter	9,960 + 152,504
4" meter	10,868 + 215,300
Fire Sprinkler System under 2"	10,868 + 3,938
Over 2"	10,868 + 7,875
Private Fire Hydrant	TBD + 3,938

	CURRENT (effective Jan. 1, 2007)
Land Charges	\$29 per acre per bi-monthly period

Water rates were increased in July 2011 to help pay for iron treatment plant and encourage conservation.

FISCAL YEAR 2012 OPERATING RESULTS

The following table is a summary of operating results of the water system of the Company for the Fiscal Year ended December 31, 2012. These results have been derived from the Company's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the Company's auditor.

LA CUMBRE MUTUAL WATER COMPANY

Per Financial Statements

<u>REVENUES</u>	<u>Dec. 31, 2012</u>
Water Sales	3,023,989
Meter Charges	443,885
Land Charges	358,836
Connection Fees	12,837
Other Income	36,439
Rental income	109,238
Interest Income	<u>2,161</u>
TOTAL REVENUES:	<u>\$3,987,385</u>
<u>OPERATING EXPENSES</u>	
Water Source	154,460
Water Treatment	74,404
Transmission & Distribution	311,985
Admin. & General	778,486
Taxes	23,190
Water Conveyance	54,165
Misc Expense	<u>5,098</u>
TOTAL OPERATING EXPENSES:	<u>1,401,788</u>
NET REVENUES	2,585,597
Rate Coverage Reserve Fund Deposit	<u>391,135</u>
Adjusted Net Revenues	2,976,732
State Water Payments	1,425,464
Coverage Ratio:	2.09
Available for Capital improvements and other purposes	\$ 1,194,902

Source: La Cumbre Mutual Water District

MONTECITO WATER DISTRICT

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

HISTORIC WATER CONNECTIONS AND WATER SALES REVENUES

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

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Agricultural	%	Dom.	%	Agricultural	%
2009	4,501	99	37	1	9,626,835	97	388,475	3
2010	4,516	99	42	1	9,121,648	99	307,674	1
2011	4,530	99	45	1	8,132,186	99	269,759	1
2012	4,532	99	45	1	8,969,598	99	376,369	1
2013	4,540	99	45	1	10,120,915	99	452,110	1

The total actual connections for 2012/13 were 4,585. Domestic sales revenues for 2012/13 were \$10,120,915. Agricultural sales revenues for 2012/13 were \$452,110. Total Water Sales were \$10,573,024.

Water service charges and connection fee revenues were \$3,082,922 and \$197,747 respectively.

HISTORIC WATER DELIVERIES

Actual water deliveries for 2012/13 are 5,945 Acre-feet. The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years:

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

<u>Fiscal Year Ending June 30</u>	<u>Agricultural</u>	<u>Domestic</u>	<u>Total</u>
2009	478	5,485	5,963
2010	366	4,908	5,274
2011	316	4,399	4,715
2012	451	4,851	5,302
2013	548	5,397	5,945

Actual water productions for 2012/13 are 6,400 acre-feet. The following table summarizes Water Production by source:

*Water Production by Sources
(In acre-feet per year)*

<i>Fiscal Year Ending</i> <u>June 30</u>	<u>Groundwater</u>	<i>Cachuma</i> <u>Project</u>	<i>Other</i> ¹ <u>Sources</u>	<u>Total</u>
2009	299	2,124	4,240	6,663
2010	240	3,945	1,900	6,085
2011	167	2,386	2,792	5,345
2012	167	3,289	2,207	5,663
2013	320	4,390	1,690	6,400

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system for 2012/13, as determined by the amount paid:

<u>Customer</u>	<u>Water Usage</u> <u>(HCF)²</u>	<u>Annual Payment</u>
Resort Hotel	44,265	\$240,325
Golf Club	61,642	197,002
Single Family Residence	25,763	139,054
Resort Hotel	21,910	120,137
Cemetery	28,861	119,763
Single Family Residence	19,015	119,094
Private College	29,198	116,245
Retirement Community	20,182	110,741
Agricultural	49,315	94,557
Golf Club	<u>19,520</u>	<u>83,089</u>
	<u>319,671</u>	<u>\$1,340,007</u>

These ten customers accounted for approximately 12.67% of water service revenues in 2012/13.

WATER SYSTEM RATES AND CHARGES

Water Service Charges. The District has separated its customer base into several classes of service. Rates charged to each class of customers vary. A schedule of the District's water rates and charges as of June 30, 2013 is as follows:

<u>Meter Size</u>	<u>Meter Charge</u>	<u>Meter Size</u>	<u>Meter Charge</u>
3/4"	\$ 30.95	3"	\$ 371.43
1"	\$ 51.60	4"	\$ 619.05
1-1/2"	\$ 92.86	6"	\$ 1,031.75
2"	\$165.08		

¹ Other sources include water from Jameson Lake and Fox and Alder Creeks, infiltration water from Doulton Tunnel, and beginning in 1997/98, water from the State Water Project.

*Quantity Water Rates in Addition to Monthly Service Charge
(Price per HCF)*

	<u>1st Block</u>	<u>2nd Block</u>	<u>3rd Block</u>	<u>4th Block</u>
Single Family Residential	\$ 3.90	\$ 4.15	\$ 4.90	\$ 5.90
Multi-Family Residential	\$ 3.90	\$ 4.15	\$ 4.90	-
Commercial	\$ 4.25	\$ 5.90	-	-
Institutional & Public	\$ 3.90	\$ 4.25	-	-
Agricultural ³	\$ 1.76	\$3.90	-	-
Non-Potable	\$ 1.40	-	-	-

The District completed a five year financial plan and a cost of service study in 2013. The financial plan includes increases to both the monthly service charges and the consumption rates for the next five fiscal years. The initial rate increase was effective on September 1, 2013. There will be 7.3% rate increases for the next four years thereafter. Quantity water rates beginning on September 1, 2013 are as follows:

*Monthly Service Charges
Effective September 1, 2013*

Meter Size	Meter Charge	Meter Size	Meter Charge
3/4"	\$ 35.99	3"	\$ 431.97
1"	\$ 60.01	4"	\$ 719.96
1-1/2"	\$108.00	6"	\$1,031.75
2"	\$191.99		

*Quantity Water Rates in Addition to Monthly Service Charges
Effective September 1, 2013
(Price per HCF)*

	1st Block	2nd Block	3rd Block	4th Block
Single Family Residential	\$ 4.36	\$ 4.83	\$ 5.70	\$ 6.86
Multi-Family Residential	\$ 4.36	\$ 4.83	\$ 5.70	-
Commercial	\$ 4.83	\$ 5.70	-	-
Institutional & Public	\$ 4.83	\$ 5.70	-	-
Agricultural ³	\$ 2.43	\$ 4.36	-	-
Non-Potable	\$ 1.94	-	-	-

Connection Fees. The District charges connection fees to cover the costs of installing meters. (Please note that the District no longer installs 5/8"x 3/4" meters.) In addition, a Capital Cost Recovery Fee is charged as a buy-in fee for new customers to buy into the District's capital facilities. Connection Fees are increased annually with the fiscal year budget based on the actual costs to install a meter. The Capital Cost Recovery fees are increased annually based on a prescribed formula approved by the Board of Directors in 1997 with Resolution No. 1837. The breakdown of Connection and Capital Cost Recovery Fees as of July, 2013 is as follows:

<u>Meter Size</u>	<u>Connection Fee</u>	<u>Capital Cost Recovery Fee</u>
3/4"	\$2,247	\$14,226
1"	2,386	23,710
1-1/2"	3,120	42,678
2"	3,814	75,872

² Hundred Cubic Feet (hcf)

³ Agricultural users with dwelling units on the property are charged 20 hcf per month at the domestic rate for each dwelling.

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results for the water system of the District for FY 2012/13. These results have been derived from the District's financial statements, exclude certain non-cash items, and include certain other adjustments. This table has not been audited by the District's auditors.

MONTECITO WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2013</u>
Water Sales	\$10,573,024
Water Service Charges	3,082,922
Connection/Capital Cost Recovery Fees	197,747
Water Availability Charge	309,592
Interest Income	39,760
Other Income	<u>111,981</u>
TOTAL REVENUES	<u>14,315,026</u>
<u>OPERATING EXPENSES</u>	
Water Purchased	1,058,400
Pumping	314,073
Water Treatment	1,547,355
General & Administrative	2,251,267
Operations & Maintenance	<u>1,326,355</u>
TOTAL OPERATING EXPENSES	<u>6,497,450</u>
NET REVENUES	7,817,576
Rate Coverage Reserve Fund Deposit	<u>1,087,787</u>
Adjusted Net Revenues	8,905,363
State Water Payment	4,898,038
Coverage Ratio	<i>1.82</i>
Other Debt Service ⁴	1,901,535
Available for Capital Improvements and Other Purposes	\$ 1,018,003

⁴ Inclusive of 2004 COMB Bonds, 1993 Department of Water Resources Loan, Department of Water Resources Cater Loan, Department of Water Resources Ortega Improvement Project Loan and 2010A Revenue Bonds.

Source: Montecito Water District

CITY OF SANTA BARBARA

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Historic Water Connections and Sales Revenues

Fiscal Year <u>Ending June 30</u>	<u>Connections</u>		<u>Sales Revenues</u>	
	<u>Dom.</u>	<u>%</u>	<u>Dom.</u>	<u>%</u>
2009	26,153	100	\$28,669,429	100
2010	26,504	100	\$28,163,162	100
2011	26,557	100	\$27,181,923	100
2012	26,649	100	\$29,992,081	100
2013	26,797	100	\$31,654,759	100

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending <u>June 30</u>	<u>Urban Deliveries</u>
2009	13,819
2010	13,428
2011	13,284
2012	13,949
2013	14,366

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2013, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage</u> ¹	<u>Annual Payment</u>
City of Santa Barbara	67,278	\$ 401,684
Santa Barbara Unified School District	38,987	255,301
Housing Authority	32,023	181,085
Fess Parker	27,081	150,811
Mission Linen	25,393	138,678
Samarkand	23,436	126,032
Cottage Hospital	18,374	120,192
Dario Pini	21,616	108,215
SB Zoo	20,105	99,249
SB Highlands	<u>18,937</u>	<u>98,610</u>
	304,2725	\$1,749,291

These ten customers accounted for approximately 5.5% of the annual water system sales for Fiscal Year 2012/13.

(2) Hundred cubic feet

¹ Hundred cubic feet

Water System Rates and Charges During FY 2012/13

Customer Class	Water Service Rates
Single Family Residential	First 4 HCF @ \$3.14 Next 16 HCF @ \$5.25 All other @ \$5.53
Multi-Family Residential 1-4 dwelling units	First 4 HCF per dwelling unit @ \$3.14 Next 8 HCF per dwelling unit @ \$5.25 All other @ \$5.53
Multi-Family Residential 5+ dwelling units	First 4 HCF per dwelling unit @ \$3.14 Next 8 HCF per dwelling unit @ \$5.25 All other @ \$5.53
Commercial	100% of base allotment ² @ \$5.25 per HCF; All other @ \$5.53
Industrial	100% of base allotment ² @ \$5.25 per HCF; All other @ \$5.53
Irrigation – Residential	Billed as if used through associated residential meter, OR annual allotment of 654 HCF/acre @ \$525; all other @ \$5.53
Irrigation - Recreation/Parks/Schools	Annual allotment of 1,404 HCF/acre @ \$2.47 Next 240 HCF/acre/year @ \$5.25 All other @ \$5.53
Irrigation – Commercial	100% of base allotment ² @ \$5.25 per HCF; All other @ \$5.53
Irrigation – Agriculture	Annual allotment of 1,080 HCF/acre @ \$1.45 Next 240 HCF/acre/year @ \$5.25 All other @ \$5.53
Recycled Water	All usage @ \$1.98/HCF
Outside City Limits	130% of corresponding in-City rates

Monthly Service Charges for Water Meters by Size During FY 2012/13

Meter Size	Monthly Service Charge
5/8"	\$ 13.19
3/4"	19.82
1"	33.00
1 1/2"	65.97
2"	105.58
3"	211.14
4"	329.91
6"	659.81
8"	1,054.81
10"	1,517.56

Connection Charges during Fiscal Year 2012/13

	5/8" Meter	1" Meter
Connection Charges on 1" Service:	\$2,230	\$ 2,738
Buy-in Fee (per detached single family residence)	5,691	14,227
	\$7,921	\$16,965

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

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2011/12. These results have been derived from the City's financial statements, exclude certain non-cash items, and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SANTA BARBARA

<u>REVENUES</u>	<u>June 30, 2013</u>
M&I Sales	\$ 32,683,467
Service Charges	1,029,927
JPA Reimbursement	4,262,817
Interest Income	<u>267,495</u>
Other Revenues	<u>195,356</u>
TOTAL REVENUE	38,439,062
<u>Operating Expenses</u>	
Salaries & Benefits	7,575,522
Materials & Supplies	12,176,320
Interest Expense	<u>1,654,730</u>
Other	<u>58,421</u>
TOTAL OPERATING EXPENSES	21,464,993
NET REVENUES	16,974,069
State Water Payments	4,744,097
Parity Debt Service ³	<u>1,847,618</u>
Total Contract Payments	<u>6,591,715</u>
Coverage Ratio	2.58
Available for Capital improvements and Other purposes	\$ 10,382,354

Source: City of Santa Barbara

³ Represents debt service on 1994 Water Revenue Refunding Bonds and the 2002 Water Refunding COP's which are on a parity with payments to the Authority under the Water Supply Agreement. Coverage calculations take into consideration both payments to the Authority under the Water Supply Agreement and Parity Debt Service.

CITY OF SANTA MARIA

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

**HISTORIC WATER AND WASTEWATER CONNECTIONS
AND SALES AND SERVICE REVENUES**

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

Historic Water and Wastewater Connections and Sales and Service Revenues

<u>Fiscal Year Ending June 30</u>	<u>Connections</u>	<u>Water Sales Revenues</u>	<u>Wastewater Service Revenues</u>
2009	20,919	25,859,215	5,757,471
2010	20,927	25,411,420	6,083,368
2011	21,050	26,393,674	6,506,699
2012	21,199	27,803,548	7,406,355
2013	21,385	29,938,893	7,649,638

HISTORIC WATER DELIVERIES

The City records the volume of water delivered by its water system. Over the past five years, the volume of water delivered by the City has fluctuated, ranging from a low of approximately 13,016 acre-feet in fiscal year 2011 to a high of approximately 14,489 acre-feet in fiscal year 2009. The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Historic Water Deliveries In Acre-Feet per Year

<u>Fiscal Year Ending June 30</u>	<u>Deliveries</u>
2009	14,489
2010	13,986
2011	13,016
2012	13,264
2013	13,338

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2013 as determined by the amount of their respective annual payments.

Largest Water Customers

Customer ¹	Water Usage ²	Annual Payments
City of Santa Maria	284,675	\$ 1,455,458
Santa Maria Elementary School	119,531	606,684
Santa Maria Land Partners ³	70,565	338,975
Casa Grande Mobile Homes	47,634	174,797
Marian Hospital & Facilities	41,675	236,745
S.B. County Housing Authority	41,070	216,808
Alan Hancock College	40,731	212,403
Pictsweet Frozen Foods	29,985	149,572
Casa Del Rio Mobile Estates	26,973	98,851
Santa Maria Joint Union High School	<u>26,336</u>	<u>142,212</u>
TOTAL	729,175	\$3,632,505

The ten largest water customers accounted for approximately 13.3% water service by volume in fiscal year 2013.

The following table sets forth the ten largest customers discharging to the City's wastewater system as of June 30, 2013 and their respective annual payments.

Largest Wastewater Customers

Customer	Wastewater Usage ²	Annual Payments
Santa Maria Land Partners	70,565	\$ 66,806
Sure-Fresh	56,372	120,063
Casa Grande Mobile Homes	53,486	54,970
Marian Hospital & Facilities	35,204	61,371
S.B. County Housing Authority	30,189	43,550
Casa Del Rio Mobile Estates	26,340	33,275
Mission Linen	25,210	55,568
Santa Maria Elementary School District	20,697	37,976
Eberhardt, R.W.	18,235	30,327
FF SM Associates, LLC	<u>18,175</u>	<u>19,218</u>
TOTAL	354,473	\$ 523,124

The ten largest wastewater customers accounted for approximately 8.5% of wastewater service by volume in fiscal year 2013.

¹ Some food processors use private well water for their operations and therefore do not appear as largest water customers. However, their wastewater is treated by the City and they are among the largest wastewater customers.

² Hundred Cubic Feet

³ Formerly known as "SP Village Green LLC"

WATER AND WASTEWATER SYSTEM RATES AND CHARGES

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

Water Service Charges. A schedule of the City’s current monthly water rates and charges as of July 1, 2013 is set forth below:

Monthly Service Charges for Water Meters by Size

Meter Size	Inside City
5/8 x 3/4"	\$ 28.58
1"	44.82
1 1/4"	53.16
1 1/2"	70.85
2"	97.99
3"	212.64
4"	354.43
6"	886.21

Capacity Charge

1 – 500 cubic feet	\$ 3.115 per 100 cubic feet
501 – 1000 cubic feet	3.695 per 100 cubic feet
1001 – 1500 cubic feet	4.318 per 100 cubic feet
Above 1501 cubic feet	4.916 per 100 cubic feet

Wastewater Treatment Charges. A schedule of the City’s current monthly wastewater treatment rates and charges as of July 1, 2013 is set forth below:

Monthly Wastewater Rates

Single Family Residence	\$ 16.59
Multiple Apartments:	
2 Rooms or Less	11.74
3 + Rooms	12.76
Mobile Homes (number of spaces)	11.74
Motel/Hotel (per unit)	8.17

Per 100 cubic feet

Office Buildings	\$ 1.94
Restaurants	4.64
Commercial	2.81
Food Processing	2.70
Machinery	2.25
Miscellaneous	2.25

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water and wastewater system of the City for Fiscal Year 2012/13. These results have been derived from the City's financial statements and exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SANTA MARIA

<u>REVENUES</u>	<u>June 30, 2013</u>
Water & Wastewater Fees & Charges	\$ 37,588,531
Other Revenues	449,549
Interest Income	267,201
TOTAL REVENUES:	<u>\$ 38,305,281</u>
<u>OPERATING EXPENSES</u>	
Salaries, Wages & Benefits	4,346,405
Materials & Supplies	1,617,835
Equipment Maintenance & Operations	3,260,663
Contracts & Services	3,240,128
Bad Debts	233,885
TOTAL OPERATING EXPENSES:	<u>12,698,916</u>
NET REVENUES	25,606,365
Rate Coverage Fund Deposit	4,290,188
TOTAL NET REVENUES	<u>29,896,553</u>
State Water Payments	17,851,202
<i>Coverage Ratio:</i>	<i>1.67</i>
Other Debt Service	2,308,524
Available for Capital improvements and other purposes	\$ 9,736,827

Source: City of Santa Maria

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

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

City of Solvang has represented to ID No.1 that the information contained in City's Continuing Disclosure Statement is accurate. In the preparation of this Disclosure Statement, ID No.1 has (i) relied only on its data in preparing the ID No.1 information, and (ii) accounted for and verified the accuracy of the data contained herein. ID No.1 makes no representations or warranties as to the accuracy or completeness of any information set forth in the City of Solvang's continuing disclosure information.

Historic Water Connections and Sales Revenues

The following table shows the number of **active** water metered connections to the ID No.1's water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Metered Connections				Sales Revenues					
	<u>Dom.</u>	<u>%</u>	<u>Ag.</u>	<u>%</u>	<u>Dom.</u> ⁽¹⁾	<u>%</u>	<u>Ag.</u> ⁽²⁾	<u>%</u>	<u>Solvang</u>	<u>%</u>
2009	2,469	96	114	4	3,698,026	74	1,226,809	24	105,410	2
2010	2,492	97	87	4	3,763,466	74	1,202,826	24	130,386	2
2011	2,437	97	82	3	3,835,905	77	1,103,781	22	69,777	1
2012	2,408	96	107	4	4,043,655	75	1,246,184	23	81,941	2
2013	2,486	96	112	4	4,186,528	75	1,260,828	23	84,229	2

The actual FY 2012/2013 total water sales revenues are approximately 3% percent higher than the FY 2011/12 revenues due to increased usage due to dry weather conditions in 2012/13.

- (1) Domestic Revenues are shown to include a pro-rata share of the Rural Residential sales revenues.
- (2) Ag Sales Revenues are shown to include a pro-rata share of Limited Ag water sales revenues.

HISTORIC WATER DELIVERIES

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

Historic Water Deliveries (in acre feet)

Fiscal Year Ending June 30	Ag. Deliveries	Domestic	Solvang	Total
2009	2,929	2,933	85	5,947
2010	2,639	2,679	98	5,416
2011	2,415	2,797	43 ¹	5,255
2012	2,454	2,753	53 ¹	5,260
2013	2,881	2,434	56 ¹	5,371

The FY 2012/13 actual overall water deliveries are higher than FY 2011/12 due to increased demand for agriculture uses.

LARGEST CUSTOMERS

The following table sets forth the ten largest customer accounts of the ID No. 1's water system as of June 30, 2013, as determined by the amount of their respective annual payments.

Customer	Water Usage ⁴	Annual Payments
Public Agency	56	91,530
Public Agency	78	91,397
Private Agriculture	256	57,034
Private Education Facility	43	56,015
Private Agriculture	127	28,836
Private Agriculture	115	24,177
Private Agriculture	92	17,102
Private Agriculture	79	16,691
Private Agriculture	33	14,850
Private Agriculture	70	13,749
Private Agriculture	<u>48</u>	<u>13,674</u>
TOTAL	941	\$ 425,082

These ten customers accounted for approximately 7.6% of the water service revenues for Fiscal Year 2012/13.

¹ Represents the total acre feet for the City of Solvang's two master meters and City of Solvang park.

ID No.1's rates and charges for FY 2012/13 are as follows:

Monthly Meter Charge

Meter Size	Domestic/Limited	
	Agricultural	Agricultural
$\frac{5}{8}$ " - $\frac{3}{4}$ "	\$ 31.00	
$\frac{3}{4}$ "	37.10	
1"	61.60	
1 $\frac{1}{2}$ "	122.90	\$ 49.00
2"	195.00	81.00
3"	392.40	163.00
4"	553.40	227.00
6"	1,227.30	507.00
8"	1,954.10	

Consumption Charge

Domestic	Rural Residential / Limited Agricultural	Agriculture
\$2.71 per HCF	1 st 70: \$2.71 per HCF Over 70: \$0.54 per HCF	\$0.36 per HCF
Temporary Rate		Cachuma Park & City of Solvang
\$4.07 per HCF	(Conn. Fee \$50.00; minimum chg.: \$25.00)	\$2.71 per HCF

Connection Charge

Meter Size	Meter Only ⁽¹⁾	Service and Meter
$\frac{5}{8}$ " - 1"	\$ 3,384.27	\$6,638.36 Short Side (1" service) 9,996.46 Long Side (1" service)
$\frac{3}{4}$ "	\$ 4,061.12	\$7,371.14 Short Side (1" service) 10,729.24 Long Side (1" service)
1"	\$ 6,768.53	\$10,235.87 Short Side (1" service) 13,593.97 Long Side (1" service)
(2) $\frac{5}{8}$ " - 1"		\$7,175.05 Short Side (1" double service) 10,532.07 Long Side (1" double service)
1 $\frac{1}{2}$ "	\$ 13,537.07	\$17,014.55 Short Side (2" service) 21,175.20 Long Side (2" service)
2"	\$21,659.30	\$27,265.24 Short Side* (2" service) 29,706.74 Long Side* (2" service)
3"	*see below	*see below

Footnotes: ⁽¹⁾ Reflects actual meter cost and Capital Facilities Charge. *2-inch meter only price listed is for standard style meters. Prices vary for Compound Meters. Installation prices for 3-inch meters are figured on an individual basis.

Fire Service Connection Fee: \$640 per inch of diameter of Service size.

Capital Facilities Charge on Larger Services

Meter Size	Charge	
3"	\$ 43,318.60	+ Serv. & Meter Costs
4"	\$ 60,916.78	+ Serv. & Meter Costs
6"	\$ 135,370.63	+ Serv. & Meter Costs
8"	\$ 216,593.01	+ Serv. & Meter Costs

Installation Charge: The meter and service installation charge shall equal the cost of installation as determined by ID No.1 from time to time.

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system of ID No. 1 for Fiscal Year 2012/13. These results have been derived from ID No. 1's financial statements, exclude certain non-cash items, and include certain other adjustments.

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

<u>REVENUES</u>	June 30, 2013
M&I Water Sales	\$ 4,920,004
Ag. Water Sales	527,352
Water Sales to City of Solvang	84,229
SWP Revenue from City of Solvang	2,510,824
Connection Fees	31,967
Special Assessments	274
Other Fees & Income	103,523
Interest Income	<u>35,423</u>
TOTAL REVENUES:	8,213,596
<u>OPERATING EXPENSES</u>	
Water Purchased	168,295
Pumping	638,895
Water Treatment	43,967
Transmission & Distribution	628,617
Other	5,493
Administration & General	<u>1,824,856</u>
TOTAL OPERATING EXPENSES:	3,310,123
NET REVENUES	4,903,473
Rate Coverage Reserve Fund Deposit (Includes Solvang)	1,024,244
Adjusted Net Revenues	5,927,717
State Water Payments (Includes Solvang)	4,238,934
<i>Coverage Ratio:</i>	1.40
Other Debt Service	314,825
Other Non-Operating Expenses - Special Studies & Special Legal Fees ²	341,384
Available for Capital improvements and other purposes ³	\$(26,559)

Source: Santa Ynez Improvement District No. 1

² In conferring with Bond Counsel and the District's Auditor, and in accordance with GAAP, the "Non-operating" expenses or Non Annual Recurring expenses (NAREs) were not included in the rate coverage calculations for FY 2012/13.

³ Capital Improvements funded from the District reserves.

CITY OF SOLVANG

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2009	2,017	4,085,678	1,483
2010	1,981	3,957,709	1,315
2011	2,019	3,927,817	1,322
2012	2,118	4,167,680	1,347
2013	2,153	4,455,120	1,416

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2013, as determined by the amount of their respective annual payments.

Largest Customers as of June 30, 2013

Customer	Water Usage	Annual Payments
Rancho Santa Ynez Mobile Estates	29,747	\$93,159
Alisal Guest Ranch	15,333	52,929
City of Solvang	13,946	48,036
Mission Oaks	11,682	36,864
Solvang School	10,050	32,361
Chumash Casino	9,008	28,694
Atterdag Village	8,164	26,004
N&G Investments	7,003	22,309
Worldmark	6,885	21,932
Oak Park Apartments	<u>5,286</u>	<u>17,353</u>
TOTAL	117,104	\$379,641

WATER CHARGES

On a monthly basis, every connection to the Water system is subject to both a Base Rate and a Quantity Rate as follows:

Base Rate

per Connection, All Water Connections

<u>Meter Size</u>	<u>Rated Flow (gpm)¹</u>	<u>Ratio to 5/8" x 3/4" Meter</u>	<u>Meter Charges</u>	<u>Outside Users²</u>
5/8" x 3/4"	20	1.0	\$ 65.63	\$ 98.45
3/4"	30	1.5	98.45	147.68
1"	50	2.5	164.09	246.14
1-1/2"	100	5.0	328.17	492.26
2"	160	8.0	525.08	787.62
3"	320	16.0	1,050.15	1,575.23
4"	450	22.5	1,640.86	2,461.29
6"	1,000	50.0	3,281.73	4,922.60
8"	1,600	80.0	5,250.76	7,876.14

Quantity Rate

Single Family Residential Users per 100 Cubic Feet

<u>Cubic Feet</u>	<u>Rate</u>
0 to 1,600	\$3.00
1,600 & above	\$3.53

All Other Users per 100 Cubic Feet

<u>Cubic Feet</u>	<u>Rate</u>
All	\$3.26

¹ gallons per minute

² outside users are properties outside of City limits, and are subject to 1.5 times the above listed rates.

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2012/13. These results have been derived from the City's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SOLVANG

<u>REVENUES</u>	<u>June 30, 2013</u>
Water Sales	\$ 4,455,120
Other Fees & Income	23,507
Capital contributions	184,331
Interest Income	<u>14,285</u>
TOTAL REVENUES:	<u>4,677,242</u>
<u>OPERATING EXPENSES</u>	
Operating Expenses	1,429,627
Interest Expense	<u>7,304</u>
TOTAL OPERATING EXPENSES:	<u>1,436,931</u>
NET REVENUES	3,240,311
Rate Coverage Fund Deposit	<u>606,183</u>
Adjusted Net Revenues	<u>3,846,494</u>
State Water Payments	2,656,129
<i>Coverage Ratio:</i>	<i>1.45</i>
Other Debt Service	-
Available for Capital improvements and other purposes	\$ 584,182

Source: City of Solvang

SAN LUIS OBISPO COUNTY

CITY OF MORRO BAY

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Fiscal Year Ending June 30	Connections	Sales Revenues
2009	5,547	3,588,500
2010	5,545	3,574,319
2011	5,385	3,421,151
2012	5,401	3,396,936
2013	5,455	3,377,534

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending June 30	Deliveries
2009	1,130
2009	1,282
2011	1,250
2012	1,177
2013	1,141

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2013, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
City of Morro Bay	21,823	\$ 195,250
Pacific Care Center	9,422	137,609
Department of Parks	8,111	112,231
Mission Linen Supply	6,868	106,248
Imperial Coast, LP	5,435	105,501
Morro Dunes Trailer Park	4,283	51,653
San Luis Coastal School District	3,888	37,648
Silver City Manor	3,693	45,442
Morro Elementary School	2,789	25,629
Morro Bay High School irrigation	<u>12,389</u>	<u>24,895</u>
TOTAL	78,701	\$ 842,106

These ten customers accounted for approximately 25% of water services revenues in fiscal year 2012/2013.

¹ Hundred Cubic Feet

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2012/13. These results have been derived from the City's financial statements, but exclude certain non-cash items and include certain other adjustments.

CITY OF MORRO BAY

<u>REVENUES</u>	<u>June 30, 2013</u>
Water Service Charge	\$ 3,273,369
Connection Fees	43,010
Penalties & Reconnections	61,155
Miscellaneous	<u>75,683</u>
TOTAL REVENUES:	<u>3,453,217</u>
 <u>OPERATING EXPENSES</u>	
Administration & General	1,621,606
Maintenance	<u>142,635</u>
TOTAL OPERATING EXPENSES:	<u>1,764,241</u>
 NET REVENUES	 1,688,976
 State Water Payments	 2,155,816
 <i>Coverage Ratio:</i>	 <i>0.78</i>
 Available for Capital improvements and other purposes	 \$ (466,840)

Source: City of Morro Bay



City of Morro Bay

Morro Bay, CA 93442
(805) 772-6201

January 21, 2014

Ray Stokes, Deputy Director
Central Coast Water Authority
255 Industrial Way
Buellton, CA 93427

RE: CITY OF MORRO BAY'S 2012/13 BOND COVERAGE RATIO

Dear Ray,

For the 2012/13 fiscal year, the City of Morro Bay failed to meet its minimum bond coverage ratio. The required percentage rate is greater than or equal to 1.25%; for the 2012/13 fiscal year, Morro Bay's is 0.78%. The City continues to attribute this to our water conservation efforts, increased expenses for maintaining our aging infrastructure, and an outdated water rate structure.

On October 22, 2013, the issue of water rates came before the City Council, who understands that this is very important to move forward. Council directed staff to take this to the Public Works Advisory Board (PWAB) to form a subcommittee that would produce a Request for Proposal (RFP) for a rate study. Staff presented this to PWAB on November 4, 2013, and a subcommittee was formed. The subcommittee will meet before February 20, 2014, and the RFP will be issued thereafter.

If you have any questions, please contact me at (805) 772-6217.

Sincerely,


Susan Slayton
Acting City Manager

cc: Rob Livick, Public Services Director

RECEIVED

JAN 23 2014

FINANCE
595 Harbor Street

ADMINISTRATION
595 Harbor Street

FIRE DEPT.
715 Harbor Street

PUBLIC SERVICES
955 Shasta Avenue

HARBOR DEPT.
1275 Embarcadero Road

CITY ATTORNEY
955 Shasta Avenue

POLICE DEPT.
850 Morro Bay Boulevard

RECREATION & PARKS
1001 Kennedy Way

CITY OF PISMO BEACH

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Fiscal Year Ending June 30	Connections	Sales Revenues
2003	4,234	1,772,352
2004	4,365	1,872,673
2005	4,405	1,888,635
2006	4,443	1,994,992
2007	4,458	2,124,500
2008	4,713	2,619,579
2009	4,540	2,834,803
2010	4,558	2,874,984
2011	4,569	3,048,595
2012	4,584	3,257,915
2013	4,596	3,390,236

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending June 30	Urban Deliveries¹
2004	2,041
2005	1,953
2006	1,945
2007	2,026
2008	2,018
2009	1,939
2010	1,735
2011	1,717
2012	1,785
2013	1,828

¹ The Water Deliveries for 2003 through 2005 have been corrected. Water production was reported instead of water deliveries.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2013, as determined by the amount of their respective annual payments.

Customer	Water Usage	Annual Payments
Cliffs Shell Beach	14,386	\$37,404
Pismo Beach Mobile Home Park	14,041	36,507
Oxford Suites Resort	7,722	20,077
City of Pismo Beach	7,374	21,163
Shorecliff Lodge	6,968	18,117
Pismo Lighthouse Suites	6,430	16,718
Seacrest Resort	6,394	16,624
Hilton Garden Inn	6,199	16,117
Motel 6	6,034	15,688
<u>Lucia Mar Unified School District</u>	<u>5,871</u>	<u>15,265</u>
Totals	81,419	\$213,680

These ten customers accounted for approximately 6.3% of water service revenues in fiscal year 2012/2013.

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

Meter Size	
All Meters	
5/8" & 3/4"	\$ 32.57
1"	65.18
1-1/2"	108.52
2"	173.66
3"	325.82
4"	543.17
6"	1,303.33

	Single Family <u>Residential</u>	All Other Metered <u>Users</u>
Consumption Charge:		
0-12 HCF	\$2.35/HCF	\$2.60/HCF
13 HCF and higher	\$3.05/HCF	\$2.60/HCF
Construction Meter		\$5.21/HCF
Irrigation Meter		\$2.87/HCF
Connection Charges:		
A) State Water Supply Fee	\$9,419 per equivalent dwelling unit	
B) Special Tax Levy FY 2012-13	\$185.16 per year per equivalent dwelling unit.	

FISCAL YEAR 2013 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for FY 2012/13. These results have been derived from the City's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF PISMO BEACH

<u>REVENUES</u>	<u>June 30, 2013</u>
Water Service Charge	\$3,419,448
State Water Impact Fee	196,549
Interest	25,555
Assessments	1,347,039
Other Revenues	14,027
TOTAL REVENUES:	<u>\$5,002,618</u>
<u>OPERATING EXPENSES</u>	
Administration and General	702,472
*Lopez Contract Payments ²	1,257,192
Operations & Maintenance	567,832
Utilities	88,528
TOTAL OPERATING EXPENSES:	<u>2,616,024</u>
NET REVENUES	2,386,594
State Water Payments	<u>1,413,314</u>
Total Contract Payments	<u>1,413,314</u>
Coverage Ratio:	1.69
Available for Capital improvements and other purposes	\$973,280

Source: City of Pismo Beach

² The Lopez obligation was previously reported as parity debt in the 1996 Revenue Bond official statement. The City has determined that this is not a debt obligation but is instead a contract obligation. Therefore, the amount is presented as an operating expense.

