

FY 2009 - 10 BUDGET



central coast



WATER

authority

Central Coast Water Authority

Mission:

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

Objectives:

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





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Coast Water Authority
California**

For the Fiscal Year Beginning

July 1, 2008

President

Executive Director

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Erosion repair on the pipeline
near Buellton

Budget Foreword

The Budget Foreword section of the FY 2009/10 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

Highlights

General Information

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

Operational Information

- | | |
|--|----------------------------|
| • Polonio Pass Water Treatment Plant
design capacity | 43 million gallons per day |
| • Authority Pipeline (in miles) | 42 |
| • Coastal Branch Phase II
Pipeline (in miles) | 101 |
| • Total Pipeline operated
by the Authority (in miles) | 130 |
| • Number of water storage tanks | 5 |
| • Number of turnouts | 10 |
| • Number of full-time equivalent
Positions | 28.25 |

Central Coast Water Authority
Reader's Guide
Fiscal Year 2009/10 Budget

The organization and presentation of the Central Coast Water Authority's fiscal year budget is designed to satisfy the needs of citizens, ratepayers, public officials and Authority employees. It is organized and structured to meet external and internal managerial needs. As a comprehensive management and balanced financial plan, this document describes the programs, services and resources being provided by the Authority as well as policies and long-term financial plans.

The Authority's budget is divided into the following seven (7) major sections with sub-sections included in each major section:

- I. **BUDGET FOREWORD** An introductory section that contains the budget transmittal letter; narrative discussion on the financial policies, goals and objectives of the Authority; and narrative discussion on the budget process.
- II. **BUDGET SUMMARY** A past, present and future overview of the Authority's budget and financial plans.
- III. **REVENUES AND SOURCES OF CASH** Narrative, graphs and spreadsheets describing the Authority's revenue and other sources of cash for the past and present fiscal year and revenue projections.
- IV. **DEPARTMENT OF WATER RESOURCES (DWR)** Narrative, graphs and spreadsheets describing the DWR charges which are paid by the member agencies and other project participants of the Authority.
- V. **OPERATING EXPENSES** The operating expense section of the budget is comprised of the Administration, Water Treatment Plant, and Distribution Departments and includes narrative discussion on the operating expenses for each department as well as graphs and spreadsheets.
- VI. **FOUR YEAR FINANCIAL PLAN** The four year financial plan section of the budget provides the four year pro forma projections for each project participant.
- VII. **APPENDIX** The appendix includes a glossary of terms and other items relevant to the Authority's budget.

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



April 23, 2009

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Leo Trujillo
Chairman

Fred Lemere
Vice Chairman

William Brennan
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

Submitted herewith is the Fiscal Year (FY) 2009/10 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2009/10.

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

Financial control is the traditional function of a budget. This comprehensive budget also contains a vast amount of additional information including manpower requirements, equipment needs, and programs and services being provided. This level of detail provides you an opportunity to identify all the resources needed to accomplish CCWA's goals and objectives.

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

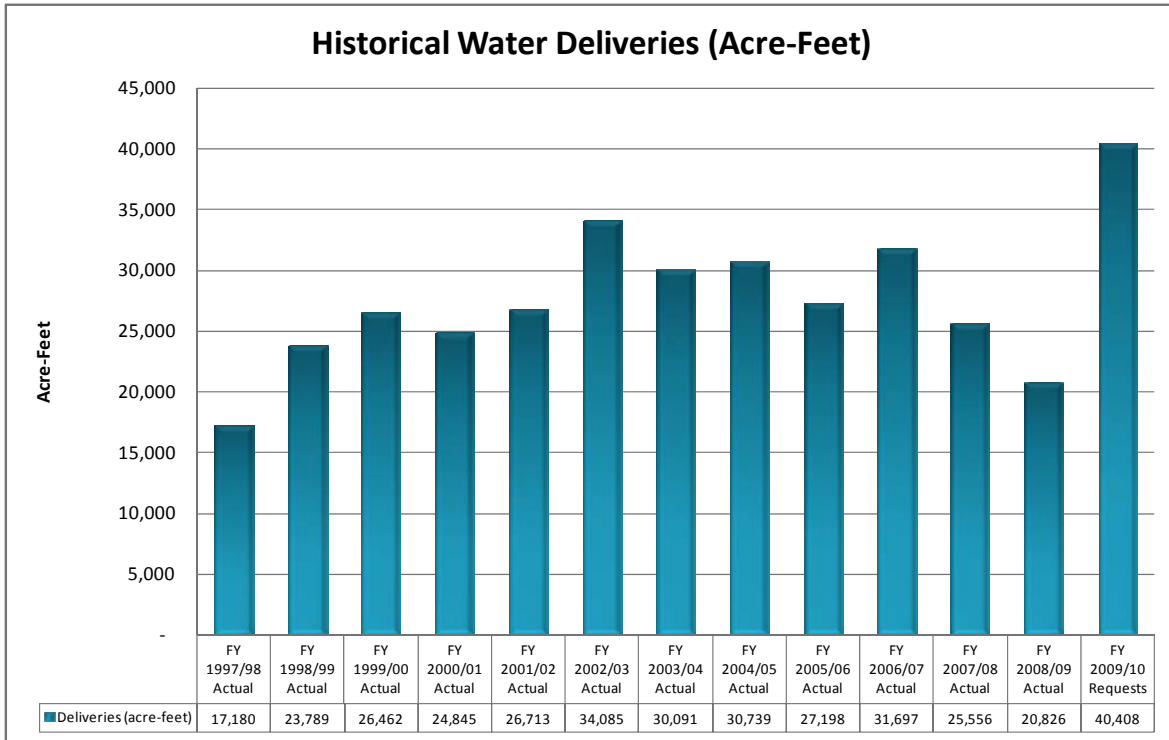
For twelve consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2009/10 Budget for consideration of the GFOA budget award.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2008/09:

Water Deliveries

Total deliveries during FY 2008/09 by CCWA to the Santa Barbara and San Luis Obispo County project participants were 20,826 acre-feet compared to the actual FY 2007/08 deliveries of 25,556 acre-feet (a decrease of 4,730 acre-feet). The graph on the following page shows water deliveries since CCWA commenced operations in August 1997.

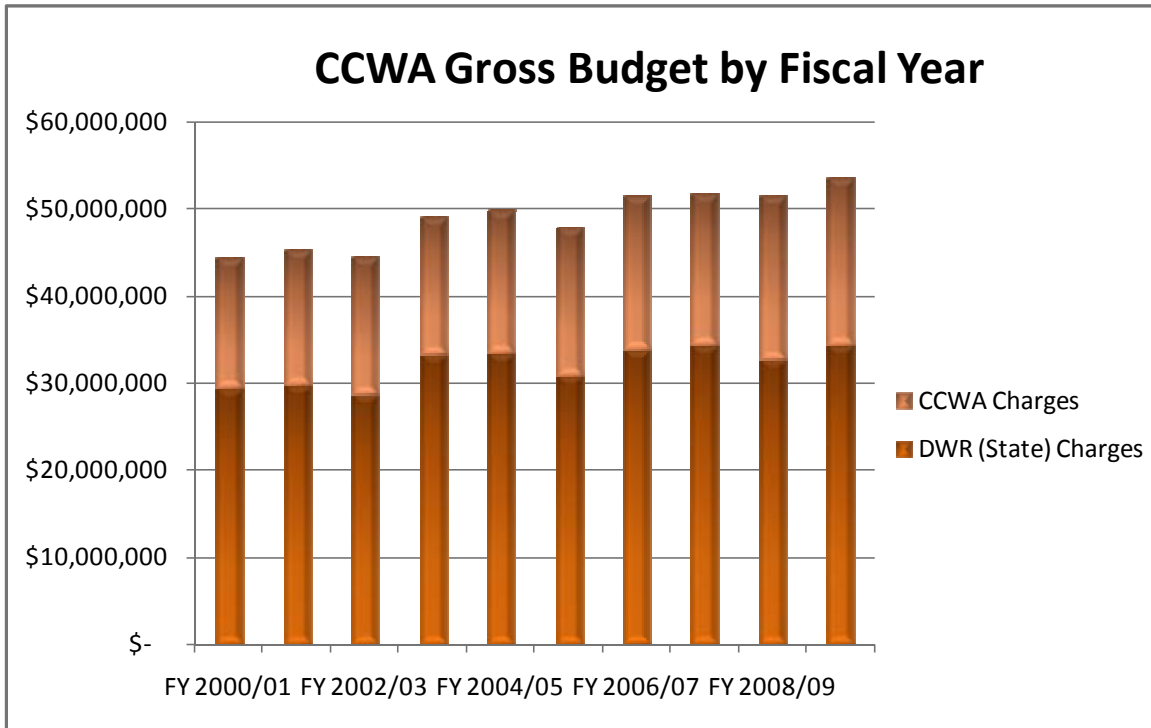


CCWA Credits

Actual CCWA operating expenses for FY 2008/09 are anticipated to be approximately \$1 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2009/10. Additionally, CCWA earned approximately \$1 million in interest income which serves to offset the payments from the project participants. Total estimated credits for FY 2008/09 is approximately \$2 million.

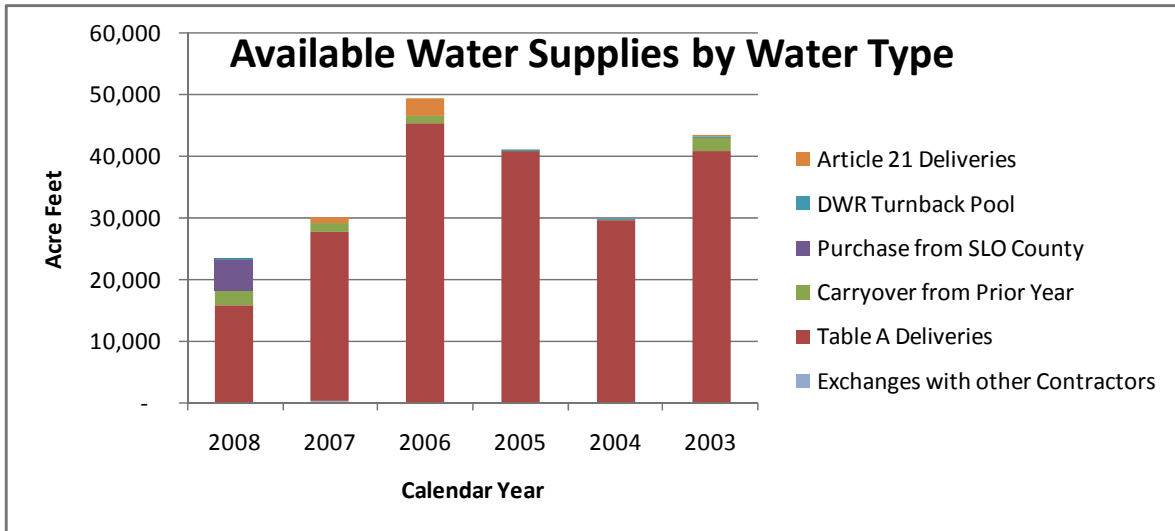
CCWA Budget History

The following graph shows the CCWA gross budget (total budget excluding CCWA credits and prepayments) broken down between CCWA costs and DWR costs from FY 2000/01 to FY 2009/10.

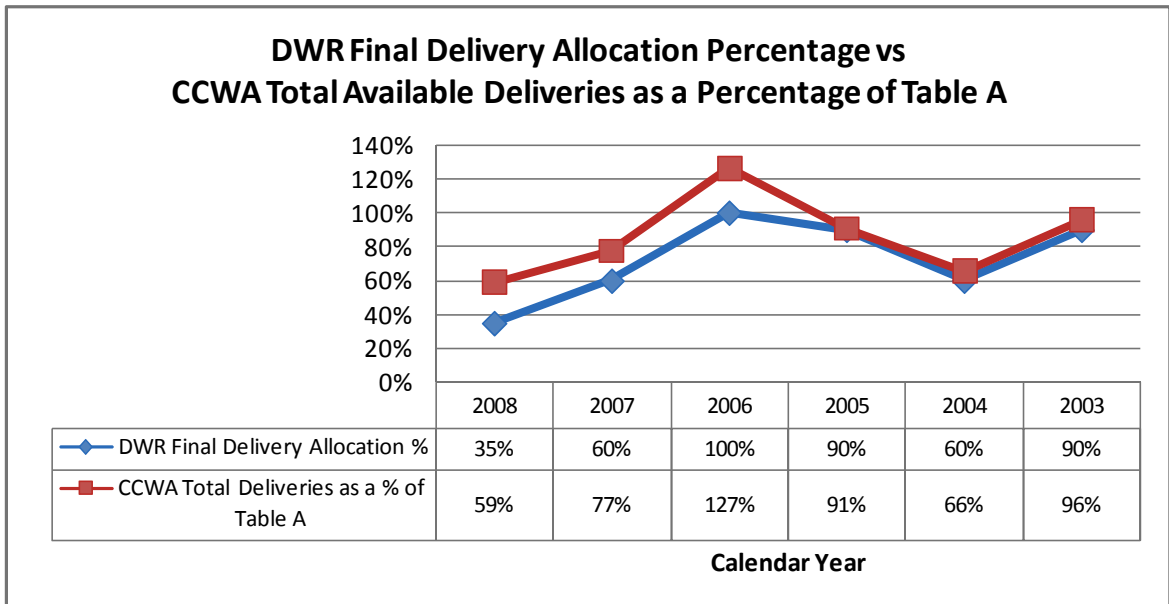


Maximization of Water Deliveries through Alternative Water Sources

CCWA continues to explore and utilize all available water sources to increase the available water deliveries to the project participants beyond just the regular allocation of Table A water from DWR. These alternative sources include purchases from San Luis Obispo County, DWR’s turnback pools, Article 21 deliveries and carryover storage and subsequent use in San Luis reservoir. The following graph shows the various sources of water available for delivery to our project participants for the past six calendar years (Note: The available water shown in the graph does not indicate actual deliveries, but water that was available for delivery).



As a result of utilizing these other “types” of water to increase the overall available deliveries from the State Water Project, CCWA has been able to exceed the DWR delivery allocation percentages in each of the last six years as shown in the following graph.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2008/09 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2007/08 Comprehensive Annual Financial Report.

Additionally, CCWA continued its Employee Recognition Program with great success. Last fiscal year, numerous awards were given to CCWA staff for exceptional performance and innovative thinking.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2009 and 2010, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 37,287 and 42,879 acre-feet, respectively.

California Drought

In June 2008, Governor Arnold Schwarzenegger declared a California statewide drought in response to two straight years of historically low rainfall and very low snowfall runoff. As a result of the low precipitation in California and various judicially mandated pumping restrictions, DWR's delivery allocation percentage for 2008 was 35% and the current 2009 delivery allocation percentage is 40%. As such, CCWA continues to explore options for meeting the demand of its project participants through various programs including the San Luis Obispo County dry year water purchase program, DWR and State Water Project Contractors Authority drought water bank programs, reacquisition of the 12,214 AF of suspended Table A amount and transfers between project participants.

Department of Water Resources Activities and Related Costs

During FY 2009/10, CCWA staff will continue to work through the State Water Contractor (SWC) board and committees that interact with the Department of Water Resources (DWR) which impact CCWA and the California water agencies as a whole. There are many significant issues on which DWR and the SWC are working which have water supply, operational, and fiscal impacts on CCWA. Some of these activities could potentially have a significant fiscal impact to CCWA in the current and future years. Therefore, staff will place a high priority on working through the various available venues to minimize the fiscal impacts to CCWA and ensure that we continue to meet our goal of providing reliable, high quality supplemental water.

In response to the unprecedented State budget deficits in 2009, the Governor has mandated certain actions which further limit DWR's ability to efficiently operate the State Water Project. This includes a mandatory three-day per month employee furlough program which suppresses the amount of time DWR staff have available to operate and maintain the Project, both operationally and administratively. This has the very real impact of impairing CCWA's ability to obtain accurate cost information regarding the Statement of Charges from DWR, as well as operational constraints in DWR's operation of the Coastal stub facilities.

CCWA staff will continue to work with DWR and the State Water Contractors organization to mitigate to the maximum extent possible the negative ramifications resulting from these constraints.

DWR Costs and Financial Issues

In FY 2009/10, CCWA staff will continue the efforts to fully audit the Statement of Charges from DWR to ensure the costs allocated to CCWA are correct and appropriate based on the State Water Project Contract. The following is a partial list of the errors found in the Statement of Charges for calendar year 2009:

- \$8 million error on the Transportation Capital cost component in which DWR was showing lower payments by CCWA than what was actually paid. This will increase the annual credit to CCWA on the Transportation Capital cost component from about \$150,000 per year to about \$650,000 per year through the year 2035.
- \$141,000 error on the Coastal Branch Extension payments. Again, DWR showed lower payments than what was actually paid.
- \$301,000 error on the Transportation Variable OMP&R with DWR again showing actual payments lower than what was actually paid.
- In addition to the errors listed above, CCWA staff was successful in obtaining a revision to the calculation methodology for the Delta Water Charge which will possibly increase the revenues DWR has available to pay rate management credits to CCWA by \$1 to \$2 million per year.
- CCWA is also challenging DWR's allocation of revenue bond debt service payments to CCWA for the Coastal Branch Extension. Total construction and finance related costs were around \$35 million for the project, but DWR is allocating approximately \$46 million in revenue bond principal payments to CCWA. CCWA will continue to explore this issue with DWR and obtain resolution during the first part of FY 2009/10.
- One of the most significant DWR billing issues in FY 2009/10 will be to obtain cost information on the Transportation Minimum OMP&R cost component. The calendar year 2010 amounts calculated by DWR to be paid by CCWA is approximately \$10.2 million, or \$5.2 million higher than the anticipated amount used to prepare the FY 2009/10 CCWA budget. Therefore, significant resources will be devoted to researching the reasons for this increase during the year.

CCWA Operating Expense Budget Reductions for FY 2009/10

In response to the financial hardships being faced by many CCWA project participants, the CCWA Board of Directors requested that CCWA staff review its Operating Expense Budget to identify expenses and projects which could be

postponed or eliminated to provide a cost reduction for FY 2009/10. As a result, CCWA staff identified approximately \$400,000 in operating expense reductions for FY 2009/10. This included:

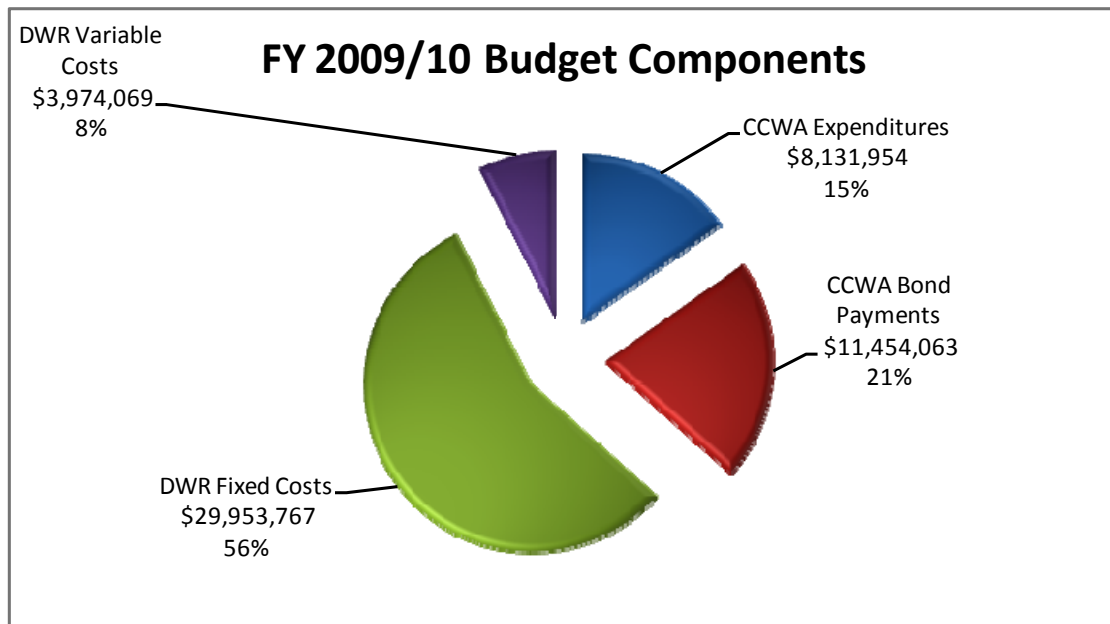
- Postponement of the replacement of the granular activated carbon at the Polonio Pass Water Treatment Plant for a savings of \$300,000
- Postponement of road oiling and facility painting projects for a savings of \$57,000
- Postponing replacement of one vehicle and a reduction in the computer network server replacement project for a savings of \$46,000

Other savings associated with the DWR charges:

- CCWA and Kern County Water Agency staff convinced DWR Engineering staff to reevaluate a pump replacement project on the Coastal Branch Extension. Originally estimated as an \$8.4 million project, staff were persuaded to evaluate alternatives and achieved an alternative project estimated to cost \$1 million over two fiscal years.

FY 2009/10 BUDGET SUMMARY

The FY 2009/10 budget calls for total project participant payments of \$51.9 million compared to the FY 2008/09 budget of \$49.8 million, a \$2.1 million increase. These amounts include \$1.6 million in CCWA credits for FY 2009/10 and \$1.8 million for FY 2008/09. The following graph shows the breakout of the various cost components in the CCWA FY 2009/10 Budget:



The following table compares the FY 2009/10 Budget and the FY 2008/09 Budget:

Budget Item	Final FY 2008/09 Budget	Final FY 2009/10 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses	\$ 7,145,759	\$ 7,464,165	\$ 318,406
Revenue Bond Debt Service Payments	11,340,542	11,454,063	113,521
Capital Improvement Projects	379,917	195,488	(184,429)
Total CCWA Expenses:	<u>18,866,218</u>	<u>19,113,716</u>	<u>247,498</u>
Pass-Through Expenses			
DWR Fixed Costs	27,870,361	29,953,767	2,083,406
DWR Variable Costs	4,318,646	3,974,069	(344,577)
Warren Act and Trust Fund Payments	523,341	472,301	(51,040)
Total Pass-Through Expenses:	<u>32,712,348</u>	<u>34,400,137</u>	<u>1,687,789</u>
Subtotal Gross Budget:	<u>51,578,566</u>	<u>53,513,853</u>	<u>1,935,287</u>
CCWA Credits	<u>(1,777,609)</u>	<u>(1,570,352)</u>	<u>207,257</u>
TOTAL:	<u>\$ 49,800,957</u>	<u>\$ 51,943,502</u>	<u>\$ 2,142,544</u>

CCWA Operating Expense Budget

The FY 2009/10 CCWA operating expense budget totals \$7,464,165, which is \$318,644 higher than the FY 2008/09 operating expense budget, a 4.46% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2009/10 and FY 2008/09.

	Final FY 2008/09 Budget	Final FY 2009/10 Budget	Increase	Percentage Change
Fixed O&M	\$ 5,422,968	\$ 5,295,225	\$ (127,743)	-2.36%
Variable O&M	1,722,553	2,168,940	446,387	25.91%
Total:	<u>\$ 7,145,521</u>	<u>\$ 7,464,165</u>	<u>\$ 318,644</u>	<u>4.46%</u>

The following is a list of the major highlights of the operating expense budget. Additional highlights and detailed explanations are available in the departmental sections of the budget.

Personnel Expenses

Personnel expenses are increasing about \$95,000, which includes the following changes from the prior year:

- The FY 2009/10 Budget includes a \$69,007 salary pool for employee salary treatment approved by the CCWA Board of Directors on March 26, 2009.
- PERS Retirement expenses are increasing by about \$22,000 for an increase in employee salaries and the PERS contribution rate.
- Health insurance expenses are increasing by about \$20,000 due to an estimated 10% increase in premium amounts for 2010.

Supplies and Equipment

Supplies and equipment expenses are increasing by about \$480,000 due primarily to an increase in chemical costs. For FY 2009/10, chemical costs are based on \$40.16 per acre-foot compared to the prior year amount of \$29.70 per acre-foot.

Professional Services

Professional services expenses are increasing by about \$30,600 for a \$105,000 increase in legal expenses offset by decreases in other professional services line items.

General and Administrative

General and administrative expenses are increasing by approximately \$12,000 mainly due to an increase in the State Water Contractors dues for FY 2009/10. This increase was partially offset by decreases in every other line item within the general and administrative section.

Other Expenses

Other expenses are decreasing by about \$268,000 almost entirely due to the postponement of the replacement of the granular activated carbon at the Polonio Pass Water Treatment Plant.

CCWA Capital Improvement Projects

The FY 2009/10 Budget includes \$195,488 for capital improvements entirely funded from project participant assessments.

Please refer to the “Capital Improvements” section of the FY 2009/10 Budget for additional information.

Regional Water Treatment Plant Allocation and Exchange Agreement Modifications

The FY 2009/10 fixed, capital and variable regional water treatment plant allocation (and associated credit) is \$1,803,467. The FY 2009/10 fixed, capital and variable exchange agreement modifications total \$424,006.

CCWA 2006A Revenue Bond Debt Service

CCWA 2006A revenue bond debt service for FY 2009/10 totals \$11.4 million, which is \$0.1 million more than the prior year amount.

Warren Act and Trust Fund Payments

The FY 2009/10 Budget includes \$472,301 for Warren Act and Trust Fund MOU payments based on \$58 per acre-foot.

CCWA Credits

The FY 2009/10 budget includes the following credits:

CCWA O&M Credits	\$	1,406,643
O&M Reserve Fund Interest Income		38,392
Rate Coverage Reserve Fund Interest		116,266
Prepayments and Other Credits		9,049
	\$	1,570,351

DWR Fixed Charges

The FY 2009/10 DWR fixed charges total \$30,172,406, which is \$2,020,000 more than the FY 2008/09 Budget.

- Transportation capital charges are decreasing by \$684,749 due to the following:

Rate Management Credits For the calendar year 2009 Statement of Charges, DWR included all of the 2009 rate management credits against the July 2009 invoice. Normally, the rate management credits would be allocated ½ to the January capital payments and ½ to the July capital payments. However, the final credit amounts were not available until

after the January 2009 capital payments were already made, and so DWR credited 100% of the credits against the July 2009 payments, thereby pushing all the credits into the FY 2009/10 budget.

Total calendar 2009 credits are \$2,141,729 (both Transportation Capital and Conservation Capital components). Consistent with the CCWA Board policy adopted in FY 2008/09, the fiscal year budget does not include projections for the second half of the fiscal year rate management credits, but only includes the credits that are actually provided by DWR.

DWR Revenue Bond “Springing Amendment Credits” DWR adopted an amendment to its general bond resolution that decreases the revenue bond reserve requirements to about half of the previous requirement. As such, DWR is able to offset future capital payments from the State Water Project Contractors with the revenue bond reserve funds released.

The total revenue bond reserve fund credits allocated to CCWA are approximately \$2,295,000, with about \$996,000 allocated to the Coastal Branch Extension payments and \$1.3 million allocated as a credit against the Transportation Capital payments.

DWR allocated a portion of the revenue bond reserve fund credits against the 2008 and first half of 2009 Transportation Capital payments. The estimated remaining balance of \$1.27 million is to be credited against the July 2009 capital payments with \$552,000 allocated to the Coastal Branch Extension and \$720,000 allocated to the Transportation Capital payments.

- For the Coastal Branch Extension payments, there is a slight increase in the revenue bond principal, interest, and bond cover payments between FY 2008/09 and FY 2009/10. In total, Coastal Branch Extension Phase II charges are decreasing by \$590,000 due to the DWR revenue bond reserve fund credits and rate management credits discussed above, net of this increase in the revenue bond debt service payments.
- Transportation Minimum OMP&R charges are increasing by about \$2.76 million primarily attributed to the fact that for both the calendar years 2007 and 2008 payments by CCWA were less than the actual costs incurred by DWR in those years. This under-collection totals \$2.46 million, of which ½ is included in the FY 2009/10 CCWA Budget on a fiscal year basis. The other half of the under-collection was paid out of the FY 2008/09 CCWA Budget through a combination of credits from other DWR cost components.

DWR has also entered into agreements with many of the State Water Project Contractors for fund costs associated with the “Delta Habitat Conservation and Conveyance Project” (DHCCP). Basically, these are costs associated with the initial planning and design for alternative conveyance facilities in the Sacramento-San Joaquin delta. The CCWA Board of Directors voted to

participate in this program. For FY 2009/10, the DHCCP costs are about \$319,000.

The DWR variable charges for FY 2009/10 total \$3,974,069, which is \$344,577 lower than the budgeted FY 2008/09 variable payments.

- Off-aqueduct charges total \$1,458,433, which is \$127,577 lower than the prior year amount.
- Variable OMP&R charges total \$2,515,636 which is \$217,000 less than the prior year amount. The decrease is due to significantly lower water deliveries in the later part of FY 2008/09 than was used for the FY 2008/09 budget, thereby creating a large credit of \$2.13 million to off-set the FY 2009/10 charges. The cost per acre-foot for all water deliveries in FY 2009/10 is estimated to be \$125/AF.

CONCLUSION

We are proud of the many accomplishments achieved during the past year through the combined efforts of CCWA staff and project participants. We look forward to the challenges of the upcoming productive successful year.

Sincerely,

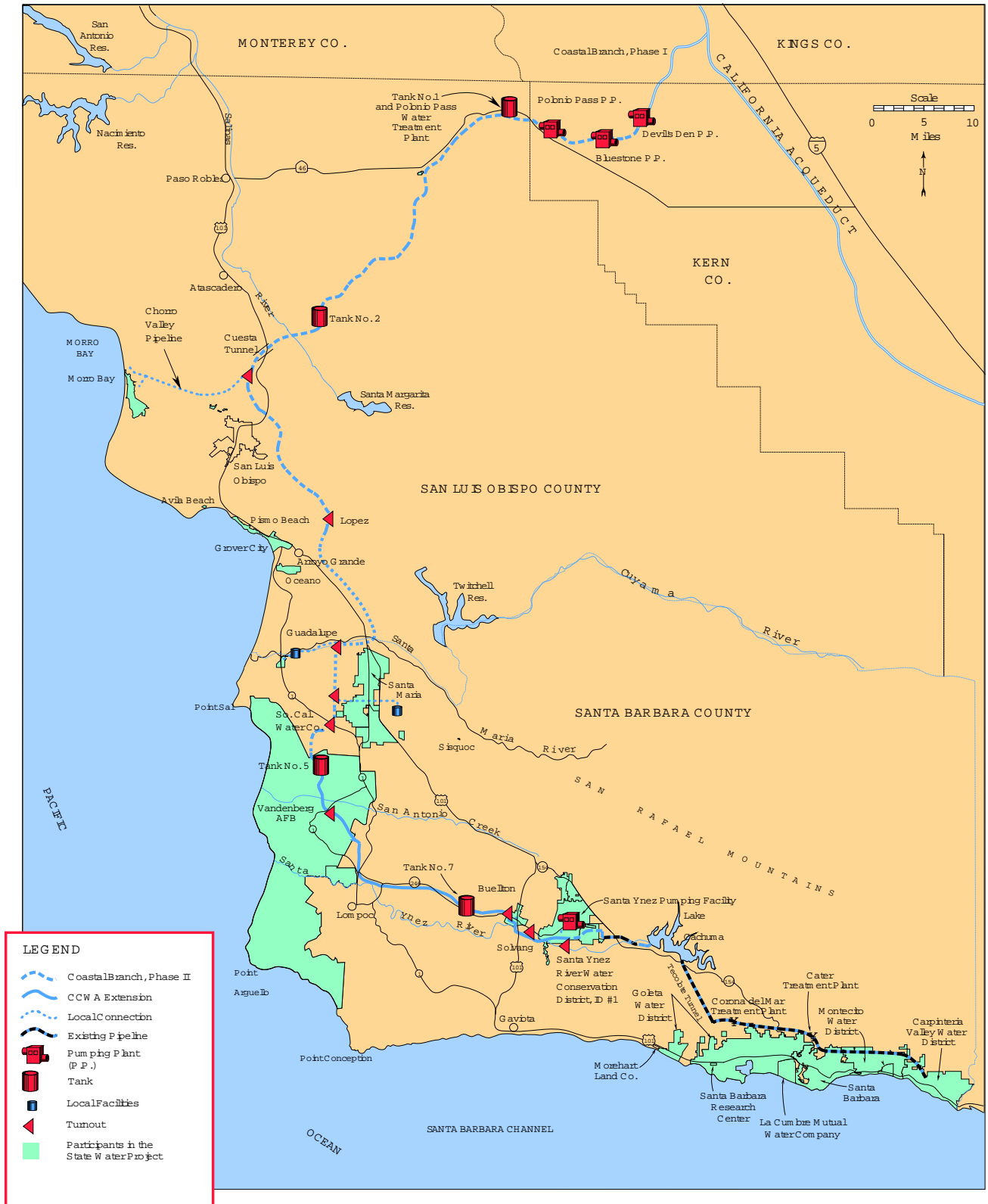


William Brennan
Executive Director



Ray A. Stokes
Deputy Director

Project Map



PROJECT MAP OF COASTAL BRANCH PHASE II

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2009/10 Budget

The Authority is a public entity duly organized and existing under a Joint Exercise of Powers Agreement – Central Coast Water Authority, dated as of August 1, 1991, by and among nine public agencies in Santa Barbara County, two of which have subsequently merged. The members entered into the Agreement to exercise their common power to acquire, construct, operate and maintain works and facilities for the development and use of water resources and water rights including without limitation, works and facilities to divert, store, pump, treat and deliver water for beneficial uses. In particular, the members expressed their desire to create the Authority to finance, develop, operate, and maintain the Authority’s facilities for their mutual benefit and to act on behalf of the members with respect to the Department of Water Resources (DWR) facilities. The Authority currently has a staff of 26 full-time and 3 part-time employees.

The Authority is presently composed of eight members, all of which are public agencies: the Cities of Buellton, Guadalupe, Santa Barbara and Santa Maria, Carpinteria Valley Water District, Goleta Water District, Montecito Water District and Santa Ynez River Water Conservation District, Improvement District No. 1 (in which the City of Solvang is located). (A founding member of the Authority, the Summerland Water District, was merged into the Montecito Water District.) In addition, the Authority has an Associate Member, the La Cumbre Mutual Water Company. Each member appoints a representative to the Authority’s Board of Directors. San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD and/or San Luis Obispo Water Purchasers) has expressed an interest in joining the Authority. However, any decision to do so must be approved by the unanimous vote of the present members.

The member agencies are represented on the CCWA Board of Directors by an individual chosen by each public entity’s Board or City Council. Each vote on the Authority’s Board of Directors is weighted roughly in proportion to the entity’s allocation of State water entitlement. The following table outlines the voting percentage for each member of the CCWA Board of Directors.

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2009/10 Budget

Board of Directors Voting Percentages

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

CCWA Committees

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

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

Santa Barbara County Project Participants

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2009/10 Budget

Santa Barbara County Project Participant Table A Amounts

<u>Agency</u>	<u>Table A ⁽¹⁾</u>
City of Buellton	578
Carpinteria Valley Water District	2,000
Goleta Water District	4,500
City of Guadalupe	550
La Cumbre Mutual Water Company	1,000
Montecito Water District	3,000
Morehart Land Company	200
City of Santa Barbara	3,000
Raytheon Systems Company (SBRC)	50
City of Santa Maria	16,200
Santa Ynez River W.C.D., ID #1	2,000
Golden State Water (SCWC)	500
Vandenberg Air Force Base	<u>5,500</u>
TOTAL	39,078

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

San Luis Obispo County Water Purchasers

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

San Luis Obispo County Project Participant Table A Amounts

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2009/10 Budget

Water Supply Agreements

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority in order to provide for the development, financing, construction, operation and maintenance of the Authority's facilities and to designate the Authority to act on behalf of the Santa Barbara County project participants with respect to the DWR facilities. The purpose of the Water Supply Agreements is to assist in carrying out the purposes of the Authority with respect to the Authority project by (1) requiring the Authority to sell, and the Santa Barbara County project participants to buy, a specified amount of project allotment from the Authority, and (2) assigning the Santa Barbara County project participants' Table A rights in the State Water Project to the Authority.

Local Water Treatment Agreements

Each San Luis Obispo County water purchaser has entered into a Local Water Treatment Agreement with SLOCFCWCD and SLOCFCWCD has entered into the Master Water Treatment Agreement with the Authority to cause the Authority to provide for the development, financing, construction, operation and maintenance of the Authority's facilities. The purpose of the Local Water Treatment Agreements is to provide the terms and conditions of the treatment of the San Luis Obispo County water purchaser's water to be delivered from the State Water Project and to provide for the financing of certain local improvements.

State Water Project

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

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

The Coastal Branch Phase II pipeline, which was constructed by DWR between 1995 and 1997 to supply State water to San Luis Obispo and Santa Barbara Counties, runs from the Coastal Branch Phase I terminus over the coastal

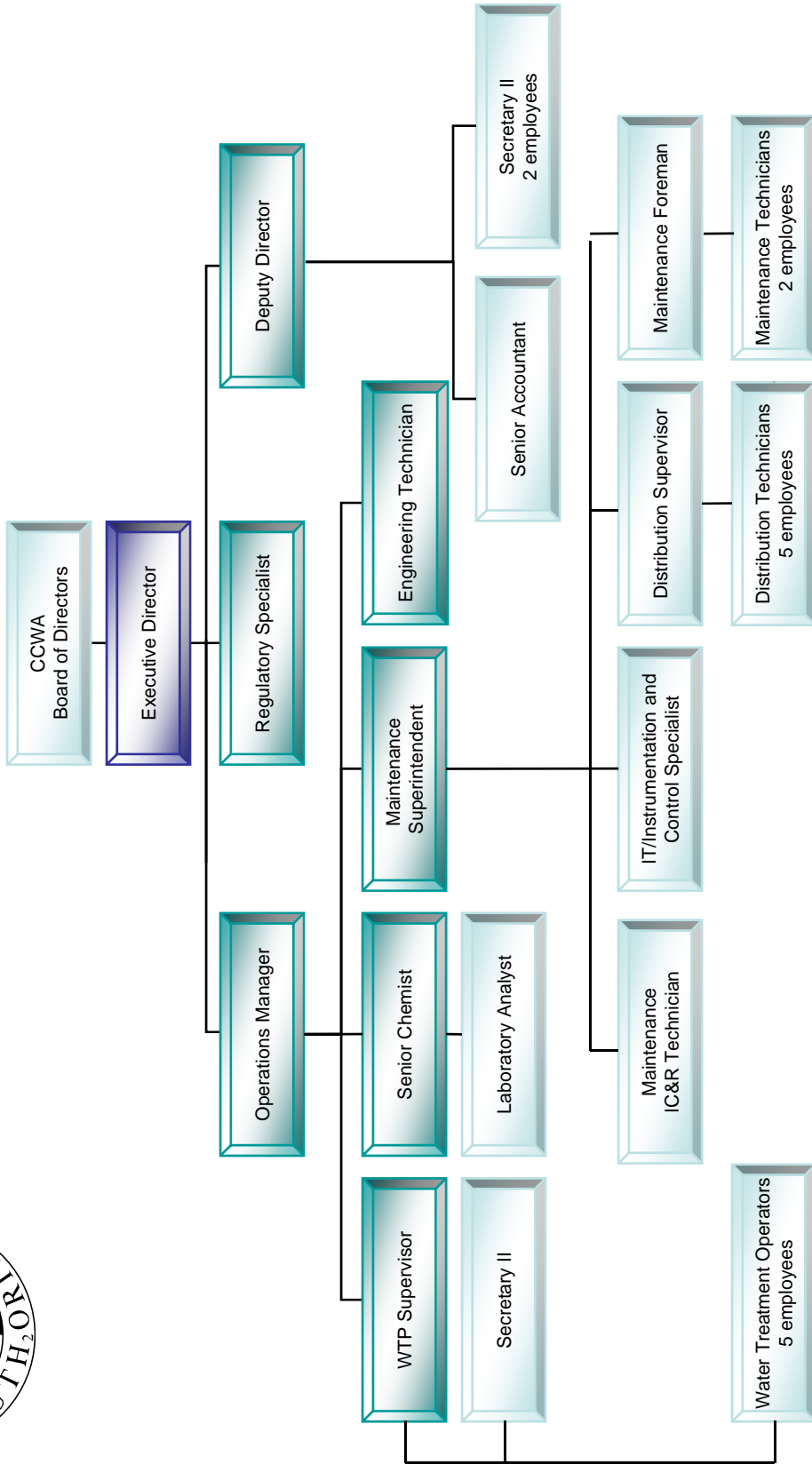
Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2009/10 Budget

mountains to and through the County of San Luis Obispo to a terminus in northern Santa Barbara County. Its largest diameter is 57 inches between the Devils Den Pumping Plant and Tank 1 and its smallest diameter is 42 inches along the southerly-most 48 miles.

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

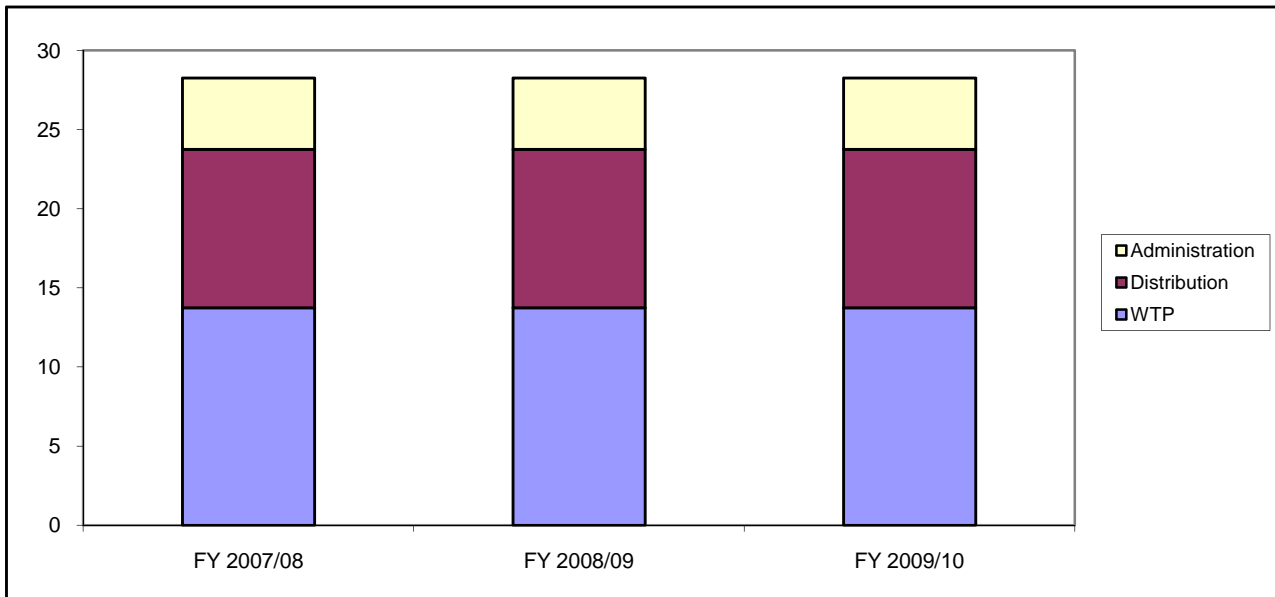
The water treatment plant receives raw water from the Coastal Branch Phase II and, after treatment, returns the water to the Coastal Branch Phase II. The plant is sized at 43 million gallons per day to accommodate the maximum annual entitlement of both counties. The plant uses conventional modern treatment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

Central Coast Water Authority Organization Chart FY 2009/10



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2009/10 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Authorized FY 2007/08	Number Authorized FY 2008/09	Number Requested FY 2009/10	Change Over FY 2007/08	Change Over FY 2008/09
Executive Director	1.00	1.00	1.00	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager	1.00	1.00	1.00	-	-
Regulatory Specialist	1.00	1.00	1.00	-	-
Senior Accountant	1.00	1.00	1.00	-	-
Secretary II	2.50	2.50	2.50	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	0.75	0.75	0.75	-	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	1.00	1.00	1.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	28.25	28.25	28.25	-	-



Central Coast Water Authority
Budget Process
Fiscal Year 2009/10 Budget

Fiscal Year Budget

The Authority's fiscal year budget is one of the most important documents prepared by the Authority. Through the process of planning and preparing the budget, the Authority is given the opportunity to reassess its plans and goals for the coming and future years. The process also provides direction for management and staff.

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

Four Year Financial Plan

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

The Four Year Financial Plan is prepared only as an informational tool and is not formally adopted by the Board of Directors. The financial plan is presented to the Operating Committee and is used by the member agencies and other project participants for their planning and long-term budgeting purposes.

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

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

Central Coast Water Authority
Budget Process
Fiscal Year 2009/10 Budget

Committee Review of the Budget

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

Board Adoption of the Fiscal Year Budget

Initial review of the preliminary budget by the Board of Directors occurs during its March regular meeting. The Board reviews the proposed budget and makes changes as it deems appropriate. After staff amends the budget reflecting the Board's direction, the amended budget is then resubmitted to the Board for final review and adoption. This process may continue until staff and the Board have reached a budget suitable for Board approval. Approval of the final budget typically occurs at the regular April Board meeting. The budget is approved by motion and majority vote of the Board. All of these meetings are posted for public participation.

Budget Amendment Process

The budget may only be amended during the year by Board action. This process involves requests by staff to the Board for additional funding. The Board considers the requests of staff at regularly scheduled meetings and approves or rejects the requests by motion and majority vote.

CCWA Financial Schedule FY 2009/10

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

CCWA FINANCIAL SCHEDULE

FISCAL YEAR 2009/2010

	FY 2008/09												FY 2009/10																							
	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A
	← Budget Planning Cycle →												← Budget Expenditure Cycle →																							
1.0	BUDGET																																			
1.1	Receive DWR Statement of Charges (for following calendar year)																																			
1.2	Project Participants Provide Delivery Requests for Budget Purposes																																			
1.4	Submit Delivery Forecast and Warren Act Payment to USBR																																			
1.5	Prepare Draft Budget*																																			
1.6	Submit Preliminary Budget to Operating Committee																																			
1.7	Submit Preliminary Budget to Finance Committee																																			
1.8	Submit Preliminary Budget to Board of Directors																																			
1.9	Board Approval of Final Budget																																			
2.0	REVENUE																																			
2.1	Project Participant Assessment Billings (CCWA Fixed Expenses)																																			
2.2	SLO WTP and Coastal Branch Phase II Billing (CCWA Fixed Expenses)																																			
2.3	Project Participant DWR Billings (Fixed Expenses)																																			
2.4	Project Participant Bond Payment Billings																																			
2.5	CCWA and DWR Variable Cost Billings																																			
3.0	EXPENSES																																			
3.1	CCWA Expenses																																			
3.1.1	Administration / O&M Payments																																			
3.1.2	Warren Act Payment																																			
3.1.3	MOU Trust Fund Payments																																			
3.2	CCWA Project Funds																																			
3.2.1	Semi-Annual Bond Payment																																			
3.3	DWR Payments																																			
3.3.1	Semi Annual DWR Capital Cost Payment																																			
3.3.2	Semi Annual DWR Coastal Branch Extension Payment																																			
3.3.3	Monthly DWR Minimum and Variable OMP&R Cost Payment																																			
4.0	WATER TRANSFERS AND SALES																																			
4.1	CCWA Turnback Pool Sales																																			
4.2	DWR Turnback Pool Sales																																			

*Contains the FY 2009/2010 Budget and the Four-Year Financial Plan for FY 2009/10 through FY 2012/13

- ◆ DWR Statement Received
- ★ CCWA Board / Committee Milestone
- ▲ DWR Payment/Period
- ▲ CCWA Bond Payment/Period
- ▲ SLO WTP Billing Due Date/Period
- ◆ Participants' Bond Payment Due Date/Period
- ▲ CCWA Staff Milestone
- ▲ Participant's DWR Billing Due Date/Period
- ▲ Participant Assessment Due Date/Period

- ▲ DWR Payment/Period
- ▲ CCWA Expense Period/Payment
- ▲ Participant's Task/Milestone

RAS/P/2009/10Budget.m4
January 2, 2009

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2009/10 Budget

Budget Reporting

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

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

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

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II
Santa Ynez I
Santa Ynez II

DWR Reaches

Reach 33B
Reach 34
Reach 35
Reach 37
Reach 38

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

Financial Statement Reporting

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2009/10 Budget

The Fiscal Year 2009/10 Budget document has been prepared after analyzing, evaluating, and justifying both the financial and non-financial objectives and goals of the Authority for the current year and beyond. The Authority's budget is a comprehensive document which enables the Board of Directors and Authority staff to evaluate the Authority's past and future.

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

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

BUDGET POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2009/10 Budget

- Laws and policies limiting revenue sources and expenditures must be explicitly addressed in the budget process.
- No Unfunded Mandates The Board of Directors will not establish a goal or policy without also providing the necessary funding to accomplish those goals or policies.
- Budget Change Policy The adopted budget may only be changed by Board action. Budget change requests may be made by staff to the Board of Directors at a regularly scheduled Board meeting. The Board will then consider the requests based on staff's recommendations and approve or deny the requests by a majority vote.
- Bond Coverage Policy The project participants have covenanted to collect sufficient revenues to maintain net revenues of 125% of all State water payments made to the Central Coast Water Authority. Net revenues are defined as gross revenues minus operating expenses and excluding depreciation. The Authority's staff will assist project participants in guaranteeing compliance with this covenant.
- Reconciliation of Charges The Authority will endeavor to reconcile differences between actual expenditures incurred and amounts billed to the member agencies and other project participants in a timely manner. Under-expenditures in the budget will be returned to project participants as credits in subsequent billings.
- Investment Income Allocation The Authority will endeavor to provide timely allocation of investment income to the member agencies and other project participants for payments covering 2006 revenue bond debt service and DWR charges.
- DWR Charges and Credits The Authority will endeavor to provide sufficient information to the member agencies and other project participants regarding the DWR charges to enable them to gain a full understanding of the charges. Additionally, the Authority will provide credits given by DWR on the next available billing sent to the project participants.
- Four Year Financial Plan In conjunction with preparation of the fiscal year budget, the Authority will also prepare and make available a four year financial plan which provides estimates of the total State water costs for the four-year period.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2009/10 Budget

- Distribution Department Financial Reach Allocation Percentages The Authority will amend the Distribution Department financial reach allocation percentages for fixed O&M costs based on the actual costs incurred by financial reach. These percentages will be based on the actual percentages from the Yearend Budget Report two years prior to the current budget year.
- Spare Parts Inventory The Authority will track the purchase of spare parts inventory greater than \$2,000 and allocate costs to the appropriate financial reach when the spare parts are actually used at a specific location or financial reach.
- Appropriated Contingency No expenditure will be made from the Appropriated Contingency account without prior approval from the Board of Directors.
- Staff Salary Pool Policy The overall salary pool will consist of two separate pools: (1) a pool for all employees excluding the Executive Director and Deputy Director, and (2) a pool - i.e., proposed salary treatment - for the Executive Director and Deputy Director.

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

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

The CCWA Board of Directors shall administer the Executive Director and Deputy Director's pay treatment separate from the employee salary pool and the Executive Director shall administer the pay treatment (i.e., the employee pool) for all other CCWA employees.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2009/10 Budget

- Employee Benefits Funding Benchmark The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability and life insurance as a proportion of the full-time regular wages budget for the fiscal year. If the EBP exceeds 38%, staff will provide alternatives for Board consideration so that the revised EBP remains at or below 38%.
- Budget Transfer Policy If CCWA staff determine funds are available in an Operations and Maintenance or Project account, staff may transfer available funds to other accounts and/or projects which were not anticipated in the CCWA Board adopted budget with the approval of the Finance Committee Chairperson, or alternatively, the CCWA Board Chairperson. Transfer of funds for projects and/or one-time expenditures cannot exceed \$10,000. Staff will prepare a summary of the Budget Fund Transfers which will include the source and destination of the funds, financial reaches impacted and justification for the transfer. A summary of the approved transfers will be included on the CCWA Board Consent Calendar as part of the next regularly scheduled Board meeting.
- Self-Funded Dental/Vision Plan Annual Limits and Premium Amounts The CCWA self-funded Dental/Vision plan annual limit on total expenditures for each covered employee and the corresponding premium amount will increase at the beginning of each plan year by the December to December percentage change of the Los Angeles/Riverside All Urban Consumers, Consumers Price Index.

CAPITAL IMPROVEMENTS POLICY

- Long-Range CIP Plan The Authority will identify long-range capital projects and capital improvements of all types which will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.
- CIP Paid from Current Revenues When appropriate, capital improvements will be paid through current revenue sources rather than financing capital projects over a period of time.

DEBT POLICY

- Debt Financing The Authority will use debt financing when it is judged to be appropriate based on the long-term capital needs of the Authority and the Authority's ability to repay the indebtedness has been evaluated in light of all sources and uses of cash.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2009/10 Budget

- Long-Term Debt The Authority will only incur long-term debt for the financing of capital improvements that are not expected to recur and are long-lived. Conversely, if the capital requirements are recurring, of relative small scale, or are for short-lived improvements, the cost of these improvements should be paid from current revenues.

RESERVE POLICY

- The Authority will maintain an Operations and Maintenance Reserve Fund in the amount of \$2 million. Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities.

INVESTMENT POLICY

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

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

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

- Monthly Budget Reports The Authority’s Deputy Director will produce monthly budget reports covering the activity for the current period.
- Independent Audit The Authority will employ an independent accounting firm to perform an annual audit of the Authority’s financial statements, and make the audit available to all required and interested parties.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2009/10 Budget

- Budget Preparation The Authority will prepare an annual budget document that provides a basic understanding of the Authority's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for customer input prior to final adoption of the budget.
- Accounting System The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. The Authority will strive to receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association.
- Budget Awards The Authority will annually submit its budget to the Government Finance Officers' Association for consideration of the Distinguished Budget Presentation Award.

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Staff observing work in the right-of-way

Budget Summary

The Budget Summary section of the FY 2009/10 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document. Additionally, graphs and tables showing the projected expenditures through FY 2012/13 are included in this section as well as cost per acre-foot amounts based on the FY 2009/10 Budget.

Highlights

Budget Summary

• FY 2009/10 Gross Budget	\$ 53,513,853
• FY 2008/09 Gross Budget	<u>\$ 51,578,804</u>
Increase:	\$ 1,687,789
• FY 2009/10 CCWA Credits	\$ 1,570,352
• FY 2008/09 CCWA Credits	<u>\$ 1,777,609</u>
Decrease:	\$ (207,257)
• FY 2009/10 Net Budget (After CCWA Credits)	\$ 51,943,502
• FY 2008/09 Net Budget (After CCWA Credits)	<u>\$ 49,801,195</u>
Increase:	\$ 2,142,307

Significant Budget Changes

- DWR Fixed cost increase of \$2,083,000
- DWR Variable cost decrease of \$(345,000)
- CCWA Fixed O&M Expense budget decrease of \$(127,000)
- CCWA Variable O&M Expense budget increase of \$446,000
- Revenue bond debt service payment increase of \$113,000
- Other miscellaneous decreases including CIP and Warren Act Charges of \$(188,000)

Central Coast Water Authority
Budget Summary
 Fiscal Year 2009/10 Budget

	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Change from FY 2008/09 Est. Actual
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
<u>SOURCES OF CASH</u>						
CCWA Operating Expenses	6,316,831	7,145,759	7,145,759	7,464,165	318,406	318,406
Debt Service Payments	10,815,291	11,340,542	11,340,542	11,454,063	113,521	113,521
Capital Improvement Projects	284,212	379,917	379,917	195,488	(184,429)	(184,429)
Non-Annual Recurring Expenses	(133,741)	-	-	-	-	-
Investment Income and Other	261,916	-	175,000	-	-	(175,000)
CCWA Credits	(1,843,626)	(1,777,609)	(1,777,609)	(1,570,351)	207,258	207,258
Subtotal Revenues	15,700,883	17,088,609	17,263,609	17,543,365	454,756	279,756
<u>Pass-Through Expenses</u>						
DWR Fixed Costs	28,698,423	27,870,361	27,870,361	29,953,767	2,083,406	2,083,406
DWR Variable Costs	4,001,897	4,318,646	4,318,646	3,974,069	(344,577)	(344,577)
Warren Act Charges	218,266	523,341	523,341	472,301	(51,040)	(51,040)
Subtotal Pass-Through Expenses	32,918,586	32,712,348	32,712,348	34,400,137	1,687,789	1,687,789
TOTAL SOURCES OF CASH	48,619,468	49,800,957	49,975,957	51,943,503	2,142,545	1,967,545
<u>USES OF CASH</u>						
<u>CCWA Operating Expenses</u>						
Personnel	2,880,463	3,402,328	3,129,178	3,497,685	95,358	368,507
Office Expenses	25,020	25,760	21,626	24,560	(1,200)	2,934
Supplies and Equipment	783,055	1,326,821	1,095,081	1,806,966	480,146	711,885
Monitoring Expenses	52,500	85,100	67,391	83,230	(1,870)	15,839
Repairs and Maintenance	155,226	203,233	188,121	199,166	(4,067)	11,045
Professional Services	283,521	330,600	210,730	361,200	30,600	150,470
General and Administrative	184,243	239,010	170,605	250,807	11,797	80,202
Utilities	396,601	739,120	494,031	714,379	(24,741)	220,348
Other Expenses	507,179	793,550	632,397	526,172	(267,378)	(106,225)
Total Operating Expenses	5,267,808	7,145,521	6,009,161	7,464,165	318,644	1,455,004
<u>Other Expenditures</u>						
Warren Act Charges	218,266	523,341	523,341	472,301	(51,040)	(51,040)
Capital Improvement Projects ⁽¹⁾	302,048	380,155	379,917	195,488	(184,667)	(184,429)
CCWA Credits	(1,843,626)	(1,777,609)	(1,777,609)	(1,570,351)	207,258	207,258
2006 Revenue Bond Debt Service	10,815,291	11,340,542	11,340,542	11,454,063	113,521	113,521
Unexpended O&M Assessments	1,159,361	-	1,311,598	-	-	-
Total Other Expenditures	10,651,340	10,466,429	11,777,789	10,551,501	85,072	85,310
Total CCWA Expenditures	15,919,147	17,611,950	17,786,950	18,015,666	403,716	1,540,314
<u>DWR Charges</u>						
Fixed DWR Charges	28,698,423	27,870,361	27,870,361	29,953,767	2,083,406	2,083,406
Variable DWR Charges	4,001,897	4,318,646	4,318,646	3,974,069	(344,577)	(344,577)
Total DWR Charges	32,700,320	32,189,007	32,189,007	33,927,835	1,738,828	1,738,828
TOTAL USES OF CASH	48,619,467	49,800,957	49,975,957	51,943,502	2,142,544	3,279,143
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0	-
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ (0)	\$ (0)	\$ 0	\$ -		

(1) Includes NARES expenditures.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2009/10 Budget

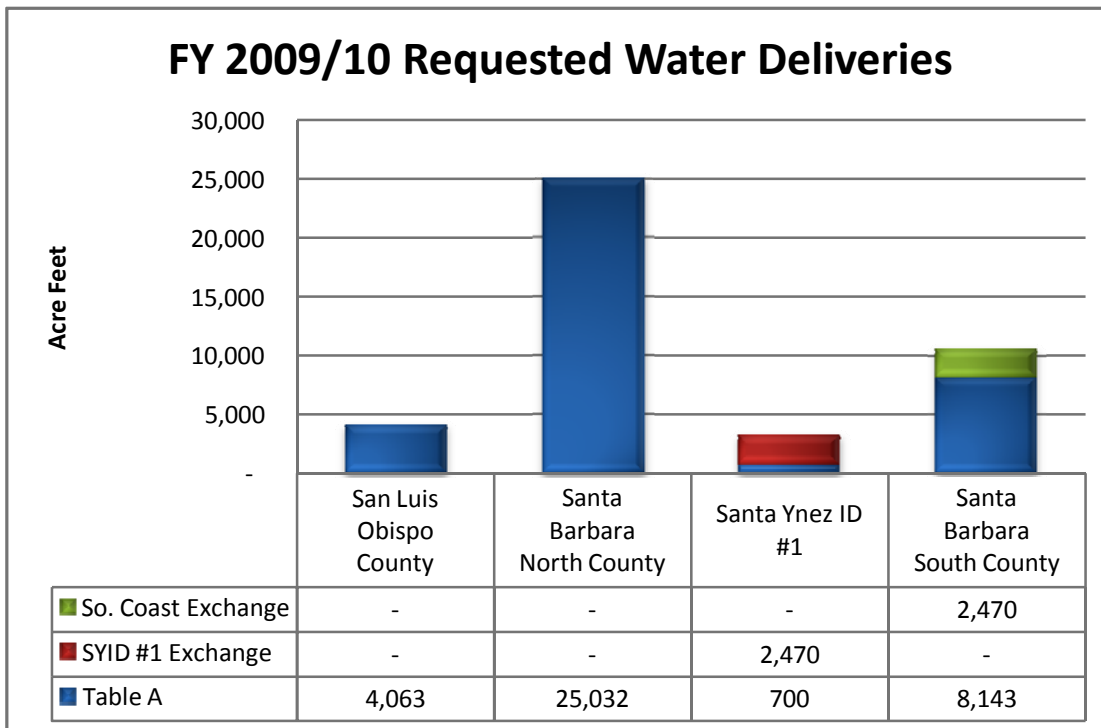
Project Participant	Unadjusted Fixed CCWA Operating Expense (1)	Unadjusted Variable Operating Expense	Exchange Agreement Cap. & Fixed	Exchange Agreement Variable	Regional WTP Allocation	Regional WTP Credit	Adjusted Charge	Warren Act Charges (2)	2006A		Subtotal FY 2009/10 CCWA	Non-Annual Recurring Expenses	CCWA Credits	Total FY 2009/10 CCWA
									Revenue	Bond Debt Service				
Guadalupe	60,564	24,208	-	-	\$25,939	\$0	\$110,711	-	163,247	-	\$273,958	-	(\$42,652)	231,306
Santa Maria	1,744,838	693,119	-	-	\$759,580	-	3,197,518	-	-	-	3,197,518	-	(595,578)	2,601,940
Golden State Water	57,291	21,872	-	-	\$23,551	-	102,714	-	-	-	102,714	-	(20,234)	82,480
Vandenberg AFB	658,006	239,109	-	-	\$258,725	-	1,155,840	-	-	-	1,155,840	-	(193,899)	961,941
Buellton	82,755	26,841	-	-	\$27,573	-	137,170	-	289,124	-	426,294	-	(20,656)	405,638
Santa Ynez (Solvang)	210,415	57,972	-	-	\$68,939	-	337,326	-	887,963	-	1,225,289	-	(53,599)	1,171,690
Santa Ynez	71,055	29,729	-	-	\$140,930	-	665,719	-	333,477	-	999,197	-	(61,785)	937,412
Goleta	740,922	436,017	-	-	\$173,331	(\$639,063)	558,565	235,534	2,798,665	-	3,592,764	-	(253,824)	3,338,940
Morehart Land	32,930	21,576	-	0	\$9,554	(\$35,187)	28,872	12,760	128,509	-	170,141	-	(22,821)	147,320
La Cumbre	164,649	107,878	-	0	\$47,768	(\$175,935)	144,360	63,800	615,101	-	823,261	-	(47,271)	775,990
Raytheon	8,232	5,394	-	0	\$2,368	(\$8,797)	7,218	3,190	26,861	-	37,269	-	(5,915)	31,353
Santa Barbara	493,948	25,201	-	(76,589)	\$89,795	(\$311,074)	196,108	(0)	1,720,311	-	1,916,418	-	(128,301)	1,788,117
Montecito	493,948	290,678	-	(76,589)	\$115,554	(\$426,042)	372,377	157,023	2,021,191	-	2,550,590	-	(18,783)	2,531,807
Carpinteria	329,289	16,768	-	(51,059)	\$59,860	(\$207,369)	130,717	(5)	1,155,688	-	1,286,400	-	(48,357)	1,238,043
Shandon	6,604	-	-	-	-	-	6,604	-	12,975	-	19,580	-	(2,765)	16,814
Chorro Valley	160,434	99,630	-	-	-	-	280,064	-	1,033,662	-	1,293,726	-	(19,976)	1,273,750
Lopez	174,822	72,947	-	-	-	-	247,769	-	267,289	-	515,058	-	(43,935)	471,124
TOTAL:	5,480,713	\$2,168,940	(\$0)	(\$0)	\$1,803,467	(\$1,803,467)	\$7,659,653	\$472,301	\$11,454,063	\$0	\$19,586,017	\$0	(1,570,351)	\$18,015,666

(1) Includes capital improvement projects.

Project Participant	DWR FIXED CHARGES			DWR VARIABLE CHARGES			DWR			TOTAL DWR and CCWA		
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Minimum OMP & R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP & R	Total Variable		Total DWR Charges	
Guadalupe	\$ 279,709	\$ -	\$ -	\$ 84,378	\$ 17,359	\$ 402,986	\$ 25,905	\$ 33,171	\$ 59,076	\$ 456,425		
Santa Maria	8,238,700	289,622	-	2,485,313	511,311	12,159,699	612,735	1,298,498	1,911,233	(56,999)		
Golden State Water	254,281	8,939	-	76,707	15,781	375,299	18,796	25,147	43,943	(6,259)		
Vandenberg AFB	2,797,089	98,328	-	843,779	173,593	4,289,529	162,551	344,331	506,881	-		
Buellton	293,949	10,333	-	88,675	18,249	450,798	33,035	46,571	79,606	(4,112)		
Santa Ynez (Solvang)	756,249	26,817	-	222,796	43,309	1,150,350	82,848	83,891	166,739	(5,510)		
Santa Ynez	260,874	8,939	-	84,032	19,816	409,479	17,714	38,082	55,796	(6,661)		
Goleta	2,288,528	80,450	-	708,480	142,031	3,527,731	160,756	381,620	542,376	(59,136)		
Morehart Land	101,712	3,576	-	30,683	6,312	155,983	1,768	10,464	12,232	(2,625)		
La Cumbre	508,562	17,878	-	153,414	31,562	779,914	56,318	97,768	154,077	(3,689)		
Raytheon	25,428	894	-	7,671	1,578	38,996	1,589	1,774	3,363	(705)		
Santa Barbara	1,525,685	53,634	-	460,243	94,687	2,339,743	65,762	154,329	326,257	(33,975)		
Montecito	1,525,685	53,634	-	460,243	94,687	2,339,743	171,928	154,329	326,257	(11,393)		
Carpinteria	1,017,123	35,756	-	306,829	63,125	1,599,829	46,728	-	46,728	(21,928)		
Goleta 2500 AF	19,683	-	-	80,201	71,717	192,316	-	-	-	-		
Shandon	-	-	-	-	-	-	-	-	-	-		
Chorro Valley	-	-	-	-	-	-	-	-	-	-		
Lopez	-	-	-	-	-	-	-	-	-	-		
TOTAL:	\$ 19,893,258	\$ 688,799	\$ 639,903	\$ 6,093,446	\$ 1,305,118	\$ 30,172,406	\$ 1,458,433	\$ 2,515,636	\$ 3,974,069	\$ (218,639)	\$ 33,927,835	\$ 51,943,502

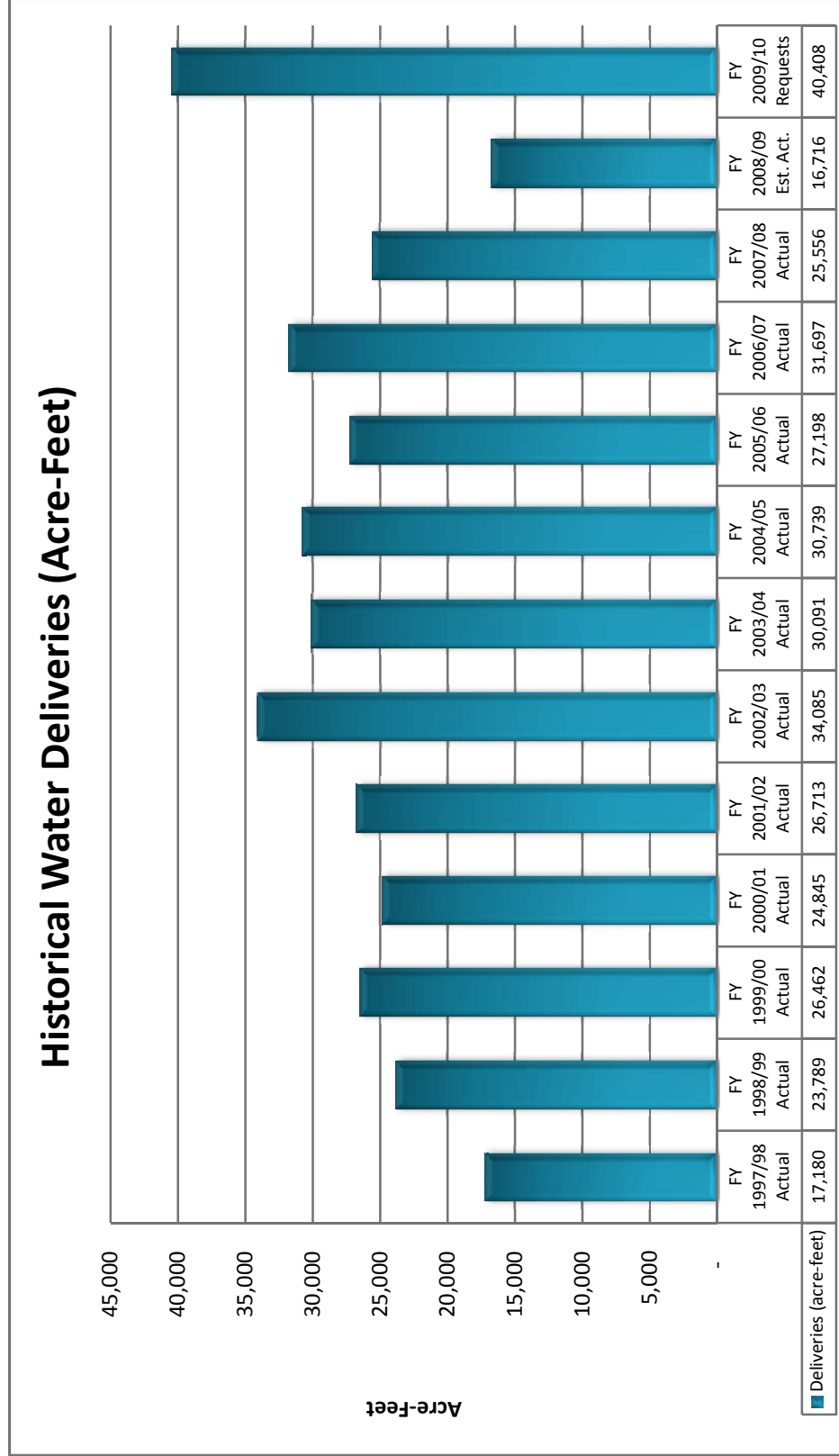
Central Coast Water Authority
FY 2009/10 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	1,718	-	1,718
Chorro Valley	2,346	-	2,346
Guadalupe	570	-	570
Santa Maria	16,320	-	16,320
Golden State Water	515	-	515
VAFB	5,630	-	5,630
Buellton	632	-	632
Solvang	1,365	-	1,365
Santa Ynez	700	2,470	3,170
Goleta	4,950	(889)	4,061
Morehart	220	-	220
La Cumbre	1,100	-	1,100
Raytheon	55	-	55
Santa Barbara	593	(593)	0
Montecito	3,300	(593)	2,707
Carpinteria	395	(395)	(0)
TOTAL:	40,408	-	40,408

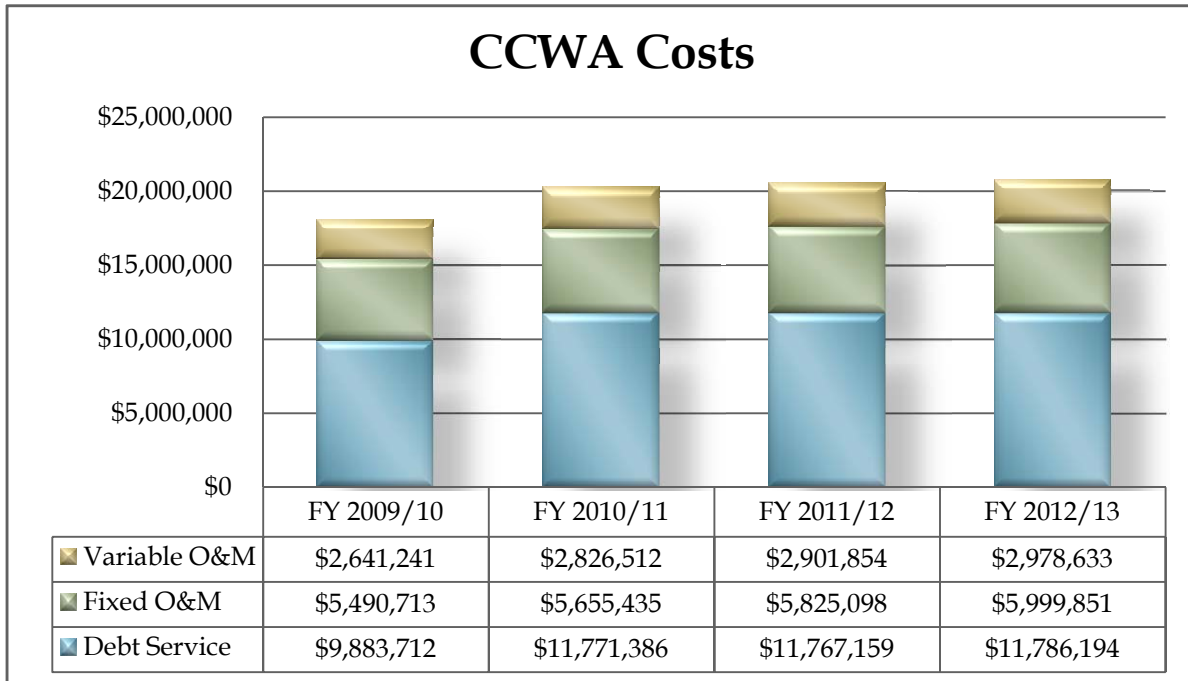
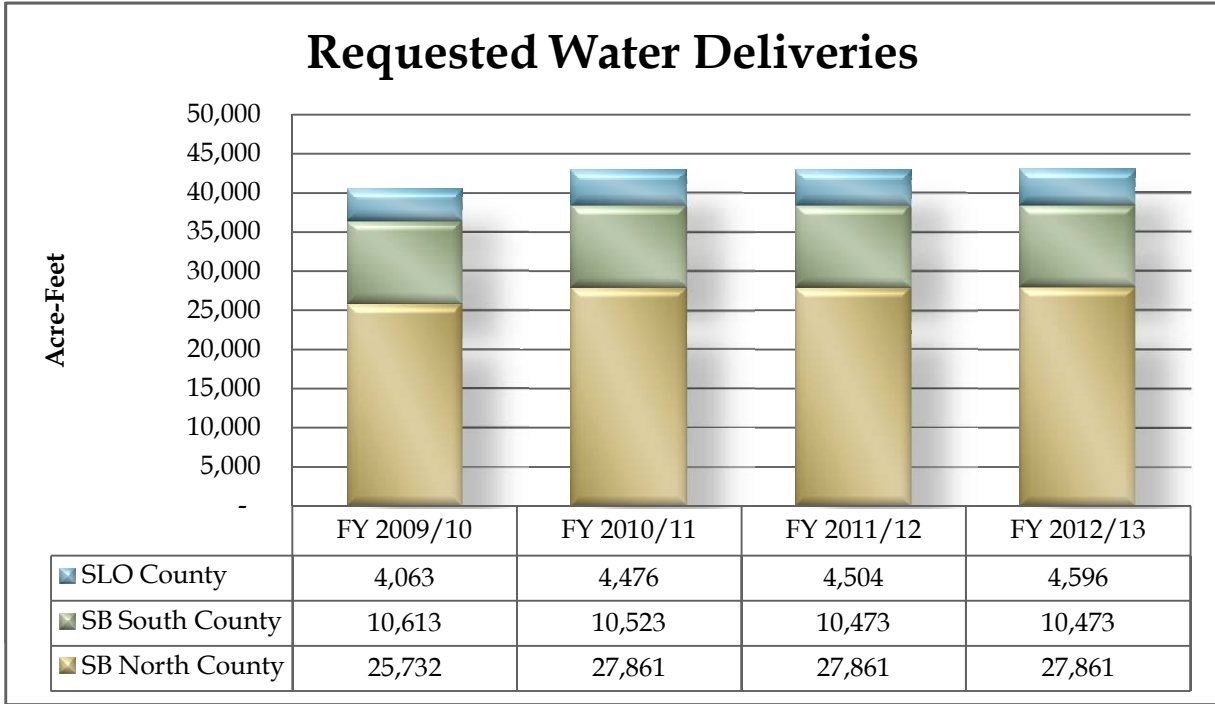


Santa Ynez ID#1 exchanges its Lake Cachuma entitlement for an equal amount of the Santa Barbara County south coast project participant State water. The amounts in the graph above show both the Santa Ynez ID#1 exchanged State water and the South coast Cachuma water taken in the exchange.

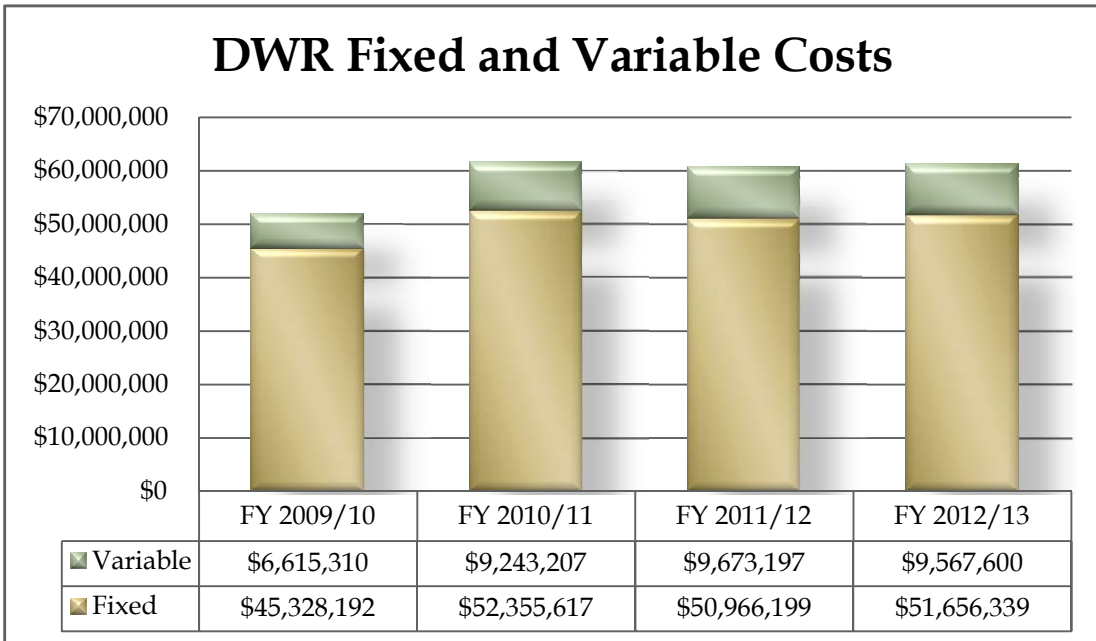
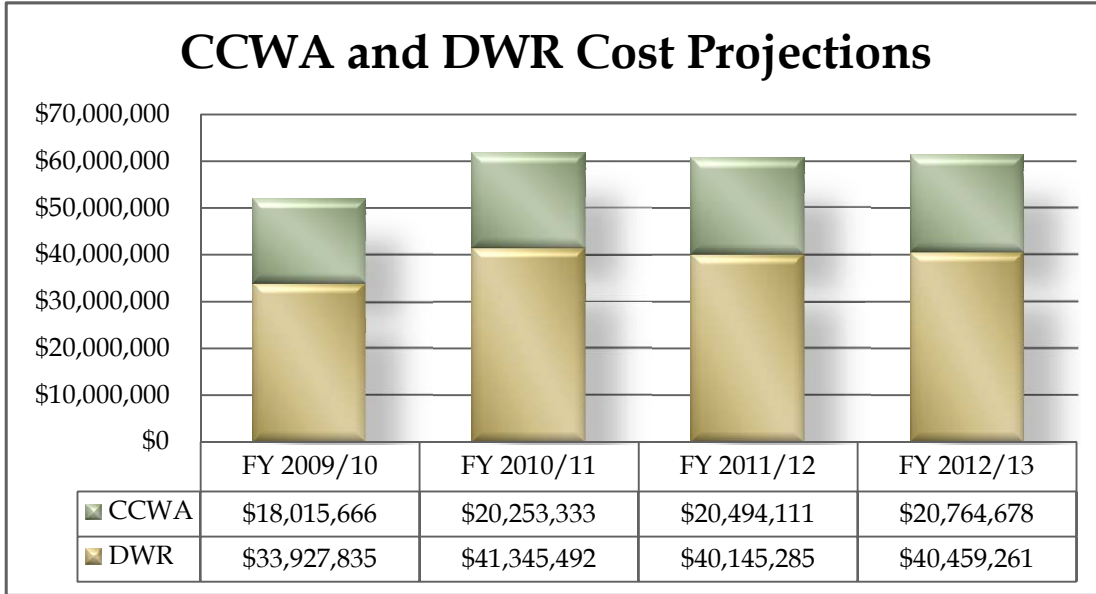
Central Coast Water Authority
Water Delivery History



Central Coast Water Authority
Projected Future State Water Costs
 FY 2009/10 to 2012/13



Central Coast Water Authority
Projected Future State Water Costs
 FY 2009/10 to 2012/13



FY 2009/10 charges net of CCWA credits.

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2009/10 Budget

To calculate the cost per acre-foot of water to the CCWA project participants, one must distinguish between the various “cost-types” and the various “water-types.”

Cost-Types

The two cost-types are fixed and variable costs.

Fixed costs include all CCWA and DWR costs which do not vary with the quantity of water delivered to the project participant, and generally, include CCWA fixed operations and maintenance costs, CCWA revenue bond payments and DWR fixed costs.

Variable costs include all CCWA and DWR costs which are only incurred if the project participant takes water deliveries. These include power (electrical) costs to pump the water and chemical costs to treat the water.

Water-Types

When discussing the cost per acre-foot, there are generally three (3) different “types” of water delivered by CCWA.

FY 2009/10 Table A Fixed Cost Per Acre-Foot

As described above, this includes all costs which do not vary with the quantity of water delivered to the project participant.

Project Participant	Table A Amount	Fixed Cost Per Acre-Foot	
		Fixed Costs Excluding CCWA Credits	Fixed Cost Per Acre-Foot
Guadalupe	550	\$ 641,675	\$ 1,166.68
Santa Maria	16,200	14,451,800	892.09
Golden State Water Co.	500	444,982	889.96
VAFB	5,500	5,152,686	936.85
Buellton	578	840,125	1,453.50
Santa Ynez (Solvang)	1,500	2,299,167	1,532.78
Santa Ynez ⁽¹⁾	500	918,119	1,836.24
Goleta	4,500	6,796,928	1,510.43
Morehart	200	309,173	1,545.87
La Cumbre	1,000	1,527,860	1,527.86
Raytheon	50	71,978	1,439.56
Santa Barbara	3,000	4,222,184	1,407.39
Montecito	3,000	4,702,653	1,567.55
Carpinteria	2,000	2,824,302	1,412.15
TOTAL:	39,078	\$ 45,203,632	

(1) Santa Ynez fixed cost amounts exclude the fixed and capital exchange agreement modifications, which are shown under the Exchange cost per acre-foot analysis.

Central Coast Water Authority
Cost Per Acre-Foot Analysis
Fiscal Year 2009/10 Budget

Fixed Cost Per Acre-Foot Difference Between Project Participants

As the above shows, there are significant differences between the fixed cost per acre-foot for each of the project participants. Explanations for these differences include:

Bond Financing vs Capital Deposits The City of Santa Maria, Golden State Water Company, and Vandenberg Air Force Base all contributed cash for their respective share of the construction costs of the CCWA facilities. As such, their fixed cost per acre-foot is lower because they are not paying the CCWA revenue bond payments.

Location Along the CCWA Pipeline As general rule, a project participant only pays to get the water to their location, which includes capital facilities necessary to deliver the water to each project participant. Therefore, a project participant which is higher upstream of the pipeline will have less capital costs than a project participant which is located further downstream.

Revenue Bond Capitalized Interest Elections During construction of the CCWA project facilities, all financing participants were able to elect to pay for their share of the revenue bond interest expense beyond the initial three years, with revenue bond proceeds, up to a total of five years (also referred to as “capitalized interest” elections). Certain financing participants elected longer capitalized interest elections which increase their total borrowing costs and therefore, they have a higher fixed cost per acre-foot.

Customized Revenue Bond Repayment Elections In order to offset the near-term higher costs of State water during the first ten (10) years of revenue bond repayments, all financing participants were given the option of electing customized revenue bond repayment elections consisting of gradually increasing debt service payments over the first ten years and then level debt service payments afterwards; decreased debt service payments for the first ten years and then a large step-up for the remaining term or level debt service for the entire revenue bond repayment term. Those financing participants that elected customized (i.e., escalating or step-up) repayment elections have higher debt service payments which is reflected in their higher fixed cost per acre-foot.

Financing of Local Facilities When the CCWA revenue bonds were issued to finance construction of the CCWA project facilities, certain financing participants requested that CCWA also finance certain local facilities to be constructed by individual project participants. Those financing participants that elected to finance their local facilities with the CCWA

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2009/10 Budget

revenue bonds have higher revenue bond debt service payments which are reflected in their higher fixed cost per acre-foot.

FY 2009/10 Table A Variable Cost Per Acre-Foot

This represents the variable costs for all water deliveries excluding exchange water deliveries to the South Coast project participants. Generally, these amounts include the CCWA power and chemical costs, adjustments for the variable Regional Water Treatment Plant Allocation (retreatment charge and credits), DWR variable costs and Warren Act and Trust Fund payments for Table A deliveries into Lake Cachuma for the South Coast project participants (*please refer to the Water Treatment Plant section of this Budget for additional information on the Regional Water Treatment Plant Allocation*).

Project Participant	FY 2009/10 Requested Deliveries			Variable Cost Per Acre-Foot TABLE A DELIVERIES							Table A Variable Cost/AF
	Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA WTP Variable	CCWA SYPF Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	570	-	570	\$ 24,208		\$ 5,424		\$ 94,025		\$ 123,657	\$ 216.94
Santa Maria	16,320	-	16,320	693,119		155,298		2,692,081		3,540,498	216.94
Golden State Water Co.	515	-	515	21,872		4,901		84,952		111,725	216.94
VAFB	5,630	-	5,630	239,109		53,574		928,702		1,221,385	216.94
Buellton	632	-	632	26,841		6,014		104,252		137,108	216.94
Santa Ynez (Solvang)	1,365	-	1,365	57,972		12,989		225,165		296,126	216.94
Santa Ynez ⁽¹⁾	700	2,470	3,170	29,729		30,162		115,469		175,360	216.94
Goleta	4,950	(889)	4,061	210,229	225,788	38,643	(172,470)	816,532	235,534	1,354,256	288.07
Morehart	220	-	220	9,344	12,232	2,093	(9,344)	36,290	12,760	63,376	288.07
La Cumbre	1,100	-	1,100	46,718	61,160	10,467	(46,718)	181,452	63,800	316,879	288.07
Raytheon	55	-	55	2,336	3,058	523	(2,336)	9,073	3,190	15,844	288.07
Santa Barbara	593	(593)	0	25,185	-	3	(12)	97,819	17	123,011	-
Montecito	3,300	(593)	2,707	140,153	150,525	25,762	(114,980)	544,355	157,023	902,837	288.07
Carpinteria	395	(395)	(0)	16,776	-	(1)	6	65,158	(8)	81,930	-
TOTAL:	36,345	-	36,345	\$ 1,543,592	\$ 452,763	\$ 345,853	\$ (345,853)	\$ 5,995,323	\$ 472,315	\$ 8,463,993	

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2009/10 Budget

FY 2009/10 Exchange Variable Cost Per Acre-Foot

This represents the cost per acre-foot for water exchanged between the Santa Ynez River Water Conservation District, ID#1 (Santa Ynez, ID#1) and the South Coast exchange participants (*please refer to the Water Treatment Plant section of this Budget for additional information on the Santa Ynez Exchange Agreement*). These costs include the CCWA variable costs paid by Santa Ynez, ID#1, the Polonio Pass Water Treatment Plant fixed and capital amounts paid by Santa Ynez, ID#1 to the south coast project participants, and the DWR variable costs paid by the South Coast exchange participants.

Project Participant	FY 2009/10 Requested Deliveries			Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES				
	Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe	570	-	570					
Santa Maria	16,320	-	16,320					
Golden State Water Co.	515	-	515					
VAFB	5,630	-	5,630					
Buellton	632	-	632					
Santa Ynez (Solvang)	1,365	-	1,365					
Santa Ynez ⁽¹⁾	700	2,470	3,170	\$ 104,887	\$ 319,119	-	\$ 424,006	\$ 171.69
Goleta	4,950	(889)	4,061			\$ 146,657	146,657	164.96
Morehart	220	-	220			-	-	
La Cumbre	1,100	-	1,100			-	-	
Raytheon	55	-	55			-	-	
Santa Barbara	593	(593)	0			97,771	97,771	164.96
Montecito	3,300	(593)	2,707			97,771	97,771	164.96
Carpinteria	395	(395)	(0)			65,181	65,181	164.96
TOTAL:	36,345	-	36,345	\$ 104,887	\$ 319,119	\$ 407,381	\$ 831,387	

Year-End Reconciliation and Adjustments to Cost Per Acre-Foot Amounts

At the close of each fiscal year all costs are reconciled or “trued-up” to the fiscal year budget and actual billings to the project participants. This reconciliation process results in adjustments to all cost components. Additionally, the amounts included in the CCWA budget for DWR variable costs, generally exclude certain credits that are returned on an annual basis. Therefore, when the DWR variable costs are trued-up, the total cost per acre-foot generally decreases when compared to the calculated amount in the budget.

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Installation of new outlet flow meter at the Santa Ynez Pumping Facility

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2009/10 Budget includes information on the Authority's revenues, pass-through receipts and a narrative explanation on the Authority's billing procedures and cash management.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2009/10 Budget

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

Assumptions for Revenue Projections

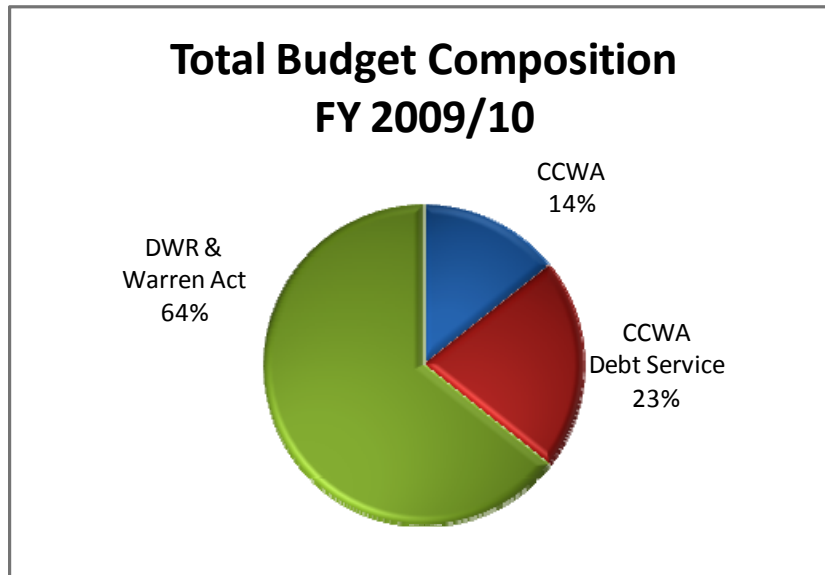
Since the Authority is a "pass-through" organization, all revenues are equal to the expenditures included in the budget. As such, there is no difference between the revenue estimates and the expenditures because the revenues are equal to the expenditures.

Revenues and Other Sources of Cash

Revenues	FY 2007/08 Actual	FY 2008/09 Estimated Actual	FY 2009/10 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 6,316,831	\$ 7,145,759	\$ 7,464,165
Debt Service Payments	10,815,291	11,340,542	11,454,063
Capital Improvement Projects (CIP)	284,212	379,917	195,488
Non-Annual Recurring Expenses	(133,741)	-	-
Investment Income	261,916	175,000	-
Subtotal Revenues	17,544,509	19,041,218	19,113,716
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	29,004,753	28,993,055	30,172,406
DWR Variable Costs	4,001,897	4,318,646	3,974,069
DWR Account Interest	(306,330)	(1,122,694)	(218,639)
Warren Act Charges ⁽¹⁾	218,266	523,341	472,301
Subtotal Pass Through Expenses	32,918,586	32,712,348	34,400,137
Gross Budget Before Credits	50,463,094	51,753,566	53,513,853
Credits and Prepayments	(1,843,626)	(1,777,609)	(1,570,351)
TOTAL SOURCES OF CASH	\$ 48,619,468	\$ 49,975,957	\$ 51,943,503
<small>(1) Adjusted for Santa Ynez Exchange Agreement modifications.</small>			

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2009/10 Budget

Revenues and Other Sources of Cash



FY 2008/09 Actual Cash Receipts

The actual cash receipts for FY 2008/09 are anticipated to be less than the actual expenditures for the year because of credits given to the project participants for (1) unexpended operating expense assessments for FY 2007/08, (2) interest income for FY 2007/08, and (3) differences between the DWR actual fixed payments and the budgeted fixed payments.

CCWA Operating Expense Revenues

The Authority's operating expense revenues are billed directly to project participants in accordance with their Water Supply Agreements. After the total operating expense budget has been determined, it is adjusted based on the "Santa Ynez Exchange Agreement" modifications (*see the Water Treatment Plant section to this document for further information on the Exchange Agreement*). These Exchange Agreement modifications decrease the electrical costs at the Santa Ynez Pumping Facility. This modified amount is billed to the affected member agencies.

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

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2009/10 Budget

The following table shows the Authority's operating expense budget modified as a result of the Regional Water Treatment Plant modifications and the Santa Ynez Exchange Agreement resulting in the net operating expense revenues to the Authority.

Project Participant	CCWA Fixed Operating Expenses	CCWA Variable Operating Expenses	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Adjustment Cap. and Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 60,564	\$ 24,208	\$ 25,939	\$ -	\$ -	\$ -	\$ 110,711
Santa Maria	1,744,838	693,119	759,560	-	-	-	3,197,518
Golden State Water Co.	57,291	21,872	23,551	-	-	-	102,714
Vandenberg AFB	658,006	239,109	258,725	-	-	-	1,155,840
Buellton	82,755	26,841	27,573	-	-	-	137,170
Santa Ynez (Solvang)	210,415	57,972	68,939	-	-	-	337,326
Santa Ynez	71,055	29,729	140,930	-	319,119	104,887	665,719
Goleta	740,922	436,017	173,331	(639,063)	(114,883)	(37,759)	558,565
Morehart Land	32,930	21,576	9,554	(35,187)	-	-	28,872
La Cumbre	164,649	107,878	47,768	(175,935)	-	-	144,360
Raytheon	8,232	5,394	2,388	(8,797)	-	-	7,218
Santa Barbara	493,948	25,201	89,795	(311,074)	(76,589)	(25,173)	196,108
Montecito	493,948	290,678	115,554	(426,042)	(76,589)	(25,173)	372,377
Carpinteria	329,299	16,768	59,860	(207,369)	(51,059)	(16,782)	130,717
Shandon	6,604	-	-	-	-	-	6,604
Chorro Valley	160,434	99,630	-	-	-	-	260,064
Lopez	174,822	72,947	-	-	-	-	247,769
TOTAL:	\$ 5,490,713	\$2,168,940	\$1,803,467	(\$1,803,467)	\$ -	\$ -	\$ 7,659,653

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2009/10, are **\$7,659,653**.

Please refer to the *“Operating Expenses”* section of this budget for additional information regarding the Operating Expense reimbursement payments from the CCWA project participants.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2009/10 Budget

Debt Service Payments

The debt service payments on the 2006 Revenue Bonds issued by the Authority are paid entirely by the financing participants based on their proportional share of the project capital costs. Payments by the financing participants for debt service are treated as revenue by the Authority.

For FY 2009/10, total net revenue for debt service payments will be \$10,730,213 or about \$86,000 more than the FY 2008/09 revenues. The following table shows each financing participant's share of the debt service. Please refer to the "CCWA Bond Debt" section of this budget for additional information regarding the debt payments from the CCWA financing participants.

Financing Participant	FY 2009/10 Debt Service Payments ⁽¹⁾	Local Project Debt Service Payments ⁽²⁾	FY 2009/10 Net Debt Service Revenue
Avila Beach	\$ 13,111	\$ (1,655)	\$ 11,456
California Men's Colony	114,627	(36,971)	77,656
County of SLO	122,108	(39,428)	82,680
Cuesta College	57,318	(18,488)	38,830
Morro Bay	739,610	(282,815)	456,794
Oceano	95,817	(11,277)	84,540
Pismo Beach	158,361	(18,618)	139,743
Shandon	12,975	(1,282)	11,693
Guadalupe	163,247	(48,083)	115,164
Buellton	289,124	(7,826)	281,297
Santa Ynez (Solvang)	887,963	(20,877)	867,086
Santa Ynez	333,477	(9,251)	324,226
Goleta	2,798,665	(118,856)	2,679,809
Morehart Land	128,509	(547)	127,962
La Cumbre	615,101	(2,736)	612,365
Raytheon	26,861	(723)	26,138
Santa Barbara	1,720,311	(25,947)	1,694,363
Montecito	2,021,191	(41,279)	1,979,912
Carpinteria	1,155,688	(37,191)	1,118,498
TOTAL:	\$ 11,454,063	\$ (723,850)	\$ 10,730,213
(1) 2006A revenue bond principal and interest, minus FY 2008/09 debt service account interest income credits plus bond trustee fees.			
(2) Payments from project participants for local facilities financed with CCWA revenue bonds.			

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FY 2009/10 CCWA Credits

The following table shows a summary of the FY 2009/10 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits
Guadalupe	\$39,654	\$629	\$ 2,369		\$42,652
Santa Maria	516,483	18,528	60,566		595,578
Golden State Water Co.	19,665	569	-		20,234
Vandenberg AFB	193,899	-	-		193,899
Buellton	16,346	661	3,648		20,656
Santa Ynez (Solvang)	43,325	1,716	8,558		53,599
Santa Ynez	45,311	572	5,902		51,785
Goleta	248,678	5,146	-		253,824
Morehart Land	15,213	229	-	7,379	22,821
La Cumbre	40,607	1,143	5,522		47,271
Raytheon	4,189	57	-	1,670	5,915
Santa Barbara	124,871	3,431	-		128,301
Montecito	-	3,427	15,357		18,783
Carpinteria	34,550	2,285	11,521		48,357
Shandon	2,551		215		2,765
Oceano CSD			2,609		2,609
Avila Beach CSD			-		-
Pismo Beach			-		-
Avila Valley Water Co.					-
San Miguelito Water Co.					-
San Luis School					-
Chorro Valley	19,976		-		19,976
Lopez	41,326	-	-	-	41,326
TOTAL:	\$1,406,643	\$38,392	\$116,266	\$9,049	\$1,570,351

Investment Income and Cash Management

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

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

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Bank Account Cash Balances

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

Debt Service Payments

Payments made by the financing participants for debt service payments on the 2006 Revenue Bonds are held in a separate account and invested in accordance with the Authority's investment policy with investment maturities corresponding to the debt service payment dates. Investment income within this account is allocated to the financing participants based on the proportional amount initially paid.

Investment Income

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

DWR Payment Investments

Payments made by project participants for subsequent payment to DWR are held in a separate account and invested in accordance with CCWA's investment policy with investment maturities corresponding to the anticipated payment dates to DWR. Investment income in this account is allocated to the various project participants based on their proportional amount initially paid. Investment income associated with the DWR payments is not treated as investment income for the Authority but is instead recorded as a liability to the project participants until paid to them.

CCWA Operating Expense Revenue

Revenues from assessments for the Authority's operating expense budget are invested in the Local Agency Investment Fund and money market accounts with the Authority's bank. Investment income from these accounts is treated as investment income for the Authority.

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Pass-Through Expenses

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

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

Warren Act Charges

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

There are two components to the Warren Act charges: (1) Trust Fund payments of \$43 an acre-foot and (2) Warren Act charges of \$15 per acre foot.

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2009/10.

Project Participant	Total FY 2009/10 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments
Goleta	4,061	\$ 235,534
Morehart Land Co.	220	12,760
LaCumbre	1,100	63,800
Raytheon	55	3,190
Santa Barbara	0	(0)
Montecito	2,707	157,023
Carpinteria	(0)	(5)
TOTAL:	8,143	\$472,301

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The following table represents the Fiscal Year 2009/10 DWR and Warren Act charges to be collected and paid by the Authority (*see the Department of Water Resources section of this document for further information on the DWR charges*).

Project Participant	FY 2009/10 DWR Fixed Charges	FY 2009/10 DWR Variable Charges	FY 2009/10 Interest Income	FY 2009/10 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$402,996	\$59,076	(\$5,647)	\$ -	\$456,425
Santa Maria	12,159,699	1,911,233	(56,999)	-	14,013,933
Golden State Water Co.	375,299	43,943	(6,259)	-	412,984
Vandenberg AFB	4,289,529	506,881	-	-	4,796,411
Buellton	450,798	79,606	(4,112)	-	526,292
Santa Ynez (Solvang)	1,150,350	166,739	(5,510)	-	1,311,578
Santa Ynez	409,479	55,796	(6,661)	-	458,614
Goleta	3,720,047	542,376	(59,136)	235,534	4,438,821
Morehart Land	155,983	12,232	(2,625)	12,760	178,350
LaCumbre	779,914	154,077	(3,689)	63,800	994,102
Raytheon	38,996	3,363	(705)	3,190	44,843
Santa Barbara	2,339,743	65,762	(33,975)	(0)	2,371,529
Montecito	2,339,743	326,257	(11,393)	157,023	2,811,630
Carpinteria	1,559,829	46,728	(21,928)	(5)	1,584,624
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$30,172,406	\$3,974,069	(\$218,639)	\$472,301	\$34,400,137
(1) Adjusted for Santa Ynez Exchange Agreement modifications.					

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Authority Billing Procedures

All expenses of the Authority including operating expenses, debt service payments, capital purchases, and pass-through expenses are paid by the Authority's project participants.

The Water Supply Agreements provide guidelines to be followed when billing the Santa Barbara County project participants for the Authority charges. The Master Water Treatment Agreement, the Agreement for Construction, Operation and Maintenance of the Chorro Valley and Lopez Turnouts, and the Agreement for Coastal Branch Operations and Maintenance provide the guidelines to be followed when billing the San Luis Obispo County project participants for the Authority charges.

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

The project participants are billed for the Authority expenses based on the Board adopted fiscal year budget. Additionally, the fixed portion of the DWR charges is billed based on the most recent calendar year Statement of Charges and DWR projections.

DWR prepares its Statement of Charges on a calendar year basis. The DWR State Water Project Analysis Office (SWPAO) also supplies the Authority with projected estimates of the following calendar year charges. The current calendar year Statement of Charges and the SWPAO estimated charges are used to calculate the amount payable by the project participants for the budgeted fiscal year.

At the close of each fiscal year, a reconciliation is prepared comparing the actual expenditures for the Authority to the amount billed to the project participants. Under-expenditures in the budget including investment income are refunded to each project participant based on the actual results for the year. Over-expenditures are charged to each participant based on the actual results for the year.

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2009/10 for each project participant.

Central Coast Water Authority
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Project Participant	FY 2009/10 Operating Expenses ⁽¹⁾	FY 2009/10 Debt Service Payments	FY 2009/10 DWR Costs	FY 2009/10 Warren Act Charges ⁽²⁾	FY 2009/10 CCWA Credits	FY 2009/10 Total Payments
Guadalupe	\$ 110,711	\$ 163,247	\$ 456,425	\$ -	\$ (42,652)	\$ 687,732
Santa Maria	3,197,518	-	14,013,933	-	(595,578)	16,615,873
Golden State Water Co.	102,714	-	412,984	-	(20,234)	495,464
Vandenberg AFB	1,155,840	-	4,796,411	-	(193,899)	5,758,352
Buellton	137,170	289,124	526,292	-	(20,656)	931,931
Santa Ynez (Solvang)	337,326	887,963	1,311,578	-	(53,599)	2,483,268
Santa Ynez	665,719	333,477	458,614	-	(51,785)	1,406,026
Goleta	558,565	2,798,665	4,203,287	235,534	(253,824)	7,542,227
Morehart Land	28,872	128,509	165,590	12,760	(22,821)	312,909
La Cumbre	144,360	615,101	930,302	63,800	(47,271)	1,706,292
Raytheon	7,218	26,861	41,653	3,190	(5,915)	73,007
Santa Barbara	196,108	1,720,311	2,371,530	(0)	(128,301)	4,159,647
Montecito	372,377	2,021,191	2,654,607	157,023	(18,783)	5,186,414
Carpinteria	130,717	1,155,688	1,584,629	(5)	(48,357)	2,822,672
Shandon	6,604	12,975	N/A	-	(2,765)	16,814
Chorro Valley	260,064	1,033,662	N/A	-	(19,976)	1,273,750
Lopez	247,769	267,289	N/A	-	(43,935)	471,124
TOTAL:	\$ 7,659,653	\$11,454,063	\$33,927,835	\$ 472,301	(\$1,570,351)	\$ 51,943,503
(1) Adjusted for Santa Ynez Exchange Agreement Modifications and Regional WTP Treatment Allocation.						
(2) Adjusted for Santa Ynez Exchange Agreement Modifications.						

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Pipeline crossing San Andreas Fault

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2009/10 Budget provides information on the Authority's payments to DWR. This section includes information on the allocation of the fixed and variable DWR costs and other information regarding the FY 2009/10 DWR charges.

Highlights

Total FY 2009/10 DWR Charges **\$ 34,135,510**

- DWR Fixed Charges \$ 30,380,081
- DWR Variable Charges \$ 3,974,069
- Interest Income Credits \$ (218,639)

Fixed Charge Highlights

- Total fixed charge increase over FY 2008/09 of \$2,227,675.
- Decrease in Transportation Capital charges \$684,749.
- Decrease in Coastal Branch Phase II charges of \$590,238.
- Increase in Transportation Minimum OMP&R charges of \$2,971,569.
- Rate Management Funds Credits totaling \$2,141,729.
- DWR credits for release of excess revenue bond reserve fund credits totaling \$1,271,722.

Variable Charge Highlights

- Total variable charge decrease over FY 2008/09 of \$27,828.
- Estimated Variable OMP&R unit rate for 2009 and 2010: \$125.00.

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

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

DWR Billing Procedures

The DWR prepares its annual bill (“Statement of Charges”) on a calendar year basis and submits the bill to the Authority. The variable portion of the bill is based on the requested deliveries of the Authority’s project participants, which the Authority provides to DWR in October of the prior year. The fixed portion of the bill is based on the Authority’s State water Table A amount. The Delta Water Charge is billed by DWR net of Table A entitlement reductions (*see the sections entitled “Delta Water Charges” and “Table A Entitlement Reductions”*).

The Statement of Charges is allocated on a financial reach basis (*see the Distribution Department section of this budget for further information on financial reaches*). Invoices are then prepared by the Authority and forwarded to its project participants.

Summary of FY 2009/10 DWR Charges

The DWR charges for the first half of FY 2009/10 are based on the 2009 Statement of Charges. The DWR charges for the second half of FY 2009/10 are based on forecasts prepared by the DWR State Water Project Analysis Office. DWR transportation capital charges starting in 1998 are based on a Coastal Branch Phase II project cost of approximately \$481 million. Coastal Branch Extension capital charges are based on the allocation share of debt service principal and interest payments from the various DWR revenue bond debt issues allocated to repay the capital costs of the Coastal Branch Phase II.

The fixed DWR charges are allocated to the various project participants based on their State water Table A allocation. The variable DWR charges are allocated in proportion to the project participant requested deliveries. San Luis Obispo County pays DWR directly for its DWR costs. The table on page 76 shows fixed and variable DWR costs for each project participant.

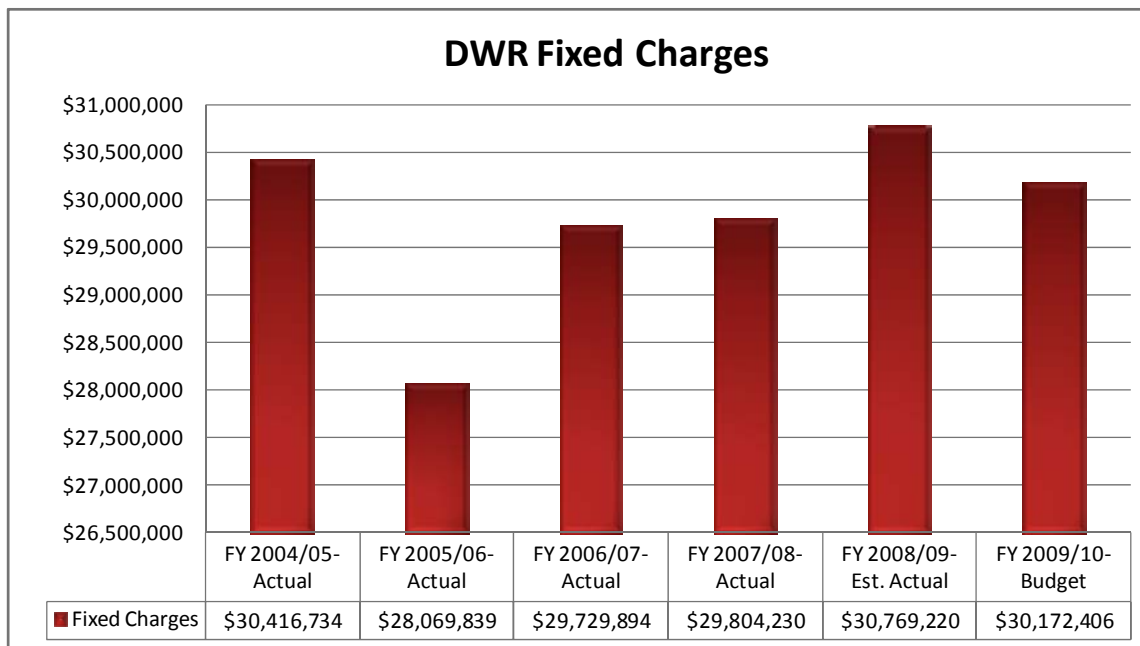
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The following table provides a comparison of the FY 2008/09 and FY 2009/10 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Est. Actual	FY 2009/10 Budget	FY 2009/10 Budget to FY 2008/09 Budget Increase (Decrease)
Transportation Capital	\$ 20,898,228	\$ 20,578,007	\$ 20,932,404	\$ 19,893,258	\$ (684,749)
Coastal Branch Phase II	2,722,858	1,918,940	1,750,064	1,328,702	(590,238)
Transportation Minimum OMP&R	3,934,306	3,329,552	5,334,557	6,093,446	2,763,894
Water System Revenue Bond	1,107,796	1,084,415	1,462,925	1,551,883	467,468
Delta Water Charges	1,141,042	1,241,492	1,289,270	1,305,118	63,626
Subtotal Fixed DWR Charges	<u>29,804,230</u>	<u>28,152,406</u>	<u>30,769,220</u>	<u>30,172,406</u>	<u>2,020,000</u>
Off-Aqueduct Charges	1,135,701	1,586,010	1,087,196	1,458,433	(127,577)
Variable OMP&R	2,866,196	2,732,636	2,041,429	2,515,636	(217,000)
Subtotal Variable DWR Charges	<u>4,001,897</u>	<u>4,318,646</u>	<u>3,128,625</u>	<u>3,974,069</u>	<u>(344,577)</u>
DWR Account Investment Income	(1,105,805)	(282,045)	(367,088)	(218,639)	63,406
Total DWR Charges	<u>\$ 32,700,322</u>	<u>\$ 32,189,007</u>	<u>\$ 33,530,757</u>	<u>\$ 33,927,835</u>	<u>\$ 1,738,828</u>

The FY 2009/10 DWR fixed charges total \$30,172,406, which is \$2,020,000 more than the FY 2008/09 Budget. The reasons for the cost component variances are described later in this section.

The following graph shows the six-year trend in the DWR fixed costs.



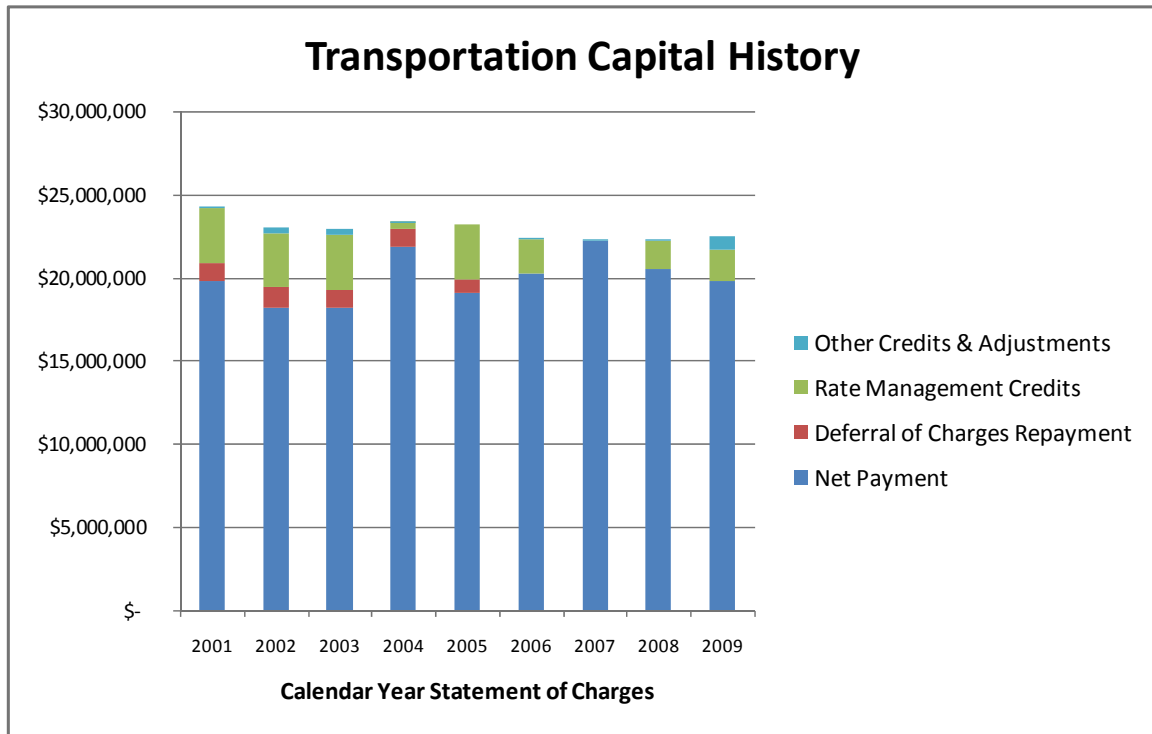
As the previous graph shows, there has been a significant increase in the DWR fixed costs over the past four years and a slight decrease for the calendar 2009 charges due to extraordinary credits, more fully explained later in this section.

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The following discussion compares the changes between the FY 2008/09 DWR fixed cost budget and the FY 2009/10 budget.

- **Transportation Capital**

The following graph shows the history and breakdown of the various components for the DWR Transportation Capital charges to CCWA:



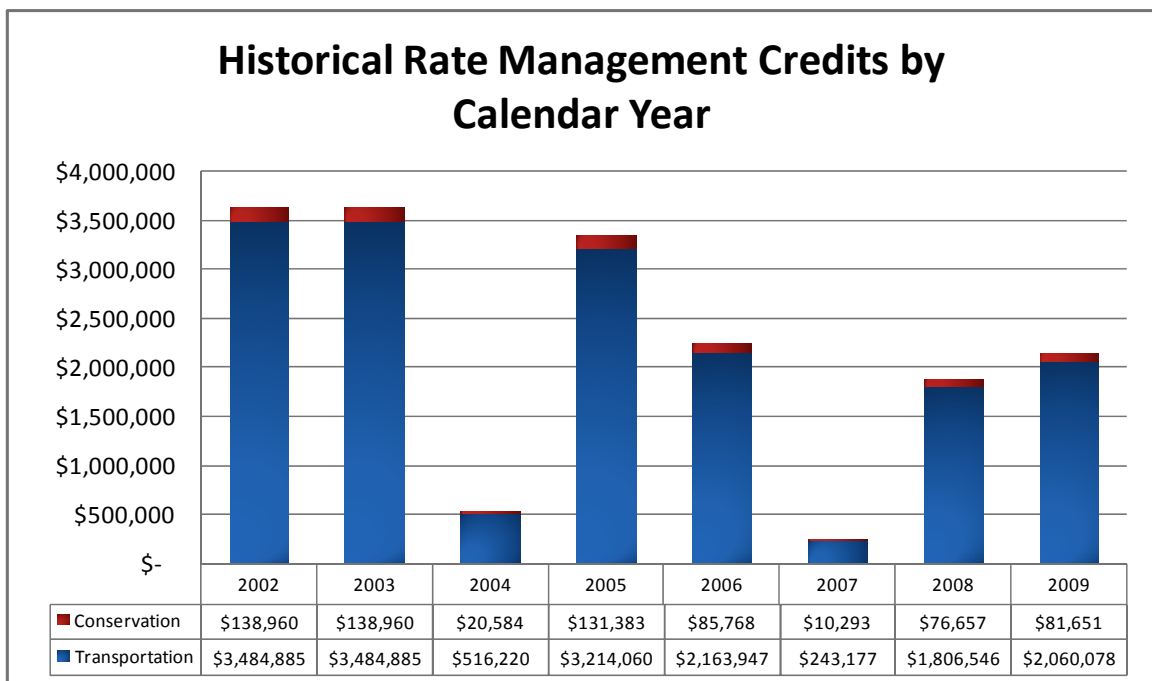
Transportation capital charges are decreasing by \$684,749 due to the following:

Rate Management Credits

One provision of the contract between CCWA and the Department of Water Resources provides for the reduction of capital charges based on excess revenues collected by DWR due to differences between collections from the State Water Project Contractors and the actual amounts paid for capital related charges. These credits are referred to as “rate management credits” and are allocated to each Contractor in proportion to their total repayment of capital charges to DWR. As such, CCWA receives a large portion of the annual rate management credits (currently about 9.00%) because our facilities were constructed in the 1990’s while most other Contractor’s facilities were constructed in the 1960’s so that CCWA’s capital repayments to DWR are quite high when compared to other Contractors.

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Each year, DWR prepares a financial analysis to determine the revenues that are available to pay rate management credits. Pursuant to the Contract, the maximum amount of rate management credits in any one year does not exceed \$40.5 million to all Contractors. There are a number of factors that can impact the revenues available to pay rate management credits, and therefore, the actual credits provided by DWR have been somewhat volatile as can be seen in the following graph showing the actual historical calendar year rate management credits provided by DWR.



For the calendar year 2009 Statement of Charges, DWR included all of the 2009 rate management credits against the July 2009 invoice. Normally, the rate management credits would be allocated ½ to the January capital payments and ½ to the July capital payments. However, the final credit amounts were not available until after the January 2009 capital payments were already made, and so DWR credited 100% of the credits against the July 2009 payments, thereby pushing all the credits into the FY 2009/10 budget.

Total calendar year 2009 credits are \$2,141,729 (both Transportation Capital and Conservation Capital components). Consistent with the CCWA Board policy adopted in FY 2008/09, the fiscal year budget does not include projections for the second half of the fiscal year rate management credits, but only includes the credits that are actually provided by DWR.

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DWR Revenue Bond “Springing Amendment Credits”

DWR adopted an amendment to its general bond resolution that decreases the revenue bond reserve requirements to about half of the previous requirement. As such, DWR is able to offset future capital payments from the State Water Project Contractors with the revenue bond reserve funds released.

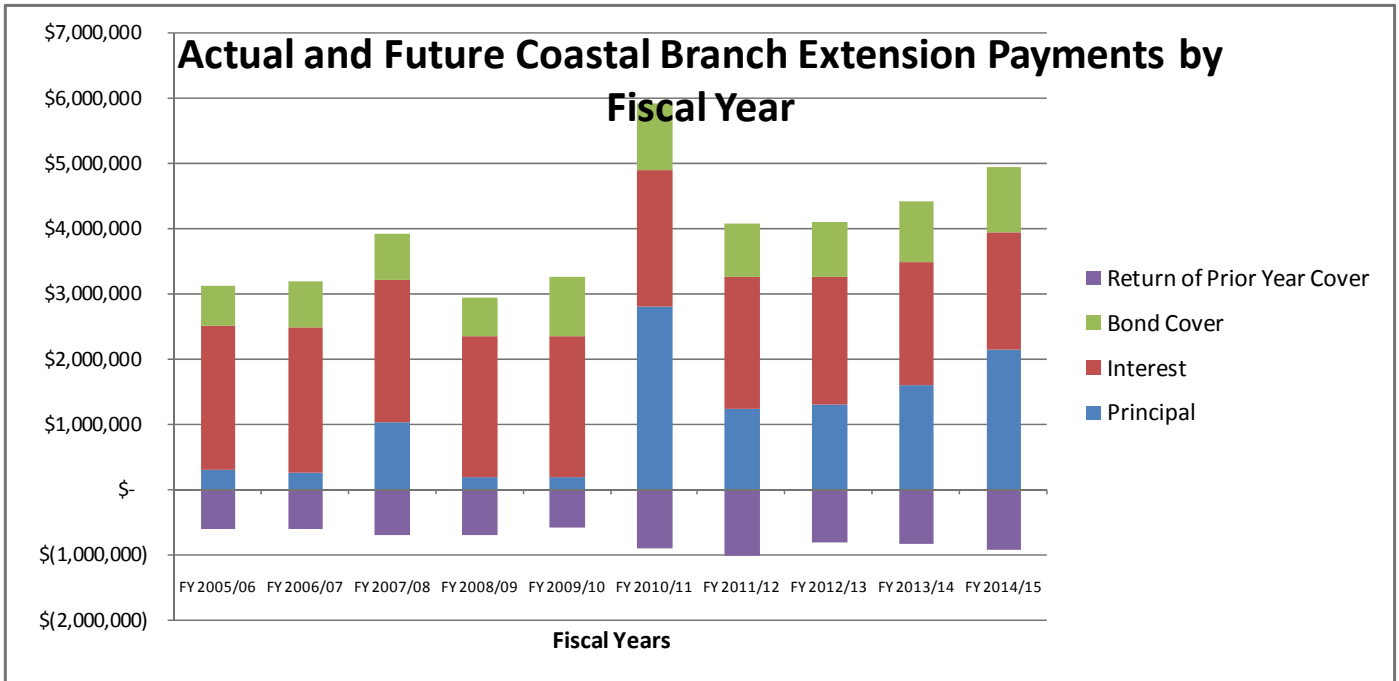
The total revenue bond reserve fund credits allocated to CCWA are approximately \$2,295,000, with about \$996,000 allocated to the Coastal Branch Extension payments and \$1.3 million allocated as a credit against the Transportation Capital payments.

DWR allocated a portion of the revenue bond reserve fund credits against the 2008 and first half of 2009 Transportation Capital payments. The estimated remaining balance of \$1.27 million is to be credited against the July 2009 capital payments with \$552,000 allocated to the Coastal Branch Extension and \$720,000 allocated to the Transportation Capital payments.

- **Coastal Branch Extension Phase II** When the Coastal Branch Extension Phase I facilities were constructed, DWR issued revenue bonds to finance the coastal facilities. CCWA is solely responsible for repayment of the debt service on these bonds to DWR.

Over the years, DWR has refinanced some of the original bonds used to finance these facilities and the resulting debt service repayment fluctuates significantly between years as can be seen in the following graph.

Central Coast Water Authority
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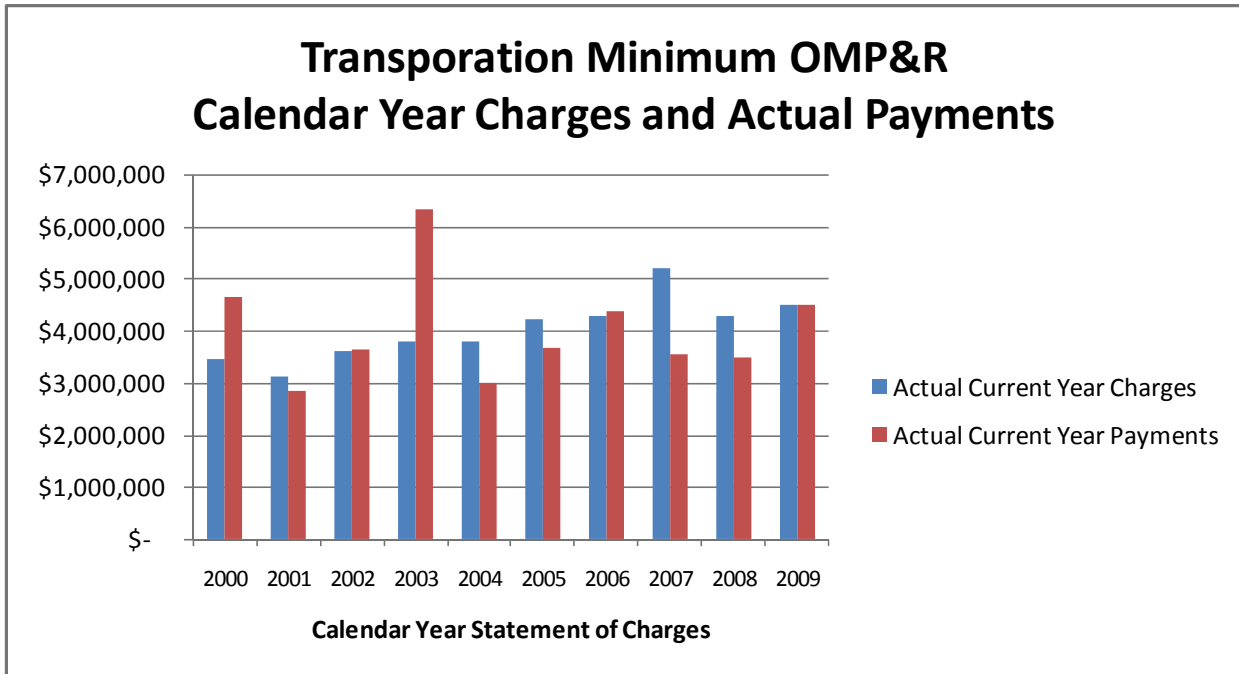


In addition to the revenue bond principal and interest, DWR also collects bond cover or an additional 25% of revenue bond payments as an additional security for the bond holders. DWR holds one year of bond cover and then returns the prior year bond cover payments as credits.

As the above graph shows, there is a slight increase in the revenue bond principal, interest, and bond cover payments between FY 2008/09 and FY 2009/10. In total, Coastal Branch Extension Phase II charges are decreasing by \$590,000 due to the DWR revenue bond reserve fund credits and rate management credits discussed above, net of this increase in the revenue bond debt service payments.

Transportation Minimum OMP&R Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operating the State Water Project. DWR estimates the calendar year charges for each Contractor and then reconciles and “true’s-up” the actual charges incurred in the following year(s) resulting in either an over or under-payment of charges. The following graph shows the actual charges by calendar year and the actual payments from CCWA in that year, with the difference being either the over or under-collection.

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As the above graph shows, both the calendar year 2007 and 2008 payments by CCWA were less than the actual costs incurred by DWR in those years. This under-collection totals \$2.46 million, of which ½ is included in the FY 2009/10 CCWA Budget on a fiscal year basis. The other half of the under-collection was paid out of the FY 2008/09 CCWA Budget through a combination of credits from other DWR cost components.

DWR has also entered into agreements with many of the State Water Project Contractors for fund costs associated with the “Delta Habitat Conservation and Conveyance Project” (DHCCP). Basically, these are costs associated with the initial planning and design for alternative conveyance facilities in the Sacramento-San Joaquin delta. The CCWA Board of Directors voted to participate in this program. For FY 2009/10, the DHCCP costs are about \$319,000 allocated among the CCWA Project Participants as follows:

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FY 2009/10 DHCCP & Monterey Litigation Cost Allocation

Project Participant	Table A & Drought Buffer	Percentage	DHCCP Costs	Monterey Litigation Costs	TOTAL
Guadalupe	605	1.33%	\$ 4,239	\$ 145	\$ 4,384
Santa Maria	17,820	39.18%	124,859	4,271	129,129
Golden State Water Co.	550	1.21%	3,854	132	3,985
VAFB	6,050	13.30%	42,390	1,450	43,840
Buellton	636	1.40%	4,456	152	4,609
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.30%	10,510	359	10,869
Santa Ynez ⁽¹⁾	700	1.54%	4,905	168	5,072
Goleta	7,450	16.38%	52,200	1,785	53,985
Morehart	220	0.48%	1,541	53	1,594
La Cumbre	1,100	2.42%	7,707	264	7,971
Raytheon	55	0.12%	385	13	399
Santa Barbara	3,300	7.25%	23,122	791	23,913
Montecito	3,300	7.25%	23,122	791	23,913
Carpinteria	2,200	4.84%	15,415	527	15,942
	45,486	100.00%	\$ 318,705	\$ 10,901	\$ 329,606

In total, the Transportation Minimum OMP&R charges are increasing by about \$2.76 million for the reasons discussed above.

- **Water System Revenue Bond Surcharge** The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual bond debt service payments paid by DWR. For FY 2009/10, the WSRB is increasing by about \$467,000 due to DWR's issuance of the Series AE revenue bonds.

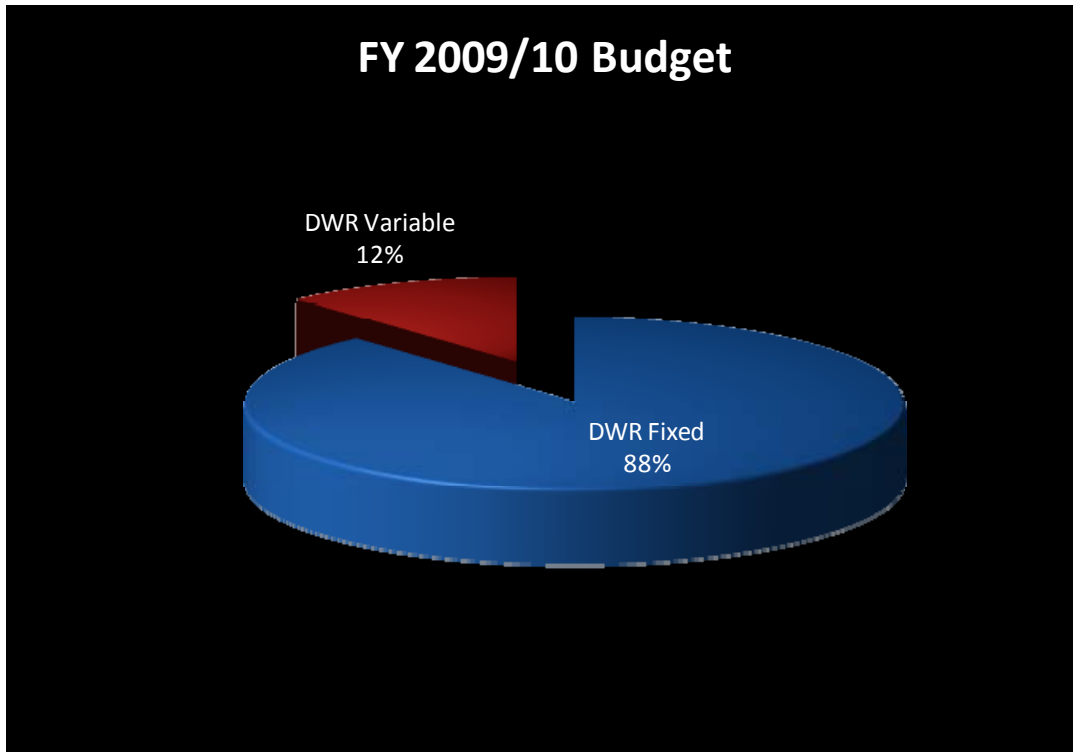
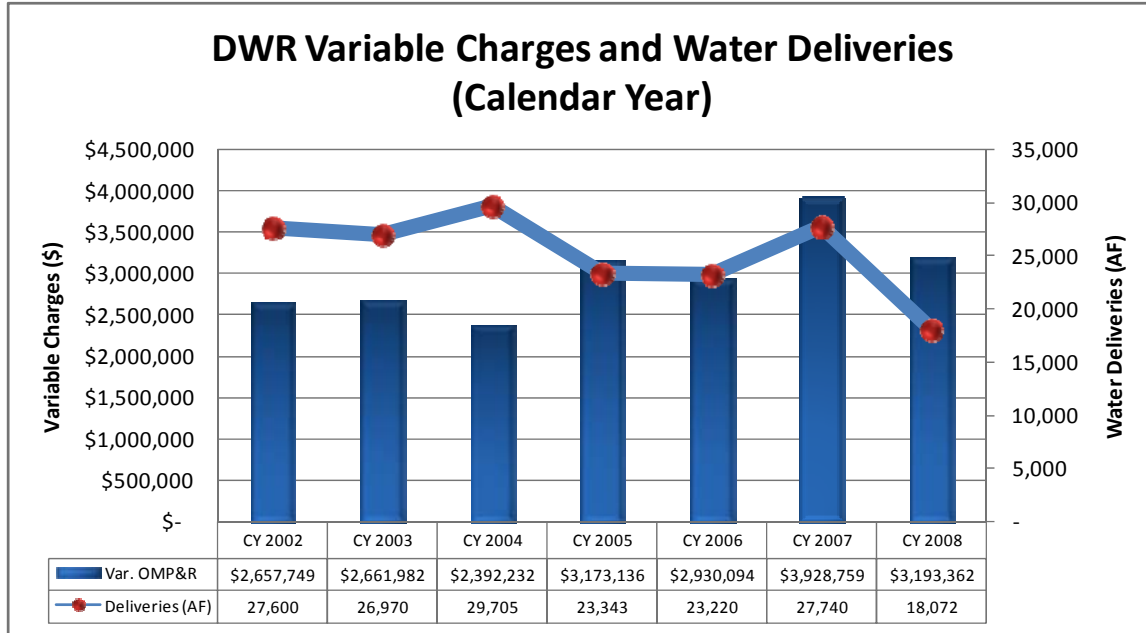
DWR Variable Costs

The DWR variable charges for FY 2009/10 total \$3,974,069, which is \$344,577 lower than the budgeted FY 2008/09 variable payments.

- Off-aqueduct charges total \$1,458,433, which is \$127,577 lower than the prior year amount.
- Variable OMP&R charges total \$2,515,636 which is \$217,000 less than the prior year amount. The decrease is due to significantly lower water deliveries in the later part of FY 2008/09 than was used for the FY 2008/09 budget, thereby creating a large credit of \$2.13 million to off-set the FY 2009/10 charges. The cost per acre-foot for all water deliveries in FY 2009/10 is estimated to be \$125/AF.

The following graph shows the six-year history of the budgeted DWR variable costs and water deliveries for each calendar year.

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Detail of DWR Fixed Costs

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

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

The following table shows the Transportation Capital Costs for Reaches 1 through 35 for FY 2009/10 by project participant.

TRANSPORTATION CAPITAL CHARGES

Project Participant	Table A	Percentage	Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Rate Management Funds Credit	DWR Excess Reserve Fund Credits ⁽²⁾	FY 2009/10 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 317,677	\$ (645)	\$ (27,202)	\$ (10,121)	\$ 279,709
Santa Maria	16,200	41.46%	9,357,037	(19,007)	(801,216)	(298,115)	8,238,700
Golden State Water Co.	500	1.28%	288,797	(587)	(24,729)	(9,201)	254,281
VAFB	5,500	14.07%	3,176,772	(6,453)	(272,018)	(101,212)	2,797,089
Buellton	578	1.48%	333,850	(678)	(28,587)	(10,636)	293,949
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	858,876	(1,760)	(73,503)	(27,364)	756,249
Santa Ynez ⁽³⁾	500	1.28%	296,314	(587)	(25,413)	(9,441)	260,874
Goleta	4,500	11.52%	2,599,177	(5,280)	(222,560)	(82,810)	2,288,528
Morehart	200	0.51%	115,519	(235)	(9,892)	(3,680)	101,712
La Cumbre	1,000	2.56%	577,595	(1,173)	(49,458)	(18,402)	508,562
Raytheon	50	0.13%	28,880	(59)	(2,473)	(920)	25,428
Santa Barbara	3,000	7.68%	1,732,785	(3,520)	(148,373)	(55,207)	1,525,685
Montecito	3,000	7.68%	1,732,785	(3,520)	(148,373)	(55,207)	1,525,685
Carpinteria	2,000	5.12%	1,155,190	(2,347)	(98,916)	(36,804)	1,017,123
Subtotal:	39,078	100.00%	\$ 22,571,253	\$ (45,849)	\$ (1,932,710)	\$ (719,120)	\$ 19,873,575
Goleta Additional Table A	2,500	5.50%	22,783	-	(2,374)	(726)	19,683
CCWA Drought Buffer	3,908	-	-	-	-	-	-
TOTAL:	45,486		\$ 22,594,037	\$ (45,849)	\$ (1,935,084)	\$ (719,846)	\$ 19,893,258

- (1) Reach 36 was deleted during project design. DWR Reaches to the end of Coastal Branch Phase II consist of Reaches 1 to 35. The Coastal Branch extension consists of Reaches 37 and 38.
- (2) Credits or additional amount due from FY 2008/09 transportation capital reconciliation.
- (3) Adjusted for transfer of the Solvang 150 acre foot drought buffer Table A to Santa Ynez.
- (4) DWR release of excess revenue bond reserve funds. Includes allocation for total water system, off-aqueduct and Tehachapi East Afterbay.

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Coastal Branch Extension-Transportation Charges - Reaches 37 and 38 This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. The following table shows the Coastal Branch Extension Transportation Capital charges for Reaches 37 and 38. The charges are allocated according to DWR's actual construction costs for the project with 51.84% allocated to Reach 37 and 48.16% allocated to Reach 38.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	Reach 37				
	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	708,402	(275,404)	432,998
Golden State Water Co.	500	1.30%	21,864	(8,500)	13,364
VAFB	5,500	14.28%	240,507	(93,501)	147,005
Buellton	578	1.50%	25,275	(9,826)	15,449
Santa Ynez (Solvang)	1,500	3.89%	65,593	(25,500)	40,092
Santa Ynez	500	1.30%	21,864	(8,500)	13,364
Goleta	4,500	11.68%	196,778	(76,501)	120,277
Morehart	200	0.52%	8,746	(3,400)	5,346
La Cumbre	1,000	2.60%	43,728	(17,000)	26,728
Raytheon	50	0.13%	2,186	(850)	1,336
Santa Barbara	3,000	7.79%	131,185	(51,001)	80,185
Montecito	3,000	7.79%	131,185	(51,001)	80,185
Carpinteria	2,000	5.19%	87,457	(34,000)	53,456
Total:	38,528	100.00%	1,684,771	(654,985)	\$ 1,029,786

Project Participant	Reach 38					FY 2008/09 Credits	FY 2009/10 Transportation Capital Charges
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs		
Guadalupe	-	0.00%	-	-	\$ -	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	(119,479)	313,519
Golden State Water Co.	-	0.00%	-	-	-	(3,217)	10,147
VAFB	5,500	25.20%	394,377	(153,321)	241,056	(138,284)	249,777
Buellton	578	2.65%	41,445	(16,113)	25,333	(14,284)	26,498
Santa Ynez (Solvang)	1,500	6.87%	107,557	(41,815)	65,742	(38,900)	66,935
Santa Ynez	500	2.29%	35,852	(13,938)	21,914	(12,033)	23,245
Goleta	4,500	20.62%	322,672	(125,444)	197,227	(100,072)	217,432
Morehart	200	0.92%	14,341	(5,575)	8,766	(5,516)	8,596
La Cumbre	1,000	4.58%	71,705	(27,877)	43,828	(24,195)	46,362
Raytheon	50	0.23%	3,585	(1,394)	2,191	(523)	3,005
Santa Barbara	3,000	13.74%	215,115	(83,630)	131,485	(75,125)	136,545
Montecito	3,000	13.74%	215,115	(83,630)	131,485	(75,125)	136,545
Carpinteria	2,000	9.16%	143,410	(55,753)	87,657	(51,016)	90,097
Total:	21,828	100.00%	1,565,173	(608,489)	\$ 956,684	\$ (657,768)	\$ 1,328,702

(1) Includes credits for the return of bond cover of \$586,605 and Rate Management Funds Credits of \$124,994 and \$551,876 for the DWR release of excess revenue bond reserve funds.

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

The following table shows the Transportation Charge-Minimum OMP&R charges for FY 2009/10.

TRANSPORTATION MINIMUM OMP&R

Project Participant	Table A	Percentage	Calendar Year		DHCCP Costs and Litigation Costs ⁽²⁾	FY 2008/09 Credit Amount	FY 2009/10 Transportation Minimum OMP&R
			2009 Estimated Costs	Prior Year(s) Undercollections			
Guadalupe	550	1.41%	\$ 62,916	\$ 17,078	\$ 4,384	\$ -	\$ 84,378
Santa Maria	16,200	41.46%	1,853,156	503,027	129,129	-	2,485,313
Golden State Water Co.	500	1.28%	57,196	15,526	3,985	-	76,707
VAFB	5,500	14.07%	629,158	170,781	43,840	-	843,779
Buellton	578	1.48%	66,119	17,948	4,609	-	88,675
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	166,682	45,245	10,869	-	222,796
Santa Ynez ⁽¹⁾	500	1.28%	62,103	16,857	5,072	-	84,032
Goleta	4,500	11.52%	514,766	139,730	53,985	-	708,480
Morehart	200	0.51%	22,878	6,210	1,594	-	30,683
La Cumbre	1,000	2.56%	114,392	31,051	7,971	-	153,414
Raytheon	50	0.13%	5,720	1,553	399	-	7,671
Santa Barbara	3,000	7.68%	343,177	93,153	23,913	-	460,243
Montecito	3,000	7.68%	343,177	93,153	23,913	-	460,243
Carpinteria	2,000	5.12%	228,785	62,102	15,942	-	306,829
Subtotal:	39,078	100.00%	\$ 4,470,225	\$ 1,213,414	\$ 329,606	\$ -	\$ 6,013,244
Goleta Additional Table A	2,500	-	63,079	17,122	-	-	\$ 80,201
CCWA Drought Buffer	3,908	-	-	-	-	-	-
TOTAL:	45,486		\$ 4,533,304	\$ 1,230,536	\$ 329,606	\$ -	\$ 6,093,446

(1) Adjusted for the transfer of 150 acre feet drought buffer Table A from Solvang to Santa Ynez.
 (2) DHCCP and Monterey litigation costs allocated in proportion to Table A amounts and drought buffer amounts.
 See the following table for a breakdown of the allocation by project participant.

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

The following table shows the Water System Revenue Bond Surcharge for FY 2009/10.

WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	FY 2009/10 WSRB Charges
Guadalupe	550	1.41%	\$ 35,992	\$ (14,442)	\$ 21,550
Santa Maria	16,200	41.46%	1,060,140	(425,385)	634,754
Golden State Water Co.	500	1.28%	32,720	(13,129)	19,591
VAFB	5,500	14.07%	359,924	(144,421)	215,503
Buellton	578	1.48%	37,825	(15,177)	22,647
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	95,539	(38,334)	57,205
Santa Ynez ⁽¹⁾	500	1.28%	35,342	(14,182)	21,160
Goleta	4,500	11.52%	294,483	(118,163)	176,321
Morehart	200	0.51%	13,088	(5,252)	7,836
La Cumbre	1,000	2.56%	65,441	(26,258)	39,182
Raytheon	50	0.13%	3,272	(1,313)	1,959
Santa Barbara	3,000	7.68%	196,322	(78,775)	117,547
Montecito	3,000	7.68%	196,322	(78,775)	117,547
Carpinteria	2,000	5.12%	130,881	(52,517)	78,365
Subtotal	<u>39,078</u>	<u>100.00%</u>	<u>\$ 2,557,292</u>	<u>\$ (1,026,124)</u>	<u>\$ 1,531,169</u>
Goleta Additional Table A	2,500	-	\$ 34,633	(13,918)	\$ 20,714
CCWA Drought Buffer	3,908	-	-	-	-
TOTAL:	<u>45,486</u>		<u>\$ 2,591,925</u>	<u>\$ (1,040,042)</u>	<u>\$ 1,551,883</u>

(1) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
 (2) WSRB return of bond cover for July 2008 and January 2009 payments.

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Delta Water Charges This is a unit charge applied to each acre-foot of State water Table A amount net of Table A reductions (*see "Table A Reductions" in the section discussing "Other DWR Charges and Credits"*). The unit charge covers repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities, with appropriate interest, by the end of the State water contract repayment period in 2035.

No Table A reductions are assumed for FY 2009/10.

The following table shows the Delta Water Charges for FY 2009/10.

DELTA WATER CHARGE

Project Participant	Table A Including Drought Buffer	Percentage	Gross Delta Water Charges	Rate Management Funds Credit	FY 2009/10 Delta Water Charges
Guadalupe	605	1.41%	\$ 18,442	(1,082)	\$ 17,359
Santa Maria	17,820	41.46%	543,187	(31,877)	511,311
Golden State Water Co.	550	1.28%	16,765	(984)	15,781
VAFB	6,050	14.07%	184,415	(10,822)	173,593
Buellton	636	1.48%	19,386	(1,138)	18,249
Santa Ynez (Solvang)	1,500	3.49%	45,723	(2,414)	43,309
Santa Ynez	700	1.63%	21,337	(1,521)	19,816
Goleta	4,950	11.52%	150,885	(8,855)	142,031
Morehart	220	0.51%	6,706	(394)	6,312
La Cumbre	1,100	2.56%	33,530	(1,968)	31,562
Raytheon	55	0.13%	1,677	(98)	1,578
Santa Barbara	3,300	7.68%	100,590	(5,903)	94,687
Montecito	3,300	7.68%	100,590	(5,903)	94,687
Carpinteria	2,200	5.12%	67,060	(3,935)	63,125
Subtotal	42,986	100.00%	\$ 1,310,295	\$ (76,894)	\$ 1,233,401
Goleta Additional Table A	2,500	5.50%	\$ 76,205	(4,488)	\$ 71,717
	-	-	-	-	-
TOTAL:	45,486		\$ 1,386,500	\$ (81,382)	\$ 1,305,118

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

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

The following table shows the Off-Aqueduct charges for FY 2009/10.

Project Participant	Table A Allocation		OFF-AQUEDUCT CHARGES				FY 2008/09	TOTAL
	Table A	Allocation Percentage	2009	One-Half	2010	One-Half	(Credits)	FY 2009/10
			Off-Aqueduct ^(1 & 2)	Year	Off-Aqueduct ⁽³⁾	Year	Charges ⁽⁴⁾	Off-Aqueduct
Guadalupe	605	1.33%	\$ 24,000	\$ 12,000	\$ 24,346	\$ 12,173	\$ 1,732	\$ 25,905
Santa Maria	17,820	39.18%	706,923	353,462	717,106	358,553	(99,279)	612,735
Golden State Water Co.	550	1.21%	21,819	10,909	22,133	11,066	(3,179)	18,796
VAFB	6,050	13.30%	240,005	120,002	243,462	121,731	(79,183)	162,551
Buellton	636	1.40%	25,230	12,615	25,594	12,797	7,623	33,035
Santa Ynez (Solvang) ⁽⁵⁾	1,500	3.30%	59,505	29,753	60,362	30,181	22,914	82,848
Santa Ynez ⁽⁶⁾	700	1.54%	27,769	13,885	28,169	14,085	(10,255)	17,714
Goleta	7,450	16.38%	295,543	147,772	299,800	149,900	(136,916)	160,756
Morehart	220	0.48%	8,727	4,364	8,853	4,427	(7,022)	1,768
La Cumbre	1,100	2.42%	43,637	21,819	44,266	22,133	12,367	56,318
Raytheon	55	0.12%	2,182	1,091	2,213	1,107	(609)	1,589
Santa Barbara	3,300	7.25%	130,912	65,456	132,797	66,399	(66,093)	65,762
Montecito	3,300	7.25%	130,912	65,456	132,797	66,399	40,074	171,928
Carpinteria	2,200	4.84%	87,275	43,637	88,532	44,266	(41,175)	46,728
	45,486	100.00%	\$ 1,804,440	\$ 902,220	\$ 1,830,431	\$ 915,216	\$ (359,002)	\$ 1,458,433

- (1) Off-aqueduct charges are billed to the project participants in four equal installments based on the calendar year DWR charges.
- (2) Source: DWR invoice dated July 1, 2009.
- (3) Source: Attachment #3, December 24, 2008 DWR Invoice.
- (4) Credits for reconciliation of 2008 off-aqueduct charges, return of bond cover and SMIF interest.
- (5) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
- (6) Pursuant to the Exchange Agreement, Santa Ynez only pays Off-Aqueduct charges on its Table A deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Off-Aqueduct charges for exchange water they accept.

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

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

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

The following table shows the Variable OMP&R charges for FY 2009/10.

Project Participant	VARIABLE OMP&R CHARGES										
	July 1, 2009 to Dec 31, 2009 ⁽¹⁾			\$125.00/AF ⁽²⁾	Jan 1, 2010 to June 30, 2010 ⁽³⁾			\$125.00/AF ⁽⁴⁾		TOTAL	
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2009 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2010 Var OMP&R	FY 2008/09 Credits ⁽⁵⁾	FY 2009/10 Var. OMP&R	
Guadalupe	266	-	266	\$ 33,250	304	-	304	\$ 38,000	\$ (38,079)	\$ 33,171	
Santa Maria	8,020	-	8,020	1,002,500	8,300	-	8,300	1,037,500	(741,502)	1,298,498	
Golden State Water Co.	262	-	262	32,750	253	-	253	31,625	(39,228)	25,147	
VAFB	2,735	-	2,735	341,875	2,895	-	2,895	361,875	(359,419)	344,331	
Buellton	322	-	322	40,250	310	-	310	38,750	(32,429)	46,571	
Santa Ynez (Solvang)	660	-	660	82,500	705	-	705	88,125	(86,734)	83,891	
Santa Ynez ⁽⁶⁾	390	1,496	1,886	48,750	310	974	1,284	38,750	(49,418)	38,082	
Goleta	2,365	(539)	1,826	295,625	2,585	(351)	2,234	323,125	(237,130)	381,620	
Morehart	109	-	109	13,625	111	-	111	13,875	(17,036)	10,464	
La Cumbre	561	-	561	70,125	539	-	539	67,375	(39,742)	97,758	
Raytheon	38	-	38	4,750	17	-	17	2,125	(5,101)	1,774	
Santa Barbara	359	(359)	(0)	44,875	234	(234)	0	29,250	(140,779)	-	
Montecito	1,650	(359)	1,291	206,250	1,650	(234)	1,416	206,250	(258,171)	154,329	
Carpinteria	239	(239)	(0)	29,875	156	(156)	0	19,500	(84,743)	-	
Total	17,976	-	17,976	\$ 2,247,000	18,369	-	18,369	\$ 2,296,125	\$ (2,129,511)	\$ 2,515,636	

(1) 2008 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.

(2) Source: Estimate of initial invoice rate for 2009.

(3) 2009 Requested Deliveries based on a 100% delivery allocation.

(4) Source: Estimate of invoice rate for 2010.

(5) Credits for FY 2008/09 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.

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

Other DWR Charges and Credits

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their Table A allocation. This election eliminates the Delta Water Charge associated with the amount of State water Table A that has been reduced. No Table A reductions are assumed for calendar years 2008 or 2009.

Turnback Pool Sales This represents elections by project participants to “turnback” a portion of their State water in a given year. The initial amount of the turnback water, designated as Pool A, must be submitted for sale by February 15 of each year. The water is then sold by DWR to other State water contractors by March 1. The sellers receive half the Delta Water Rate (about \$13.00 per AF) for each acre-foot of water sold in Pool A. Any water that is not sold in Pool A is placed in Pool B for possible sale, unless the sellers indicate otherwise.

The second “pool” of water to be sold, designated as Pool B, must be submitted for sale by March 15 of each year, and is sold by DWR by April 1. The sellers receive one-fourth of the Delta Water Rate (about \$6.50 per AF) for each acre-foot sold in Pool B. Any water that is not sold in Pool B to other State water contractors or purchased by DWR is sold by DWR to the highest bidder.

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Rate Management Funds Credit This is a credit given to project participants by DWR and represents a return of excess transportation capital charges and other credits from DWR as provided in the Monterey Amendments to the State Water Contracts (Amendment No. 16 to the Santa Barbara County Flood Control and Water Conservation District State Water Contract).

CCWA Turnback Pool

In January 1998, the Authority implemented an internal turnback pool program similar to the DWR program. The Authority's pool is utilized during those years when (1) less than 100% of State water allocation is available and (2) filling the Authority's project participant delivery requests is only possible by acquiring unused Table A amounts from other project participants.

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

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Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES			DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35 ⁽¹⁾	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable		
Guadalupe	\$ 279,709	\$ -	\$ -	\$ 84,378	\$ 21,550	\$ 17,359	\$ 402,996	\$ 25,905	\$ 33,171	\$ 59,076	\$ (5,647)	\$ 456,425
Santa Maria	8,238,700	289,622	-	2,485,313	634,754	511,311	12,159,699	612,735	1,298,498	1,911,233	(56,999)	14,013,933
Golden State Water Co.	254,281	8,939	-	76,707	19,591	15,781	375,299	18,796	25,147	43,943	(6,259)	412,984
Vandenberg AFB	2,797,089	98,328	161,236	843,779	215,503	173,593	4,289,529	162,551	344,331	506,881	-	4,796,411
Buellton	293,949	10,333	16,944	88,675	22,647	18,249	450,798	33,035	46,571	79,606	(4,112)	526,292
Santa Ynez (Solvang)	756,249	26,817	43,974	222,796	57,205	43,309	1,150,350	82,848	83,891	166,739	(5,510)	1,311,578
Santa Ynez	260,874	8,939	14,658	84,032	21,160	19,816	409,479	17,714	38,082	55,796	(6,661)	458,614
Goleta	2,288,528	80,450	131,921	708,480	176,321	142,031	3,527,731	160,756	381,620	542,376	(59,136)	4,010,971
Morehart Land	101,712	3,576	5,863	30,683	7,836	6,312	155,983	1,768	10,464	12,232	(2,625)	165,590
La Cumbre	508,562	17,878	29,316	153,414	39,182	31,562	779,914	56,318	97,758	154,077	(3,689)	930,302
Raytheon	25,428	894	1,466	7,671	1,959	1,578	38,996	1,589	1,774	3,363	(705)	41,653
Santa Barbara	1,525,685	53,634	87,947	460,243	117,547	94,687	2,339,743	65,762	-	65,762	(33,975)	2,371,530
Montecito	1,525,685	53,634	87,947	460,243	117,547	94,687	2,339,743	171,928	154,329	326,257	(11,393)	2,654,607
Carpinteria	1,017,123	35,756	58,631	306,829	78,365	63,125	1,559,829	46,728	-	46,728	(21,928)	1,584,629
Goleta 2500 AF	19,683	-	-	80,201	20,714	71,717	192,316	-	-	-	-	192,316
Total	\$ 19,893,258	\$ 688,799	\$ 639,903	\$ 6,093,446	\$ 1,551,883	\$ 1,305,118	\$ 30,172,406	\$ 1,458,433	\$ 2,515,636	\$ 3,974,069	\$ (218,639)	\$ 33,927,835

(1) Reach 36 was deleted during project design.

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Waste washwater return pumps at Polonio Pass
Water Treatment Plant

Operating Expenses

The Operating Expenses section of the FY 2009/10 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

Highlights

Summary Information

- **Total FY 2009/10 Operating Expenses** **\$ 7,464,165**
- Fixed expense decrease \$ (127,743)
- Variable expense decrease \$ 446,386
- Increase over FY 2008/09 Budget \$ 318,644

- Percentage increase 4.46%

Significant Operating Expense Changes

- Includes salary pool for FY 2009/10 of \$69,036.
- Chemical costs budgeted at \$40.16 an acre-foot.
- Budgeted employee benefits percentage for FY 2009/10: 40.13%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2009/10 Budget

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

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

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

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

The Operations and Maintenance staff comprise the bulk (24.25) of the 28.25 Authority employees. They are charged with the mission of providing San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water and the objectives of protecting the environment, cost effectively operating and maintaining all facilities and ensuring the water supply meets or exceeds health and safety standards.

Operating Expense Budget and Exchange Agreement Modifications

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2009/10. These expenses are billed to the project participants based on the individual Water Supply Agreements for each agency (*see the Revenues and Sources of Cash section of this document for further information on billings*).

When the anticipated expenses for the fiscal year have been determined, certain adjustments are made to the budget based on the "Santa Ynez Exchange Agreement" (*see the "Water Treatment Plant" section of this document for further information about the Santa Ynez Exchange Agreement*). These adjustments reduce the variable costs (chemicals and electrical) in the budget based on the provisions of the Exchange Agreement. The project participants are billed for the Authority's operating expenses budget based on the adjusted expenses which include the Exchange Agreement modifications. These adjustments are not reflected in the Operating Expense departmental budgets that follow.

Central Coast Water Authority Operating Expense Overview Fiscal Year 2009/10 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2009/10 budget are as follows:

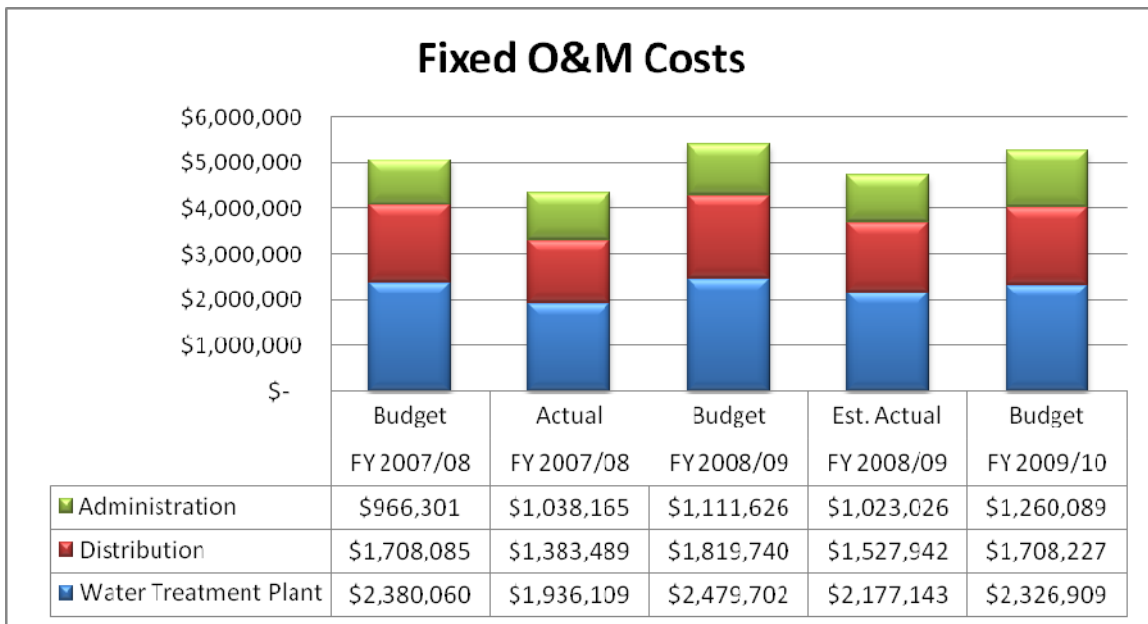
- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$137,322.
- Decrease in Warren Act charges of \$143,260 (Warren Act charges are not included in the Operating Expense budget and are treated as a pass-through expense).

Fixed and Variable Operating Expenses

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

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

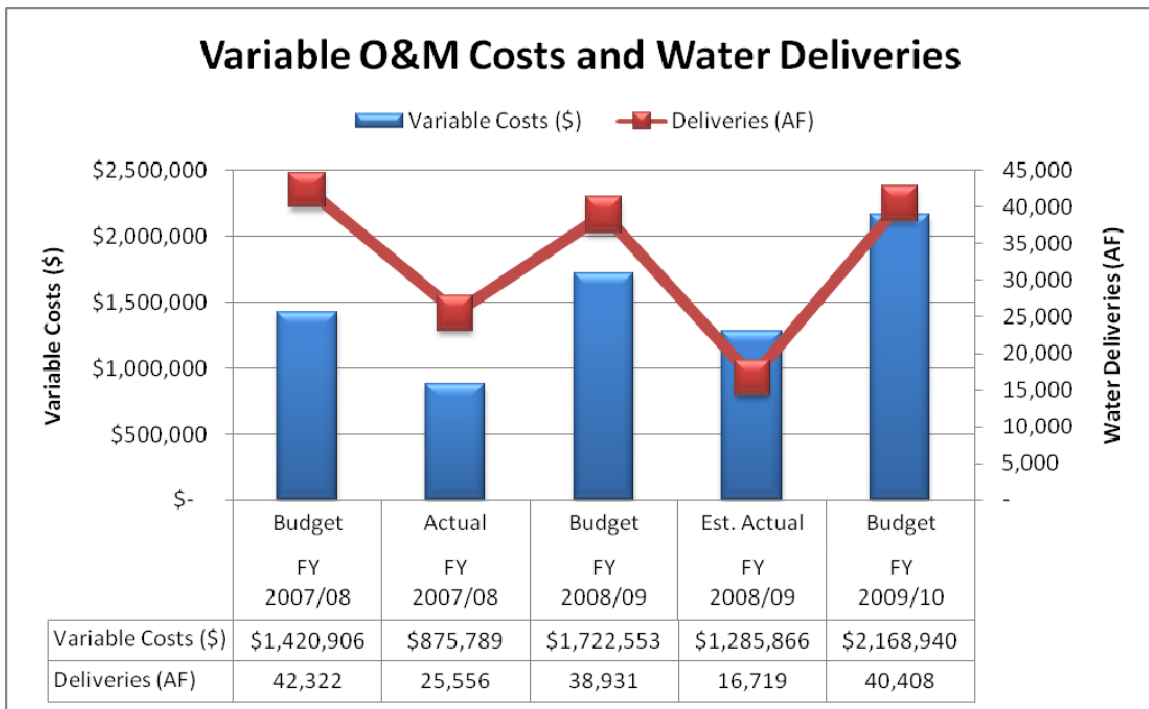
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2009/10 Budget

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

The following chart shows the variable O&M costs compared to the requested and actual water deliveries for the same period.



The Fiscal Year 2009/10 Consolidated Departmental Operating Expense Budget totals \$7,464,165, which is \$318,644 higher than the Fiscal Year 2008/09 Budget, a 4.46% increase. Explanations for the various changes within the budget are found in the departmental operating expense budgets that follow.

Approximately 47% of the operating expense budget represents personnel expenses. This is followed by 24% for supplies and equipment and the balance comprised of other expenses.

The chart on page 83 provides a detailed breakdown of the components of the FY 2009/10 budget.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2009/10 Budget

CCWA Employee Benefits Percentage

In December 2003, the CCWA Board of Directors established the following Budget policy with regard to employer paid employee benefits:

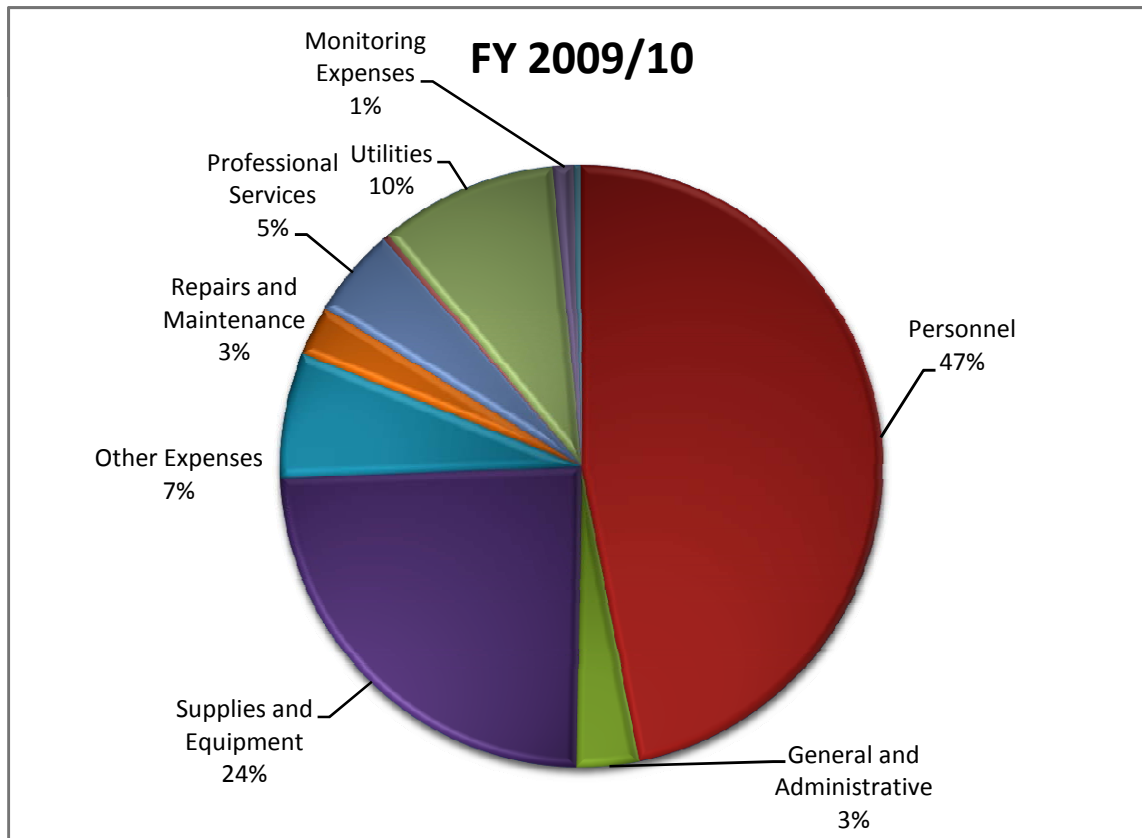
Employee Benefits Funding Benchmark: The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability and life insurance as a proportion of the full-time wages budget for the fiscal year. If the EBP exceeds 38%, staff will provide alternatives for Board consideration so that the revised EBP remain at or below 38%.

The following table shows the Employee Benefits Percentage calculation for the adopted and proposed budgets for fiscal years 2007/08 through 2009/10.

	FY 2007/08	FY 2008/09	FY 2009/10
	Budget	Budget	Budget
Total Regular Salaries	\$ 2,060,772	\$ 2,210,759	\$ 2,285,997
Benefits			
PERS Retirement	374,087	413,309	435,327
Health Insurance	330,464	354,340	374,745
Cafeteria Plan Benefits	31,824	27,986	33,521
Dental/Vision Plan	48,174	45,084	55,350
Long-Term Disability	9,021	9,644	9,521
Life Insurance	8,652	8,782	8,933
Total Benefits:	\$ 802,222	\$ 859,146	\$ 917,397
Employee Benefits Percentage	38.93%	38.86%	40.13%

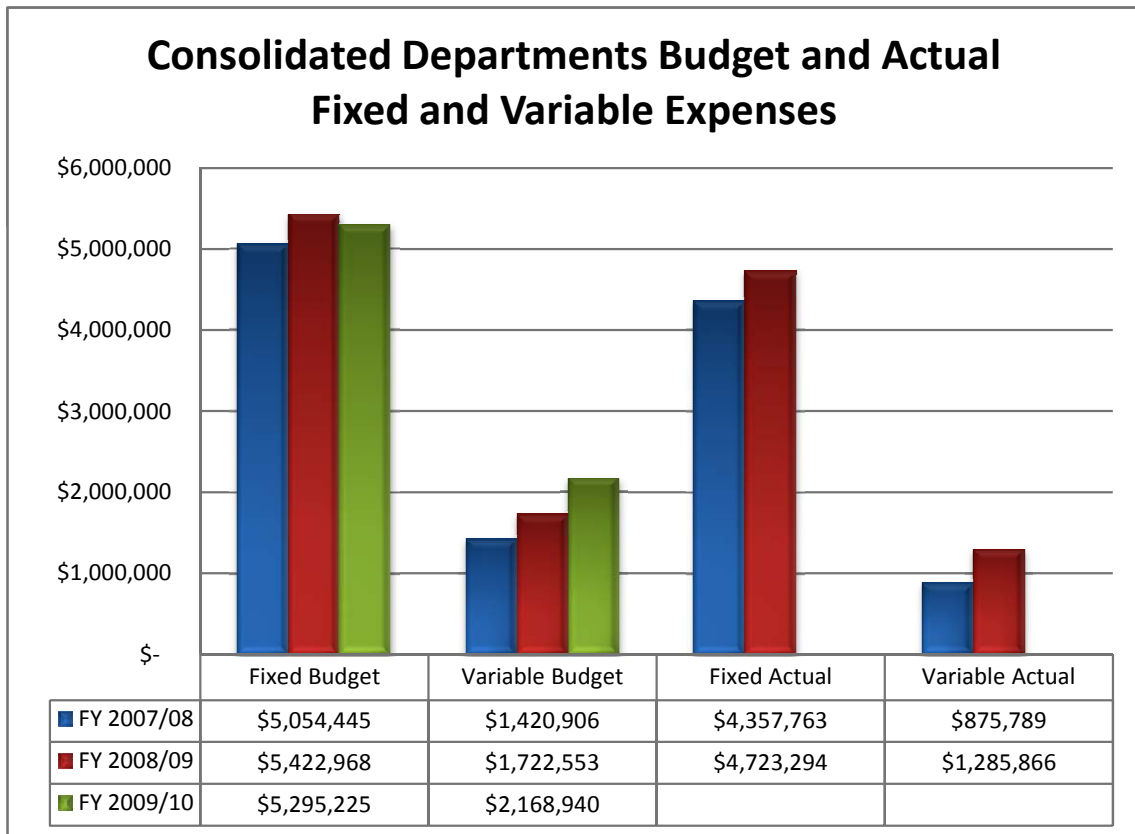
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2009/10 Budget

Item	FY 2009/10 Budget
Personnel	\$ 3,497,685
Office Expenses	24,560
Supplies and Equipment	1,806,966
Monitoring Expenses	83,230
Repairs and Maintenance	199,166
Professional Services	361,200
General and Administrative	250,807
Utilities	714,379
Other Expenses	499,715
Turnouts	26,457
TOTAL:	\$ 7,464,165



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2009/10 Budget

Item	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget
Personnel	\$ 3,130,062	\$ 2,845,069	\$ 3,402,328	\$ 3,129,178	\$ 3,497,685
Office Expenses	25,760	25,020	25,760	21,626	24,560
Supplies and Equipment	1,131,428	783,055	1,326,821	1,095,081	1,806,966
Monitoring Expenses	70,000	52,500	85,100	67,391	83,230
Repairs and Maintenance	202,628	155,226	203,233	188,121	199,166
Professional Services	292,050	283,521	330,600	210,730	361,200
General and Administrative	204,625	184,244	239,010	170,605	250,807
Utilities	625,668	396,601	739,120	494,031	714,379
Other Expenses	747,480	486,614	768,200	607,047	499,715
Turnouts	45,650	21,702	25,350	25,350	26,457
TOTAL:	\$ 6,475,351	\$ 5,233,552	\$ 7,145,521	\$ 6,009,161	\$ 7,464,165



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08	FY 2007/08	FY 2008/09	FY 2008/09	FY 2009/10	Change from		
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2008/09	FY 2008/09	
							Budget	Budget	
<u>PERSONNEL EXPENSES</u>									
5000.10	Full-Time Regular Wages	\$ 2,060,772	\$ 1,905,477	\$ 2,210,759	\$ 2,087,169	\$ 2,285,997	\$ 75,238		3.40%
1300.60	Capitalized Wages and Overtime	(50,600)	(71,861)	(507)	-	-	507		-100.00%
5000.20	Overtime	97,506	80,511	102,525	99,927	104,508	1,983		1.93%
5000.40	Standby Pay	41,347	43,027	43,625	42,193	44,326	701		1.61%
5000.50	Shift Differential Pay	11,500	12,863	11,500	11,918	11,500	-		0.00%
5100.10	PERS Retirement	374,087	350,158	413,309	383,646	435,327	22,017		5.33%
5100.15	Medicare Taxes	32,511	29,823	34,791	31,196	35,472	680		1.96%
5100.20	Health Insurance	330,464	271,376	354,340	299,263	374,745	20,405		5.76%
5100.25	Workers' Compensation	82,224	58,760	72,986	57,332	70,886	(2,100)		-2.88%
5100.30	Vehicle Expenses	11,400	11,706	11,400	17,024	18,000	6,600		57.89%
5100.35	IRC 457-Employer Paid	31,000	30,285	31,000	-	-	(31,000)		-100.00%
5100.40	Cafeteria Plan Benefits	31,824	28,055	27,986	26,261	33,521	5,534		19.77%
5100.45	Dental/Vision Plan	48,174	51,276	45,084	50,044	55,350	10,266		22.77%
5100.50	Long-Term Disability	9,021	7,956	9,644	8,346	9,521	(123)		-1.27%
5100.55	Life Insurance	8,652	8,896	8,782	9,232	8,933	151		1.72%
5100.60	Employee Physicals	1,650	745	1,650	500	950	(700)		-42.42%
5000.30	Temporary Services	15,000	-	15,000	-	-	(15,000)		-100.00%
5100.70	Employee Incentive Programs	6,400	2,377	6,400	5,127	6,400	-		0.00%
5100.65	Employee Education Reimbursement	2,250	60	2,250	-	2,250	-		0.00%
1300.60	Capitalized Employee Benefits	(15,120)	23,579	(198)	-	-	198		-100.00%
Total Personnel Expenses:		3,130,062	2,845,069	3,402,328	3,129,178	3,497,685	95,358		2.80%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08	FY 2007/08	FY 2008/09	FY 2008/09	FY 2009/10	Change from		
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2008/09	FY 2008/09	
		Budget	Actual	Budget	Estimated Actual	Budget	Budget	Budget	
<u>OFFICE EXPENSES</u>									
5200.20	Office Supplies	17,240	11,536	15,240	13,433	14,040	(1,200)	-7.87%	
5200.30	Misc. Office Expenses	8,520	13,484	10,520	8,193	10,520	-	0.00%	
Total Office Expenses:		25,760	25,020	25,760	21,626	24,560	(1,200)	-4.66%	
<u>SUPPLIES AND EQUIPMENT</u>									
5500.10	Uniform Expenses	16,830	10,726	16,830	8,748	16,830	-	0.00%	
5500.15	Minor Tools and Equipment	18,500	17,819	15,000	10,351	10,000	(5,000)	-33.33%	
5500.20	Spare Parts	-	-	-	-	-	-	N/A	
5500.25	Landscape Equipment and Supplies	6,500	4,764	9,500	683	5,500	(4,000)	-42.11%	
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A	
5500.31	Chemicals-Variable	1,003,198	659,505	1,187,337	972,820	1,671,636	484,300	40.79%	
5500.35	Maintenance Supplies/Hardware	20,000	15,215	20,000	22,555	20,000	-	0.00%	
5500.40	Safety Supplies	10,000	10,245	12,000	9,761	10,000	(2,000)	-16.67%	
5500.45	Fuel and Lubricants	48,900	58,837	53,654	69,781	60,500	6,846	12.76%	
5500.50	Seed/Erosion Control Supplies	7,000	5,686	12,000	383	12,000	-	0.00%	
5500.55	Backflow Prevention Supplies	500	257	500	-	500	-	0.00%	
Total Supplies and Equipment:		1,131,428	783,055	1,326,821	1,095,081	1,806,966	480,146	36.19%	
<u>MONITORING EXPENSES</u>									
5600.10	Lab Supplies	38,000	39,094	38,000	32,623	42,000	4,000	10.53%	
5600.20	Lab Tools and Equipment	5,000	2,929	15,500	15,324	9,950	(5,550)	-35.81%	
5600.30	Lab Testing	27,000	10,477	31,600	19,445	31,280	(320)	-1.01%	
Total Monitoring Expenses:		70,000	52,500	85,100	67,391	83,230	(1,870)	-2.20%	

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08	FY 2007/08	FY 2008/09	FY 2008/09	FY 2009/10	Change from		
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2008/09	FY 2008/09	
							Budget	Budget	
<u>REPAIRS AND MAINTENANCE</u>									
5700.10	Equipment Repairs and Maintenance	125,280	91,860	125,280	128,193	123,700	(1,580)	-1.26%	
5700.20	Vehicle Repairs and Maintenance	19,420	12,303	19,420	7,694	15,000	(4,420)	-22.76%	
5700.30	Building Maintenance	46,680	40,645	47,285	41,979	48,586	1,301	2.75%	
5700.40	Landscape Maintenance	11,248	10,418	11,248	10,256	11,880	632	5.62%	
Total Repairs and Maintenance:		202,628	155,226	203,233	188,121	199,166	(4,067)	-2.00%	
<u>PROFESSIONAL SERVICES</u>									
5400.10	Professional Services	113,550	82,230	131,600	92,980	96,850	(34,750)	-26.41%	
5400.20	Legal Services	60,000	112,725	80,000	53,647	185,000	105,000	131.25%	
5400.30	Engineering Services	21,000	19,754	21,000	2,760	11,000	(10,000)	-47.62%	
5400.40	Permits	18,500	16,372	18,500	20,443	20,100	1,600	8.65%	
5400.50	Non-Contractual Services	48,000	24,075	46,500	7,900	3,250	(43,250)	-93.01%	
5400.60	Accounting Services	31,000	28,365	33,000	33,000	45,000	12,000	36.36%	
Total Professional Services:		292,050	283,521	330,600	210,730	361,200	30,600	9.26%	

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08	FY 2007/08	FY 2008/09	FY 2008/09	FY 2009/10	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2008/09	Budget	FY 2008/09
<u>GENERAL AND ADMINISTRATIVE</u>									
5300.10	Meetings and Travel	47,250	49,295	54,050	35,908	46,500	(7,550)		-13.97%
5300.20	Mileage Reimbursement	1,650	1,065	1,650	1,834	1,150	(500)		-30.30%
5300.30	Dues and Memberships	101,465	92,617	132,230	112,225	169,627	37,397		28.28%
5300.40	Publications	5,810	3,716	4,830	3,077	3,530	(1,300)		-26.92%
5300.50	Training	27,750	23,703	27,750	7,936	15,000	(12,750)		-45.95%
5300.60	Advertising	6,000	4,467	5,000	-	4,000	(1,000)		-20.00%
5300.70	Printing and Binding	4,000	2,524	4,000	2,583	3,000	(1,000)		-25.00%
5300.80	Postage	10,700	6,857	9,500	7,042	8,000	(1,500)		-15.79%
Total General and Administrative:		204,625	184,244	239,010	170,605	250,807	11,797		4.94%

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UTILITIES

5800.20	Natural Gas	5,740	6,755	6,370	2,249	6,970	600		9.42%
5800.30	Electric-Fixed	157,260	143,385	162,244	151,025	177,245	15,001		9.25%
5800.35	Electric-Variable	417,708	216,284	535,216	313,047	497,304	(37,912)		-7.08%
5800.40	Water	2,400	2,137	2,550	2,163	2,550	-		0.00%
5800.50	Telephone	35,080	20,405	24,240	18,035	20,810	(3,430)		-14.15%
5800.60	Waste Disposal	7,480	7,635	8,500	7,512	9,500	1,000		11.76%
Total Utilities:		625,668	396,601	739,120	494,031	714,379	(24,741)		-3.35%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08	FY 2007/08	FY 2008/09	FY 2008/09	FY 2009/10	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2008/09	FY 2008/09	FY 2008/09
							Budget	Budget	Budget
<u>OTHER EXPENSES</u>									
5900.10	Insurance	130,259	127,417	133,074	129,137	132,495		(579)	-0.44%
5900.30	Non-Capitalized Projects	310,221	177,952	289,755	289,755	29,628		(260,127)	-89.77%
5900.40	Equipment Rental	34,200	27,091	33,840	28,182	38,740		4,900	14.48%
5900.50	Non-Capitalized Equipment	25,000	5,455	25,000	18,318	22,500		(2,500)	-10.00%
5900.60	Computer Expenses	121,530	128,699	148,358	141,655	130,514		(17,844)	-12.03%
5900.70	Appropriated Contingency	126,270	20,000	138,172	-	145,837		7,665	5.55%
Total Other Expenses:		747,480	486,614	768,200	607,047	499,715		(268,485)	-34.95%
Turnout Expenses		45,650	21,702	25,350	25,350	26,457		1,107	4.37%
TOTAL OPERATING EXPENSES		\$ 6,475,351	\$ 5,233,552	\$ 7,145,521	\$ 6,009,161	\$ 7,464,165		\$ 318,644	4.46%

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2009/10 Budget

Project Participant	Administration Department			Water Treatment Plant Department Fixed Costs					Turnout Costs
	Entitlement	Percentage	Administration Expenses	WTP Fixed and Capital Retirement	WTP Fixed and Capital Exchange Adjustments	Total Fixed WTP Costs	Total Fixed WTP Costs		
Shandon	-	-	\$ -	100	0.23%	\$ 5,445	-	5,445	\$ -
Chorro Valley	-	-	-	2,338	5.32%	127,298	-	127,298	6,028
Lopez	-	-	-	2,392	5.45%	130,238	-	130,238	5,178
Guadalupe	550	1.41%	18,017	550	1.25%	29,946	20,515	50,461	2,150
Santa Maria	16,200	41.46%	530,668	16,200	36.90%	882,046	604,262	1,486,308	2,000
Golden State Water Co.	500	1.28%	16,379	500	1.14%	27,224	18,650	45,874	3,500
VAFB	5,500	14.07%	180,165	5,500	12.53%	299,460	205,151	504,611	2,000
Buellton	578	1.48%	18,934	578	1.32%	31,471	21,559	53,030	2,350
Santa Ynez (Solvang)	1,500	3.84%	49,136	1,500	3.42%	81,671	55,950	137,621	1,750
Santa Ynez	500	1.28%	16,379	500	1.14%	27,224	110,768	457,110	1,500
Goleta	4,500	11.52%	147,408	4,500	10.25%	245,013	(331,905)	(201,775)	-
Morehart Land	200	0.51%	6,551	200	0.46%	10,889	(18,383)	(7,494)	-
La Cumbre	1,000	2.56%	32,757	1,000	2.28%	54,447	(91,917)	(37,470)	-
Raytheon (SBRC)	50	0.13%	1,638	50	0.11%	2,722	(4,596)	(1,873)	-
Santa Barbara	3,000	7.68%	98,272	3,000	6.83%	163,342	(221,270)	(134,517)	-
Montecito	3,000	7.68%	98,272	3,000	6.83%	163,342	(221,270)	(134,517)	-
Carpinteria	2,000	5.12%	65,515	2,000	4.55%	108,895	(147,513)	(89,678)	-
TOTAL:	39,078	100.00%	\$ 1,280,089	43,908	100.00%	\$ 2,390,671	-	\$ 2,390,671	\$ 26,457

Project Participant	Distribution Department Fixed Costs										Total Fixed Operating Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II	Total Fixed Distribution Costs	Total Fixed Operating Costs	
Shandon	1,159	-	-	-	-	-	-	-	-	1,159	6,604
Chorro Valley	27,108	-	-	-	-	-	-	-	-	27,108	160,434
Lopez	27,734	11,672	-	-	-	-	-	-	-	39,406	174,822
Guadalupe	6,377	2,684	1,391	-	-	-	-	-	-	10,451	81,079
Santa Maria	187,829	79,048	40,964	22,283	-	-	-	-	-	330,124	2,349,100
Golden State Water Co.	5,797	2,440	1,264	688	-	-	-	-	-	10,189	75,941
VAFB	63,769	26,837	13,908	7,565	15,999	-	-	-	-	176,381	863,157
Buellton	6,702	2,820	1,462	795	1,681	5,076	11,465	-	30,001	30,001	104,315
Santa Ynez (Solvang)	17,392	7,319	3,793	2,063	4,363	13,174	29,754	-	77,858	77,858	266,365
Santa Ynez	5,797	2,440	1,264	688	1,454	4,391	9,918	-	25,953	25,953	500,941
Goleta	52,175	21,958	11,379	6,190	13,090	39,521	89,261	114,928	348,502	348,502	294,134
Morehart Land	2,319	976	506	275	582	1,756	3,967	5,108	15,489	15,489	14,547
La Cumbre	11,594	4,880	2,529	1,375	2,909	8,782	19,836	25,540	77,445	77,445	72,733
Raytheon (SBRC)	580	244	126	69	145	439	992	1,277	3,872	3,872	3,637
Santa Barbara	34,783	14,639	7,586	4,126	8,727	26,347	59,508	76,619	232,334	232,334	196,089
Montecito	34,783	14,639	7,586	4,126	8,727	26,347	59,508	76,619	232,334	232,334	196,089
Carpinteria	23,189	9,759	5,057	2,751	5,818	17,565	39,672	51,079	154,890	154,890	130,726
TOTAL:	509,085	202,354	98,815	52,995	63,494	191,703	323,880	351,169	1,793,496	\$ 5,490,713	

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2009/10 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs				Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING COSTS	Summary of Total Costs
	Santa Ynez II	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs			
Shandon	\$ -	\$ -			\$ -	\$ -	\$ 6,604	Fixed O&M Costs
Chorro Valley	-	99,630			99,630	99,630	260,064	Administration \$ 1,260,089
Lopez	-	72,947			72,947	72,947	247,769	Water Treatment Plant 2,326,909
Guadalupe	-	24,208	5,424		29,632	29,632	110,711	Distribution 1,708,227
Santa Maria	-	693,119	155,298		848,418	848,418	3,197,518	Total Fixed O&M Costs 5,295,225
Golden State Water Co.	-	21,872	4,901		26,773	26,773	102,714	
VAFB	-	239,109	53,574		292,683	292,683	1,155,840	Variable O&M Costs
Buellton	-	26,841	6,014		32,855	32,855	137,170	Water Treatment Plant 1,716,169
Santa Ynez (Solvang)	-	57,972	12,989		70,961	70,961	337,326	Distribution 452,771
Santa Ynez	-	29,729	30,162	104,887	164,778	164,778	665,719	Total Variable O&M Costs 2,168,940
Goleta	225,788	210,229	(133,827)	(37,759)	38,643	264,431	558,565	
Morehart Land	12,232	9,344	(7,250)	0	2,093	14,325	28,872	Capital Improvement Projects 195,488
La Cumbre	61,160	46,718	(36,250)	0	10,467	71,627	144,360	
S.B. Research	3,058	2,336	(1,813)	0	523	3,581	7,218	Total O&M and CIP Costs: \$ 7,659,653
Santa Barbara	16	25,185	(9)	(25,173)	3	19	196,108	
Montecito	150,525	140,153	(89,218)	(25,173)	25,762	176,287	372,377	
Carpinteria	(8)	16,776	5	(16,782)	(1)	(9)	130,717	
TOTAL:	\$ 452,771	\$ 1,716,169	\$ 0	\$ -	1,716,169	2,168,940	\$ 7,659,653	

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Granular activated carbon for replacement in filters at Polonio Pass Water Treatment Plant

Administration Department

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

Highlights

Department Information

- Number of employees 4.50
- Number of Board members 8
- Number of Authority Committees 4
- Board of Directors meetings Fourth Thursday of each month
- Operating Committee meetings Second Thursday, quarterly
- Finance Committee meetings Fourth Thursday, quarterly
- Other Committee meetings As needed

Budget Information

- Total FY 2009/10 O&M Budget \$1,260,089
- O&M Budget increase over FY 2008/09 \$ 148,463
- Percentage increase over FY 2008/09 13.36%

Significant Accomplishments During FY 2008/09

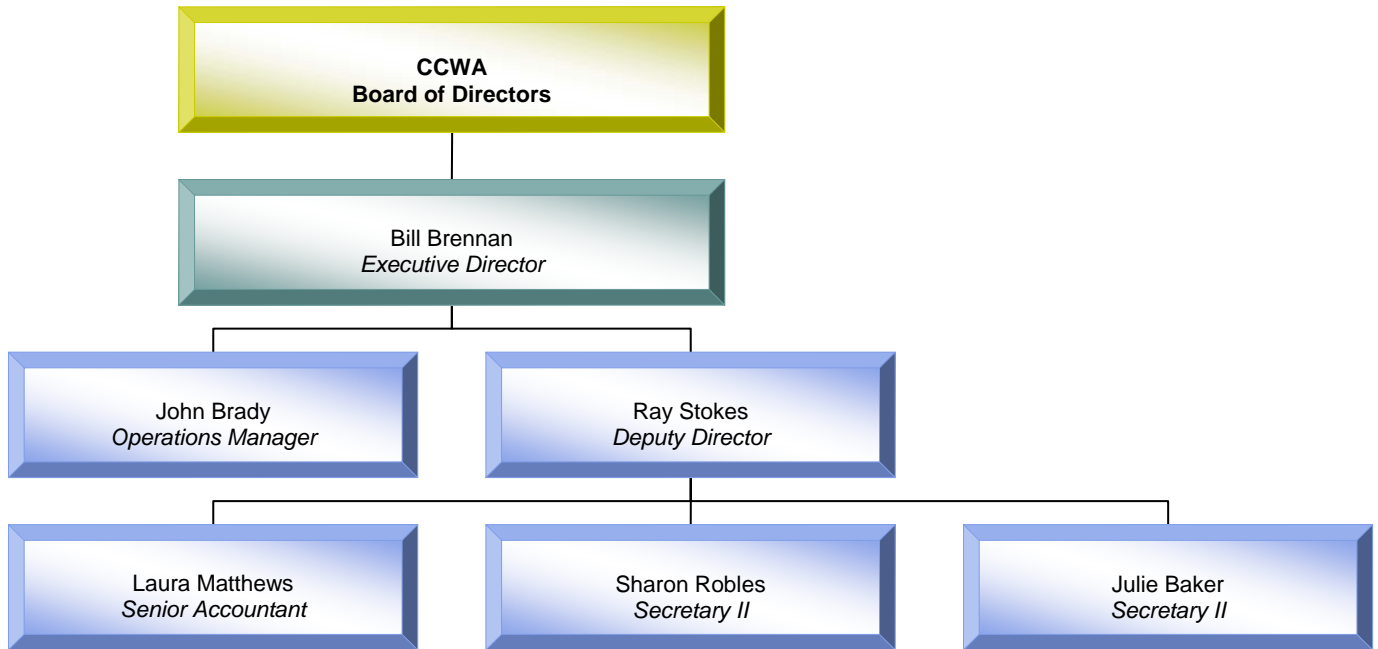
- For the thirteenth year in a row, received the Government Finance Officers' Association award for Distinguished Budget Presentation.

Significant Goals for FY 2009/10

- Attempt to change the way DWR calculates the Conversation Minimum cost projections in the future to eliminate or minimize the negative impact on rate management credits.
- Review options for potential other auditing firms to audit the DWR Statement of Charges on behalf of CCWA.

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

The Administration Department is comprised of the Executive Director, Deputy Director, Engineering and support staff. The department is responsible for administration of the Authority and provides support to the (1) Board of Directors and various Authority committees and (2) operations and maintenance departments of the Authority.



EXECUTIVE DIRECTOR

The Executive Director is the chief executive officer and administrative head of the Authority, with the responsibility for planning, organizing, staffing, coordinating, budgeting and directing the administrative activities and operations of the Authority. The Executive Director is appointed by and serves at the pleasure of the Authority Board of Directors. The Executive Director appoints the supervisors of all departments and is responsible for implementation of policies established by the Board of Directors.

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

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

DEPUTY DIRECTOR

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

The Deputy Director serves as the chief financial officer, treasurer and coordinator of the employee benefits program for the Authority. The department maintains daily finance/accounting activities including payrolls and audits, preparation of the operating and capital budgets, preparation of the comprehensive annual financial reports, investments, debt management, risk management, cash management and bank relations.

In addition, the department is responsible for the workers' compensation program and the employee benefits program which includes health insurance, life insurance, dental and vision insurance, deferred compensation, Section 125 cafeteria plan and the Public Employees' Retirement System (PERS) for the Authority. The Accounting and Finance department includes a staff of one full-time Deputy Director and one full-time Senior Accountant. Additional secondary duties include in-house administration and maintenance of the computer network system and representing CCWA on the State Water Contractors (SWC) Board of Directors and as chairman of the SWC audit-finance committee.

ENGINEERING

The Engineering Department consists of an Operations Manager and an Engineering Technician. This department is responsible for evaluating, designing, and implementing operational and capital improvements for the Authority. Engineering projects involve oversight of professional consultants and detailed analysis and design for work performed in-house. Additionally, the Operations Manager is charged with the responsibility for construction contract administration and management, and provides technical support to the operations and maintenance departments.



Slurry seal of Tank 5 pavement

Central Coast Water Authority
Administration Department
 Fiscal Year 2009/10 Budget

2008 ACCOMPLISHMENTS AND 2009 GOALS

The following pages list all of the Authority’s 2008 goals and their status (i.e., “Accomplishments”) and the Authority’s 2009 goals. The 2008 accomplishments and 2009 goals that are the responsibility of the Water Treatment Plant and Distribution Departments are repeated in the Water Treatment Plant and Distribution Department sections of this budget. Also included is a table of performance indicators (“Service Efforts and Accomplishments”) for the Administration Department.

Goal

Status

Administration and Accounting

<p>Work with the Department of Water Resources and State Water Contractors to ensure fair and equitable allocation of the costs associated with the Department’s relicensing of the power generation facilities at Oroville Lake (FERC relicensing) and costs associated with CALFED. [Ongoing]</p>	<p>In progress. Two workgroups have been formed to determine the allocation of reimbursable and non-reimbursable FERC costs.</p>
<p>Participate and represent CCWA’s interests in the State Water Contractors Association and the State Water Project Contractors Authority. [Ongoing]</p>	<p>On-going</p>
<p>Continue to work with Department of Water Resource's fiscal staff through the State Water Contractors Audit-Finance Committee to maximize rate management credits for 2008 and 2009. [4/08]</p>	<p>In progress. DWR has not yet made a determination of the 2009 rate management credits.</p>
<p>Continue to work with Department of Water Resources O&M staff through the State Water Contractors O&M and Engineering Committees to control O&M expenses and when possible to capitalize high cost projects. [Ongoing]</p>	<p>On-going</p>
<p>Investigate alternative health care plans for CCWA staff. [6/08]</p>	<p>Initial meeting with PERS Health. Still evaluating options and alternatives.</p>
<p>Complete all required actions to reacquire 12,214 acre-feet of Santa Barbara County suspended SWP water. [12/08]</p>	<p>Met with Deputy Public Works Director to formulate three scenarios for transfer completion.</p>
<p>Hire a new Engineering Technician. [3/08]</p>	<p>Completed 10/08.</p>
<p>Prepare history of actual State water payments by project participant from FY 1996/97 through the current fiscal year and distribute to project participants [12/08]</p>	<p>On hold.</p>

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

Investigate groundwater banking and storage opportunities in Santa Barbara County, San Luis Obispo County, and elsewhere in California. [12/08]	On-going. Completed Carpinteria/Irvine Ranch Water District banking/exchange.
Assist San Luis Obispo County as needed in transferring Shandon Table A Amount water and ensure that any transfers do not detrimentally impact existing project participants. [12/08]	SLOC is not currently expressing interest in this transfer.
Continue work on Accounting Department and Administration Department policies and procedures manual chapters on Administrative, Accounts Payable, Purchasing, Cash Management, and Project Participant Invoices. [12/08]	Treasury and Cash Management and Accounts Payable sections completed. Working on Project Participant Invoice Preparation section.
Prepare the FY 2008/09 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the “Distinguished Budget Presentation” award. [7/08]	Submitted to GFOA.
Prepare a Comprehensive Annual Financial Report for FY 2007/08 in conformance with GFOA and submit it to GFOA for the “Excellence in Financial Reporting” award. [11/08]	Received award for FY 2007/08 CAFR.
Prepare and submit FY 2006/07 report of continuing disclosure to Bond Trustee. [3/08]	Completed.

Contracts

Preserve benefits of Monterey Amendment (Amendment No. 16 to the State Water Contract) to CCWA’s project participants and its customers. [Ongoing]	Final EIR scheduled for February 2009 release.
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DWR Coordination

Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance. [11/08]	The interior inspections of the Water Treatment Plant and portions of the pipeline in Reach 4 were completed during the 2008 winter shutdown.
Assist DWR in removing sediment from raw water pump station forebays. [12/08]	Sediment was removed from the Devil’s Den Pumping Plant forebay and in approximately 15 miles of canal during the

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

2008 shutdown. Corroded fittings on the discharge lines of the Polonio Pass, Bluestone, and Devil's Den Pumping Plant were also replaced during the 2008 shutdown.

Engineering

Complete development of five- and twenty-year Capital Improvement programs. [9/08]

Postponed to 2009.

Migrate CCWA as-built drawings to one consistent electronic format. [12/08]

Contacted two firms to scope this project. A portion of the existing files are in old version of microstation, which presents some migration issues. Postponed to 2009.

Develop Comprehensive encroachment permit program. [6/08]

Developed an outline of the major elements of the program and each element is currently being fully developed. A formal program document will be developed in 2009.

Research commercially available database software for maintaining pipeline right-of-way data. [9/08]

Reviewed several pipeline database software programs for use in maintaining CCWA record drawings, right-of-way data, and pipeline inspection records. A GIS Scoping Memorandum was developed, along with a budget estimate for a first phase implementation of a GIS system at CCWA.

Coordinate detailed analysis of pipeline conveyance capacity. [6/08]

Completed initial calculations for system resistance curve approach feasibility. One pressure transducer was installed and a request for historic data from the Chorro Pipeline operation was made to complete the model. The study will move forward in first quarter 2009.

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

Research available technology and programs for leak detection in large diameter pipelines. [11/08]

Researched aerial photograph survey approach, free swimming sonophone system, visual ground surface inspection approach, periodic internal inspection, and hydrostatic testing during the annual winter shutdown. It was concluded that the best approach for leak monitoring at this time would be a program of (1) visual ground surface inspection, (2) hydrostatic testing during annual shutdown, and (3) periodic internal inspections of the pipeline. Complete 11/08.

Research and evaluate potential mitigation measures to address side slope water seepage from the WTP sludge lagoons. [11/08]

The evaluation concluded that (1) many administrative controls that have already been implemented are effective and should be monitored for effectiveness, (2) soil amendment technology was not feasible and not very effective, based on past performance onsite and, (3) lining technology would be effective and may provide other benefits to the lagoon operation. A budget proposal for lining technology is currently under development for further consideration.

Develop and implement a monitoring program for the flexible joint connections between the large diameter HDPE pipe and concrete structures at the WTP. [11/08]

Complete 11/08.

Research available options for repairing areas of concrete deterioration/distress within the WTP. [9/08]

Areas of deterioration were identified and the aerial extent was quantified. In addition, the original design and specifications of the concrete structures were

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

reviewed to gain insight to why some areas have degraded and not others. Mitigation and repairs measures are currently under development.

Environmental and Safety

Complete HCP (Habitat Conservation Plan) according to schedule presented by National Fish and Wildlife Service. [6/08]

Have reached verbal agreements with F&WS/Waiting on F&G.

Research and install updated fall protection devices at Tanks 2 and 5. [8/08]

Complete 10/08.

Participate in Cal/OSHA consultation inspection at WTP. [7/08]
Work with Cal/OSHA on pipeline confined space entry.

Postponed to Spring '09.

Monitor and repair revegetation and erosion damage caused by 2006 abandoned pipeline removal along Santa Rosa Road. [3-year commitment]

On going. First year plantings survived well. On schedule.

Continue monitoring erosion near major blow-off at Huero Huero Creek. With Operations Manager's assistance, develop long-term erosion control solution. [12/08]

Complete 12/08. Continue monitoring into 2009.

Remove supports and protections for maturing oak trees and continue oak tree monitoring program for DWR Reaches 3 and 4. [11/08]

Complete 11/08.

With Operations Manager's assistance develop long-term solution for exposed pipe in upper Santa Ynez River. [12/08]

Identified several geophysical contractors with the ability to investigate the depth of bedrock with no excavation. This information is required to determine the long-term solution to the erosion issue at this location. Techniques that avoid excavation were desirable due to permitting restrictions for excavation work within the river canal. Work will continue in 2009.

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

Post 2008 Goals

Goals

Status

Obtain approval of and implement Financial Amendment to the State Water Contract through the State Water Contractors.

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

Carpinteria/IRWD banking exchange complete 7/08, SLOC dry year program complete 7/08.

Identify and implement mechanisms to offset shortages due to drought.

Began work on 2009 Statewide dry year program with SWPCA and DWR.

Consider San Luis Obispo County membership in CCWA if requested.

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

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

2009 Goals

Administration and Accounting

Goal

Audit the DWR Transportation Minimum OMP&R costs allocated to CCWA in the 2009 Statement of Charges to determine the reasons for the large increases and establish ways in which to minimize future large increases in the Transportation Minimum OMP&R costs. [throughout 2009]

Request that DWR utilize more realistic estimates of future Conservation Minimum charges (Delta Water Charge) for future years so as to minimize the impact to rate management credits. This work can be done through the new SWC/DWR workgroup dedicated to resolving protest letter items. If DWR is not willing to revise its projections next year, consider pursuing litigation to force the revision. [9/09]

Explore alternatives to the current contract with Ernst & Young for the audit of the DWR Statement of Charges. Attempt to obtain changes in the contract so that individual contractor's Statement of Charges are reviewed, or pursue a different auditing firm specific to only the Coastal Branch contractors (San Luis Obispo County and CCWA). [4/09]

Participate and represent CCWA's interests in State Water Contractors Association and the State Water Project Contractors Authority. [Ongoing]

Continue investigation of alternative health care plans for CCWA staff. [6/09]

Complete all required actions to reacquire 12,214 acre-feet of Santa Barbara County suspended SWP water. [12/09]

Continue working with San Luis Obispo County to reinitiate a dry year water transfer program for 2009. [2/09]

Investigate groundwater banking and storage opportunities in Santa Barbara County, the Central Valley, and elsewhere in California. [12/09]

Continue work on Accounting Department and Administration Department policies and procedures manual chapters on Administrative, Project Participant Invoices, and Budget Preparation. [12/09]

Prepare the FY 2009/10 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the "Distinguished Budget Presentation" award. [7/09]

Prepare a Comprehensive Annual Financial Report for FY 2008/09 in conformance with GFOA and submit it to GFOA for the "Excellence in Financial Reporting" award. [12/09]

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

Contracts

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

DWR Coordination

Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance. [11/09]

Cooperate with and assist DWR and Berrenda Mesa Irrigation District in evaluating the flow capacity of the Phase I Coastal Branch, including the pumping capability of Devil's Den, Bluestone, and Polonio Pass Pumping Plants. [12/09]

Continue to work with Department of Water Resource's fiscal staff through the State Water Contractors Audit-Finance Committee to maximize rate management credits for 2009 and 2010. [4/09]

Continue to work with Department of Water Resource's O&M staff through the State Water Contractors O&M and Engineering Committees to control O&M expenses and when possible to capitalize high cost projects. [Ongoing]

Continue to work with the Department of Water Resource's Energy and Risk Management staff to stabilize costs and limit the uncertainty of power purchasing, sales, and generation. [Ongoing]

Assist DWR, the State Water Contractors, the Federal Bureau of Reclamation, and the Federal Central Valley Project Contractors to plan, design, and implement the Delta Habitat Conservation and Conveyance Plan. [Ongoing]

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

Engineering

Complete development of five- and twenty-year Capital Improvement programs. [12/09]

Migrate CCWA as-built drawings to one consistent electronic format. [12/09]

Prepare a formal policy and procedure for the encroachment permit program. [6/09]

Implement the first phase of a Geographic Information System for the Santa Barbara County portion of the pipeline. [12/09]

Complete the pipeline conveyance capacity study and develop a model for pipeline flow and pressure estimation. [4/09]

Coordinate the design and installation of new Bisulfite Storage Tanks at Santa Ynez Pumping Plant. [12/09]

Coordinate the design and installation of the flexible joint at Isolation Vault #2. [12/09]

Update the pipeline water quality monitoring program. This monitoring plan will be developed to comply with the revisions to the Total Coliform Rule and DBP Rule requirements. [4/09]

Environmental and Safety

Complete HCP (Habitat Conservation Plan) according to schedule presented by National Fish and Wildlife Service. [12/09]

Finish facility arc flash study – T7, T5, EDV, T2. Provide required training to affected employees. [11/09]

Implement repairs to exposed section of pipe in upper Santa Ynez River - Reach SYII. Work with Engineering. [10/09]

Monitor vegetation and oaks along R.O.W. [On-going]

Monitor and maintain re-vegetated area on Merritt property. [Last of 3-year commitment]

Work with Engineer to repair erosion concerns on R.O.W. Includes both potential and actual sites. [On-going]

Central Coast Water Authority
Administration Department
Fiscal Year 2009/10 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

The Administration Department operating expense budget for FY 2009/10 is increasing by \$148,463, or 13.36% when compared to the FY 2008/09 Budget. The total FY 2009/10 budget is \$1,260,089 compared to the FY 2008/09 budget of \$1,111,626. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$41,000 due to the following:

- Administration Department FY 2009/10 salary pool allocation of \$14,370.
- PERS retirement expense increase of \$8,510 for higher salary amount for FY 2009/10.
- Health insurance increase of about \$10,000 for an anticipated 10% increase in premiums on January 1, 2010 coupled with a change in dependent status for certain employees.
- Increase in vehicle expenses for the CCWA Board approved increase in the Deputy Director monthly vehicle allowance effective last fiscal year.

Professional Services The professional services budget is increasing by \$116,000 due to a \$105,000 increase in the legal services budget for anticipated litigation expenses associated with the Hyatt-Thermalito litigation and potential litigation on the DWR Statement of Charges to CCWA. Additionally, accounting services expenses are increasing by \$12,000 for a potential change in auditors for the annual DWR Statement of Charges.

Other Expenses Other expenses are decreasing by about \$25,000 due to reclassification of certain computer-related expenses to the Water Treatment Plant and Distribution departments to more accurately reflect the actual expenditure of funds for computer expenses.

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2009/10 Budget

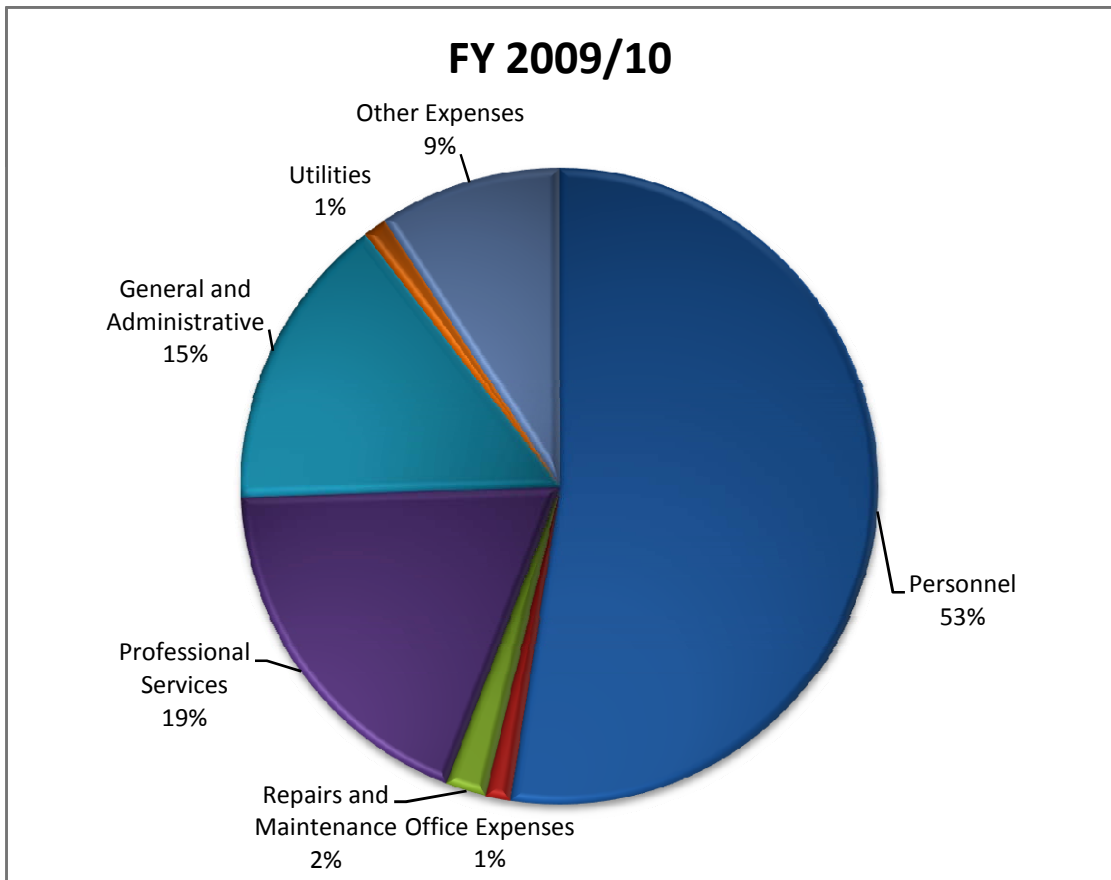
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2007/08	Number Auth. FY 2008/09	Number Requested FY 2009/10	Change Over FY 2007/08	Change Over FY 2008/09
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager ⁽¹⁾	0.25	0.25	0.25	-	-
Senior Accountant	1.00	1.00	1.00	-	-
Accounting Specialist	-	-	-	-	-
Secretary II	1.75	1.75	1.75	-	-
TOTAL:	4.50	4.50	4.50	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2008/09 Total Annual Salary	Allocation to Admin Department
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 188,427	\$ 94,215
Deputy Director	1	N/A	N/A	N/A	\$ 165,984	\$ 165,984
Operations Manager ⁽¹⁾	1	25	\$ 8,349	\$ 10,185	\$ 114,670	\$ 28,668
Senior Accountant	1	16	\$ 5,206	\$ 6,352	\$ 76,211	\$ 76,211
Secretary II	2	11	\$ 4,042	\$ 4,932	\$ 96,387	\$ 96,387
FY 2009/10 Salary Pool						\$ 14,370
TOTAL:						\$ 475,834

(1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
The Operations Manager is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

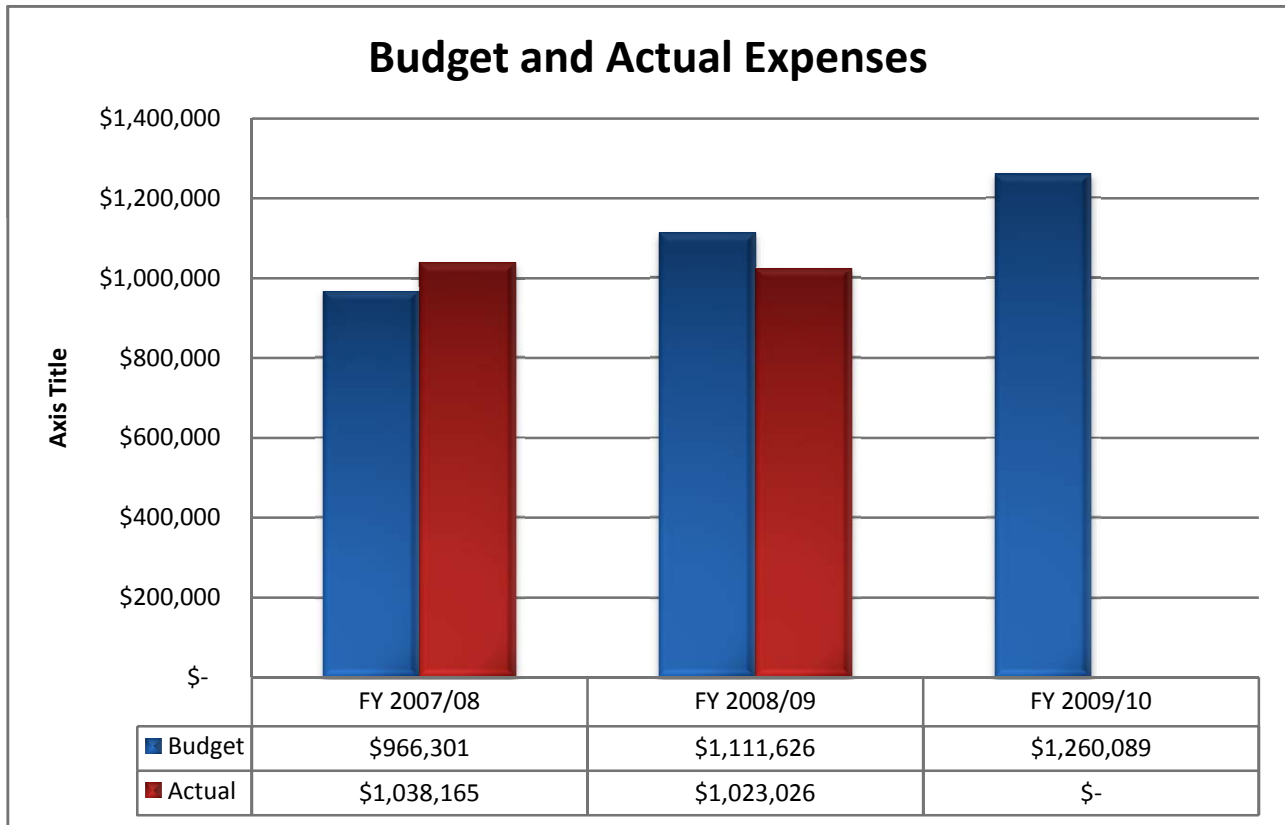
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2009/10 Budget

Item	FY 2009/10 Budget
Personnel	\$ 660,899
Office Expenses	16,000
Repairs and Maintenance	26,266
Professional Services	235,630
General and Administrative	189,957
Utilities	15,080
Other Expenses	116,257
TOTAL:	<u>\$ 1,260,089</u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2009/10 Budget

Item	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget
Personnel	\$ 557,164	\$ 595,210	\$ 620,010	\$ 639,558	\$ 660,899
Office Expenses	17,000	18,142	17,200	15,151	16,000
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	28,160	22,901	27,160	21,785	26,266
Professional Services	98,600	147,229	119,700	97,842	235,630
General and Administration	133,075	127,965	168,360	143,141	189,957
Utilities	21,900	14,801	18,260	12,404	15,080
Other Expenses	110,402	111,917	140,936	93,144	116,257
TOTAL:	\$ 966,301	\$ 1,038,165	\$ 1,111,626	\$ 1,023,026	\$ 1,260,089



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08	FY 2007/08	FY 2008/09	FY 2008/09	FY 2009/10	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2008/09	Budget	FY 2008/09
		\$ 390,660	\$ 420,664	\$ 440,265	\$ 461,282	\$ 475,834	\$	\$ 35,569	8.08%
5000.10	Full-Time Regular Wages	-	-	-	-	-		-	N/A
1300.60	Capitalized Wages and Overtime	2,000	506	2,000	2,849	2,000		-	0.00%
5000.20	Overtime	-	-	-	-	-		-	N/A
5000.40	Standby Pay	-	-	-	-	-		-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-		-	-
5100.10	PERS Retirement	72,272	78,544	83,897	90,429	92,407		8,510	10.14%
5100.15	Medicare Taxes	6,031	6,807	6,750	8,138	6,929		179	2.65%
5100.20	Health Insurance	23,347	20,413	24,452	25,228	34,809		10,357	42.35%
5100.25	Workers' Compensation	4,216	3,447	3,963	3,599	4,104		140	3.54%
5100.30	Vehicle Expenses	11,400	11,706	11,400	17,024	18,000		6,600	57.89%
5100.35	IRC 457-Employer Paid	23,250	22,713	23,250	-	-		(23,250)	-100.00%
5100.40	Cafeteria Plan Benefits	11,650	13,562	11,934	13,787	12,946		1,012	8.48%
5100.45	Dental/Vision Plan	7,891	9,827	7,384	13,064	9,066		1,681	22.77%
5100.50	Long-Term Disability	1,679	1,671	1,890	1,855	1,956		66	3.50%
5100.55	Life Insurance	1,319	1,417	1,373	1,504	1,399		25	1.83%
5100.60	Employee Physicals	-	-	-	-	-		-	N/A
5000.30	Temporary Services	-	-	-	-	-		-	N/A
5100.70	Employee Incentive Programs	1,200	607	1,200	800	1,200		-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250		-	0.00%
5100.86	Non-Capitalized Projects Overhead	-	3,326	-	-	-		-	N/A
	Total Personnel Expenses:	557,164	595,210	620,010	639,558	660,899		40,889	6.59%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08	FY 2007/08	FY 2008/09	FY 2008/09	FY 2009/10	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2008/09	Budget	
<u>OFFICE EXPENSES</u>									
5200.20	Office Supplies	12,000	7,348	10,200	8,961	9,000	(1,200)		-11.76%
5200.30	Miscellaneous Office Expenses	5,000	10,794	7,000	6,190	7,000	-		0.00%
Total Office Expenses:		17,000	18,142	17,200	15,151	16,000	(1,200)		-6.98%
<u>SUPPLIES AND EQUIPMENT</u>									
5500.10	Uniform Expenses	-	-	-	-	-	-		N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-		N/A
5500.20	Spare Parts	-	-	-	-	-	-		N/A
5500.25	Landscape Equipment and Supplies	-	-	-	-	-	-		N/A
5500.30	Chemicals-Fixed	-	-	-	-	-	-		N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-		N/A
5500.35	Maintenance Supplies/Hardware	-	-	-	-	-	-		N/A
5500.40	Safety Supplies	-	-	-	-	-	-		N/A
5500.45	Fuel and Lubricants	-	-	-	-	-	-		N/A
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-		N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-		N/A
Total Supplies and Equipment:		-	-	-	-	-	-		N/A
<u>MONITORING EXPENSES</u>									
5600.10	Lab Supplies	-	-	-	-	-	-		N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-		N/A
5600.30	Lab Testing	-	-	-	-	-	-		N/A
Total Monitoring Expenses:		-	-	-	-	-	-		-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08	FY 2007/08	FY 2008/09	FY 2008/09	FY 2009/10	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2008/09	FY 2008/09	FY 2008/09
							Budget	Budget	Budget
<u>REPAIRS AND MAINTENANCE</u>									
5700.10	Equipment Repairs and Maintenance	5,280	3,975	5,280	3,748	3,700	(1,580)	(1,580)	-29.92%
5700.20	Vehicle Repairs and Maintenance	-	86	-	-	-	-	-	N/A
5700.30	Building Maintenance	19,780	16,414	18,780	15,620	19,686	906	906	4.82%
5700.40	Landscape Maintenance	3,100	2,426	3,100	2,417	2,880	(220)	(220)	-7.10%
	Total Repairs and Maintenance:	28,160	22,901	27,160	21,785	26,266	(894)	(894)	-3.29%
<u>PROFESSIONAL SERVICES</u>									
5400.10	Professional Services	4,200	11,761	3,200	3,295	3,200	-	-	0.00%
5400.20	Legal Services	60,000	103,882	80,000	53,647	185,000	105,000	105,000	131.25%
5400.30	Engineering Services	-	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,400	3,221	3,500	7,900	2,430	(1,070)	(1,070)	-30.57%
5400.60	Accounting Services	31,000	28,365	33,000	33,000	45,000	12,000	12,000	36.36%
	Total Professional Services:	98,600	147,229	119,700	97,842	235,630	115,930	115,930	96.85%
<u>GENERAL AND ADMINISTRATIVE</u>									
5300.10	Meeting and Travel	24,500	29,098	31,300	24,425	29,500	(1,800)	(1,800)	-5.75%
5300.20	Mileage Reimbursement	1,000	715	1,000	895	500	(500)	(500)	-50.00%
5300.30	Dues and Memberships	89,165	83,640	119,030	110,000	146,427	27,397	27,397	23.02%
5300.40	Publications	3,510	2,244	2,530	1,749	2,530	-	-	0.00%
5300.50	Training	5,000	4,554	5,000	477	3,000	(2,000)	(2,000)	-40.00%
5300.60	Advertising	2,000	1,295	1,000	-	500	(500)	(500)	-50.00%
5300.70	Printing and Binding	4,000	2,524	4,000	2,583	3,000	(1,000)	(1,000)	-25.00%
5300.80	Postage	3,900	3,895	4,500	3,012	4,500	-	-	0.00%
	Total General and Administrative:	133,075	127,965	168,360	143,141	189,957	21,597	21,597	12.83%
<u>UTILITIES</u>									
5800.20	Natural Gas	540	391	420	200	420	-	-	0.00%
5800.30	Electric-Fixed	6,600	5,093	6,600	5,997	7,200	600	600	9.09%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08		FY 2008/09		FY 2009/10		Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	Budget	FY 2008/09	FY 2008/09	
5800.35	Electric-Variable	-	-	-	-	-	-	-	-	N/A
5800.40	Water	1,200	826	1,200	832	1,200	-	-	-	0.00%
5800.50	Telephone	11,080	6,166	7,440	3,376	3,660	(3,780)	(3,780)	-	-50.81%
5800.60	Waste Disposal	2,480	2,325	2,600	2,000	2,600	-	-	-	0.00%
Total Utilities:		21,900	14,801	18,260	12,404	15,080	(3,180)	(3,180)	-	-17.42%

OTHER EXPENSES

5900.10	Insurance	18,895	18,279	20,111	20,111	20,729	618	618	-	3.07%
5900.30	Non-Capitalized Projects	-	349	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	7,200	6,505	6,840	5,611	6,740	(100)	(100)	-	-1.46%
5900.50	Non-Capitalized Equipment	5,000	1,068	5,000	2,500	2,500	(2,500)	(2,500)	-	-50.00%
5900.60	Computer Expenses	60,360	65,716	87,188	64,922	61,580	(25,608)	(25,608)	-	-29.37%
5900.70	Appropriated Contingency	18,947	20,000	21,797	-	24,708	2,911	2,911	-	13.36%
Total Other Expenses:		110,402	111,917	140,936	93,144	116,257	(24,679)	(24,679)	-	-17.51%
TOTAL OPERATING EXPENSES		\$ 966,301	\$ 1,038,165	\$ 1,111,626	\$ 1,023,026	\$ 1,260,089	\$ 148,463	\$ 148,463	\$	13.36%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$14,370 for the FY 2009/10 salary pool.

FY 09/10 Requested Budget	475,834
FY 08/09 Estimated Actual	461,282
Increase (Decrease)	14,552

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

Description: Overtime expenses for non-exempt Administration employees.

FY 09/10 Requested Budget	2,000
FY 08/09 Estimated Actual	2,849
Increase (Decrease)	(849)

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

Description: Not funded.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

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

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 19.420% contribution rate for FY 2009/10..

FY 09/10 Requested Budget	92,407
FY 08/09 Estimated Actual	90,429
Increase (Decrease)	1,978

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5100.15 **ACCOUNT TITLE:** Medicare

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

FY 09/10 Requested Budget	6,929
FY 08/09 Estimated Actual	8,138
Increase (Decrease)	(1,209)

ACCOUNT NUMBER: 5100.20 **ACCOUNT TITLE:** Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for Administration employees. Budget amount is based on actual medical insurance election for the Administration Department. Includes an increase for 2010. estimated at 5%.
Family: \$ 15,945
Emp+1: \$ 13,762
Emp: \$ 5,835

FY 09/10 Requested Budget	34,809
FY 08/09 Estimated Actual	25,228
Increase (Decrease)	9,581

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

Description: Funds for Workers' Compensation insurance for the Administration Department. Based on an X-Mod rate of 93%. Based on a 5% premium increase over FY 2008/09.

FY 09/10 Requested Budget	4,104
FY 08/09 Estimated Actual	3,599
Increase (Decrease)	505

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

Description: Auto allowance for the Executive Director and Deputy Director in the amount of \$750 each per month.

FY 09/10 Requested Budget	18,000
FY 08/09 Estimated Actual	17,024
Increase (Decrease)	976

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

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

Description: Not funded

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.40 **ACCOUNT TITLE:** Cafeteria Plan Benefits

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

FY 09/10 Requested Budget	12,946
FY 08/09 Estimated Actual	13,787
Increase (Decrease)	(840)

ACCOUNT NUMBER: 5100.45 **ACCOUNT TITLE:** Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,936 per year per family for dental and vision expenses. Budgeted amount is \$1,909 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 09/10 Requested Budget	9,066
FY 08/09 Estimated Actual	13,064
Increase (Decrease)	(3,998)

ACCOUNT NUMBER: 5100.50 **ACCOUNT TITLE:** Long-Term Disability Insurance

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.45 per \$100 of salary.

FY 09/10 Requested Budget	1,956
FY 08/09 Estimated Actual	1,855
Increase (Decrease)	100

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5100.55 **ACCOUNT TITLE:** Life Insurance

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

FY 09/10 Requested Budget	1,399
FY 08/09 Estimated Actual	1,504
Increase (Decrease)	(105)

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

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

FY 09/10 Requested Budget	250
FY 08/09 Estimated Actual	-
Increase (Decrease)	250

ACCOUNT NUMBER: 5100.80 **ACCOUNT TITLE:** Employee Incentive Programs

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

FY 09/10 Requested Budget	1,200
FY 08/09 Estimated Actual	800
Increase (Decrease)	400

Safety Program	\$	600
EAAP	\$	600
TOTAL:	\$	1,200

ACCOUNT NUMBER: 5200.20 **ACCOUNT TITLE:** Office Supplies

Description: Funds for Office supplies for the Administration Department. Based on \$750 per month in office supply expenses.

FY 09/10 Requested Budget	9,000
FY 08/09 Estimated Actual	8,961
Increase (Decrease)	39

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5200.30 **ACCOUNT TITLE:** Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards, kitchen supplies and SBB&T monthly bank fees \$150.

FY 09/10 Requested Budget	7,000
FY 08/09 Estimated Actual	6,190
Increase (Decrease)	810

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

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

FY 09/10 Requested Budget	29,500
FY 08/09 Estimated Actual	24,425
Increase (Decrease)	5,075

\$	4,500	ACWA Conferences
\$	21,000	SWC Meetings (\$1,750 per month)
\$	4,000	Other miscellaneous meetings
\$	29,500	TOTAL

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

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

FY 09/10 Requested Budget	500
FY 08/09 Estimated Actual	895
Increase (Decrease)	(395)

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

Description: Funds for professional dues.

FY 09/10 Requested Budget	146,427
FY 08/09 Estimated Actual	110,000
Increase (Decrease)	36,427

\$	104,824	SWC Bay Delta Charges
\$	3,000	SWPCA JPA Allocation
\$	16,853	MWQI Charges for 2010 Calendar Year
\$	11,500	ACWA
\$	5,000	SWPCA Delta Specific Project Committee
\$	2,250	Support various water education programs
\$	3,000	Employee Professional Dues and Misc.
\$	146,427	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

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

Description: Funds for publications received by CCWA
 \$ 780 News clipping service (\$195 quarterly)
 \$ 500 Personnel related subscriptions
 \$ 500 Employee professional publications
 \$ 750 Other Publications - General
 \$ 2,530 TOTAL

FY 09/10 Requested Budget	2,530
FY 08/09 Estimated Actual	1,749
Increase (Decrease)	781

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

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

FY 09/10 Requested Budget	3,000
FY 08/09 Estimated Actual	477
Increase (Decrease)	2,523

ACCOUNT NUMBER: 5300.60 **ACCOUNT TITLE:** Advertising

Description: Funds for public relations expenses for
 CCWA including advertising for open positions and subscription to
 "Jobs Available."

FY 09/10 Requested Budget	500
FY 08/09 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.70 **ACCOUNT TITLE:** Printing and Binding

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

FY 09/10 Requested Budget	3,000
FY 08/09 Estimated Actual	2,583
Increase (Decrease)	417

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

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

Description: Funds for all postal and mail expenses.
 \$ 3,600 Postage meter expenses (\$300 per month)
 \$ 900 Overnight and shipping svcs (\$75 per month)
 \$ 4,500 TOTAL

FY 09/10 Requested Budget	4,500
FY 08/09 Estimated Actual	3,012
Increase (Decrease)	1,488

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

Description: Funds for miscellaneous consultants and other services.
 \$ 2,200 Administration office alarm system
 \$ 1,000 Other services
 \$ 3,200 TOTAL:

FY 09/10 Requested Budget	3,200
FY 08/09 Estimated Actual	3,295
Increase (Decrease)	(95)

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

Description: Funds for CCWA legal services.
 \$ 75,000 Brownstein Hyatt Farber General Counsel
 \$ 10,000 Sheppard Mullin Personnel Counsel
 \$ 50,000 Hyatt Thermalito Litigation
 \$ 50,000 DWR Statement of Charges Legal Action
 \$ 185,000

FY 09/10 Requested Budget	185,000
FY 08/09 Estimated Actual	53,647
Increase (Decrease)	131,353

ACCOUNT NUMBER: 5400.30 **ACCOUNT TITLE:** Engineering Services

Description: Funded in the Water Treatment Plant and Distribution Department budgets.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5400.50 **ACCOUNT TITLE:** Non-Contractual Services

Description: Funds for miscellaneous non-contractual services such as the Section 125 plan administration fees and the employee assistance program.

FY 09/10 Requested Budget	2,430	\$	1,020	IRC 125 Plan administraton fees (\$85 per mo)
FY 08/09 Estimated Actual	7,900	\$	410	Employee Assistance Program
Increase (Decrease)	(5,470)	\$	1,000	Other miscellaneous
		\$	2,430	TOTAL

ACCOUNT NUMBER: 5400.60 **ACCOUNT TITLE:** Accounting Services

Description: Funds for the annual audit of the FY 2008/09 Financial Statements and the State Water Contractors audit fees.

FY 09/10 Requested Budget	45,000	\$	25,000	State Water Contractor audit fees
FY 08/09 Estimated Actual	33,000	\$	20,000	Auditing FY 2008/09 financial statements
Increase (Decrease)	12,000	\$	45,000	TOTAL

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

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

FY 09/10 Requested Budget	3,700	\$	3,000	Copier maintenance agreement
FY 08/09 Estimated Actual	3,748	\$	700	Other misc. equipment repairs
Increase (Decrease)	(48)	\$	3,700	TOTAL

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

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

FY 09/10 Requested Budget	19,686	\$	504	Monthly Pest Control
FY 08/09 Estimated Actual	15,620	\$	13,750	Janitorial services and supplies
Increase (Decrease)	4,066	\$	4,000	Building repairs (includes \$2,000 for HVAC)
		\$	1,432	HVAC quarterly maintenance
		\$	19,686	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

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

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

FY 09/10 Requested Budget	2,880
FY 08/09 Estimated Actual	2,417
Increase (Decrease)	463

\$	2,100	Gardener (\$175 per month)
\$	480	Irrigation Water (\$40 per month)
\$	300	Miscellaneous
\$	2,880	TOTAL

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

Description: Funds for natural gas service to the Administration building (\$35 per month).

FY 09/10 Requested Budget	420
FY 08/09 Estimated Actual	530
Increase (Decrease)	(110)

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

Description: Funds for electrical service to the Administration building (\$600 per month).

FY 09/10 Requested Budget	7,200
FY 08/09 Estimated Actual	5,997
Increase (Decrease)	1,203

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

Description: Funds for water and sewer service for the Administration building (\$100 per month).

FY 09/10 Requested Budget	1,200
FY 08/09 Estimated Actual	832
Increase (Decrease)	368

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

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

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

FY 09/10 Requested Budget	3,660	\$	480	Long distance (\$40 per month)
FY 08/09 Estimated Actual	3,376	\$	1,800	Local long distance (\$150 per month)
Increase (Decrease)	284	\$	1,380	Cell phone airtime (\$115 per month)
		\$	3,660	TOTAL

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

Description: Funds for waste disposal services for the Administration building.

FY 09/10 Requested Budget	2,600	\$	2,400	Waste Disposal service (\$200 per month)
FY 08/09 Estimated Actual	2,000	\$	200	Hazardous Waste Disposal
Increase (Decrease)	601	\$	2,600	TOTAL

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

Description: Funds for insurance related expenses.

FY 09/10 Requested Budget	20,729	\$	1,399	Property and auto insurance based on allocation provided by JPIA
FY 08/09 Estimated Actual	20,111	\$	14,830	General Liability and E&O apportioned by payroll percentages
Increase (Decrease)	618	\$	4,500	Employee fidelity bond
		\$	20,729	TOTAL

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

Description: Funds for rental of equipment.

FY 09/10 Requested Budget	6,740	\$	1,740	Postage meter (\$435 per quarter)
FY 08/09 Estimated Actual	5,611	\$	4,500	Copier lease (\$375 per month)
Increase (Decrease)	1,129	\$	500	Other
		\$	6,740	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5900.50 **ACCOUNT TITLE:** Non-Capitalized Equipment

Description: Funds for the purchase of non-capitalized equipment purchases. These equipment purchases are generally under \$5,000 in cost with an estimated useful life under 5 years.

FY 09/10 Requested Budget	2,500
FY 08/09 Estimated Actual	2,500
Increase (Decrease)	-

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

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

FY 09/10 Requested Budget	61,580
FY 08/09 Estimated Actual	64,922
Increase (Decrease)	(3,342)

\$	51,830	CompuVision, Annual Service Agreements and Software Subscriptions
\$	9,750	Software and other computer services
\$	61,580	TOTAL

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

Description: 2.0% of operating expenses

FY 09/10 Requested Budget	24,708
FY 08/09 Estimated Actual	-
Increase (Decrease)	24,708

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Sedimentation basin at Polonio Pass Water Treatment Plant

Water Treatment Plant Department

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

Highlights

Department Information

- Number of employees 13.75
- Polonio Pass Water Treatment Plant design capacity 49.44 million gallons per day
- FY 2009/10 requested water deliveries 40,406 acre-feet

Budget Information

- Total FY 2009/10 O&M Budget \$ 4,043,078
- O&M Budget increase over FY 2008/09 \$ 325,207
- Percentage increase 8.78%
- Fixed O&M Expenses \$ 2,326,909
- Variable O&M Expenses \$ 1,716,169
- FY 2009/10 budgeted chemical cost \$ 40.16 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 37.30
 - Variable \$ 9.52
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 129.00
 - Variable \$ 42.47

Significant Accomplishments During FY 2008/09

- Developed an enhanced quality assurance and control plan for the Granular Activated Carbon (GAC) Media Replacement Project. This program successfully prevented poor quality GAC from being installed in the filters at the treatment plant.
- Conducted a source water ammonia monitoring study whose results indicated that high TOC and ammonia concentrations are associated with sludge buildup in the pumping station forebay. TOC and ammonia levels were reduced following DWR's forebay and canal cleaning efforts during the annual maintenance shutdown.

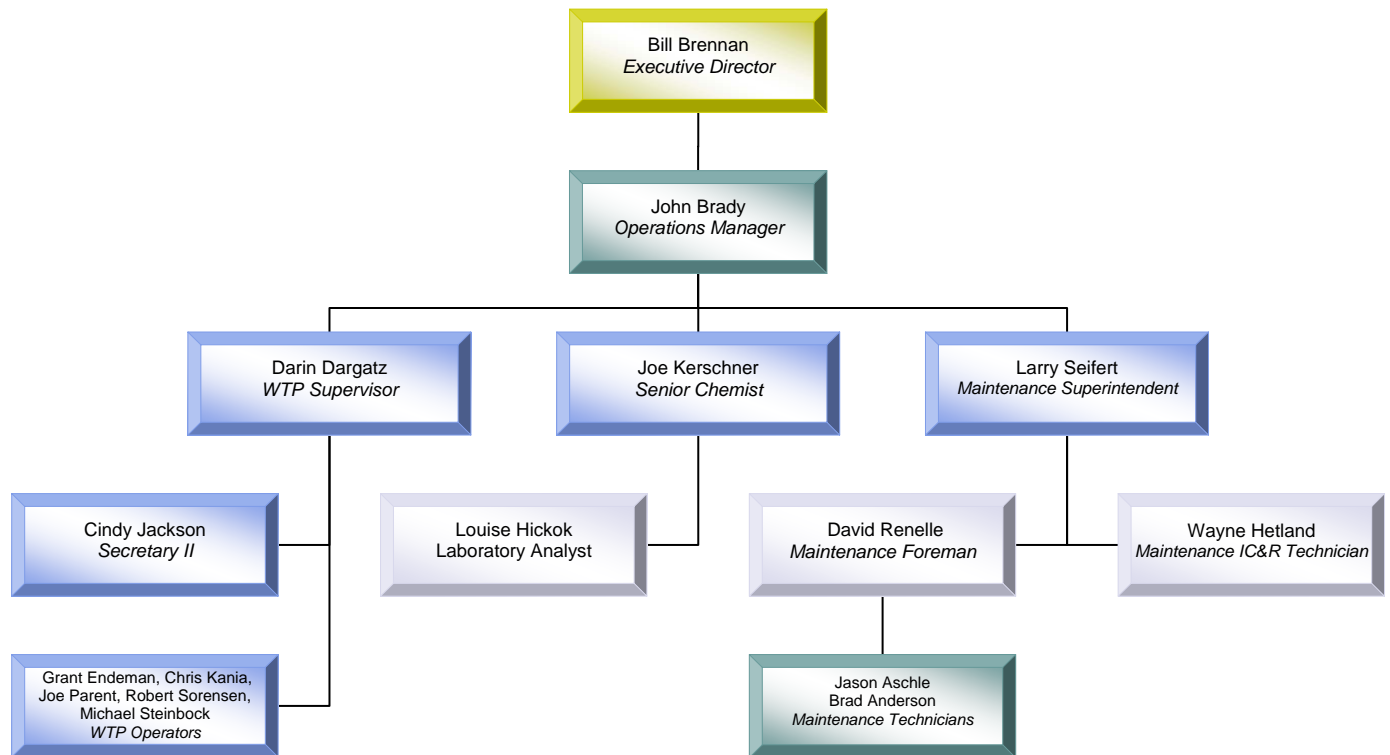
Significant Goals for FY 2009/10

- A full scale performance evaluation of the newly installed granular active carbon (GAC) in filters 1, 3 and 5 is planned for FY 09/10.
- CCWA will implement an MIB study, which is designed to enhance understanding of why MIB concentrations increases along the length of the raw water pipeline as it approaches the treatment plant.

Central Coast Water Authority
Water Treatment Plant Department
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The Water Treatment Plant Department receives raw water from DWR, operates and maintains the Polonio Pass Water Treatment Plant and performs all chemical and biologic analyses required by the California Department of Health Services.

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

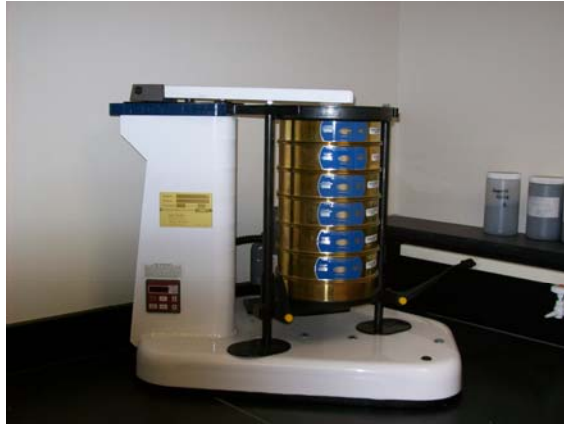


The five (5) Plant Operators operate the treatment plant and monitor the distribution pipeline on a full-time 24 hour per day basis. They place raw water orders to DWR based on system demand, treat the water according to current plant operating parameters, perform water quality analyses, monitor the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

The Maintenance Superintendent oversees plant maintenance and supervises the Maintenance/IC&R Technician and Maintenance Foreman. Together with available operations staff, they keep the treatment plant in full operation.

The Maintenance Foreman is responsible for the daily plant maintenance and supervises two (2) Maintenance Technicians.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2009/10 Budget



Carbon Testing

The Senior Chemist and Laboratory Analyst operate the plant laboratory. All analyses required by the Environmental Protection Agency and Department of Health Services or needed for plant process control are either performed in-house or sent to a contract laboratory by the Senior Chemist. The Senior Chemist also submits all federal and state mandated reports, provides laboratory data to project participants, oversees the water sampling program, maintains all laboratory equipment, and trains Operations and Maintenance staff in laboratory safety and procedures.



Jar Test



Turbidity Test

The Maintenance Instrumentation Calibration and Repair Technician repairs instruments and electronics both at the Water Treatment Plant and along the Pipeline.

The following pages list the 2008 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2009 goals for the Water Treatment Plant Department.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2009/10 Budget

2008 ACCOMPLISHMENTS

<u>Goal</u>	<u>Status</u>
Continue compliance monitoring for Long Term 2 Surface Water Treatment Rule and Stage 2 Disinfection Byproducts rules. [12/08]	Complete 12/08.
Update WTP Operations Plan for DHS. [8/08]	Complete 12/08.
Conduct emergency preparedness training exercise with O&M staff. Operate the distribution system in manual mode and test satellite backup communications. [6/08]	Complete 12/08. Staff participated in the Bureau of Reclamation Bradbury Dam's Tabletop exercise. Additionally, staff operated the pipeline in manual mode and tested the satellite backup communication system.
Investigate the need for additional emergency generators in system. [6/08]	Tank 5 was identified as a critical facility from a pipeline control perspective and installing a small 3,000 Watt electrical generator was considered justifiable.
Complete evaluation of sodium bisulfate storage tank and implement appropriate project. [11/08]	Sodium Bisulfite selection was the most cost effective chemical for the SYPP operation. Research of the available Sodium Bisulfite storage guidelines is underway as well as consultation with our current supply vendor.
Complete installation of permanent chlorination facilities at Tank 7. [3/08]	The installation of the Tank 7 chlorination facility is complete 3/08.
Complete internal pipeline inspection of Reach 4. [11/08]	Complete 11/08.
Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements, and revegetation and erosion control. [Ongoing]	Developed an enhanced QA/QC plan for the GAC Media Replacement Project. Also, developed a preliminary full scale performance monitoring plan for the filters with new fresh GAC installed.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2009/10 Budget

Developed the scope of a MIB study, which is designed to enhance understanding of why MIB increases along the length of the raw water pipeline.

Conducted a raw water canal ammonia monitoring study documenting conditions before, during, and after the DWR shutdown.

Disinfected Tank 7 and downstream piping during the 2008 shutdown as nitrification control measure.

Staff prepared in-house the Spill Prevention Controls and Countermeasures Plan (SPCC) for the fuel storage tank at the Treatment Plant.

Staff designed in-house a drop inlet and culvert system to intercept and transmit storm water flow over the pipeline easement to eliminate an erosion issue at the Gardner Ranch.

Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]

Worked with San Luis Obispo County in developing their dry year water transfer program.

Initiated water banking program for Carpinteria.

Presented several water purchase programs for CCWA project participants including Yuba Water Transfer Program, SWPCA Dry Year Program, and other water sales opportunities.

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

Provided non-detect table in conjunction with annual CCR water quality data table.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2009/10 Budget

Staff modified the nitrification response plan to include phone call notification of effected participants in the event of exceeding the CCWA nitrite action level

New Goals for Calendar Year 2009

Goal

Implement the MIB study, which is designed to enhance understanding of why MIB increases along the length of the raw water pipeline. [10/09]

Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [12/09]

Implement the full scale performance monitoring plan for the filters with fresh GAC installed. [2/09]

Conduct a chlorite treatment pilot study at Tank 5 to evaluate the effectiveness of chlorite in controlling nitrification in the southern portion of the pipeline. [6/09]

Install additional pressure transmitters within the distribution system and connect to SCADA as an aid in the Leak Detection program. [10/09]

Conduct internal pipeline inspection to look at previous repairs and any damage at the North Portal (Nacimiento pipeline work area), Reach B (repair location), and Reach C (repair location) as part of the annual system shutdown. [11/09]

Begin the next phase of system security by installing network security cameras at the turnout locations. [12/09]

Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements, and re-vegetation and erosion control. [Ongoing]

Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]

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

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2009/10 Budget

WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

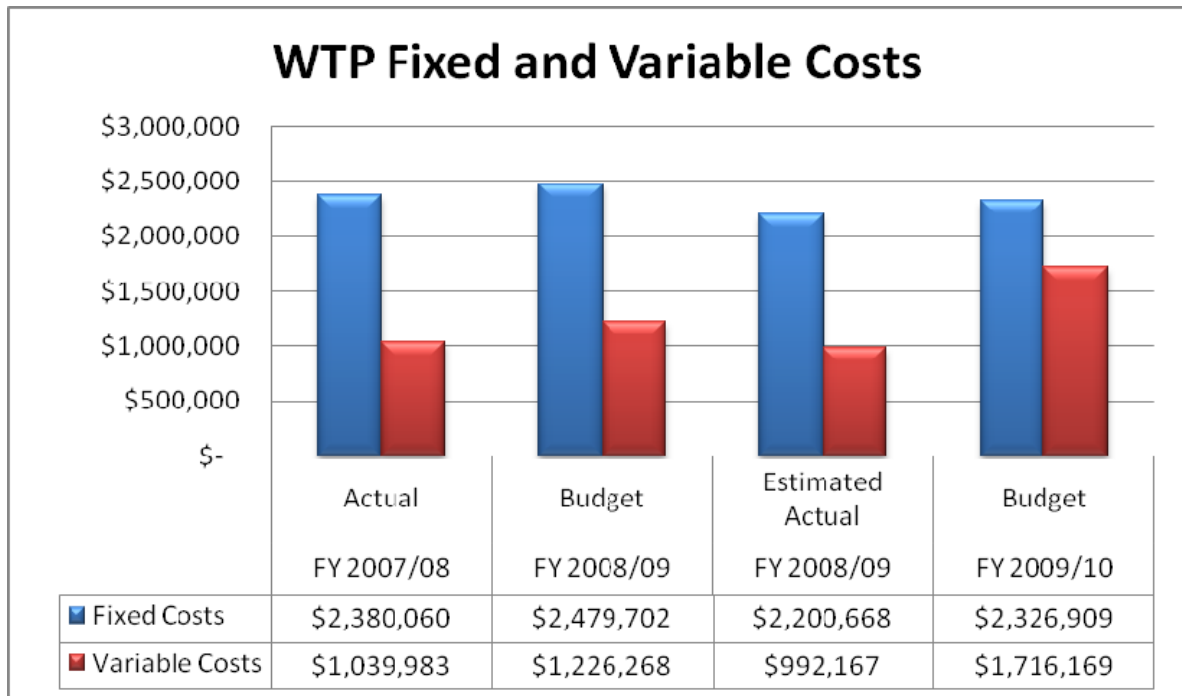
The expenses associated with operating the Water Treatment Plant are divided into fixed and variable O&M costs.

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

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

For FY 2009/10, the Water Treatment Plant variable O&M costs total \$1,716,168 comprised of \$1,671,636 for chemical expenses and \$44,533 for electrical costs based on treatment and delivery of 40,408 acre-feet of water for the year.

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



Variable O&M Costs Excluding San Luis Obispo County San Luis Obispo County (SLO) does not pay for costs of dechloraminating water at the Santa Ynez Pumping Facility before the water is discharged into Lake Cachuma.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2009/10 Budget

Allocation of Water Treatment Plant Expenses All project participants pay for fixed costs at the Water Treatment Plant based on their State water Table A allocation.

Fiscal Year 2009/10 Operating Expense Budget

The FY 2009/10 water treatment plant operating expense budget is \$4,043,078 which is \$325,207 higher than the previous year's budget of \$3,705,970, an 8.78% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 40% of the budget. Supplies and equipment comprise 43% with other expenses making up the balance of the budget. The variable O&M expenses are included in the supplies and equipment and utilities section of the budget. The chart on page 142 shows the allocation of the various components of the water treatment plant operating expense budget.

Personnel Expenses Total personnel expenses are increasing by about \$38,000 (excluding capitalized salaries and benefits) when compared to the FY 2008/09 budget for the following reasons.

- An increase in full-time regular wages for the FY 2008/09 salary pool allocation of \$31,217.
- Health insurance expense increase of approximately \$18,100 for a projected 10% increase effective January 1, 2010.
- PERS retirement expense increase of about \$7,000 for an increase in the employee annual salaries.

Supplies and Equipment Total supplies and equipment expenses for FY 2009/10 are about \$480,000 higher than the previous year primarily due to a 1,477 AF increase in requested water deliveries compared to the prior year coupled with an increase in the estimated chemical cost per acre-foot from \$29.70/AF last year to \$40.16/AF this fiscal year.

Other Expenses Other expenses are decreasing by approximately \$170,000 due to the postponement of replacement of the granular activated carbon in three filters at the Water Treatment Plant, partially offset by an increase in the non-capitalized project expenses at the Water Treatment Plant (please see the non-capitalized project expense section in this section of the Budget), an increase in the computer-related expenses and an increase in the appropriated contingency account.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2009/10 Budget

FY 2009/10 Granular Activated Carbon (GAC) Replacement

The FY 2009/10 Granular Activated Carbon (GAC) replacement project has been postponed one year to assist in achieving budget reductions for FY 2009/10. It is anticipated that the GAC in these filters will be replaced in FY 2010/11.

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension is funded through the CCWA O&M assessments. Additionally, certain portions of the facilities around the Polonio Pass Water Treatment are owned by DWR but also operated and maintained by CCWA such as the access road to the Water Treatment Plant. Since CCWA does not own the DWR facilities, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the Water Treatment Plant which are considered extraordinary expenses, but which are not eligible for capitalization.

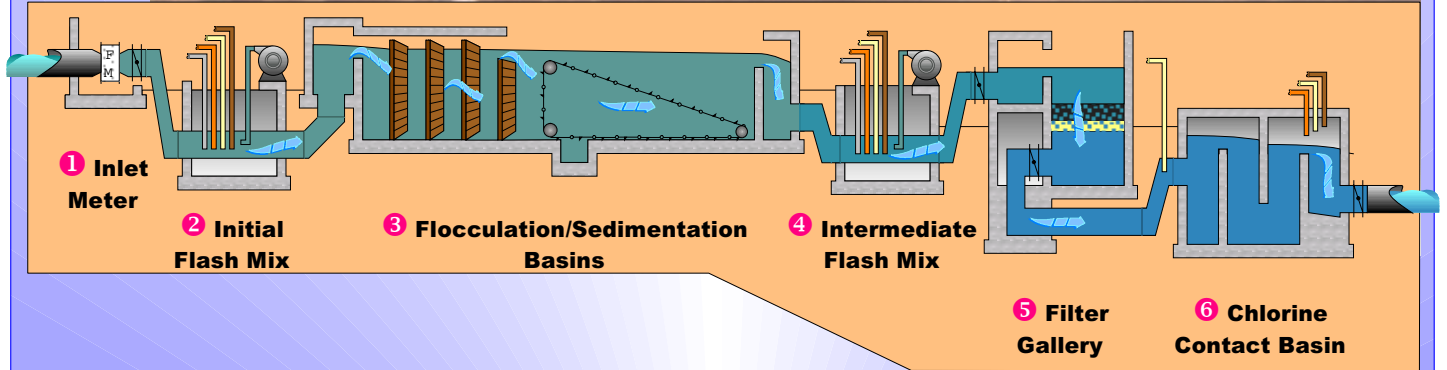
The following table is a summary of the FY 2009/10 Water Treatment Plant Non-Capitalized Projects.

<i>Non-Capitalized Projects-Reach Specific</i>		
Project Description	Financial Reach	Amount ⁽¹⁾
Replace Outlet Flow Meter	WTP – 33B	20,808
TOTAL:		\$ 20,808

(1) Excludes CCWA labor and overhead costs.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2009/10 Budget

Description:	Replacement of the Plant Outlet Flow Meter
Department:	Water Treatment Plant - 33B
Expanded Description	The existing flow meter at the plant's outlet is obsolete and no longer serviceable. It has been in place for over 13 years and has reached the end of its useful life and requires replacement. Within the past year, three other similar flow meters that were installed during the same time frame within the CCWA System have ceased to function properly and ultimately required replacement.
Estimated Charge-Materials	\$17,000
Estimated Charge-Contractor	\$1,500
Sales Tax	\$1,318
Contingency (5%)	\$990
Subtotal without CCWA Labor	\$20,808
Labor and overhead	\$1,700
Total Cost	\$22,509
Operating Budget Impact:	This flow meter is an important flow meter for monitoring efficient operation of the pipeline between the water treatment plant and Tank 2. It is also utilized in monitoring the pipeline operation for significant leaks or releases. Inaccurate flow meter measurements could lead to undetected releases from the pipeline, which would allow the release to go unabated for a longer period of time. Additional labor would subsequently be required to repair the increased soil erosion or other potential negative impacts from unrecognized pipeline leaks or releases.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2009/10 Budget

Regional Water Treatment Plant Allocation

Instead of building a pipeline around or through Lake Cachuma to the South Coast to convey State water to the South Coast project participants, the Authority is conveying State water using the lake and existing conveyance facilities. The water is dechloraminated (de-treated) at the Santa Ynez Pumping Facility before it is discharged into the lake.

Since the South Coast project participants must “retreat” the State water that is delivered from Lake Cachuma, they would effectively be paying twice to treat the water if the Regional Water Treatment Plant Allocation agreement was not in place. Initial treatment occurs at the Polonio Pass Water Treatment Plant and retreatment occurs at the various South Coast project participants’ treatment plants.

The Regional Water Treatment Plant Allocation is a credit financed by Santa Barbara County project participants which directly receive treated State water from the Coastal Branch Extension or CCWA pipeline. The credit is applied to the South Coast project participants to cover their costs to retreat State water. In short, the purpose of this credit is to ensure that all Authority project participants pay the same cost to treat State water. The treatment plant capital and fixed and variable operating and maintenance costs are included in the Regional Water Treatment Plant Allocation calculation.

In order to properly allocate the capital cost component of the water treatment plant for those project participants that did not participate in the bond financing (Santa Maria, Golden State Water Company and Vandenberg Air Force Base), an imputed debt service schedule has been prepared which allocates treatment plant debt service as though all Santa Barbara County participants shared in the financing in proportion to their entitlement allocation. The current budgeted capital component of the Regional Water Treatment Plant Allocation and Credit is based on a remaining principal balance of \$35,896,498 for constructing the Polonio Pass Water Treatment Plant at an interest cost of 4.24% for 15 years. These terms match the terms of the Authority’s outstanding 2006A refunding revenue bonds.

The Regional Water Treatment Plant Allocation computations also take into account the effect of the Santa Ynez Exchange Agreement on certain project participants (*see “Santa Ynez Exchange Agreement” included in this section of the Budget*).

The following tables show the calculation of the FY 2009/10 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
 FY 2009/10 Budget

Project Participant	Allocated Table A ⁽¹⁾			Unadjusted Fixed & Capital			Adjusted Fixed & Capital ⁽⁴⁾			Fixed & Capital Retirement Charge ⁽⁵⁾		
	Table A Amount	Exchange Deliveries Table A	Allocated Table A Percentage	WTP Fixed Operating Costs ⁽²⁾	Imputed WTP Debt Service Costs ⁽³⁾	Total Unadjusted Fixed & Cap.	Capital Retirement Adjustment	Fixed O&M Retirement Adjustment	Total Adjusted Fixed & Capital	Allocated Table A % SB County	Fixed & Capital Retirement Adjustments	Cost Per AF of Allocated Table A Amount
Guadalupe	550	550	1.25%	\$ 29,946	\$ 41,123	\$ 71,069	\$ 52,994	\$ 38,590	\$ 91,584	1.41%	20,515	\$ 37.30
Santa Maria	16,200	16,200	36.90%	882,046	1,211,268	2,093,314	1,560,916	1,136,660	2,697,576	41.46%	604,262	37.30
Golden State Water	500	500	1.14%	27,224	37,385	64,608	48,176	35,082	83,259	1.28%	18,650	37.30
VAFB	5,500	5,500	12.53%	299,460	411,233	710,693	529,941	385,903	915,844	14.07%	205,151	37.30
Buellton	578	578	1.32%	31,471	43,217	74,687	55,692	40,555	96,247	1.48%	21,559	37.30
Santa Ynez (Solvang)	1,500	1,500	3.42%	81,671	112,154	193,825	144,529	105,246	249,776	3.84%	55,950	37.30
Santa Ynez	500	2,470	6.76%	161,689	37,385	199,073	286,133	208,362	494,495	7.60%	110,768	37.30
Goleta	4,500	3,611	8.22%	196,605	336,463	533,069	347,923	253,358	601,281	9.24%	134,688	37.30
Morehart	200	200	0.46%	10,889	14,954	25,843	19,271	14,033	33,303	0.51%	7,460	37.30
La Cumbre	1,000	1,000	2.28%	54,447	74,770	129,217	96,353	70,164	166,517	2.56%	37,300	37.30
Raytheon	50	50	0.11%	2,722	3,738	6,461	4,818	3,508	8,326	0.13%	1,865	37.30
Santa Barbara	3,000	2,407	5.48%	131,070	224,309	355,379	231,949	168,905	400,854	6.16%	89,792	37.30
Montecito	3,000	2,407	5.48%	131,070	224,309	355,379	231,949	168,905	400,854	6.16%	89,792	37.30
Carpinteria	2,000	1,605	3.66%	87,360	149,539	236,919	154,633	112,604	267,236	4.11%	59,861	37.30
SB County Subtotal:	39,078	39,078	89.00%	2,127,681	2,921,848	5,049,539	3,765,277	2,741,876	6,507,153	100.00%	1,457,614	
SLO County	4,830	-	11.00%	262,980	361,137	624,118	0	0	-	-	-	
TOTAL:	43,908	43,908	100.00%	\$ 2,390,671	\$ 3,282,985	\$ 5,673,656	\$ 3,765,277	\$ 2,741,876	\$ 6,507,153	100.00%	1,457,614	

Fixed & Capital Retirement Allocation Factor

Total South Coast Table A	11,280
Total SB County Table A	39,078
Subtotal:	50,358
South Coast Retreated %	1.29

Total Adjusted Fixed & Capital Costs (SB County)	\$ 6,507,153
Total Unadjusted Fixed & Capital Costs (SB County)	5,049,539
Fixed & Capital WTP Allocation Amount	<u>1,457,614</u>

Project Participant	South Coast Fixed & Capital Retirement Credits ⁽⁶⁾		On Allocated Table A
	Allocated Table A	South Coast Credit/AF	
Guadalupe			
Santa Maria			
Golden State Water			
VAFB			
Buellton			
Santa Ynez (Solvang)			
Goleta	3,611	(466,593)	(129.22)
Morehart	200	(25,843)	(129.22)
La Cumbre	1,000	(129,217)	(129.22)
Raytheon	50	(6,461)	(129.22)
Santa Barbara	2,407	(311,062)	(129.22)
Montecito	2,407	(311,062)	(129.22)
Carpinteria	1,605	(207,375)	(129.22)
SB County Subtotal:	11,280	(1,457,614)	
SLO County	0	-	
TOTAL:	11,280	(1,457,614)	

- (1) Allocated Table A represents Table A contract amount, minus exchange deliveries for the South Coast project participants and plus exchange deliveries for Santa Ynez ID#1.
- (2) Unadjusted Fixed Operating Costs represents the WTP fixed O&M costs allocated to all project participants in proportion to contract Table A amounts.
- (3) Imputed WTP Debt Service Costs represents the cost to repay the construction costs of the WTP based on an unpaid balance of \$35,896,498 at 4.24% interest for 15 years, which corresponds to the CCWA 2006A revenue bonds.
- (4) Adjusted Fixed and Capital amounts represents the unadjusted WTP fixed and capital costs times the Fixed and Capital Retirement Allocation Factor.
- (5) Fixed and Capital Retirement Charge represents the difference between the unadjusted fixed and capital costs and the adjusted fixed and capital costs, allocated in proportion to the Santa Barbara County allocated Table A percentage.
- (6) South Coast Fixed and Capital Retirement Credits represents the fixed and capital credits allocated to the South Coast agencies in proportion to the South Coast allocated Table A amounts.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2009/10 Budget

Project Participant	WTP Requested Water Deliveries		WTP Variable Operating Costs			South Coast Variable Retirement Credits			TOTAL	
	Requested Deliveries	Exchange Net Deliveries	WTP Variable Costs	Variable Retirement Adjustment	Retirement Variable Allocation	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retirement Credits
Guadalupe	570	570	\$ 24,208	29,632	5,424	9.52				\$ 25,939
Santa Maria	16,320	16,320	693,119	848,418	155,298	9.52				759,560
Golden State Water	515	515	21,872	26,773	4,901	9.52				23,551
VAFB	5,630	5,630	239,109	292,683	53,574	9.52				258,725
Buellton	632	632	26,841	35,855	9,014	9.52				27,573
Santa Ynez (Solvang)	1,365	1,365	57,972	70,961	12,989	9.52				68,939
Santa Ynez	700	2,470	134,616	164,778	30,162	9.52				140,930
Goleta	4,950	(889)	172,470	211,113	38,643	9.52	4,061	49.87% \$ (172,470)	(42.47)	173,331 \$ (693,063)
Morehart	220	-	9,344	11,437	2,093	9.52	220	2.70% (9,344)	(42.47)	9,554 (35,187)
La Cumbre	1,100	-	46,718	57,185	10,467	9.52	1,100	13.51% (46,718)	(42.47)	47,768 (175,935)
Raytheon	55	-	2,336	2,859	523	9.52	55	0.68% (2,336)	(42.47)	2,388 (8,797)
Santa Barbara	593	(593)	12	15	3	9.52	-	0.00% (12)	(42.47)	89,795 (311,074)
Montecito	3,300	(593)	114,980	140,742	25,762	9.52	2,707	33.25% (114,980)	(42.47)	115,554 (426,042)
Carpinteria	395	(593)	(6)	(7)	(1)	9.52	-	0.00%	(42.47)	59,860 (207,369)
SB County Subtotal:	36,345	-	1,543,592	1,889,445	345,853	9.52	8,143	100.00% (345,853)	(42.47)	1,803,467 (1,803,467)
SLO County	4,063		172,577	-	-		0	0.00%		-
TOTAL:	40,408	0	\$ 1,716,169	\$ 1,889,445	\$ 345,853		8,143	100.00% \$ (345,853)		\$ 1,803,467 (1,803,467)

Variable Retirement Allocation Factor

Total South Coast Deliveries	8,143
Total SB County Deliveries	36,345
Subtotal:	<u>44,488</u>
South Coast Retreated %	<u>1.22</u>

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2009/10 Budget

Santa Ynez Exchange Agreement

On January 1, 1995 the Authority purchased a five-mile long pipeline from Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1) to convey State water into Lake Cachuma for delivery to certain Santa Barbara County South Coast project participants who are also Cachuma Project members.

SYID#1 has a contract with the U.S. Bureau of Reclamation for water from the Cachuma Project and, until January 1, 1995, owned a pipeline which extends from Lake Cachuma to the Santa Ynez area. This pipeline was used to deliver water from Lake Cachuma to SYID#1.

The Authority acquired the Cachuma pipeline from SYID#1 under the Santa Ynez River/State Water Project Exchange Agreement (the “Santa Ynez Exchange Agreement”). Also, water stored at Lake Cachuma which would normally be delivered to SYID#1 is exchanged for an equal amount of State water delivered to the Santa Ynez turnout. This State water originally ordered by the South Coast project participants is exchanged with SYID#1 Cachuma Lake water.

SYID#1 pays the variable and fixed costs to treat exchanged water as well as regional water treatment plant allocations (*see “Regional Water Treatment Plant Allocation” narrative included in this section*).

The benefits of exchange are:

- SYID#1 does not have to build a treatment plant to treat its Cachuma water because it will instead receive State water.
- The South Coast project participants obtain water at a reduced cost because they are purchasing less expensive Cachuma water from SYID#1. The South Coast project participants are also reimbursed for fixed capital and variable treatment costs for the State water that is delivered to and paid for by SYID#1. Additionally the South Coast project participants do not pay for power and Warren Act charges for the exchanged State water that would otherwise be delivered to the lake.
- All the South Coast project participants’ Santa Ynez II reach capital costs are reduced because an existing pipeline was acquired to convey State water from the Santa Ynez area to the lake. Otherwise, the Authority would have had to construct an additional five miles of new pipeline at much greater expense.

Under the Santa Ynez Exchange Agreement, the South Coast project participants are required to take delivery of an amount of water that equals or exceeds SYID#1’s annual allocation of Cachuma water.

The following tables show the FY 2009/10 Santa Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2009/10 Budget

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Exchange Adjustments	WTP Capital Exchange Mods	
				\$	\$	\$	\$	\$	\$	
Guadalupe	550		1.25%	29,946	54	-	41,123	75	-	-
Santa Maria	16,200		36.90%	882,046	54	-	1,211,268	75	-	-
Golden State Water	500		1.14%	27,224	54	-	37,385	75	-	-
VAFB	5,500		12.53%	299,460	54	-	411,233	75	-	-
Buellton	578		1.32%	31,471	54	-	43,217	75	-	-
Santa Ynez (Solvang)	1,500	2,470	3.42%	81,671	54	-	112,154	75	-	-
Santa Ynez	500	(889)	1.14%	27,224	54	134,465	37,385	75	184,654	319,119
Goleta	4,500		10.25%	245,013	54	(48,407)	336,463	75	(66,475)	(114,883)
Morehart	200	-	0.46%	10,889	54	-	14,954	75	-	-
La Cumbre	1,000	-	2.28%	54,447	54	-	74,770	75	-	-
Raytheon	50	-	0.11%	2,722	54	-	3,738	75	-	-
Santa Barbara	3,000	(593)	6.83%	163,342	54	(32,272)	224,309	75	(44,317)	(76,589)
Montecito	3,000	(593)	6.83%	163,342	54	(32,272)	224,309	75	(44,317)	(76,589)
Carpinteria	2,000	(395)	4.55%	108,895	54	(21,514)	149,539	75	(29,545)	(51,059)
SB County Subtotal:	39,078	-	89.00%	2,127,691	-	-	2,921,848	-	-	-
SLO County	4,830	-	11.00%	282,980	-	-	361,137	-	-	-
TOTAL:	43,908	0	100.00%	2,390,671	\$	\$	3,282,985	\$	\$	\$

Project Participant	WTP Requested Water Deliveries			WTP Variable Exchange Modifications			Total Exchange Modifications		
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	WTP Variable Costs Per Acre-Foot	Variable Exchange Modifications	TOTAL EXCHANGE MODIFICATIONS	Cost (Credit)	Per Acre-Foot
				\$	\$				
Guadalupe	570		570	24,208	42.47	-	-	-	-
Santa Maria	16,320		16,320	693,119	42.47	-	-	-	-
Golden State Water	515		515	21,872	42.47	-	-	-	-
VAFB	5,630		5,630	239,109	42.47	-	-	-	-
Buellton	632		632	26,841	42.47	-	-	-	-
Santa Ynez (Solvang)	1,365		1,365	57,972	42.47	-	-	-	-
Santa Ynez	700	2,470	3,170	29,729	42.47	104,887	424,006	172	172
Goleta	4,950	(889)	4,061	210,229	42.47	(37,759)	(152,642)	(172)	(172)
Morehart	220	-	220	9,344	42.47	-	-	-	-
La Cumbre	1,100	-	1,100	46,718	42.47	-	-	-	-
Raytheon	55	-	55	2,336	42.47	-	-	-	-
Santa Barbara	593	(593)	0	25,185	42.47	(25,173)	(101,761)	(172)	(172)
Montecito	3,300	(593)	2,707	140,153	42.47	(25,173)	(101,761)	(172)	(172)
Carpinteria	395	(395)	(0)	16,776	42.47	(16,782)	(67,841)	(172)	(172)
SB County Subtotal:	36,345	-	36,345	1,543,592	-	-	-	-	-
SLO County	4,063		4,063	172,577	-	-	-	-	-
TOTAL:	40,408	0	40,408	1,716,169	\$	\$	\$	\$	\$

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2009/10 Budget

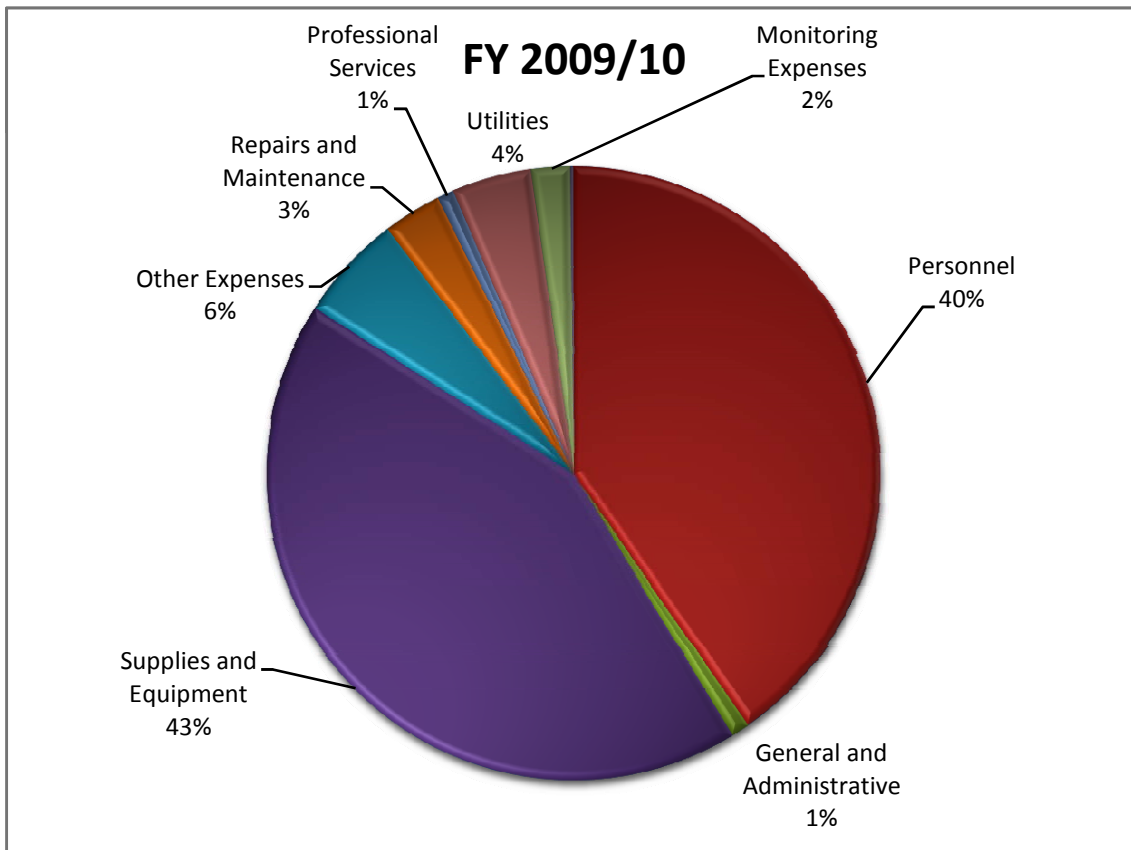
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2007/08	Number Auth. FY 2008/09	Number Requested FY 2009/10	Change Over FY 2007/08	Change Over FY 2008/09
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Operations Manager ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽³⁾	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Regulatory Specialist ⁽⁴⁾	0.25	0.25	0.25	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	0.80	0.80	0.80	-	-
WTP Operators	5.00	5.00	5.00	-	-
Lab Analyst	0.75	0.75	0.75	-	-
Secretary II	0.75	0.75	0.75	-	-
TOTAL:	13.75	13.75	13.75	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2008/09 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 188,427	\$ 47,107
Operations Manager ⁽²⁾	1	25	\$ 8,349	\$ 10,185	\$ 114,670	\$ 40,135
WTP Supervisor	1	20	\$ 6,422	\$ 7,835	\$ 87,318	\$ 87,318
Maintenance Superintendent ⁽³⁾	1	20	\$ 6,422	\$ 7,835	\$ 94,016	\$ 56,410
Maintenance Foreman	1	16	\$ 5,206	\$ 6,352	\$ 76,211	\$ 76,211
Regulatory Specialist ⁽⁴⁾	1	18	\$ 5,783	\$ 7,055	\$ 84,656	\$ 21,164
Senior Chemist	1	18	\$ 5,783	\$ 7,055	\$ 84,656	\$ 84,656
Maintenance Technicians	2	14	\$ 4,687	\$ 5,718	\$ 116,522	\$ 116,522
Maintenance/IC&R Techniciar	1	15	\$ 4,940	\$ 6,026	\$ 68,099	\$ 54,479
WTP Operators	5	14	\$ 4,687	\$ 5,718	\$ 334,443	\$ 334,443
Lab Analyst	1	11	\$ 4,042	\$ 4,932	\$ 42,557	\$ 42,557
Secretary II	1	11	\$ 4,042	\$ 4,932	\$ 42,182	\$ 42,182
FY 2009/10 Salary Pool						\$ 31,217
TOTAL:						\$ 1,034,401

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
(2) The Operations Manager is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
(3) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).
(4) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).

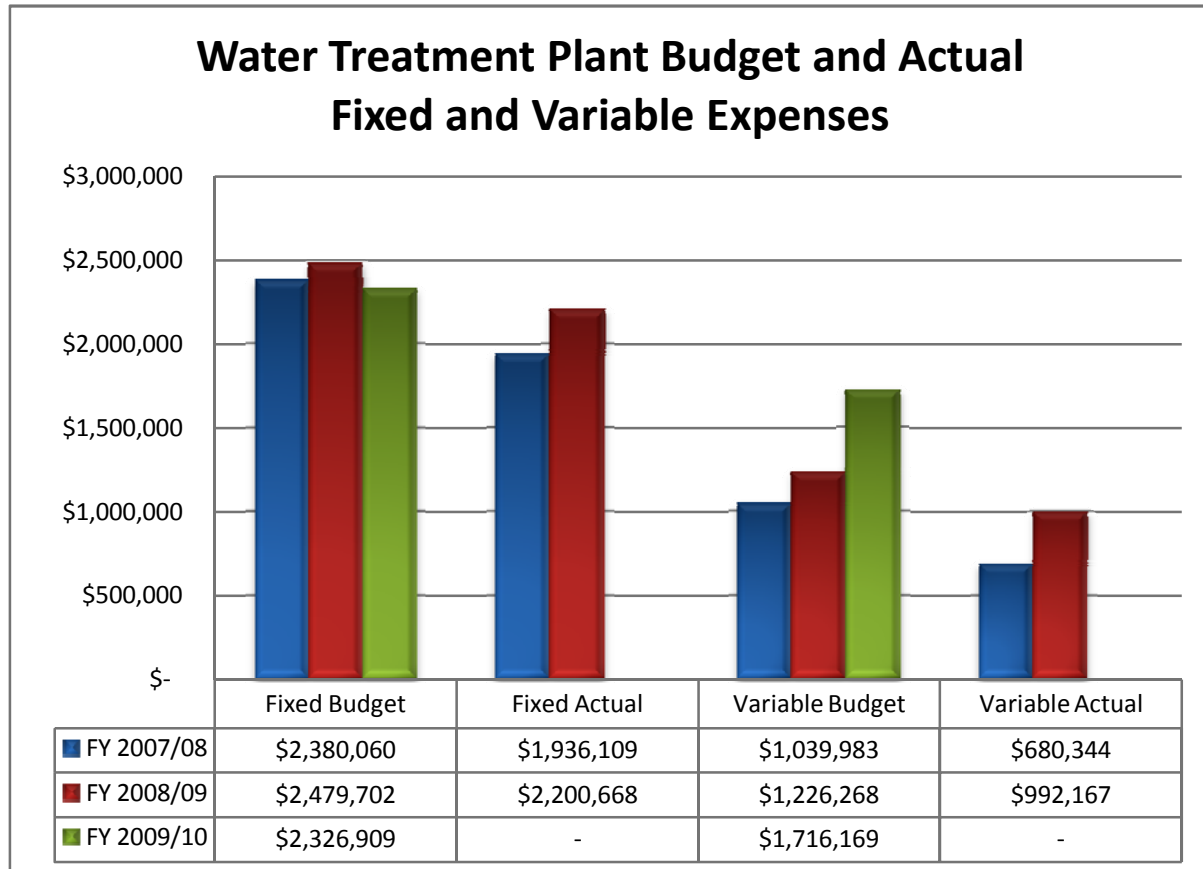
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2009/10 Budget

Item	FY 2009/10 Budget
Personnel	\$ 1,631,504
Office Expenses	5,760
Supplies and Equipment	1,727,401
Monitoring Expenses	83,230
Repairs and Maintenance	124,120
Professional Services	35,510
General and Administrative	39,050
Utilities	169,053
Other Expenses	227,450
TOTAL:	\$ 4,043,078



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2009/10 Budget

Item	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget
Personnel	\$ 1,459,402	\$ 1,413,388	\$ 1,593,536	\$ 1,516,234	\$ 1,631,504
Office Expenses	5,760	4,662	5,760	4,828	5,760
Supplies and Equipment	1,057,463	711,401	1,246,602	1,031,273	1,727,401
Monitoring Expenses	70,000	52,500	85,100	67,391	83,230
Repairs and Maintenance	122,900	104,377	123,725	104,253	124,120
Professional Services	62,700	44,886	65,500	28,587	35,510
General and Administrative	48,450	34,909	35,650	16,512	39,050
Utilities	150,585	120,186	152,831	108,274	169,053
Other Expenses	442,783	130,145	397,266	315,484	227,450
TOTAL:	\$ 3,420,043	\$ 2,616,454	\$ 3,705,970	\$ 3,192,835	\$ 4,043,078



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08	FY 2007/08	FY 2008/09	FY 2008/09	FY 2009/10	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2008/09	Budget	
PERSONNEL EXPENSES									
5000.10	Full-Time Regular Wages	\$ 944,989	\$ 895,647	\$ 1,015,742	\$ 976,680	\$ 1,034,401	\$ 18,659	\$	1.84%
1300.60	Capitalized Wages and Overtime	(27,100)	-	-	-	-	-	-	N/A
5000.20	Overtime	47,249	43,615	50,787	44,863	51,720	933		1.84%
5000.40	Standby Pay	18,542	23,842	19,068	24,543	19,768	701		3.68%
5000.50	Shift Differential Pay	11,500	12,863	11,500	11,918	11,500	-		0.00%
5000.10	PERS Retirement	173,109	168,963	191,642	180,997	198,765	7,123		3.72%
5100.15	Medicare Taxes	14,879	14,334	15,964	14,227	16,202	238		1.49%
5100.20	Health Insurance	180,447	169,238	192,550	186,339	210,746	18,196		9.45%
5100.25	Workers' Compensation	44,992	32,586	40,148	33,989	38,744	(1,404)		-3.50%
5100.30	Vehicle Expenses	-	-	-	-	-	-		N/A
5100.35	IRC 457-Employer Paid	3,875	3,786	3,875	-	-	(3,875)		-100.00%
5100.40	Cafeteria Plan Benefits	13,924	11,564	12,432	9,679	10,169	(2,263)		-18.20%
5100.45	Dental/Vision Plan	23,672	26,260	22,153	20,981	27,198	5,044		22.77%
5100.50	Long-Term Disability	4,072	4,008	4,356	4,298	4,224	(131)		-3.02%
5100.55	Life Insurance	3,921	4,765	3,969	5,089	4,015	46		1.16%
5100.60	Employee Physicals	750	295	750	30	450	(300)		-40.00%
5000.30	Temporary Services	5,000	-	5,000	-	-	(5,000)		-100.00%
5100.70	Employee Incentive Programs	2,600	1,112	2,600	2,600	2,600	-		0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-		0.00%
1300.60	Capitalized Employee Benefits	(8,020)	510	-	-	-	-		N/A
Total Personnel Expenses:		1,459,402	1,413,388	1,593,536	1,516,234	1,631,504	37,968		2.38%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	3,240	2,954	3,240	3,388	3,240	-	0.00%
5200.30	Miscellaneous Office Expenses	2,520	1,708	2,520	1,440	2,520	-	0.00%
Total Office Expenses:		5,760	4,662	5,760	4,828	5,760	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	10,265	5,737	10,265	4,601	10,265	-	0.00%
5500.15	Minor Tools and Equipment	8,500	8,736	5,000	6,723	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	5,500	3,707	8,500	296	4,500	(4,000)	-47.06%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,003,198	659,505	1,187,337	972,820	1,671,636	484,300	40.79%
5500.35	Maintenance Supplies/Hardware	10,000	8,674	10,000	16,688	10,000	-	0.00%
5500.40	Safety Supplies	5,000	5,992	7,000	4,325	5,000	(2,000)	-28.57%
5500.45	Fuel and Lubricants	15,000	19,050	18,500	25,821	21,000	2,500	13.51%
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		1,057,463	711,401	1,246,602	1,031,273	1,727,401	480,800	38.57%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	38,000	39,094	38,000	32,623	42,000	4,000	10.53%
5600.20	Lab Tools and Equipment	5,000	2,929	15,500	15,324	9,950	(5,550)	-35.81%
5600.30	Lab Testing	27,000	10,477	31,600	19,445	31,280	(320)	-1.01%
Total Monitoring Expenses:		70,000	52,500	85,100	67,391	83,230	(1,870)	-2.20%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
<i>REPAIRS AND MAINTENANCE</i>								
5700.10	Equipment Repairs and Maintenance	90,000	74,852	90,000	80,142	90,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	5,000	4,440	5,000	3,388	5,000	-	0.00%
5700.30	Building Maintenance	22,900	21,217	23,725	17,803	24,120	395	1.66%
5700.40	Landscape Maintenance	5,000	3,869	5,000	2,920	5,000	-	0.00%
	Total Repairs and Maintenance:	122,900	104,377	123,725	104,253	124,120	395	0.32%
<i>PROFESSIONAL SERVICES</i>								
5400.10	Professional Services	15,600	8,549	13,400	12,421	13,400	-	0.00%
5400.20	Legal Services	-	8,781	-	-	-	-	N/A
5400.30	Engineering Services	5,000	167	5,000	-	5,000	-	0.00%
5400.40	Permits	15,100	14,064	15,100	16,166	16,700	1,600	10.60%
5400.50	Non-Contractual Services	27,000	13,325	32,000	-	410	(31,590)	-98.72%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
	Total Professional Services:	62,700	44,886	65,500	28,587	35,510	(29,990)	-45.79%
<i>GENERAL AND ADMINISTRATIVE</i>								
5300.10	Meeting and Travel	13,750	13,626	13,750	5,792	10,000	(3,750)	-27.27%
5300.20	Mileage Reimbursement	650	350	650	938	650	-	0.00%
5300.30	Dues and Memberships	11,000	7,835	\$	1,416	16,400	4,500	37.82%
5300.40	Publications	1,000	627	1,000	1,143	500	(500)	-50.00%
5300.50	Training	13,750	9,506	13,750	3,487	7,000	(6,750)	-49.09%
5300.60	Advertising	2,000	390	2,000	-	1,500	(500)	-25.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	6,300	2,574	4,500	3,735	3,000	(1,500)	-33.33%
	Total General and Administrative:	48,450	34,909	35,650	16,512	39,050	(8,500)	-23.84%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	4,800	5,841	5,500	1,805	6,000	500	9.09%
5800.30	Electric-Fixed	96,000	83,358	97,000	77,389	106,120	9,120	9.40%
5800.35	Electric-Variable	36,785	20,840	38,931	19,347	44,533	5,602	14.39%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	10,000	7,235	8,400	6,226	8,400	-	0.00%
5800.60	Waste Disposal	3,000	2,913	3,000	3,507	4,000	1,000	33.33%
Total Utilities:		150,585	120,186	152,831	108,274	169,053	16,222	10.61%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	67,596	66,142	68,951	62,334	68,098	(852)	-1.24%
5900.30	Non-Capitalized Projects	256,020	25,443	204,359	204,359	20,808	(183,550)	-89.82%
5900.40	Equipment Rental	15,000	11,793	15,000	17,335	15,000	-	0.00%
5900.50	Non-Capitalized Equipment	10,000	784	10,000	5,818	10,000	-	0.00%
5900.60	Computer Expenses	26,910	25,983	26,910	25,638	34,267	7,357	27.34%
5900.70	Appropriated Contingency	67,257	-	72,047	-	79,276	7,229	10.03%
Total Other Expenses:		442,783	130,145	397,266	315,484	227,450	(169,816)	-42.75%
TOTAL OPERATING EXPENSES		\$ 3,420,043	\$ 2,616,454	\$ 3,705,970	\$ 3,192,835	\$ 4,043,078	\$ 325,207	8.78%

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$31,217 for the FY 2009/10 salary pool.

FY 09/10 Requested Budget	1,034,401
FY 08/09 Estimated Actual	976,680
Increase (Decrease)	57,721

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

Description: Funds for overtime expenses for non-exempt WTP employees. Overtime is set at 5% of salaries.

FY 09/10 Requested Budget	51,720
FY 08/09 Estimated Actual	44,863
Increase (Decrease)	6,857

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

Description: CCWA employee salaries and overtime capitalized as a component of capital projects constructed or acquired by CCWA.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Water Treatment Plant Department.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

\$ -
\$ - TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 09/10 Requested Budget	19,768
FY 08/09 Estimated Actual	24,543
Increase (Decrease)	(4,774)

Description: Funds for stand-by pay for one employee assigned to stand-by duty on a 24-hour basis. Based on \$1.60 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$1.97 per hour for Instrumentation and Control employee stand-by pay (1/3 to WTP and 2/3 to Distribution)

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

FY 09/10 Requested Budget	11,500
FY 08/09 Estimated Actual	11,918
Increase (Decrease)	(418)

Description: Funds for shift employee pay.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 09/10 Requested Budget	198,765
FY 08/09 Estimated Actual	180,997
Increase (Decrease)	17,767

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 19.420% contribution rate for FY 2009/10.

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 09/10 Requested Budget	16,202
FY 08/09 Estimated Actual	14,227
Increase (Decrease)	1,975

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2009.
Family: \$ 15,945
Emp+1: \$ 13,762
Emp: \$ 5,835

FY 09/10 Requested Budget	210,746
FY 08/09 Estimated Actual	186,339
Increase (Decrease)	24,407

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 93%. Based on a 10% premium increase over FY 2008/09.

FY 09/10 Requested Budget	38,744
FY 08/09 Estimated Actual	33,989
Increase (Decrease)	4,755

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

Description: Not funded

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 09/10 Requested Budget	10,169
FY 08/09 Estimated Actual	9,679
Increase (Decrease)	490

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

FY 09/10 Requested Budget	27,198
FY 08/09 Estimated Actual	20,981
Increase (Decrease)	6,217

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,936 per year per family for dental and vision expenses. Budgeted amount is \$1,909 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

FY 09/10 Requested Budget	4,224
FY 08/09 Estimated Actual	4,298
Increase (Decrease)	(73)

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.45 per \$100 of salary.

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

FY 09/10 Requested Budget	4,015
FY 08/09 Estimated Actual	5,089
Increase (Decrease)	(1,074)

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

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

FY 09/10 Requested Budget	450
FY 08/09 Estimated Actual	30
Increase (Decrease)	420

Description: Funds for employee physicals paid by CCWA, including DOT, pre-employment, and respiratory evaluation.

\$ 450 3 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

Description: Funds for reimbursement of employee education expenses under the policy established by CCWA. Employees will be taking welding, electrical/electronics, and laboratory classes.

FY 09/10 Requested Budget	1,000
FY 08/09 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

Safety Program	\$	1,300
EAAP		1,300
TOTAL:	\$	2,600

FY 09/10 Requested Budget	2,600
FY 08/09 Estimated Actual	2,600
Increase (Decrease)	-

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

Description: CCWA employee benefits capitalized as a component of capital projects constructed or acquired by CCWA.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the WTP. Based on \$270 per month in office supply expenses.

FY 09/10 Requested Budget	3,240
FY 08/09 Estimated Actual	3,388
Increase (Decrease)	(148)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

Description: Funds for miscellaneous expenses associated with CCWA. This includes picture developing, awards, business cards, coffee, kitchen supplies, etc., estimated at \$210 per month.

FY 09/10 Requested Budget	2,520
FY 08/09 Estimated Actual	1,440
Increase (Decrease)	1,080

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for WTP employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and Operations Manager/Engineer.

FY 09/10 Requested Budget	10,000
FY 08/09 Estimated Actual	5,792
Increase (Decrease)	4,208

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 09/10 Requested Budget	650
FY 08/09 Estimated Actual	938
Increase (Decrease)	(288)

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

Chlorine Institute	\$ 1,000
AWWA dues	400
AWWARF dues	14,000
Certification	1,000
Total	\$ 16,400

FY 09/10 Requested Budget	16,400
FY 08/09 Estimated Actual	14,968
Increase (Decrease)	1,432

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 09/10 Requested Budget	500
FY 08/09 Estimated Actual	1,143
Increase (Decrease)	(643)

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 09/10 Requested Budget	7,000
FY 08/09 Estimated Actual	3,487
Increase (Decrease)	3,514

\$ 7,000	\$509 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 09/10 Requested Budget	1,500
FY 08/09 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses for the WTP, including 16 weekly taste and odor samplings.

FY 09/10 Requested Budget	3,000
FY 08/09 Estimated Actual	3,735
Increase (Decrease)	(735)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services
Description: Outside professional services including:

\$	1,000	Cathodic protection
	2,000	Fire system/extinguisher inspection
	5,400	Security
	1,300	Crane inspection
	700	Oil analysis
	500	Miscellaneous
	1,000	Emergency generator/forklift service
	1,500	Equipment Calibration
\$	13,400	TOTAL

FY 09/10 Requested Budget	13,400
FY 08/09 Estimated Actual	12,421
Increase (Decrease)	979

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services
Description: Not funded for this fiscal year.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services
Description: Funds for all non-capitalized engineering services and small projects.

FY 09/10 Requested Budget	5,000
FY 08/09 Estimated Actual	-
Increase (Decrease)	5,000

ACCOUNT NUMBER: 5400.40

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

FY 09/10 Requested Budget	16,700
FY 08/09 Estimated Actual	16,166
Increase (Decrease)	534

\$	12,000	Drinking Water Program
	2,000	DHS Lab Accreditation
	1,200	Emergency Generator Permit
	1,500	Hazardous Materials Fees
\$	16,700	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 09/10 Requested Budget	410
FY 08/09 Estimated Actual	-
Increase (Decrease)	410

\$ 410 Employee Assistance Program

\$ 410 TOTAL

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 09/10 Requested Budget	10,265
FY 08/09 Estimated Actual	4,601
Increase (Decrease)	5,664

\$ 5,940 Uniform Service (\$495 per month)

1,650 Blue jean pants (\$150/year for 11 employees)

2,275 Boots (\$175/year for 13 employees)

400 Misc. uniform requirements (jackets, etc.)

\$ 10,265 TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 09/10 Requested Budget	5,000
FY 08/09 Estimated Actual	6,723
Increase (Decrease)	(1,723)

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

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

FY 09/10 Requested Budget	4,500
FY 08/09 Estimated Actual	296
Increase (Decrease)	4,205

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

FY 09/10 Requested Budget	1,671,636
FY 08/09 Estimated Actual	972,820
Increase (Decrease)	698,816

(1) WTP Plant: \$40.16 per acre foot and 40,706 acre feet of requests plus \$5,000 for taste and odor reduction chemicals
(2) Santa Ynez Pumping Station: \$2.87/af for 8,143 AF pumped water
(3) South Pipeline: \$8,500 for nitrification control chemicals

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

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

FY 09/10 Requested Budget	10,000
FY 08/09 Estimated Actual	16,688
Increase (Decrease)	(6,688)

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 09/10 Requested Budget	5,000
FY 08/09 Estimated Actual	4,325
Increase (Decrease)	675

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for WTP vehicles, equipment and emergency generator.

Does not include mileage reimbursement expenses.

FY 09/10 Requested Budget	21,000
FY 08/09 Estimated Actual	25,821
Increase (Decrease)	(4,821)

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 09/10 Requested Budget	42,000
FY 08/09 Estimated Actual	32,623
Increase (Decrease)	9,377

ACCOUNT NUMBER: 5600.20

ACCOUNT TITLE: Laboratory Tools and Equipment

Description: Funds for the purchase of non-capitalized tools and equipment for the laboratory.

FY 09/10 Requested Budget	9,950
FY 08/09 Estimated Actual	15,324
Increase (Decrease)	(5,374)

\$	1,100	HACH Chlorine Analyzer
	2,950	Turbidimeter
	1,400	ph Meter
	4,500	Incubator
\$	9,950	TOTAL

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 09/10 Requested Budget	31,280
FY 08/09 Estimated Actual	19,445
Increase (Decrease)	11,835

\$	11,600	MIB Monitoring & Study
	7,440	Annual Compliance Monitoring
	240	Monthly Compliance Monitoring
	3,200	Stage 1 DBP
	7,200	TOT TIC Analysis (GAC Performance)
	1,600	Cryptosporidium
\$	31,280	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of WTP equipment including pumps, motors, valves, instrumentation, equipment, etc.

FY 09/10 Requested Budget	90,000
FY 08/09 Estimated Actual	80,142
Increase (Decrease)	9,858

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 09/10 Requested Budget	5,000
FY 08/09 Estimated Actual	3,388
Increase (Decrease)	1,612

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 09/10 Requested Budget	24,120
FY 08/09 Estimated Actual	17,803
Increase (Decrease)	6,317

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	13,020	Janitorial service
	3,000	HVAC
	3,900	Janitorial Supplies
\$	24,120	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the WTP facility landscape. Includes weed abatement for sludge lagoons and leachfield.

FY 09/10 Requested Budget	5,000
FY 08/09 Estimated Actual	2,920
Increase (Decrease)	2,080

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service to the WTP.

FY 09/10 Requested Budget	6,000
FY 08/09 Estimated Actual	1,805
Increase (Decrease)	4,195

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 09/10 Requested Budget	106,120
FY 08/09 Estimated Actual	77,389
Increase (Decrease)	28,731

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP.
Variable electrical costs estimated at \$1.094 per acre-foot.

FY 09/10 Requested Budget	44,533
FY 08/09 Estimated Actual	19,347
Increase (Decrease)	25,186

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 09/10 Requested Budget	8,400
FY 08/09 Estimated Actual	6,226
Increase (Decrease)	2,174

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 09/10 Requested Budget	4,000
FY 08/09 Estimated Actual	3,507
Increase (Decrease)	493

\$	2,300	Garbage
	600	Bulk Dumpster
	1,000	Waste Oil/Solvent
	100	Light Bulbs
\$	4,000	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 09/10 Requested Budget	68,098
FY 08/09 Estimated Actual	62,334
Increase (Decrease)	5,764

\$	35,861	Property and auto coverage based on the apportionment provided by JPIA.
\$	32,238	General liability and E&O based on salary proportions.
\$	68,098	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects around the WTP which are not eligible for capitalization because the facilities are not owned by CCWA or do not meet the capitalization criteria.

FY 09/10 Requested Budget	20,808
FY 08/09 Estimated Actual	204,359
Increase (Decrease)	(183,551)

See the detailed description of the WTP Non-Capitalized Projects in this section of the Budget.

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 09/10 Requested Budget	15,000
FY 08/09 Estimated Actual	17,335
Increase (Decrease)	(2,335)

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized equipment. These equipment purchases are generally under \$5,000 in cost with an estimated useful life under 5 years.

FY 09/10 Requested Budget	10,000
FY 08/09 Estimated Actual	5,818
Increase (Decrease)	4,183

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 09/10 Requested Budget	34,267
FY 08/09 Estimated Actual	25,638
Increase (Decrease)	8,629

\$ 27,767	CompuVision, Annual Service Agreements and Software Subscriptions
\$ 6,500	Software, New Computers and other computer services.
\$ 34,267	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget.

FY 09/10 Requested Budget	79,276
FY 08/09 Estimated Actual	-
Increase (Decrease)	79,276

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Sedimentation basin cleaning at
Polonio Pass Water Treatment Plant

Distribution Department

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

Highlights

Department Information

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

Budget Information

- Total FY 2009/10 O&M Budget \$2,160,998
- O&M Budget decrease over FY 2008/09 \$ (155,580)
- Percentage decrease (6.72)%
- Fixed O&M expenses \$1,708,227
- Variable O&M expenses \$ 452,771
- FY 2009/10 budgeted electrical cost \$55.60 per acre-foot

Significant Accomplishments During FY 2008/09

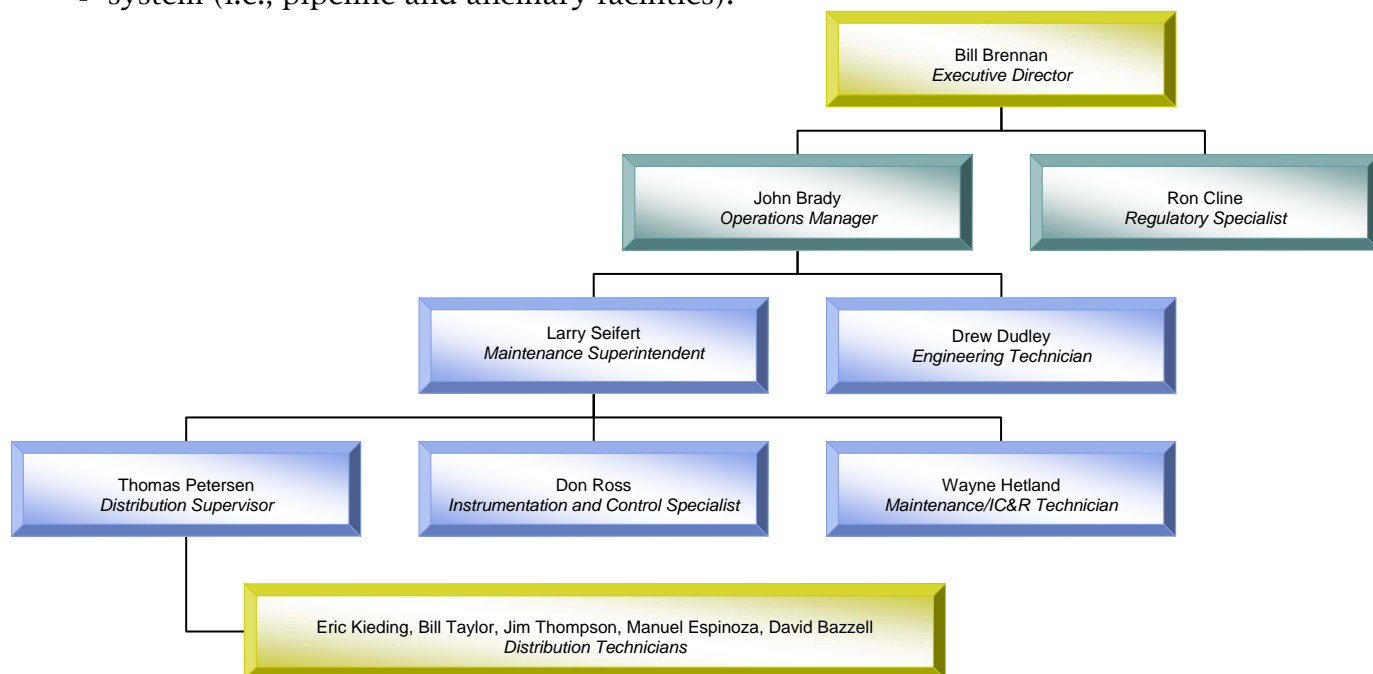
- Completed the installation of the Tank 7 chlorination facilities and initiated chlorination treatment. Distribution staff also received training on chloramination treatment techniques.
- As part of ongoing efforts for emergency response preparedness, the distribution staff operated the pipeline in manual mode and operated the satellite back-up communication system in response to a simulated fiber optic cable break.

Significant Goals for FY 2009/10

- Conduct a chlorite treatment pilot study at Tank 5 to evaluate the effectiveness of chlorite in controlling nitrification.
- Implement the first phase of a Geographic Information System for the Santa Barbara County portion of the pipeline.

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



The Distribution Department is comprised of the field Distribution Technicians, IT/Instrumentation and Control Specialist, and Maintenance IC&R Technician.

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, dechloramination and re-disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 131 miles of pipeline and operate and maintain five storage tanks, nine turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

The IT/Instrumentation and Control Specialist and Maintenance/Instrumentation and Control Technician report to the Maintenance Superintendent and maintain all distribution electrical, electronic, fiber optic and instrumentation systems. They also assist the Maintenance Superintendent in maintaining plant electrical, electronic and fiber optic systems.

The Distribution Maintenance and Instrumentation and Control staff are supported by the Maintenance Superintendent and Operations Manager, who provide long term planning and establish priorities.

The Regulatory Specialist reports to the Executive Director and divides time between Distribution and Water Treatment Plant Departments. The Regulatory

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Specialist is responsible for safety, environmental monitoring and regulatory compliance.

The following pages list the 2008 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2009 goals for the Distribution Department.

2008 DISTRIBUTION ACCOMPLISHMENTS

Engineering

<u>Goal</u>	<u>Status</u>
Complete development of five- and twenty-year Capital Improvement programs. [9/08]	Postponed to 2009.
Migrate CCWA as-built drawings to one consistent electronic format. [12/08]	Contacted two firms to scope this project. A portion of the existing files are in old version of microstation, which presents some migration issues. Postponed to 2009.
Develop Comprehensive encroachment permit program. [6/08]	Developed an outline of the major elements of the program and each element is currently being fully developed. A formal program document will be developed in 2009.
Research commercially available database software for maintaining pipeline right-of-way data. [9/08]	Reviewed several pipeline database software programs for use in maintaining CCWA record drawings, right-of-way data, and pipeline inspection records. A GIS Scoping Memorandum was developed, along with a budget estimate for a first phase implementation of a GIS system at CCWA.
Coordinate detailed analysis of pipeline conveyance capacity. [6/08]	Completed initial calculations for system resistance curve approach feasibility. One pressure transducer was installed and a request for

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historic data from the Chorro Pipeline operation was made to complete the model. The study will move forward in first quarter 2009.

Research available technology and programs for leak detection in large diameter pipelines. [11/08]

Researched aerial photograph survey approach, free swimming sonophone system, visual ground surface inspection approach, periodic internal inspection, and hydrostatic testing during the annual winter shutdown. It was concluded that the best approach for leak monitoring at this time would be a program of (1) visual ground surface inspection, (2) hydrostatic testing during annual shutdown, and (3) periodic internal inspections of the pipeline. Complete 11/08.

Research and evaluate potential mitigation measures to address side slope water seepage from the WTP sludge lagoons. [11/08]

The evaluation concluded that (1) many administrative controls that have already been implemented are effective and should be monitored for effectiveness, (2) soil amendment technology was not feasible and not very effective, based on past performance onsite and, (3) lining technology would be effective and may provide other benefits to the lagoon operation. A budget proposal for lining technology is currently under development for further consideration.

Develop and implement a monitoring program for the flexible joint connections between the large diameter HDPE pipe and concrete structures at the WTP. [11/08]

Complete 11/08.

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Research available options for repairing areas of concrete deterioration/distress within the WTP. [9/08]

Areas of deterioration were identified and the aerial extent was quantified. In addition, the original design and specifications of the concrete structures were reviewed to gain insight to why some areas have degraded and not others. Mitigation and repairs measures are currently under development.

Environmental and Safety

Goal

Status

Complete HCP (Habitat Conservation Plan) according to schedule presented by National Fish and Wildlife Service. [6/08]

Have reached verbal agreements with F&WS/Waiting on F&G.

Research and install updated fall protection devices at Tanks 2 and 5. [8/08]

Complete 10/08.

Participate in Cal/OSHA consultation inspection at WTP. [7/08]
 Work with Cal/OSHA on pipeline confined space entry.

Postponed to Spring '09.

Monitor and repair revegetation and erosion damage caused by 2006 abandoned pipeline removal along Santa Rosa Road. [3-year commitment]

On going. First year plantings survived well. On schedule.

Continue monitoring erosion near major blow-off at Huero Huero Creek. With Operations Manager's assistance, develop long-term erosion control solution. [12/08]

Complete 12/08. Continue monitoring into 2009.

Remove supports and protections for maturing oak trees and continue oak tree monitoring program for DWR Reaches 3 and 4. [11/08]

Complete 11/08.

With Operations Manager's assistance develop long-term solution for exposed pipe in upper Santa Ynez River. [12/08]

Identified several geophysical contractors with the ability to investigate the depth of bedrock with no excavation. This information is required to determine the long-term solution to the erosion issue at this location. Techniques

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that avoid excavation were desirable due to permitting restrictions for excavation work within the river canal. Work will continue in 2009.

Operations and Maintenance

<u>Goal</u>	Status
Continue compliance monitoring for Long Term 2 Surface Water Treatment Rule and Stage 2 Disinfection Byproducts rules. [12/08]	Complete 12/08.
Update WTP Operations Plan for DHS. [8/08]	Complete 12/08.
Conduct emergency preparedness training exercise with O&M staff. Operate the distribution system in manual mode and test satellite backup communications. [6/08]	Complete 12/08. Staff participated in the Bureau of Reclamation Bradbury Dam's Tabletop exercise. Additionally, staff operated the pipeline in manual mode and tested the satellite backup communication system.
Investigate the need for additional emergency generators in system. [6/08]	Tank 5 was identified as a critical facility from a pipeline control perspective and installing a small 3,000 Watt electrical generator was considered justifiable.
Complete evaluation of sodium bisulfate storage tank and implement appropriate project. [11/08]	Sodium Bisulfite selection was the most cost effective chemical for the SYPP operation. Research of the available Sodium Bisulfite storage guidelines is underway as well as consultation with our current supply vendor.
Complete installation of permanent chlorination facilities at Tank 7. [3/08]	The installation of the Tank 7 chlorination facility is complete 3/08.
Complete internal pipeline inspection of Reach 4. [11/08]	Complete 11/08.

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Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements, and revegetation and erosion control. [Ongoing]

Developed an enhanced QA/QC plan for the GAC Media Replacement Project. Also, developed a preliminary full scale performance monitoring plan for the filters with new fresh GAC installed.

Developed the scope of a MIB study, which is designed to enhance understanding of why MIB increases along the length of the raw water pipeline.

Conducted a raw water canal ammonia monitoring study documenting conditions before, during, and after the DWR shutdown.

Disinfected Tank 7 and downstream piping during the 2008 shutdown as nitrification control measure.

Staff prepared in-house the Spill Prevention Controls and Countermeasures Plan (SPCC) for the fuel storage tank at the Treatment Plant.

Staff designed in-house a drop inlet and culvert system to intercept and transmit storm water flow over the pipeline easement to eliminate an erosion issue at the Gardner Ranch.

Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]

Worked with San Luis Obispo County in developing their dry year water transfer program.

Initiated water banking program for Carpinteria.

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Presented several water purchase programs for CCWA project participants including Yuba Water Transfer Program, SWPCA Dry Year Program, and other water sales opportunities.

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

Provided non-detect table in conjunction with annual CCR water quality data table.

Staff modified the nitrification response plan to include phone call notification of effected participants in the event of exceeding the CCWA nitrite action level.

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2009 GOALS

Engineering

Goal

Complete development of five- and twenty-year Capital Improvement programs. [12/09]

Migrate CCWA as-built drawings to one consistent electronic format. [12/09]

Prepare a formal policy and procedure for the encroachment permit program. [6/09]

Implement the first phase of a Geographic Information System for the Santa Barbara County portion of the pipeline. [12/09]

Complete the pipeline conveyance capacity study and develop a model for pipeline flow and pressure estimation. [4/09]

Coordinate the design and installation of new Bisulfite Storage Tanks at Santa Ynez Pumping Plant. [12/09]

Coordinate the design and installation of the flexible joint at Isolation Vault #2. [12/09]

Update the pipeline water quality monitoring program. This monitoring plan will be developed to comply with the revisions to the Total Coliform Rule and DBP Rule requirements. [4/09]

Environmental and Safety

Goal

Complete HCP (Habitat Conservation Plan) according to schedule presented by National Fish and Wildlife Service. [12/09]

Finish facility arc flash study - T7, T5, EDV, T2. Provide required training to affected employees. [11/09]

Implement repairs to exposed section of pipe in upper Santa Ynez River - Reach SYII. Work with Engineering. [10/09]

Monitor vegetation and oaks along R.O.W. [On-going]

Monitor and maintain re-vegetated area on Merritt property. [Last of 3-year commitment]

Work with Engineer to repair erosion concerns on R.O.W. Includes both potential and actual sites. [On-going]

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Operations and Maintenance

Goal

Implement the MIB study, which is designed to enhance understanding of why MIB increases along the length of the raw water pipeline. [10/09]

Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [12/09]

Implement the full scale performance monitoring plan for the filters with fresh GAC installed. [2/09]

Conduct a chlorite treatment pilot study at Tank 5 to evaluate the effectiveness of chlorite in controlling nitrification in the southern portion of the pipeline. [6/09]

Install additional pressure transmitters within the distribution system and connect to SCADA as an aid in the Leak Detection program. [10/09]

Conduct internal pipeline inspection to look at previous repairs and any damage at the North Portal (Nacimiento pipeline work area), Reach B (repair location), and Reach C (repair location) as part of the annual system shutdown. [11/09]

Begin the next phase of system security by installing network security cameras at the turnout locations. [12/09]

Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime requirements, and re-vegetation and erosion control. [Ongoing]

Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]

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

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DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

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

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

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



Remote Programmable Logic Panel

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The following is a list of the various financial reaches including the facilities and/or landmarks located in each reach.

DWR REACHES

- Reach 33B Tank 1 through the Chorro Valley turnout
- Reach 34 Chorro Valley turnout through the Lopez turnout
- Reach 35 Lopez turnout through the Guadalupe turnout
- Reach 36 Deleted
- Reach 37 Guadalupe turnout to Southern Pacific Railroad crossing near Casmalia
- Reach 38 Southern Pacific Railroad crossing near Casmalia through Tank 5

CCWA (Authority) REACHES

- Mission Hills Tank 5 to La Purisima Road
- Santa Ynez I La Purisima Road to the Santa Ynez Pumping Facility
- Santa Ynez II Santa Ynez Pumping Facility to Lake Cachuma

The table and map on page 183 shows the participation by project participant, by financial reach and the corresponding percentage share of the operating costs for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

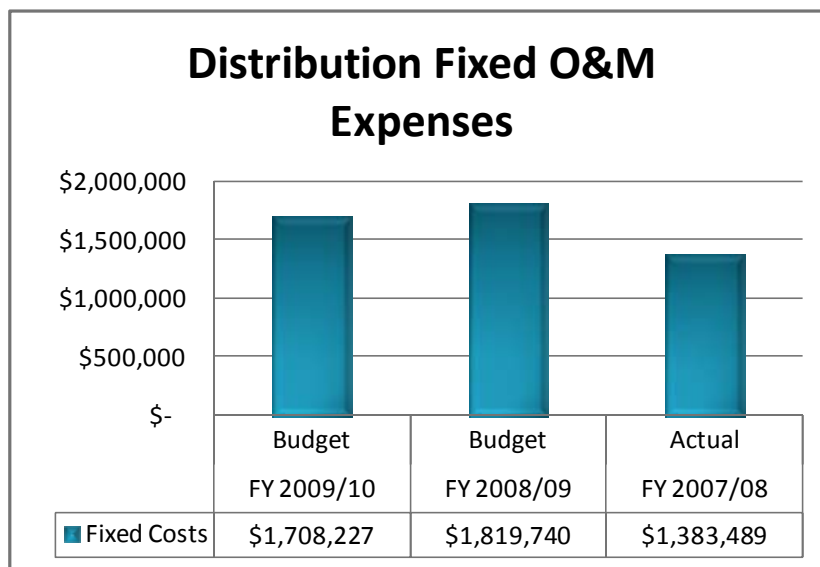
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2007/08 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

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Distribution Department Financial Reach Allocation			
Financial Reach	FY 2009/10 Allocation Percentage	FY 2008/09 Allocation Percentage	Increase (Decrease)
Reach 33B	28.91%	22.12%	6.79%
Reach 34	11.49%	13.21%	-1.72%
Reach 35	5.61%	7.20%	-1.59%
Reach 37	3.01%	3.92%	-0.91%
Reach 38	3.61%	4.79%	-1.18%
Mission Hills II	10.89%	9.70%	1.19%
Santa Ynez I	17.69%	16.86%	0.83%
Santa Ynez II	18.79%	22.20%	-3.41%
TOTAL:	100.00%	100.00%	0.00%

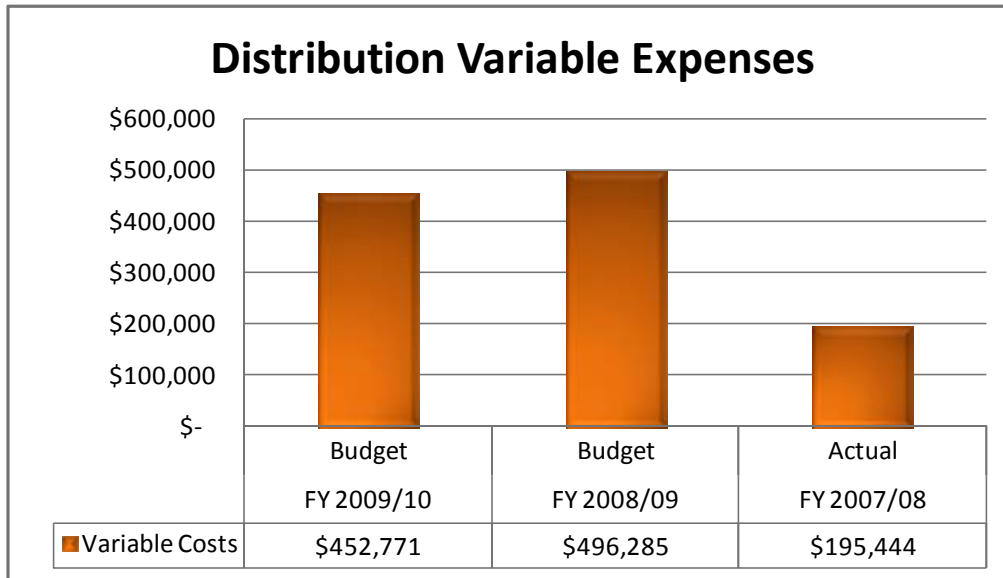
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

Fixed O&M Costs are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and repair and maintenance costs. The following graph shows the three-year trend for the Distribution Department Fixed O&M expenses.



Variable O&M Costs are all costs that vary with the amount of water processed. The Distribution Department variable expenses are solely electrical costs to pump the South Coast project participant water into Lake Cachuma. The following graph shows the three-year trend for the Distribution Department variable O&M costs.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2009/10 Budget



The following table shows the allocation of the Distribution Department variable O&M costs (electrical costs) for the Fiscal Year 2009/10 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$55.60/AF
Goleta	4,061	\$ 225,788
Morehart	220	12,232
La Cumbre	1,100	61,160
Raytheon	55	3,058
Santa Barbara	0	-
Montecito	2,707	150,525
Carpinteria	(0)	-
Total South Coast:	8,143	\$ 452,763

(1) Excludes water deliveries exchanged with Santa Ynez ID#1.

Fiscal Year 2009/10 Operating Expense Budget

The Fiscal Year 2009/10 Distribution Department operating expense budget is \$2,160,998, which is \$155,580 lower than the previous year's budget of \$2,316,025, a decrease of 6.72%. The personnel expense section of the Distribution Department budget represents approximately 56% of the budget. Utilities comprise 25%, with other expenses making up the balance of the budget. The chart on page xxx shows percentage of the various components of the Distribution Department operating expense budget. Variable O&M costs are included in the supplies and equipment and utilities categories.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2009/10 Budget

Personnel Expenses Personnel expenses are increasing by about \$16,000 (excluding reductions for capitalized salaries and benefits) attributed to the following:

- Salary increases for FY 2009/10 of \$23,420.
- Health insurance expense decrease of approximately \$8,000 for a change in dependent status for certain employees.
- PERS retirement expense increase of about \$6,000 for higher salaries.
- Decrease in budgeted temporary services of \$10,000.

Professional Services Professional services expenses are about \$55,000 lower primarily due to a decrease in anticipated environmental services expenses.

Utility Expenses Utility expenses are decreasing by about \$38,000 attributed to an 880 acre-feet decrease in project participant requested water deliveries into Lake Cachuma for FY 2009/10 compared to the prior year. The estimated electrical cost per acre-foot of delivering water into Lake Cachuma is \$55.60/AF.

Other Expenses Other expenses are decreasing by approximately \$74,000 due to a decrease in non-capitalized project expenses (see the discussion on non-capitalized projects later in this section of the Budget).

Turnout Expenses Turnout expenses include funds for utility expenses at each turnout, equipment repairs and maintenance and non-capitalized projects.

The following table shows the FY 2009/10 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES								
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Non-Capital Projects	TOTAL	
Guadalupe	\$ 650	\$ 1,000	\$ -	\$ 500	\$ 2,150	\$ -	\$ 2,150	
Santa Maria	-	1,500	-	500	2,000		2,000	
Golden State Water Co.	-	3,000	-	500	3,500		3,500	
Vandenberg Air Force Base	-	1,500	-	500	2,000		2,000	
Buellton	350	1,500	-	500	2,350		2,350	
Santa Ynez (Solvang)	250	1,000	-	500	1,750		1,750	
Santa Ynez	-	1,000	-	500	1,500		1,500	
Chorro Valley	-	1,500	1,200	500	3,200	2,828	6,028	
Lopez	350	1,500	-	500	2,350	2,828	5,178	
TOTAL:	\$ 1,600	\$ 13,500	\$ 1,200	\$ 4,500	\$ 20,800	\$ 5,657	\$ 26,457	

Central Coast Water Authority
Distribution Department
 Fiscal Year 2009/10 Budget

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, since CCWA does not own the DWR portion of the Coastal Branch Extension, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the distribution system which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2009/10.

<i>Non-Capitalized Projects-Reach Specific</i>		
Project Description	Financial Reach	Amount
Arc Flash Study	ALL	8,820
Chorro & Lopez Turnout Ventilator Fans	TO	5,657
TOTAL NON-CAPITALIZED PROJECTS		\$ 14,477

Central Coast Water Authority
Distribution Department
 Fiscal Year 2009/10 Budget

Description:	Installation of Ventilators at the Chorro and Lopez Turnout Vaults
Department:	Distribution - 33B and 34
Expanded Description	Ventilation fans will be installed in the vaults at the Chorro and Lopez Turnouts. This project is being implemented at the request of Joint Powers Insurance Authority (JPIA), following their annual inspection of CCWA facilities.
Estimated Charge	\$5,000
Sales Tax	\$388
Contingency (5%)	\$269
Subtotal without CCWA Labor	\$5,657
Labor and overhead	\$4,250
Total Cost	\$9,907
Operating Budget Impact:	Installation of these ventilators will comply with JPIA's specific request and will assist with keeping insurance premiums low.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2009/10 Budget

Description:	Arch Flash Study for Tank 5 and the Energy Dissipation Vault
Department:	Distribution – All Reaches
Expanded Description	This project is phase 2 of the Arch Flash Study, which is being conducted to comply with new safety regulations. The specific locations to be studied are Tank 5 and the Energy Dissipation Vault.
Estimated Charge	\$8,400
Contingency (5%)	\$420
Subtotal without CCWA Labor	\$8,820
Labor and overhead	\$1,700
Total Cost	\$10,520
Operating Budget Impact:	Compliance with the new Arch Flash Safety regulations will reduce safety hazards that CCWA staff will be exposed to and thus reduce workers compensation claims. In addition, compliance with regulation will avoid fines for noncompliance.

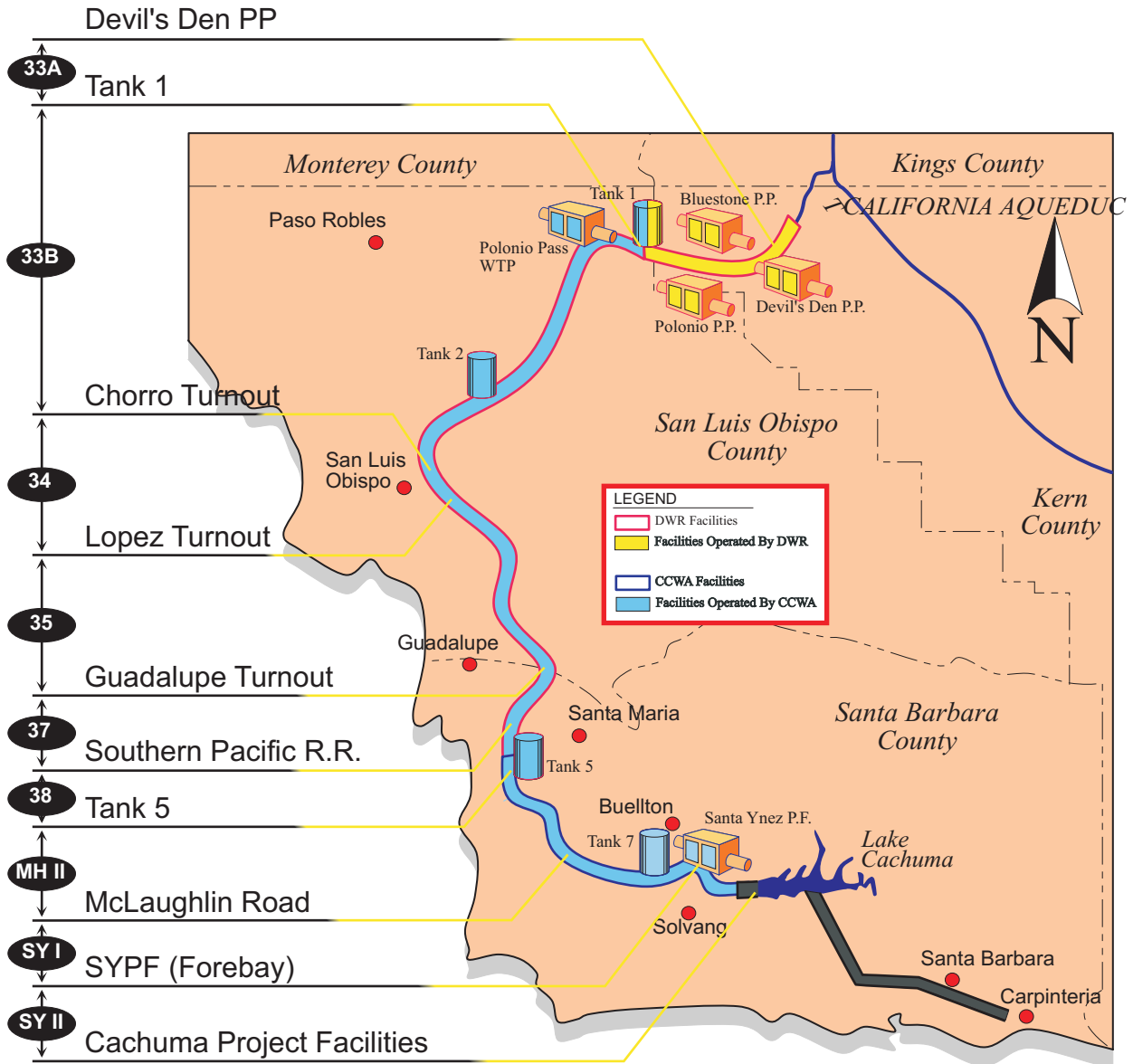
Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2009/10 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2007/08	Number Auth. FY 2008/09	Number Requested FY 2009/10	Change Over FY 2007/08	Change Over FY 2008/09
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Operations Manager ⁽²⁾	0.40	0.40	0.40	-	-
Regulatory Specialist ⁽³⁾	0.75	0.75	0.75	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽⁴⁾	0.40	0.40	0.40	-	-
Maintenance/IC&R Technician	0.20	0.20	0.20	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.00	10.00	10.00	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2008/09 Total Annual Salary	Allocation to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A		N/A	\$ 188,427	\$ 47,107
Operations Manager ⁽²⁾	1	25	\$ 8,349	\$ 10,185	\$ 114,670	\$ 45,868
Regulatory Specialist ⁽³⁾	1	18	\$ 5,783	\$ 7,055	\$ 84,656	\$ 63,492
Distribution Supervisor	1	18	\$ 5,783	\$ 7,055	\$ 80,642	\$ 80,642
Engineering Technician	1	16	\$ 5,206	\$ 6,352	\$ 57,179	\$ 57,179
Instrumentation & Control Specialist	1	18	\$ 5,783	\$ 7,055	\$ 84,656	\$ 84,656
Maintenance Superintendent ⁽⁴⁾	1	20	\$ 6,422	\$ 7,835	\$ 94,016	\$ 37,606
Maintenance/IC&R Technician	1	15	\$ 4,940	\$ 6,026	\$ 68,099	\$ 13,620
Distribution Technicians	5	14	\$ 4,687	\$ 5,718	\$ 322,171	\$ 322,171
FY 2009/10 Salary Pool						\$ 23,420
TOTAL:						\$ 775,762

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
(2) The Operations Manager is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
(3) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).
(4) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).

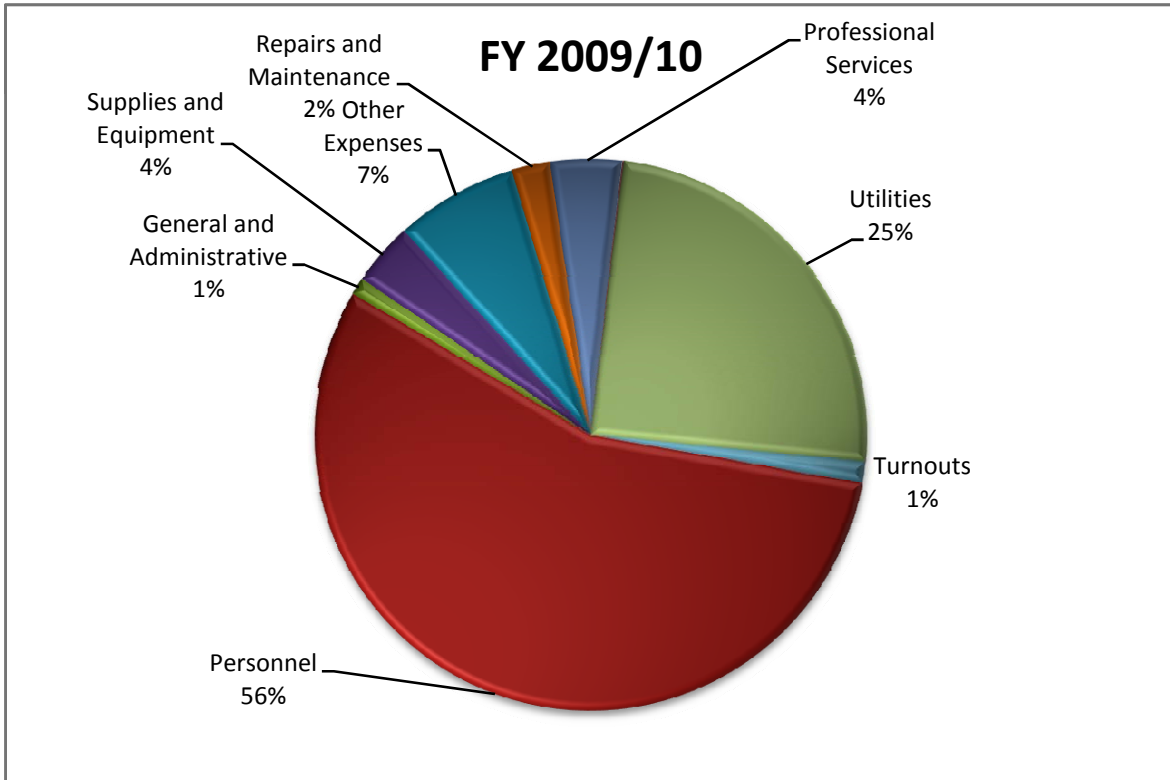
COASTAL BRANCH FINANCIAL REACHES



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

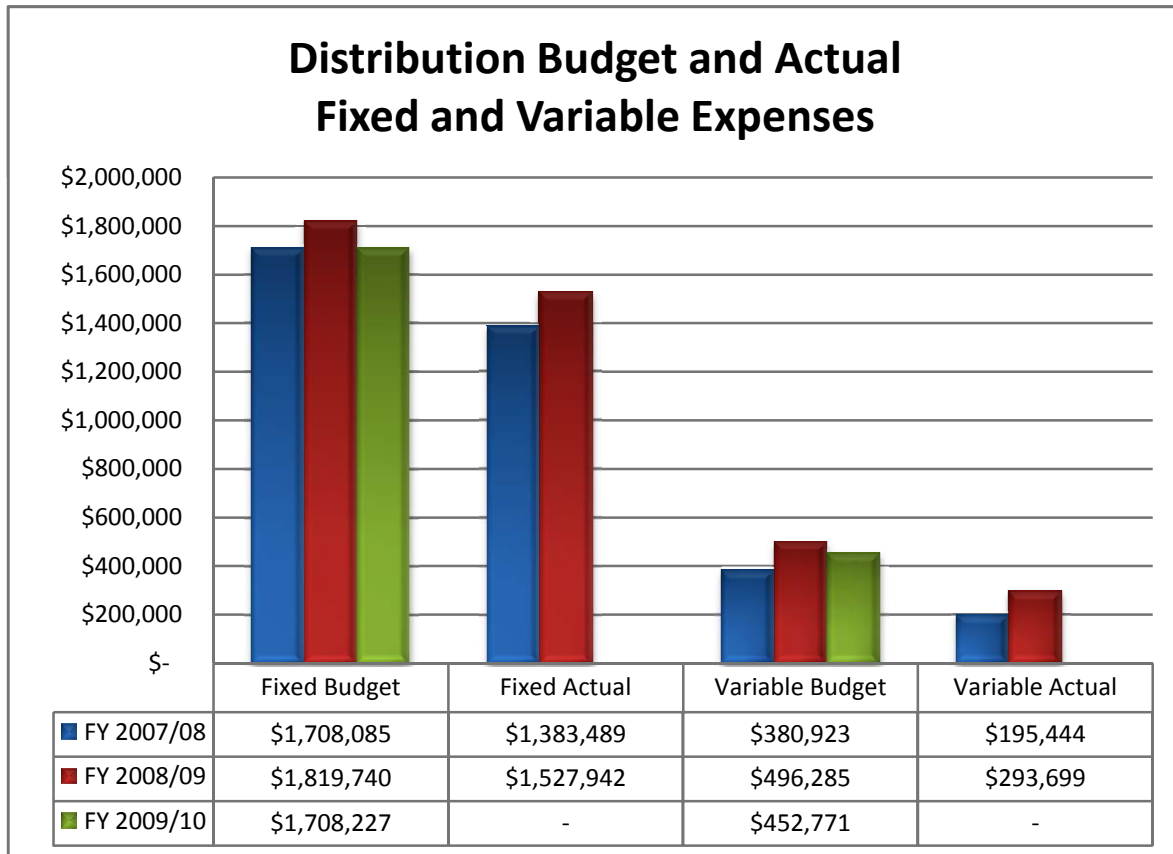
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2009/10 Budget

Item	FY 2009/10 Budget
Personnel	\$ 1,205,282
Office Expenses	2,800
Supplies and Equipment	79,565
Monitoring Expenses	-
Repairs and Maintenance	48,780
Professional Services	90,060
General and Administrative	21,800
Utilities	530,246
Other Expenses	156,008
Turnouts	26,457
TOTAL:	\$ 2,160,998



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2009/10 Budget

Item	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget
Personnel	\$ 1,113,496	\$ 836,471	\$ 1,188,781	\$ 1,001,729	\$ 1,205,282
Office Expenses	3,000	2,216	2,800	1,647	2,800
Supplies and Equipment	73,965	71,654	80,219	63,808	79,565
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	51,568	27,948	52,348	62,083	48,780
Professional Services	130,750	91,407	145,400	84,302	90,060
General and Administrative	23,100	21,370	23,100	10,953	21,800
Utilities	453,183	261,613	568,029	373,352	530,246
Other Expenses	194,295	244,553	229,997	198,418	156,008
Turnouts	45,650	21,702	25,350	25,350	26,457
TOTAL:	\$ 2,089,007	\$ 1,578,934	\$ 2,316,025	\$ 1,821,642	\$ 2,160,998



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
PERSONNEL EXPENSES								
5000.10	Full-Time Regular Wages	\$ 725,123	\$ 589,166	\$ 754,752	\$ 649,207	\$ 775,762	\$ 21,010	2.78%
1300.60	Capitalized Wages and Overtime	(23,500)	(71,861)	(507)	-	-	507	-100.00%
5000.20	Overtime	48,256	36,390	49,738	52,215	50,788	1,050	2.11%
5000.40	Standby Pay	22,805	19,185	24,557	17,650	24,557	-	0.00%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	128,706	102,651	137,771	112,220	144,155	6,384	4.63%
5100.15	Medicare Taxes	11,601	8,682	12,077	8,831	12,341	264	2.18%
5100.20	Health Insurance	126,670	81,725	137,337	87,697	129,190	(8,148)	-5.93%
5100.25	Workers' Compensation	33,017	22,727	28,874	19,744	28,038	(836)	-2.90%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	3,875	3,786	3,875	-	-	(3,875)	-100.00%
5100.40	Cafeteria Plan Benefits	6,250	2,929	3,620	2,796	10,405	6,785	187.44%
5100.45	Dental/Vision Plan	16,612	15,189	15,546	15,999	19,086	3,540	22.77%
5100.50	Long-Term Disability	3,270	2,277	3,398	2,192	3,340	(58)	-1.70%
5100.55	Life Insurance	3,412	2,714	3,440	2,639	3,520	80	2.32%
5100.60	Employee Physicals	900	450	900	470	500	(400)	-44.44%
5000.30	Temporary Services	10,000	-	10,000	-	-	(10,000)	-100.00%
5100.70	Employee Incentive Programs	2,600	658	2,600	1,727	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	60	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	19,743	-	28,342	-	-	N/A
1300.60	Capitalized Employee Benefits	(7,100)	-	(198)	-	-	198	-100.00%
Total Personnel Expenses:		1,113,496	836,471	1,188,781	1,001,729	1,205,282	16,501	1.39%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
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OFFICE EXPENSES

5200.20	Office Supplies	2,000	1,234	1,800	1,084	1,800	-	0.00%
5200.30	Miscellaneous Office Expenses	1,000	982	1,000	563	1,000	-	0.00%
	Total Office Expenses:	3,000	2,216	2,800	1,647	2,800	-	0.00%

SUPPLIES AND EQUIPMENT

5500.10	Uniform Expenses	6,565	4,988	6,565	4,147	6,565	-	0.00%
5500.15	Minor Tools and Equipment	10,000	9,083	10,000	3,628	5,000	(5,000)	-50.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	1,057	1,000	387	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variabile	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	6,542	10,000	5,867	10,000	-	0.00%
5500.40	Safety Supplies	5,000	4,254	5,000	5,436	5,000	-	0.00%
5500.45	Fuel and Lubricants	33,900	39,787	35,154	43,960	39,500	4,346	12.36%
5500.50	Seed/Erosion Control Supplies	7,000	5,686	12,000	383	12,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	257	500	-	500	-	0.00%
	Total Supplies and Equipment:	73,965	71,654	80,219	63,808	79,565	(654)	-0.82%

MONITORING EXPENSES

5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
	Total Monitoring Expenses:	-	-	-	-	-	-	N/A

Central Coast Water Authority

Distribution Department Operating Expenses

Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
5700.10	Equipment Repairs and Maintenance	30,000	13,033	30,000	44,302	30,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	14,420	7,777	14,420	4,306	10,000	(4,420)	-30.65%
5700.30	Building Maintenance	4,000	3,015	4,780	8,555	4,780	-	0.00%
5700.40	Landscape Maintenance	3,148	4,122	3,148	4,919	4,000	852	27.06%
Total Repairs and Maintenance:		51,568	27,948	52,348	62,083	48,780	(3,568)	-6.82%

REPAIRS AND MAINTENANCE

PROFESSIONAL SERVICES

5400.10	Professional Services	93,750	61,921	115,000	77,265	80,250	(34,750)	-30.22%
5400.20	Legal Services	-	62	-	-	-	-	N/A
5400.30	Engineering Services	16,000	19,587	16,000	2,760	6,000	(10,000)	-62.50%
5400.40	Permits	3,400	2,308	3,400	4,278	3,400	-	0.00%
5400.50	Non-Contractual Services	17,600	7,529	11,000	-	410	(10,590)	-96.27%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		130,750	91,407	145,400	84,302	90,060	(55,340)	-38.06%

GENERAL AND ADMINISTRATIVE

5300.10	Meeting and Travel	9,000	6,571	9,000	5,691	7,000	(2,000)	-22.22%
5300.20	Mileage Reimbursement	-	-	-	-	-	-	N/A
5300.30	Dues and Memberships	1,300	1,142	1,300	809	6,800	5,500	423.08%
5300.40	Publications	1,300	845	1,300	184	500	(800)	-61.54%
5300.50	Training	9,000	9,643	9,000	3,973	5,000	(4,000)	-44.44%
5300.60	Advertising	2,000	2,782	2,000	-	2,000	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	500	387	500	296	500	-	0.00%
Total General and Administrative:		23,100	21,370	23,100	10,953	21,800	(1,300)	-5.63%

Central Coast Water Authority

Distribution Department Operating Expenses

Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
UTILITIES								
5800.20	Natural Gas	400	523	450	245	550	100	22.22%
5800.30	Electric Fixed	54,660	54,934	58,644	67,639	63,925	5,281	9.01%
5800.35	Electric-Variable	380,923	195,444	496,285	293,699	452,771	(43,514)	-8.77%
5800.40	Water	1,200	1,310	1,350	1,331	1,350	-	0.00%
5800.50	Telephone	14,000	7,005	8,400	8,434	8,750	350	4.17%
5800.60	Waste Disposal	2,000	2,397	2,900	2,005	2,900	-	0.00%
Total Utilities:		453,183	261,613	568,029	373,352	530,246	(37,783)	-6.65%
OTHER EXPENSES								
5900.10	Insurance	43,768	42,997	44,012	46,692	43,668	(345)	-0.78%
5900.30	Non-Capitalized Projects	54,201	152,160	85,396	85,396	8,820	(76,576)	-89.67%
5900.40	Equipment Rental	12,000	8,793	12,000	5,235	17,000	5,000	41.67%
5900.50	Non-Capitalized Equipment	10,000	3,603	10,000	10,000	10,000	-	0.00%
5900.60	Computer Expenses	34,260	37,000	34,260	51,095	34,667	407	1.19%
5900.70	Appropriated Contingency	40,066	-	44,329	-	41,854	(2,475)	-5.58%
Total Other Expenses:		194,295	244,553	229,997	198,418	156,008	(73,989)	-32.17%
Turnouts		45,650	21,702	25,350	25,350	26,457	1,107	4.37%
TOTAL OPERATING EXPENSES		\$ 2,089,007	\$ 1,578,934	\$ 2,316,025	\$ 1,821,642	\$ 2,160,998	(155,580)	-6.72%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change Budget
PERSONNEL EXPENSES								
5000.10	Full-Time Regular Wages	\$ 725,123	\$ 589,166	\$ 754,752	\$ 649,207	\$ 775,762	\$ 21,010	2.78%
1300.60	Capitalized Wages and Overtime	(23,500)	(71,861)	(507)	-	-	507	-100.00%
5000.20	Overtime	48,256	36,390	49,738	52,215	50,788	1,050	2.11%
5000.40	Standby Pay	22,805	19,185	24,557	17,650	24,557	-	0.00%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	128,706	102,651	137,771	112,220	144,155	6,384	4.63%
5100.15	Medicare Taxes	11,601	8,682	12,077	8,831	12,341	264	2.18%
5100.20	Health Insurance	126,670	81,725	137,337	87,697	129,190	(8,148)	-5.93%
5100.25	Workers' Compensation	33,017	22,727	28,874	19,744	28,038	(836)	-2.90%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	3,875	3,786	3,875	-	-	(3,875)	-100.00%
5100.40	Cafeteria Plan Benefits	6,250	2,929	3,620	2,796	10,405	6,785	187.44%
5100.45	Dental/Vision Plan	16,612	15,189	15,546	15,999	19,086	3,540	22.77%
5100.50	Long-Term Disability	3,270	2,277	3,398	2,192	3,340	(58)	-1.70%
5100.55	Life Insurance	3,412	2,714	3,440	2,639	3,520	80	2.32%
5100.60	Employee Physicals	900	450	900	470	500	(400)	-44.44%
5000.30	Temporary Services	10,000	-	10,000	-	-	(10,000)	-100.00%
5100.70	Employee Incentive Programs	2,600	658	2,600	1,727	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	60	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	19,743	-	28,342	-	-	N/A
1300.60	Capitalized Employee Benefits	(7,100)	-	(198)	-	-	198	-100.00%
Total Personnel Expenses:		1,113,496	836,471	1,188,781	1,001,729	1,205,282	16,501	1.39%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	2,000	1,234	1,800	1,084	1,800	-	0.00%
5200.30	Miscellaneous Office Expenses	1,000	982	1,000	563	1,000	-	0.00%
	Total Office Expenses:	3,000	2,216	2,800	1,647	2,800	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	6,565	4,988	6,565	4,147	6,565	-	0.00%
5500.15	Minor Tools and Equipment	10,000	9,083	10,000	3,628	5,000	(5,000)	-50.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	1,057	1,000	387	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	6,542	10,000	5,867	10,000	-	0.00%
5500.40	Safety Supplies	5,000	4,254	5,000	5,436	5,000	-	0.00%
5500.45	Fuel and Lubricants	33,900	39,787	35,154	43,960	39,500	4,346	12.36%
5500.50	Seed/Erosion Control Supplies	7,000	5,686	12,000	383	12,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	257	500	-	500	-	0.00%
	Total Supplies and Equipment:	73,965	71,654	80,219	63,808	79,565	(654)	-0.82%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
	Total Monitoring Expenses:	-	-	-	-	-	-	N/A

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
REPAIRS AND MAINTENANCE								
5700.10	Equipment Repairs and Maintenance	30,000	13,033	30,000	44,302	30,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	14,420	7,777	14,420	4,306	10,000	(4,420)	-30.65%
5700.30	Building Maintenance	4,000	3,015	4,780	8,555	4,780	-	0.00%
5700.40	Landscape Maintenance	3,148	4,122	3,148	4,919	4,000	852	27.06%
Total Repairs and Maintenance:		51,568	27,948	52,348	62,083	48,780	(3,568)	-6.82%

PROFESSIONAL SERVICES

5400.10	Professional Services	93,750	61,921	115,000	77,265	80,250	(34,750)	-30.22%
5400.20	Legal Services	-	62	-	-	-	-	N/A
5400.30	Engineering Services	16,000	19,587	16,000	2,760	6,000	(10,000)	-62.50%
5400.40	Permits	3,400	2,308	3,400	4,278	3,400	-	0.00%
5400.50	Non-Contractual Services	17,600	7,529	11,000	-	410	(10,590)	-96.27%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		130,750	91,407	145,400	84,302	90,060	(55,340)	-38.06%

GENERAL AND ADMINISTRATIVE

5300.10	Meeting and Travel	9,000	6,571	9,000	5,691	7,000	(2,000)	-22.22%
5300.20	Mileage Reimbursement	-	-	-	-	-	-	N/A
5300.30	Dues and Memberships	1,300	1,142	1,300	809	6,800	5,500	423.08%
5300.40	Publications	1,300	845	1,300	184	500	(800)	-61.54%
5300.50	Training	9,000	9,643	9,000	3,973	5,000	(4,000)	-44.44%
5300.60	Advertising	2,000	2,782	2,000	-	2,000	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	500	387	500	296	500	-	0.00%
Total General and Administrative:		23,100	21,370	23,100	10,953	21,800	(1,300)	-5.63%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2009/10 Administration/O&M Budget

Account Number	Account Name	FY 2007/08 Budget	FY 2007/08 Actual	FY 2008/09 Budget	FY 2008/09 Estimated Actual	FY 2009/10 Budget	Change from FY 2008/09 Budget	Percent Change FY 2008/09 Budget
UTILITIES								
5800.20	Natural Gas	400	523	450	245	550	100	22.22%
5800.30	Electric Fixed	54,660	54,934	58,644	67,639	63,925	5,281	9.01%
5800.35	Electric-Variable	380,923	195,444	496,285	293,699	452,771	(43,514)	-8.77%
5800.40	Water	1,200	1,310	1,350	1,331	1,350	-	0.00%
5800.50	Telephone	14,000	7,005	8,400	8,434	8,750	350	4.17%
5800.60	Waste Disposal	2,000	2,397	2,900	2,005	2,900	-	0.00%
Total Utilities:		453,183	261,613	568,029	373,352	530,246	(37,783)	-6.65%

OTHER EXPENSES								
5900.10	Insurance	43,768	42,997	44,012	46,692	43,668	(345)	-0.78%
5900.30	Non-Capitalized Projects	54,201	152,160	85,396	85,396	8,820	(76,576)	-89.67%
5900.40	Equipment Rental	12,000	8,793	12,000	5,235	17,000	5,000	41.67%
5900.50	Non-Capitalized Equipment	10,000	3,603	10,000	10,000	10,000	-	0.00%
5900.60	Computer Expenses	34,260	37,000	34,260	51,095	34,667	407	1.19%
5900.70	Appropriated Contingency	40,066	-	44,329	-	41,854	(2,475)	-5.58%
Total Other Expenses:		194,295	244,553	229,997	198,418	156,008	(73,989)	-32.17%
Turnouts		45,650	21,702	25,350	25,350	26,457	1,107	4.37%
TOTAL OPERATING EXPENSES		\$ 2,089,007	\$ 1,578,934	\$ 2,316,025	\$ 1,821,642	\$ 2,160,998	(155,580)	-6.72%

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$23,420 for FY 2009/10 salary pool.

FY 09/10 Requested Budget	775,762
FY 08/09 Estimated Actual	649,207
Increase (Decrease)	126,554

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 09/10 Requested Budget	50,788
FY 08/09 Estimated Actual	52,215
Increase (Decrease)	(1,427)

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

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

Description: CCWA employee salaries and overtime capitalized as a component of capital projects constructed or acquired by CCWA.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Distribution Dept.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 09/10 Requested Budget	24,557
FY 08/09 Estimated Actual	17,650
Increase (Decrease)	6,907

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by duty on a 24-hour basis. Based on \$1.49 per hour (5% of average hourly rate). 2/3 of Instrumentation Employee standby pay allocated to Distribution Department and 1/3 allocated to the Water Treatment Plant Department.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 09/10 Requested Budget	144,155
FY 08/09 Estimated Actual	112,220
Increase (Decrease)	31,935

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 19.420% contribution rate for FY 2009/10 based on the 2% @ 55 formula.

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 09/10 Requested Budget	12,341
FY 08/09 Estimated Actual	8,831
Increase (Decrease)	3,510

Description: Funds for the employer portion of Medicare taxes for the Distribution Department. Amount is equal to 1.45% of all wages.

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 09/10 Requested Budget	129,190
FY 08/09 Estimated Actual	87,697
Increase (Decrease)	41,493

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan limits for each employee based on their dependent status as follows:
Family: \$ 15,945
Emp+1: \$ 13,762
Emp: \$ 5,835

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Distribution department. Based on an X-Mod rate of 93%. Based on a 10% premium increase over FY 2008/09.

FY 09/10 Requested Budget	28,038
FY 08/09 Estimated Actual	19,744
Increase (Decrease)	8,295

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

Description: Not funded

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 09/10 Requested Budget	10,405
FY 08/09 Estimated Actual	2,796
Increase (Decrease)	7,609

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,936 per year per family for dental and vision expenses. Budgeted amount is \$1,909 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 09/10 Requested Budget	19,086
FY 08/09 Estimated Actual	15,999
Increase (Decrease)	3,087

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.45 per \$100 of salary.

FY 09/10 Requested Budget	3,340
FY 08/09 Estimated Actual	2,192
Increase (Decrease)	1,148

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

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

FY 09/10 Requested Budget	3,520
FY 08/09 Estimated Actual	2,639
Increase (Decrease)	880

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

Description: Funds for employee physicals paid by CCWA, including DOT, pre-employment, and respirator evaluation.

FY 09/10 Requested Budget	500
FY 08/09 Estimated Actual	470
Increase (Decrease)	30

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 09/10 Requested Budget	1,000
FY 08/09 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

FY 09/10 Requested Budget	2,600
FY 08/09 Estimated Actual	1,727
Increase (Decrease)	873

Safety Program	\$	1,300
EAAP	\$	1,300
TOTAL:	\$	2,600

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

Description: CCWA employee benefits capitalized as a component of capital projects constructed or acquired by CCWA.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 09/10 Requested Budget	1,800
FY 08/09 Estimated Actual	1,084
Increase (Decrease)	716

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 09/10 Requested Budget	1,000
FY 08/09 Estimated Actual	563
Increase (Decrease)	437

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for Distribution Department employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and the Operations Manager/Engineer as well as travel expenses for winter maintenance.

FY 09/10 Requested Budget	7,000
FY 08/09 Estimated Actual	5,691
Increase (Decrease)	1,309

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

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

FY 09/10 Requested Budget	6,800
FY 08/09 Estimated Actual	809
Increase (Decrease)	5,991

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 09/10 Requested Budget	500
FY 08/09 Estimated Actual	184
Increase (Decrease)	316

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 09/10 Requested Budget	5,000
FY 08/09 Estimated Actual	3,973
Increase (Decrease)	1,027

\$ 5,000 - \$556 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 09/10 Requested Budget	2,000
FY 08/09 Estimated Actual	-
Increase (Decrease)	2,000

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 09/10 Requested Budget	500
FY 08/09 Estimated Actual	296
Increase (Decrease)	204

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$ 60,000	Environmental Services
10,000	Cathodic protection
3,000	Seismic Survey
3,000	Aerial survey and/or photos
1,500	Emergency generator service
1,000	Oil analysis
750	Fire extinguisher inspections
1,000	Crane inspections
\$ 80,250	TOTAL

FY 09/10 Requested Budget	80,250
FY 08/09 Estimated Actual	77,265
Increase (Decrease)	2,985

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 09/10 Requested Budget	6,000
FY 08/09 Estimated Actual	2,760
Increase (Decrease)	3,240

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 09/10 Requested Budget	3,400
FY 08/09 Estimated Actual	4,278
Increase (Decrease)	(878)

1,200	Low Threat Discharge Permit
1,200	Diesel Permit
1,000	SYPP Business Plan
\$ 3,400	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 09/10 Requested Budget	410
FY 08/09 Estimated Actual	-
Increase (Decrease)	410

\$ 410	Employee Assistance Program
\$ 410	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 09/10 Requested Budget	6,565
FY 08/09 Estimated Actual	4,147
Increase (Decrease)	2,419

\$	3,240	Uniform Service (\$270 month)
\$	1,350	Blue jean pants (\$150/year for 9 employees)
\$	1,575	Boots (\$175/year for 9 employees)
\$	400	Misc. uniform requirements (jackets, etc.)
\$	6,565	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 09/10 Requested Budget	5,000
FY 08/09 Estimated Actual	3,628
Increase (Decrease)	1,372

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station and the Buellton office.

FY 09/10 Requested Budget	1,000
FY 08/09 Estimated Actual	387
Increase (Decrease)	613

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 09/10 Requested Budget	-
FY 08/09 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

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

FY 09/10 Requested Budget	10,000
FY 08/09 Estimated Actual	5,867
Increase (Decrease)	4,133

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 09/10 Requested Budget	5,000
FY 08/09 Estimated Actual	5,436
Increase (Decrease)	(436)

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for Distribution Department vehicles. Does not include mileage reimbursement expenses.

FY 09/10 Requested Budget	39,500
FY 08/09 Estimated Actual	43,960
Increase (Decrease)	(4,460)

\$	34,842	Vehicles
\$	1,165	Emergency Generator Sets
\$	2,329	Lubricants
\$	1,165	Miscellaneous
\$	39,500	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 09/10 Requested Budget	12,000
FY 08/09 Estimated Actual	383
Increase (Decrease)	11,617

\$	1,000	Seed
	1,000	Plants and materials
	10,000	Erosion control
\$	12,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 09/10 Requested Budget	500
FY 08/09 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 09/10 Requested Budget	30,000
FY 08/09 Estimated Actual	44,302
Increase (Decrease)	(14,302)

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 09/10 Requested Budget	10,000
FY 08/09 Estimated Actual	4,306
Increase (Decrease)	5,694

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 09/10 Requested Budget	4,780
FY 08/09 Estimated Actual	8,555
Increase (Decrease)	(3,775)

\$	2,000	Janitorial Service
	2,000	Miscellaneous Repairs
	780	Pest Control
\$	4,780	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 09/10 Requested Budget	4,000
FY 08/09 Estimated Actual	4,919
Increase (Decrease)	(919)

\$	3,300	SYPF (\$275 month avg)
\$	700	SYPF spring mowing
\$	4,000	TOTAL

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

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

FY 09/10 Requested Budget	550
FY 08/09 Estimated Actual	245
Increase (Decrease)	306

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 09/10 Requested Budget	63,925
FY 08/09 Estimated Actual	67,639
Increase (Decrease)	(3,714)

\$	12,596	Suite B & C	\$1,050 month
	1,046	2 Iso vaults	\$87 month
	5,232	2 Tanks	\$436 month
	2,551	11 Rectifiers	\$213 month
	2,171	EDV	\$181 month
	40,329	SYPF	\$3,361 month
\$	63,925	TOTAL	

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 09/10 Requested Budget	452,771
FY 08/09 Estimated Actual	293,699
Increase (Decrease)	159,072

Acre feet pumped	8,143
Cost per acre foot	\$55.60
TOTAL	\$452,771

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 09/10 Requested Budget	1,350
FY 08/09 Estimated Actual	1,331
Increase (Decrease)	19

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 09/10 Requested Budget	8,750
FY 08/09 Estimated Actual	8,434
Increase (Decrease)	317

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

Description: Funds for trash service and removal of
hazardous waste (waste oil) for the Distribution Department.

FY 09/10 Requested Budget	2,900
FY 08/09 Estimated Actual	2,005
Increase (Decrease)	895

\$	2,500	Trash service
	400	Hazardous waste removal
\$	2,900	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 09/10 Requested Budget	43,668
FY 08/09 Estimated Actual	46,692
Increase (Decrease)	(3,024)

\$	19,490	Property and Auto Insurance as apportioned by JPIA.
\$	24,177	General liability and E&O insurance pro rated by salary percentages.
\$	43,668	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

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

FY 09/10 Requested Budget	8,820
FY 08/09 Estimated Actual	85,396
Increase (Decrease)	(76,576)

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

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

FY 09/10 Requested Budget	17,000
FY 08/09 Estimated Actual	5,235
Increase (Decrease)	11,765

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized equipment purchases. These equipment purchases are generally under \$5,000 in cost with an estimated useful life under 5 years.

FY 09/10 Requested Budget	10,000
FY 08/09 Estimated Actual	10,000
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2009/10 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 09/10 Requested Budget	34,667
FY 08/09 Estimated Actual	51,095
Increase (Decrease)	(16,428)

\$ 27,767	CompuVision, Annual Service Agreements, and Software Subscriptions
\$ 6,900	Software, New Computers, DSL Allowance and other computer services.
\$ 34,667	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget.

FY 09/10 Requested Budget	41,854
FY 08/09 Estimated Actual	-
Increase (Decrease)	41,854

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Santa Ynez Pumping Facility Outlet
Vault Lid Replacement

Capital Improvements

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2009/10 Budget

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2009/10 is \$195,488.

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. For FY 2008/09, no projects are anticipated to be carried over to FY 2009/10.

Funding of Capital Improvements Expenditures

The FY 2009/10 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2009/10 capital improvements by department and financial reach.

FY 2009/10 Capital Improvements					
Capital Improvements	Specific		Water Treatment		Total
	Financial Reach	Administration	Plant	Distribution	
Computer Network Server Replacements	ADM	20,000			20,000
Computer Network Server Replacements	WTP		20,000		20,000
HVAC Controls Replacement	WTP		30,865		30,865
Filter Control Equipment (Phase 1 of 3)	WTP		12,898		12,898
Online Ammonia Analyzer at Tank 7	SYI			12,445	12,445
Replace Bradbury Dam Flow Meter	SYII			20,243	20,243
Geographical Information System	ALL			27,860	27,860
2 Dodge 3/4 ton 4X4 pickup trucks	ALL			51,178	51,178
Total:		\$ 20,000	\$ 63,762	\$ 111,726	\$ 195,488

State Water Project Construction Project

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2009/10 Budget

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

Description:	Vehicle Replacement
Department:	Distribution System – All Reaches
Expanded Description	Two vehicles will have been driven over 100,000 miles by the FY 08/09. CCWA replaces vehicles if over ten years old or over 100,000 miles. Two Distribution vehicles are to be replaced.
Estimated Charge	\$53,816
Sales Tax	\$3,902
Contingency (5%)	\$2,886
Salvage of Replaced Vehicles	(\$9,425)
Subtotal without CCWA Labor	\$51,178
Operating Budget Impact:	Vehicles with over 100,000 miles or that are older than 10 years will require higher maintenance costs due to the increased likelihood of breakdown and repair issues. Labor costs associated with the management of older vehicles or high mileage vehicles are also higher. Replacement of vehicles on a regular scheduled basis minimizes repair costs, ensures reliability and keeps labor costs associated with vehicle management minimized. At this time, the exact impact to the operating budget cannot be quantified, since vehicles are replaced at a frequency designed to avoid the elevated operations and maintenance costs associated with older or high mileage vehicles.

Central Coast Water Authority
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Description:	Heating, Ventilation and Air Conditioning System Controls Replacement
Department:	Water Treatment Plant
Expanded Description	The existing controls for the Heating, Ventilation, and Air Conditioning (HVAC) System were originally installed during Water Treatment Plant construction. These controls are no longer functioning properly and require replacement. The new system controls includes new servo motors on all of the ventilation duct dampers as well as individual room controllers. The new controls will utilize common servo motors and controllers, as opposed to the existing system's proprietary components.
Estimated Charge - Materials	\$18,000
Estimated Charge - Contractor	\$10,000
Sales Tax	\$1,395
Contingency (5%)	<u>\$1,470</u>
Subtotal without CCWA Labor	\$30,865
Labor and overhead	\$525
Total Cost	\$31,390
Operating Budget Impact:	<p>The current HVAC control system has reached obsolescence. The control system is a DOS based system and cannot communicate with the computers currently in use at the plant. Replacement of the control system at this time will avoid the labor and vendor costs associated with repairing a malfunction with the existing system. The impact to the operating budget cannot be quantified at this time, in terms of repair costs, since the purpose of the project is to replace the system before catastrophic failure.</p> <p>An additional benefit of this project is that through replacing the existing control system with a non-proprietary system, CCWA staff will be able to service the system directly. This will reduce the cost of system maintenance through the eliminating the need for a service vendor to maintain the existing system. This will result in an overall decrease in maintenance costs and ensures the reliability of the equipment. Over the previous two year period, CCWA paid approximately \$6,100 for outside services to maintain the existing system at the Treatment Plant.</p>

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2009/10 Budget

Description:	Replacement of Filter Control Equipment
Department:	Water Treatment Plant
Expanded Description	Each filter at the water treatment plant is equipped with a water level sensor and a head-loss sensor with associated controls. This equipment was originally installed during the initial plant construction and will reach the end of its expected useful life. This is the first phase of a three phase replacement program. All filter controls will be replaced within three years.
Estimated Charge	\$11,400
Sales Tax	\$884
Contingency (5%)	<u>\$614</u>
Subtotal without CCWA Labor	\$12,898
Labor and overhead	\$4,800
Total Cost	\$17,698
Operating Budget Impact:	The head-loss sensor has a set point which triggers a critical alarm through the plant's supervisor controls and data acquisition system. Replacement of these filter controls in a planned scheduled manner reduces both labor and vender costs associated with responding to a break-down condition. Further, planned replacement allows appropriate scheduling of filter shutdown so that they can occur during periods of low flows and thus minimizing impact to the water delivery operation. At this time, the exact impact to the operating budget cannot be quantified, since the filters controls are being replaced in advance of failure.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2009/10 Budget

Description:	Installation of Online Ammonia Analyzer at Tank 7
Department:	Distribution – SY I
Expanded Description	An online ammonia analyzer will be installed on the inlet of Tank 7. The purpose of the ammonia analyzer is to provide early detection of conditions that may lead to nitrification of water in the southern portion of the pipeline. The analyzer will also assist with optimizing the use of the existing Tank 7 chlorination facility.
Estimated Charge	\$11,000
Sales Tax	\$853
Contingency (5%)	<u>\$593</u>
Subtotal without CCWA Labor	\$12,445
Labor and overhead	\$2,525
Total Cost	\$14,971
Operating Budget Impact:	<p>Through installing an online ammonia analyzer at Tank 7, labor costs related to manually monitoring ammonia concentration in the delivered water will be significantly reduced. Currently, distribution staff must drive the Tank 7 site to sample and analyze water for free ammonia, when chlorination treatment is active. By having an online ammonia analyzer operating at the Tank 7 site, distribution staff will avoid approximately one hour per day of effort during the work week and two hours per day on the weekend. Since the chlorination system is operated approximately 5 months per year, the avoided labor costs will be approximately \$17,000 per year.</p> <p>In addition, the online ammonia analyzer will provide staff with the capability to quickly respond to situations that may lead to a nitrification incident. The ability to quickly respond to developing nitrification events will reduce the potential for disrupting water delivery operations, which may occur when severe nitrification occurs.</p>

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2009/10 Budget

Description:	Replacement of the Bradbury Dam Flow Meter
Department:	Distribution – Santa Ynez II
Expanded Description	The existing flow meter (Accusonic Flow meter) at the Bradbury Dam is obsolete and no longer serviceable. It has been in place for over 13 years and has reached the end of its useful life and requires replacement. Within the past year, three other similar flow meters that were installed during the same time frame within the CCWA System have ceased to function properly and ultimately required replacement.
Estimated Charge - Material	\$16,500
Estimated Charge - Contractor	\$1,500
Sales Tax	\$1,279
Contingency (5%)	<u>\$964</u>
Subtotal without CCWA Labor	\$20,243
Labor and overhead	\$2,000
Total Cost	\$22,243
Operating Budget Impact:	<p>This meter serves as an important back-up meter to the flow meter at the Santa Ynez Pumping Plant (SYPP), which is the official meter used to track the volume of water delivered to Lake Cachuma. In terms of labor, there will be no impact to the operating budget since there is little difference in operations and maintenance costs between the existing meter and replacement meter. In terms of potential repair costs, CCWA has paid approximately \$1,800 to an outside vendor to assist with repairing an older flow meter that malfunctioned due to age. With meter replacement, these vendor costs will be avoided.</p> <p>The meter is also utilized in monitoring the pipeline operation for significant leaks or releases. Inaccurate flow meter measurements could lead to undetected releases from the pipeline, which would allow the release to go unabated for a longer period of time. Undetected releases would increase labor costs due to the repair of soil erosion or other potential negative impacts from unrecognized pipeline leaks or releases. The impact to the operating budget cannot be quantified in respect to costs associated with leak related damage repair due to the wide range of potential leak scenarios.</p>

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2009/10 Budget

Description:	Phase 1 Implementation of Geographical Information Systems
Department:	Distribution – 35, 37, 38, MH II, SY I and SY II
Expanded Description	A geographical information system for the Santa Barbara County portion of the pipeline, from the San Luis Obispo County line to the Santa Ynez Pumping Plant, will be initially developed. This system will organize the pipeline as-built drawings, engineering documents, easement agreements, encroachment permits, property owner information, and other pertinent information into one database.
Estimated Charge - Material	\$18,500
Estimated Charge - Contractor	6,600
Sales Tax	\$1,433
Contingency (5%)	<u>\$1,327</u>
Subtotal without CCWA Labor	\$27,860
Labor and overhead	\$4,000
Total Cost	\$31,860
Operating Budget Impact:	Currently, the various sources of information for the pipeline are stored in either paper or electronic format and cross references are not always clear. Through organizing all of the pipeline data into a graphical database, the retrieval and storage of information for the pipeline will become more efficient and useful. This will reduce labor costs related to researching engineering records and will also ensure that completed works and studies for a particular reach of the pipeline are stored in a manner where they can be found and utilized in the future. Over the last two years, there have been 20 encroachment permit applications or inquiries, with each application/inquiry requiring approximately two to four hours of staff time to research property records and engineering record drawings. With the full implementation of the GIS system, the record research time will be significantly reduced, which will translate to approximately \$3,000 per year of avoided labor costs.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2009/10 Budget

Description:	Computer Network Server Replacements
Department:	Administration and Water Treatment Plant (50% each)
Expanded Description	Conversion of three existing computer network servers to a virtual server configuration to provide redundancy in the event of a catastrophic loss such as fire and earthquake. Additionally, this project includes other expenditures to ensure that CCWA is able to recover all information technology capabilities quickly and efficiently, with the most important being the SCADA system to operate the Water Treatment Plant and the pipeline distribution system.
Estimated Charge	\$35,000
Contingency	<u>\$5,000</u>
Total Cost	\$40,000
Operating Budget Impact:	By changing the existing servers to a “virtual” server configuration, future hardware expenditures for server replacement will be substantially reduced. Additionally, it is anticipated that IT maintenance expenses will be reduced and that the necessary time and expenses to recover from a disaster will be significantly reduced due to the redundancy capabilities to be achieved through this program.

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Tank 7 Remote Programmable Logic Panel

CCWA Bond Debt

The CCWA Bond Debt section of the FY 2009/10 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, and the project participant debt payment schedule.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2009/10 Budget

Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain of the Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

Central Coast Water Authority
CCWA Bond Debt
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Series 2006 A Refunding Revenue Bonds

On September 28, 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996 A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% and were issued to reduce the Authority's total debt service payments over the next 15 years by \$4.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments to the Authority with respect to the project. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated September 28, 2006 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "2006A Revenue Bond Debt Service Schedule" in this section*).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2009/10 Budget

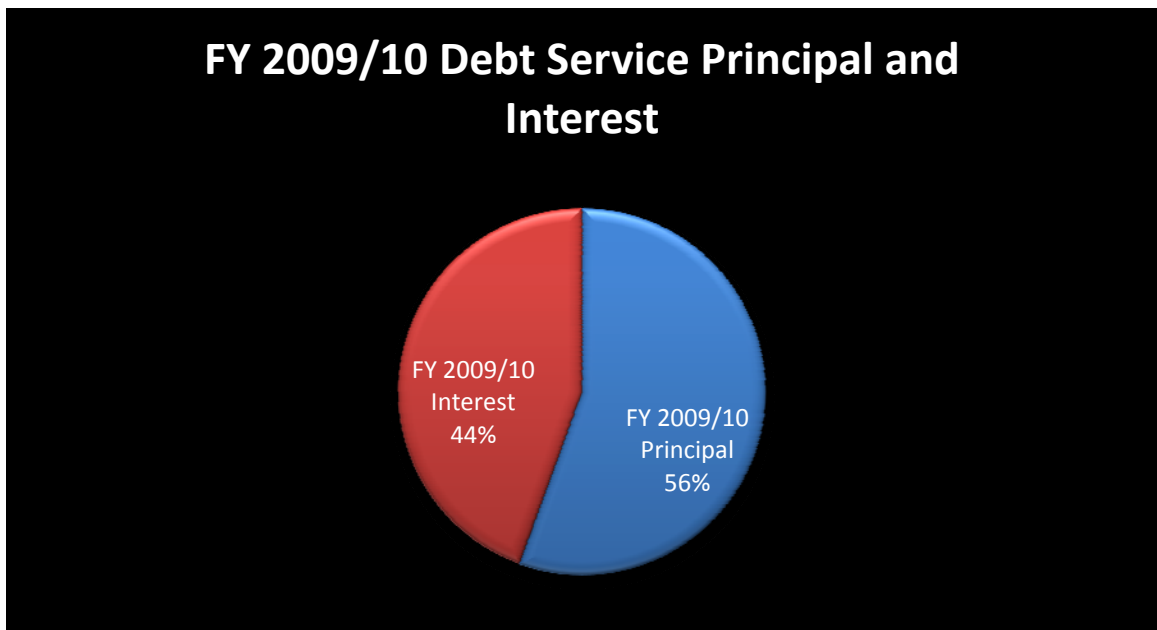
Fiscal Year 2009/10 Debt Service Budget

For FY 2009/10, total 2006A principal payments are \$6,430,000 and total interest due is \$5,147,726, totaling \$11,577,726. Additionally, Bond Trustee fees in the amount of \$2,000 are included in the debt service assessment.

The following are adjustments to the CCWA 2006A revenue bond debt service payments:

- Debt Service Account Interest Income Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the debt service payment dates on the bonds. Total estimated investment income is \$125,662.

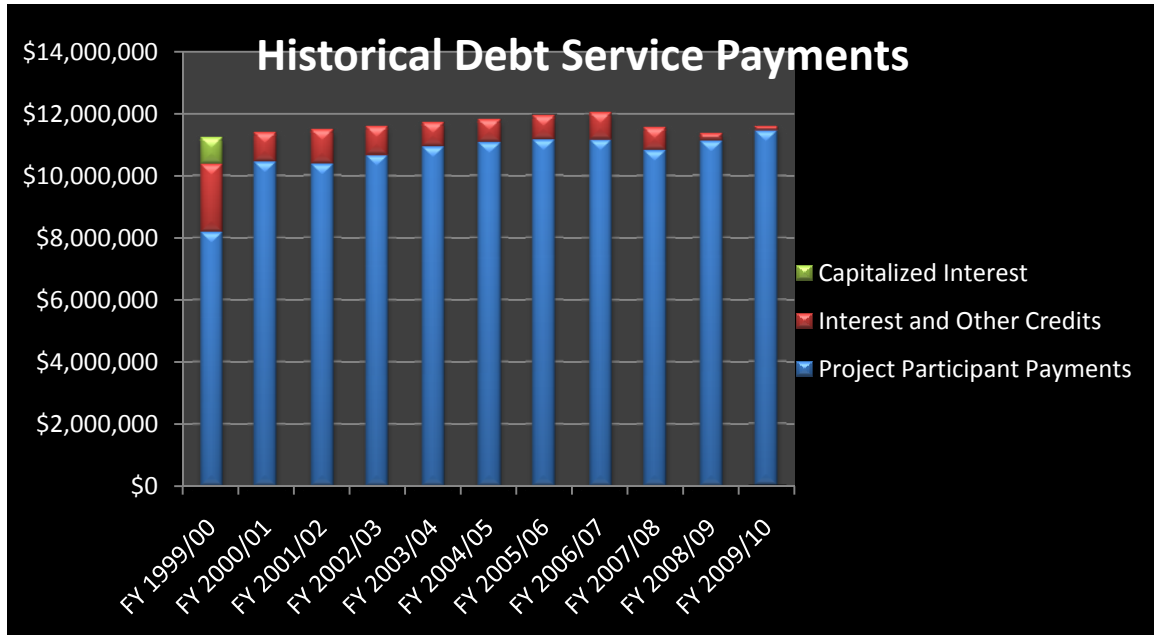
The following chart shows the total principal and interest payments for the 2006A revenue bonds for FY 2009/10.



Central Coast Water Authority
CCWA Bond Debt
 Fiscal Year 2009/10 Budget

Historical CCWA Revenue Bond Debt Service Payments

The following graph shows the composition of the source of funds for payment of the CCWA revenue bond debt service payments for the past 10 years.



Project Participant Financing of Local Facilities

When the Authority’s facilities were constructed and financed with the original 1992 Revenue bond proceeds, certain financing participants elected to finance local facilities and costs with proceeds from the CCWA revenue bond issue. Since CCWA does not own these facilities, the financed costs are shown as a long-term receivable on the CCWA financial statements.

A portion of each principal payment paid by the financing participants who financed local facilities reduces the long-term receivable balance of the local facilities, and repayment of the long-term receivable is in direct proportion to the annual payment of principal on the outstanding CCWA 2006A revenue bonds.

The following table shows the original long-term receivable balance, payments against the long-term receivable prior to FY 2009/10 and the portion of the FY 2009/10 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2009/10 Budget

Bond Principal Payment Allocated to Financed Local Facilities				
Financing Participant	Original Financed Local Facilities	Principal Payments Prior to FY 2008/09	FY 2008/09 Bond Principal Allocated to Local Facilities	Long Term Receivable Balance
Avila Beach	\$ 41,348	\$ (12,747)	\$ (1,655)	\$ 26,946
California Men's Colony	915,568	(276,735)	(36,971)	601,862
County of SLO	976,433	(295,154)	(39,428)	641,852
Cuesta College	457,835	(138,383)	(18,488)	300,964
Morro Bay	7,036,800	(2,149,989)	(282,815)	4,603,996
Oceano	281,692	(86,843)	(11,277)	183,572
Pismo Beach	465,088	(143,382)	(18,618)	303,088
Shandon	33,276	(10,259)	(1,282)	21,735
Guadalupe	1,201,137	(370,299)	(48,083)	782,754
Buellton	195,505	(60,272)	(7,826)	127,406
Santa Ynez (Solvang)	479,456	(85,788)	(20,877)	372,792
Santa Ynez	159,819	(32,904)	(9,251)	117,663
Goleta	2,969,066	(915,335)	(118,856)	1,934,875
Morehart Land	12,390	(2,935)	(547)	8,908
La Cumbre	61,948	(14,672)	(2,736)	44,540
Raytheon	18,052	(5,565)	(723)	11,764
Santa Barbara	648,172	(199,825)	(25,947)	422,399
Montecito	934,625	(221,362)	(41,279)	671,984
Carpinteria	929,035	(286,413)	(37,191)	605,432
TOTAL:	\$ 17,817,245	\$ (5,308,863)	\$ (723,850)	\$ 11,784,531

Central Coast Water Authority
2006 Revenue Bond Series A Debt Service Payments
 Fiscal Year 2009/10 Budget

Financing Participant	Allocation Percentage	FY 2009/10 Series A (10/1/09)		FY 2009/10 Series A (4/1/10)		FY 2009/10 Debt Service Account Interest & Credits ⁽¹⁾		FY 2009/10 Total Payments
		Principal Payment	Interest Payment	Interest Payment	Trustee Expenses	Account Interest	Payments	
Avila Beach	0.11897%	\$ 7,362	\$ 3,020	\$ 2,873	\$ 2	\$ (146)	\$ 13,111	
California Men's Colony	1.04062%	64,390	26,419	25,131	21	(1,333)	114,627	
County of SLO	1.10853%	68,592	28,143	26,771	22	(1,420)	122,108	
Cuesta College	0.52035%	32,197	13,210	12,566	10	(667)	57,318	
Morro Bay	6.71441%	415,465	170,461	162,152	134	(8,602)	739,610	
Oceano	0.86986%	53,824	22,083	21,007	17	(1,115)	95,817	
Pismo Beach	1.43766%	88,957	36,498	34,719	29	(1,842)	158,361	
Shandon	0.11779%	7,289	2,990	2,845	2	(151)	12,975	
Guadalupe	1.48049%	91,608	37,586	35,754	30	(1,730)	163,247	
Buellton	2.62260%	162,277	66,581	63,335	52	(3,122)	289,124	
Santa Ynez (Solvang)	6.94483%	498,351	204,468	194,501	139	(9,496)	887,963	
Santa Ynez	2.60816%	187,157	76,789	73,046	52	(3,566)	333,477	
Goleta	25.38455%	1,570,709	644,445	613,031	508	(30,028)	2,798,665	
Morehart Land	1.05459%	72,128	29,594	28,151	21	(1,385)	128,509	
La Cumbre	5.04894%	345,321	141,682	134,775	101	(6,777)	615,101	
Raytheon	0.24401%	15,099	6,195	5,893	5	(331)	26,861	
Santa Barbara	15.60468%	965,564	396,161	376,849	312	(18,575)	1,720,311	
Montecito	16.59331%	1,134,896	465,636	442,938	332	(22,611)	2,021,191	
Carpinteria	10.48564%	648,815	266,202	253,226	210	(12,765)	1,155,688	
TOTAL:	100.00000%	\$ 6,430,000	\$ 2,638,163	\$ 2,509,563	\$ 2,000	\$ (125,662)	\$ 11,454,063	

(1) Represents interest on the financing participant debt service payments for FY 2008/09.

Central Coast Water Authority
Series 2006A Revenue Bond Debt Service Schedule
Dated September 28, 2006

Debt Service Date	Interest Rate	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Year Debt Service (Cash)
4/1/2007			2,927,860	123,190,000	2,927,860
10/1/2007	4.000%	5,895,000	2,879,863	117,295,000	
4/1/2008			2,761,963	117,295,000	11,536,825
10/1/2008	4.000%	6,190,000	2,761,963	111,105,000	
4/1/2009			2,638,163	111,105,000	11,590,125
10/1/2009	4.000%	6,430,000	2,638,163	104,675,000	
4/1/2010			2,509,563	104,675,000	11,577,725 FY 2009/10
10/1/2010	4.000%	6,695,000	2,509,563	97,980,000	
4/1/2011			2,375,663	97,980,000	11,580,225
10/1/2011	5.000%	6,960,000	2,375,663	91,020,000	
4/1/2012			2,201,663	91,020,000	11,537,325
10/1/2012	4.00% - 4.50%	7,335,000	2,201,663	90,645,000	
4/1/2013			2,045,800	90,645,000	11,582,463
10/1/2013	5.000%	7,625,000	2,045,800	83,020,000	
4/1/2014			1,855,175	83,020,000	11,525,975
10/1/2014	5.000%	8,010,000	1,855,175	75,010,000	
4/1/2015			1,654,925	75,010,000	11,520,100
10/1/2015	5.000%	8,405,000	1,654,925	66,605,000	
4/1/2016			1,444,800	66,605,000	11,504,725
10/1/2016	5.000%	8,825,000	1,444,800	57,780,000	
4/1/2017			1,224,175	57,780,000	11,493,975
10/1/2017	4.000%	9,265,000	1,224,175	48,515,000	
4/1/2018			1,038,875	48,515,000	11,528,050
10/1/2018	5.000%	9,640,000	1,038,875	38,875,000	
4/1/2019			797,875	38,875,000	11,476,750
10/1/2019	5.000%	10,125,000	797,875	28,750,000	
4/1/2020			544,750	28,750,000	11,467,625
10/1/2020	5.000%	10,630,000	544,750	18,120,000	
4/1/2021			279,000	18,120,000	11,453,750
10/1/2021	5.000%	11,160,000	279,000	6,960,000	11,439,000
\$ 123,190,000			\$ 52,552,498	\$ 175,742,498	

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Operator training at the Polonio Pass Water Treatment Plant during the annual DWR winter shutdown

Reserves and Cash Management

The Reserves and Cash Management section of the FY 2009/10 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

FY 2009/10 Total Reserve Balances

\$10,245,889

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 8,245,889

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2009/10 Budget

This section of the Budget discusses the two cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

Operations and Maintenance Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2009/10 Budget

Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgments. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

Operations and Maintenance Reserve Fund

Project Participant	Table A Amount	% of Table A	Operating Reserve
City of Buellton	578	1.48%	\$ 29,582
Carpinteria Valley Water District	2,000	5.12%	102,359
Goleta Water District	4,500	11.52%	230,309
City of Guadalupe	550	1.41%	28,149
La Cumbre Mutual Water Company	1,000	2.56%	51,180
Montecito Water District	3,000	7.68%	153,539
Morehart Land Company	200	0.51%	10,236
City of Santa Barbara	3,000	7.68%	153,539
Raytheon Systems Company	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
Golden State Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
TOTAL	39,078	100.00%	2,000,000

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2009/10 Budget

Rate Coverage Reserve Fund

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

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

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2009/10 Budget

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

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

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of December 31, 2008. Participation in the fund for FY 2009/10 is not yet known. Prior to June 30, 2009, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2009/10.

FY 2008/09 Rate Coverage Reserve Fund

Project Participant	FY 2008/09 Deposit
City of Buellton	\$ 258,749
Carpinteria Valley Water District	817,117
City of Guadalupe	167,995
La Cumbre Mutual Water Company	391,624
Montecito Water District	1,089,131
City of Santa Maria	4,295,514
Santa Ynez, RWCD, I.D. #1 (Solvang)	606,935
Santa Ynez, RWCD, I.D. #1	418,577
County of San Luis Obispo (Shandon)	15,225
Oceano Community Services District	185,023
TOTAL:	\$ 8,245,889

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2009/10 Budget

Cash Management

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

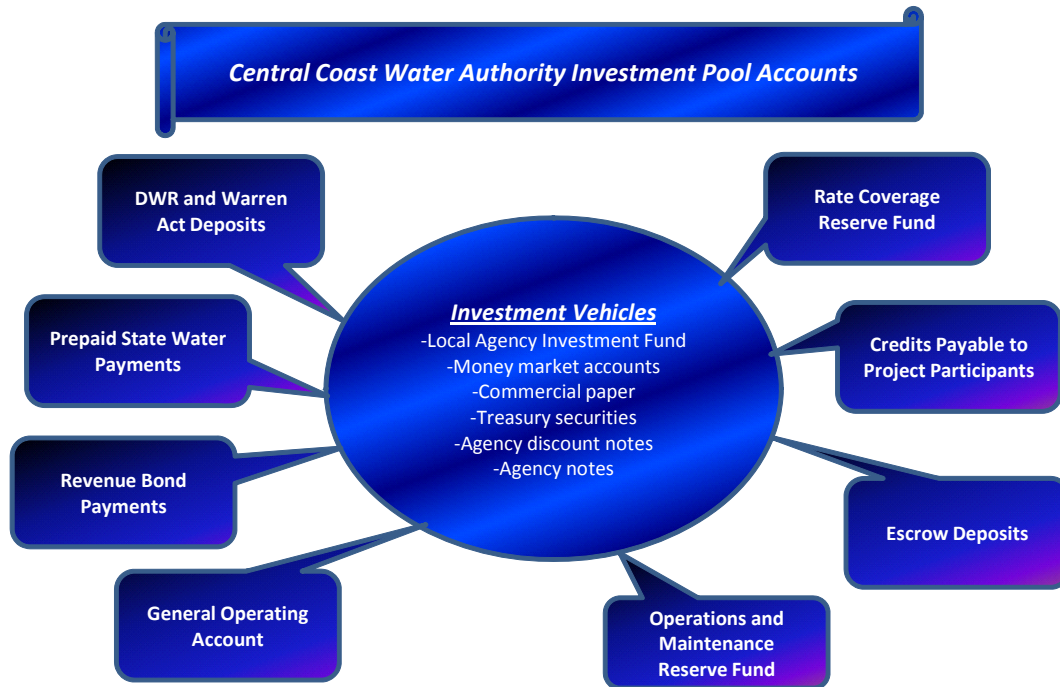
CCWA Investment Pool

All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy found in the Appendix to this document. All cash and investments other than those funds held by the Authority’s Revenue bond trustee are allocated and invested in an investment pool which is comprised of the various “types” of payments paid by the Authority’s project participants further broken down by individual project participants within each account.

Each account within the CCWA investment pool receives investment income based on the account’s proportional share of the average daily balance for the month.

The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2009/10 Budget



Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2009/10 Budget

represent annual debt service payments on the outstanding revenue bonds [refer to the “CCWA Bond Debt” section of this budget].

- *DWR and Warren Act Payments* - funds paid by the CCWA project participants for both fixed and variable DWR payments and payments to the US Bureau of Reclamation for Warren Act charges for delivery of State Water into Lake Cachuma [refer to the “DWR” section of this budget].
- *Escrow Deposits* - deposits received from certain “non-public agency” project participants as required under their individual water supply agreements. The deposits are approximately equal to one year’s State water payment.
- *Credits payable to Project Participants*- credits from many sources but primarily for O&M credits and interest income credits for under-expended O&M costs from the prior fiscal year.

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Santa Ynez Pumping Facility Station
Outlet Vault

Four Year Financial Plan

The Four Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant through FY 2012/13. Additionally, this section includes each project participants' requested water deliveries for five years on a fiscal year and calendar year basis.

Central Coast Water Authority
Four Year Financial Plan
Fiscal Year 2009/10 Budget

The Four Year Financial Plan shows the allocated share of the Authority's costs to each project participant for four consecutive fiscal years beginning with the current budget year.

The Four Year Financial Plan is prepared to provide each project participant an estimate of future costs for the Authority. Specifically, these projections are used by the Authority's project participants to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet the coverage covenant contained in the Water Supply Agreements (*please refer to the "Budget Foreword" section of this document for additional information regarding the Water Supply Agreements and the coverage covenant*).

The Four Year Financial Plan consists of two pages for each project participant. The first page shows the requested water deliveries on a multi-year basis. The next two sections show allocation of the Authority's fixed and variable charges, including modifications for the Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement, if applicable (*see the Water Treatment Plant section to this document for additional information on the Regional Water Treatment Plant and Santa Ynez Exchange Agreements*). The last section shows the allocation of the DWR fixed and variable costs and a summary of projected total costs, by cost type, on a multi-year basis.

The second page of the Four Year Financial Plan shows an estimate of the payments due, by invoice date, for the cost projections shown on the first page of the Four Year Financial Plan.



Energy Dissipation Vault

Central Coast Water Authority
Water Request Projections
 Four Year Financial Plan

Project Participant	Fiscal Year Water Deliveries (acre feet) Excluding Exchange Deliveries				Calendar Year Deliveries (acre feet) Excluding Exchange Deliveries				
	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	2009	2010	2011	2012	2013
Shandon	-	-	-	-	-	-	-	-	-
Chorro Valley	2,346	2,380	2,393	2,478	2,338	2,373	2,387	2,401	2,519
Lopez	1,718	2,096	2,111	2,118	1,427	2,086	2,112	2,109	2,121
Guadalupe	570	605	605	605	460	605	605	605	605
Santa Maria	16,320	17,820	17,820	17,820	14,620	17,820	17,820	17,820	17,820
Golden State Water Co. VAFB	515	550	550	550	430	550	550	550	550
Buellton	5,630	6,050	6,050	6,050	4,900	6,050	6,050	6,050	6,050
Santa Ynez (Solvang)	632	636	636	636	636	636	636	636	636
Santa Ynez	1,365	1,500	1,500	1,500	1,200	1,500	1,500	1,500	1,500
Goleta	700	700	700	700	700	700	700	700	700
Morehart Land	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950	4,950
La Cumbre	220	220	220	220	220	220	220	220	220
Raytheon	1,100	1,100	1,100	1,100	1,025	1,100	1,100	1,100	1,100
Santa Barbara	55	55	55	55	55	55	55	55	55
Montecito	593	539	509	509	616	560	509	509	509
Carpinteria	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
TOTAL:	40,408	42,860	42,838	42,930	37,287	42,879	42,833	42,844	42,974

Central Coast Water Authority
Total Charges-All Participants
 Four Year Financial Plan Charges

Table A Including Drought Buffer				43,908
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	40,408	-	40,408	
FY 2010/11	42,860	-	42,860	
FY 2011/12	42,838	-	42,838	
FY 2012/13	42,930	-	42,930	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 5,490,713	\$ 1,457,614	\$ (1,457,614)	\$ -	\$ -	\$ -	\$ -	\$ 9,883,712	\$ 15,374,425
FY 2010/11	5,655,435	1,482,593	(1,482,593)	-	-	-	-	11,771,386	17,426,821
FY 2011/12	5,825,098	1,517,397	(1,517,397)	-	-	-	-	11,767,159	17,592,257
FY 2012/13	5,999,851	1,536,835	(1,536,835)	-	-	-	-	11,786,194	17,786,045

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits

CCWA Variable O&M Charges

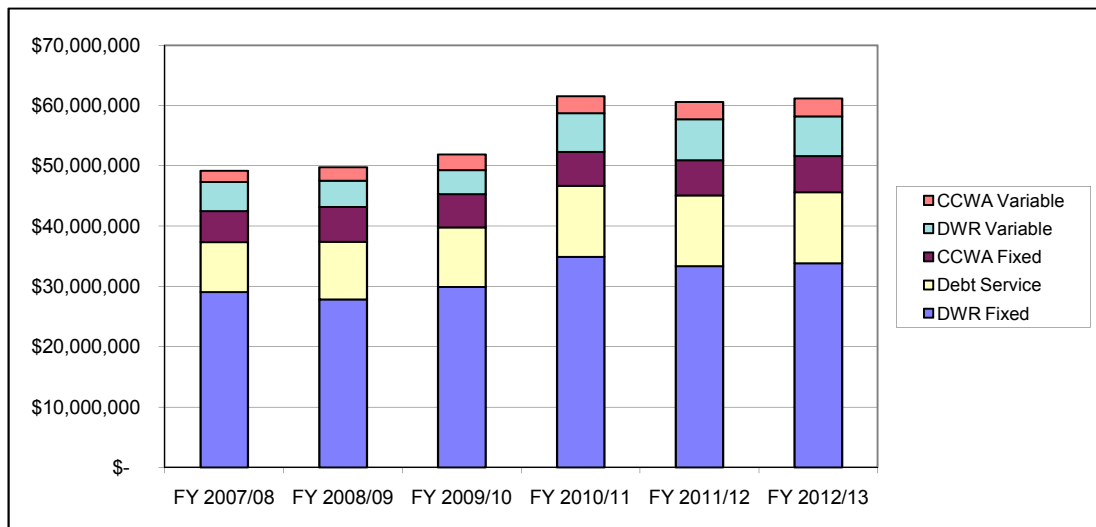
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 2,168,940	\$ 615,540	\$ 345,853	\$ (345,853)	\$ -	\$ -	\$ (143,239)	\$ -	\$ 2,641,241
FY 2010/11	2,346,395	610,334	362,113	(362,113)	-	-	(130,217)	-	2,826,512
FY 2011/12	2,417,466	607,434	376,294	(376,294)	-	-	(123,046)	-	2,901,854
FY 2012/13	2,494,245	607,434	387,583	(387,583)	-	-	(123,046)	-	2,978,633

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2009/10	\$ 29,953,767	\$ 3,974,069	\$ 33,927,835	\$ 5,490,713	\$ 2,641,241	\$ 9,883,712	\$ 29,953,767	\$ 3,974,069	\$ 51,943,502
FY 2010/11	34,928,796	6,416,695	41,345,492	5,655,435	2,826,512	11,771,386	34,928,796	6,416,695	61,598,824
FY 2011/12	33,373,942	6,771,343	40,145,285	5,825,098	2,901,854	11,767,159	33,373,942	6,771,343	60,639,396
FY 2012/13	33,870,294	6,588,967	40,459,261	5,999,851	2,978,633	11,786,194	33,870,294	6,588,967	61,223,939

(3) Net of DWR account interest income.



Central Coast Water Authority
Total Charges - Santa Barbara County Project Participants
 Four Year Financial Plan Charges

Table A Including Drought Buffer				39,078
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	36,345	-	36,345	
FY 2010/11	38,384	-	38,384	
FY 2011/12	38,334	-	38,334	
FY 2012/13	38,334	-	38,334	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 4,985,330	\$ 1,457,614	\$ (1,457,614)	\$ -	\$ -	\$ -	\$ -	\$ 8,799,984	\$ 13,785,315
FY 2010/11	5,303,319	1,482,593	(1,482,593)	-	-	-	-	10,426,989	15,730,308
FY 2011/12	5,462,419	1,517,397	(1,517,397)	-	-	-	-	10,422,778	15,885,196
FY 2012/13	5,626,291	1,536,835	(1,536,835)	-	-	-	-	10,439,788	16,066,079

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

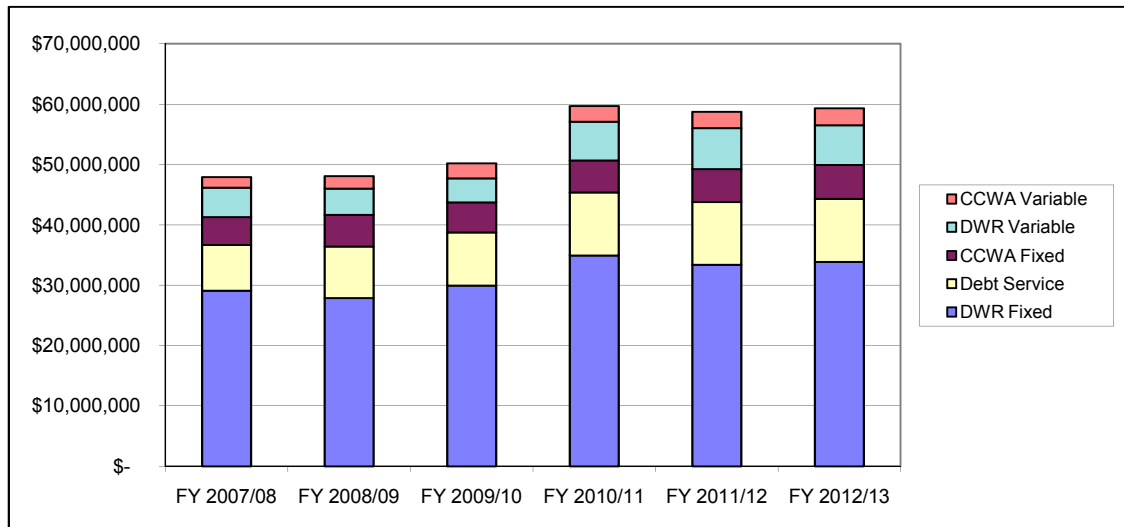
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 1,996,363	\$ 615,540	\$ 345,853	\$ (345,853)	\$ -	\$ -	\$ (143,239)	\$ -	\$ 2,468,664
FY 2010/11	2,150,593	610,334	362,113	(362,113)	-	-	(130,217)	-	2,630,709
FY 2011/12	2,214,521	607,434	376,294	(376,294)	-	-	(123,046)	-	2,698,909
FY 2012/13	2,280,957	607,434	387,583	(387,583)	-	-	(123,046)	-	2,765,345

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2009/10	\$ 29,953,767	\$ 3,974,069	\$ 33,927,835	\$ 4,985,330	\$ 2,468,664	\$ 8,799,984	\$ 29,953,767	\$ 3,974,069	\$ 50,181,814
FY 2010/11	34,928,796	6,416,695	41,345,492	5,303,319	2,630,709	10,426,989	34,928,796	6,416,695	59,706,509
FY 2011/12	33,373,942	6,771,343	40,145,285	5,462,419	2,698,909	10,422,778	33,373,942	6,771,343	58,729,390
FY 2012/13	33,870,294	6,588,967	40,459,261	5,626,291	2,765,345	10,439,788	33,870,294	6,588,967	59,290,685

(3) Net of DWR account interest income.



Central Coast Water Authority
Shandon
 Four Year Financial Plan Charges

Table A Including Drought Buffer				100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	-	-	-	
FY 2010/11	-	-	-	
FY 2011/12	-	-	-	
FY 2012/13	-	-	-	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 6,604							\$ 10,210	\$ 16,814
FY 2010/11	6,802							13,276	20,079
FY 2011/12	7,006							13,276	20,283
FY 2012/13	7,217							13,298	20,515

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

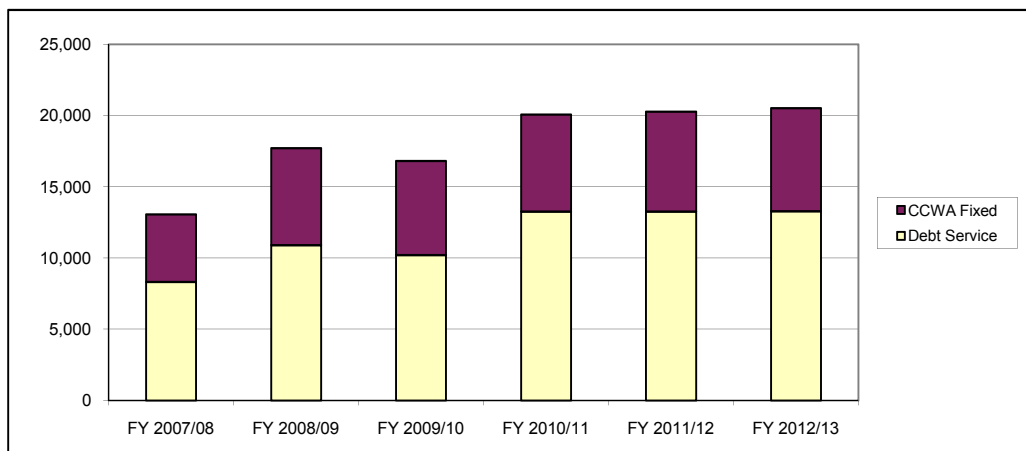
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$0								\$ -
FY 2010/11	-								-
FY 2011/12	-								-
FY 2012/13	-								-

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	<u>Total State Water Charges</u>					
				CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2009/10			\$ -	\$ 6,604	\$ -	\$ 10,210	\$ -	\$ -	\$ 16,814
FY 2010/11			-	6,802	-	13,276	-	-	20,079
FY 2011/12			-	7,006	-	13,276	-	-	20,283
FY 2012/13			-	7,217	-	13,298	-	-	20,515

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Shandon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ -	0
June 1, 2009	\$ 16,814	n/a
July 1, 2009	\$ -	0
October 1, 2009	\$ -	0
January 1, 2010	\$ -	0
April 1, 2010	\$ -	0
June 1, 2010	\$ 20,079	n/a
July 1, 2010	\$ -	0
October 1, 2010	\$ -	0
January 1, 2011	\$ -	0
April 1, 2011	\$ -	0
June 1, 2011	\$ 20,283	n/a
July 1, 2011	\$ -	0
October 1, 2011	\$ -	0
January 1, 2012	\$ -	0
April 1, 2012	\$ -	0
June 1, 2012	\$ 20,515	n/a
July 1, 2012	\$ -	0
October 1, 2012	\$ -	0
January 1, 2013	\$ -	0

Central Coast Water Authority
Chorro Valley Turnout
 Four Year Financial Plan Charges

Table A Including Drought Buffer			2,338
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2009/10	2,346	-	2,346
FY 2010/11	2,380	-	2,380
FY 2011/12	2,393	-	2,393
FY 2012/13	2,478	-	2,478

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 160,434							\$ 1,013,686	\$ 1,174,120
FY 2010/11	165,247							1,057,638	1,222,884
FY 2011/12	170,204							1,057,626	1,227,830
FY 2012/13	175,310							1,059,194	1,234,504

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

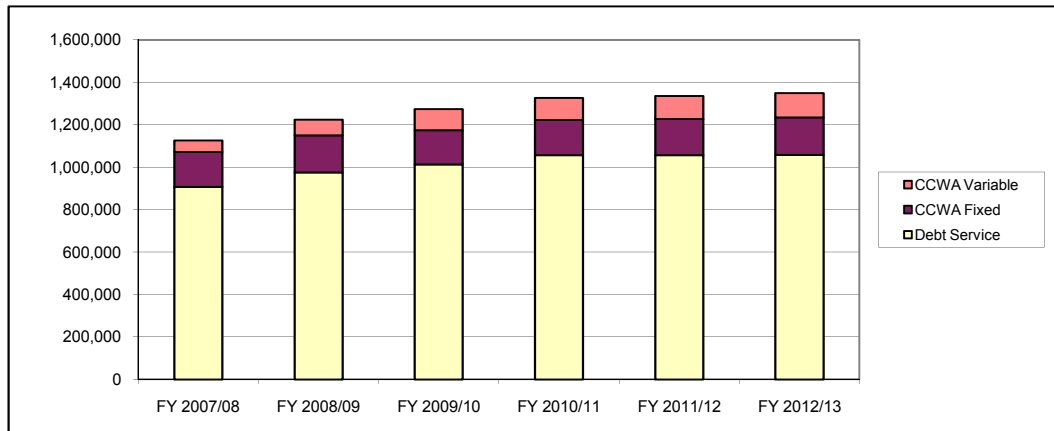
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 99,630								\$ 99,630
FY 2010/11	104,105								104,105
FY 2011/12	107,839								107,839
FY 2012/13	115,016								115,016

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2009/10			\$ -	\$ 160,434	\$ 99,630	\$ 1,013,686	\$ -	\$ -	\$ 1,273,750
FY 2010/11			-	165,247	104,105	1,057,638	-	-	1,326,989
FY 2011/12			-	170,204	107,839	1,057,626	-	-	1,335,668
FY 2012/13			-	175,310	115,016	1,059,194	-	-	1,349,520

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Chorro Valley

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 26,851	632
June 1, 2009	\$ 1,174,120	n/a
July 1, 2009	\$ 24,878	586
October 1, 2009	\$ 22,051	519
January 1, 2010	\$ 25,851	609
April 1, 2010	\$ 28,700	656
June 1, 2010	\$ 1,222,884	n/a
July 1, 2010	\$ 25,786	589
October 1, 2010	\$ 22,842	522
January 1, 2011	\$ 26,777	612
April 1, 2011	\$ 29,734	660
June 1, 2011	\$ 1,227,830	n/a
July 1, 2011	\$ 26,705	593
October 1, 2011	\$ 23,662	525
January 1, 2012	\$ 27,737	616
April 1, 2012	\$ 30,807	664
June 1, 2012	\$ 1,234,504	n/a
July 1, 2012	\$ 27,658	596
October 1, 2012	\$ 25,398	547
January 1, 2013	\$ 31,153	671

Central Coast Water Authority
Lopez Turnout
 Four Year Financial Plan Charges

Table A Including Drought Buffer				2,392
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	1,718	-	1,718	
FY 2010/11	2,096	-	2,096	
FY 2011/12	2,111	-	2,111	
FY 2012/13	2,118	-	2,118	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 174,822							\$ 223,354	\$ 398,176
FY 2010/11	180,067							273,483	453,550
FY 2011/12	185,468							273,480	458,948
FY 2012/13	191,033							273,914	464,946

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

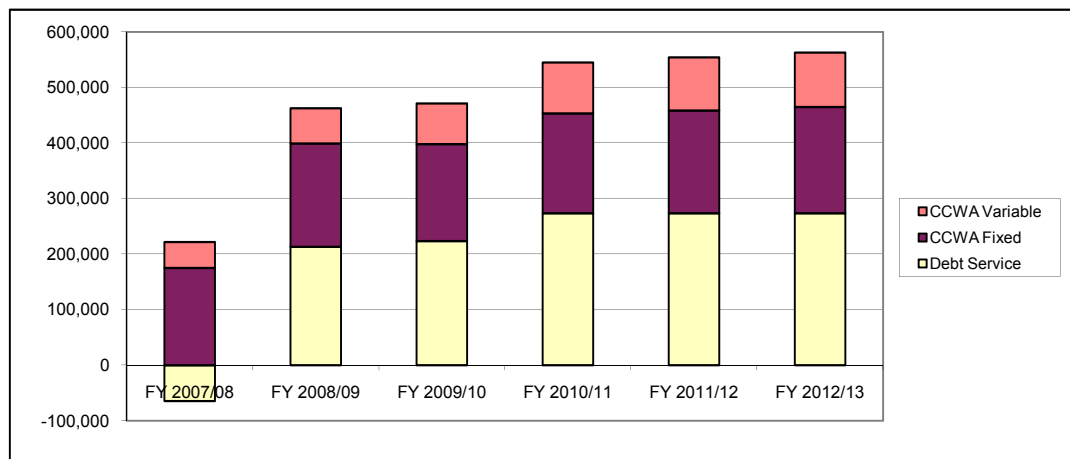
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 72,947								\$ 72,947
FY 2010/11	91,698								91,698
FY 2011/12	95,106								95,106
FY 2012/13	98,273								98,273

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2009/10			-	\$ 174,822	\$ 72,947	\$ 223,354	-	-	\$ 471,124
FY 2010/11			-	180,067	91,698	273,483	-	-	545,247
FY 2011/12			-	185,468	95,106	273,480	-	-	554,055
FY 2012/13			-	191,033	98,273	273,914	-	-	563,219

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Lopez

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 19,570	461
June 1, 2009	\$ 398,176	n/a
July 1, 2009	\$ 10,078	237
October 1, 2009	\$ 17,116	403
January 1, 2010	\$ 26,183	617
April 1, 2010	\$ 25,875	592
June 1, 2010	\$ 453,550	n/a
July 1, 2010	\$ 20,779	475
October 1, 2010	\$ 17,830	408
January 1, 2011	\$ 27,214	622
April 1, 2011	\$ 27,129	602
June 1, 2011	\$ 458,948	n/a
July 1, 2011	\$ 21,654	481
October 1, 2011	\$ 18,374	408
January 1, 2012	\$ 27,949	620
April 1, 2012	\$ 27,859	600
June 1, 2012	\$ 464,946	n/a
July 1, 2012	\$ 22,313	481
October 1, 2012	\$ 19,080	411
January 1, 2013	\$ 29,020	625

Central Coast Water Authority
City of Guadalupe
 Four Year Financial Plan Charges

Table A Including Drought Buffer				605
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	570	-	570	
FY 2010/11	605	-	605	
FY 2011/12	605	-	605	
FY 2012/13	605	-	605	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 60,564	\$ 20,515	\$ -	\$ 20,515	\$ -	\$ -	\$ -	\$ 120,595	\$ 201,674
FY 2010/11	62,381	20,867	-	20,867	-	-	-	166,862	250,110
FY 2011/12	64,252	21,356	-	21,356	-	-	-	166,860	252,469
FY 2012/13	66,180	21,630	-	21,630	-	-	-	167,139	254,949

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

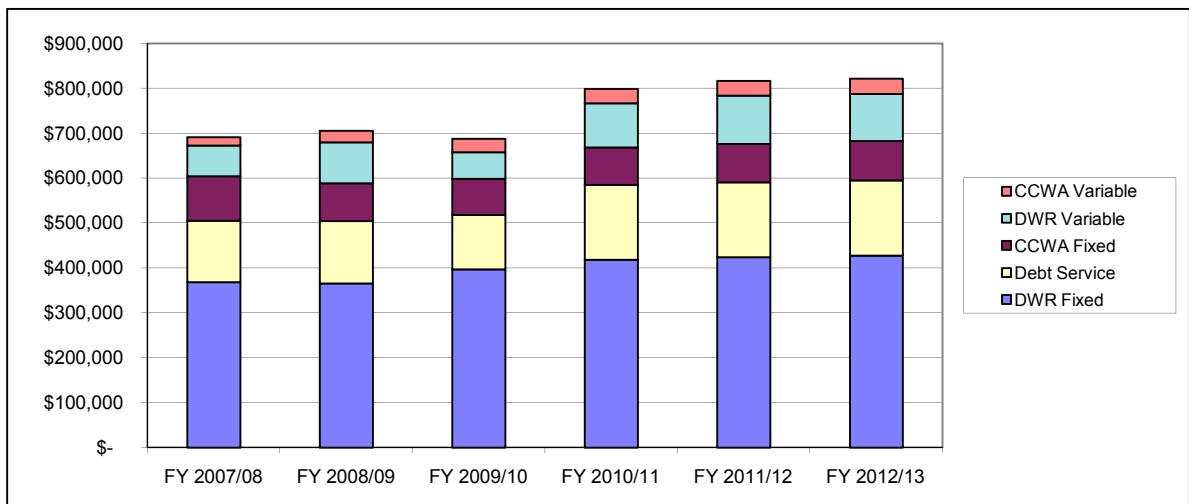
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 24,208	\$ -	\$ 5,424	\$ -	\$ 5,424	\$ -	\$ -	\$ -	\$ 29,632
FY 2010/11	26,466	-	5,708	-	5,708	-	-	-	32,173
FY 2011/12	27,259	-	5,939	-	5,939	-	-	-	33,198
FY 2012/13	28,077	-	6,117	-	6,117	-	-	-	34,194

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2009/10	\$ 397,349	\$ 59,076	\$ 456,425	\$ 81,079	\$ 29,632	\$ 120,595	\$ 397,349	\$ 59,076	\$ 687,732	
FY 2010/11	418,676	98,489	517,165	83,247	32,173	166,862	418,676	98,489	799,448	
FY 2011/12	424,342	106,989	531,332	85,609	33,198	166,860	424,342	106,989	816,999	
FY 2012/13	427,978	104,813	532,791	87,810	34,194	167,139	427,978	104,813	821,934	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

City of Guadalupe

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 23,665	156
June 1, 2009	\$ 599,023	n/a
July 1, 2009	\$ 18,596	110
October 1, 2009	\$ 23,003	150
January 1, 2010	\$ 23,444	154
April 1, 2010	\$ 35,903	171
June 1, 2010	\$ 668,786	n/a
July 1, 2010	\$ 28,393	130
October 1, 2010	\$ 32,806	150
January 1, 2011	\$ 33,559	154
April 1, 2011	\$ 38,417	171
June 1, 2011	\$ 676,811	n/a
July 1, 2011	\$ 30,632	130
October 1, 2011	\$ 35,180	150
January 1, 2012	\$ 35,959	154
April 1, 2012	\$ 38,253	171
June 1, 2012	\$ 682,927	n/a
July 1, 2012	\$ 30,196	130
October 1, 2012	\$ 34,876	150
January 1, 2013	\$ 35,682	154

Central Coast Water Authority
City of Santa Maria
 Four Year Financial Plan Charges

Table A Including Drought Buffer				17,820
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	16,320	-	16,320	
FY 2010/11	17,820	-	17,820	
FY 2011/12	17,820	-	17,820	
FY 2012/13	17,820	-	17,820	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Prepayments and Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 1,744,838	\$ 604,262	\$ -	\$ 604,262	\$ -	\$ -	\$ -	\$ (595,578)	\$ 1,753,522
FY 2010/11	1,797,183	614,617	-	614,617	-	-	-	-	2,411,800
FY 2011/12	1,851,099	629,045	-	629,045	-	-	-	-	2,480,144
FY 2012/13	1,906,632	637,104	-	637,104	-	-	-	-	2,543,735

(1) Includes capital improvement projects.

CCWA Variable O&M Charges

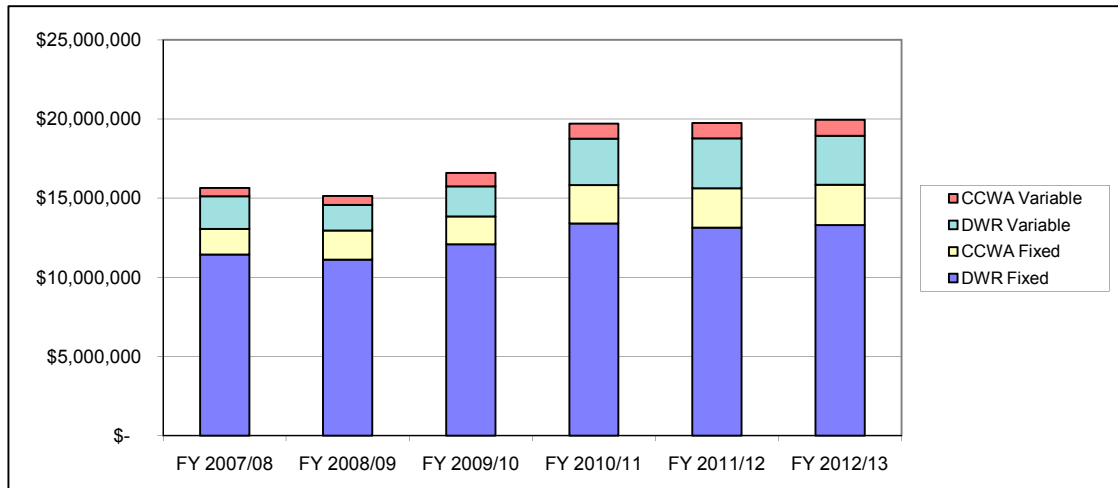
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 693,119	\$ -	\$ 155,298	\$ -	\$ 155,298	\$ -	\$ -	\$ -	\$ 848,418
FY 2010/11	779,530	-	168,113	-	168,113	-	-	-	947,643
FY 2011/12	802,916	-	174,925	-	174,925	-	-	-	977,840
FY 2012/13	827,003	-	180,172	-	180,172	-	-	-	1,007,175

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2009/10	\$ 12,102,700	\$ 1,911,233	\$ 14,013,933	\$ 2,349,100	\$ 848,418	\$ (595,578)	\$ 12,102,700	\$ 1,911,233	\$ 16,615,873
FY 2010/11	13,421,313	2,940,151	16,361,465	2,411,800	947,643	0	13,421,313	2,940,151	19,720,908
FY 2011/12	13,160,716	3,148,051	16,308,767	2,480,144	977,840	0	13,160,716	3,148,051	19,766,751
FY 2012/13	13,319,379	3,083,956	16,403,334	2,543,735	1,007,175	0	13,319,379	3,083,956	19,954,245

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Maria

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 685,966	4,050
June 1, 2009	\$ 13,856,222	n/a
July 1, 2009	\$ 675,442	3,970
October 1, 2009	\$ 653,078	3,800
January 1, 2010	\$ 745,164	4,500
April 1, 2010	\$ 1,088,883	5,150
June 1, 2010	\$ 15,833,114	n/a
July 1, 2010	\$ 946,003	4,370
October 1, 2010	\$ 860,592	3,800
January 1, 2011	\$ 992,317	4,500
April 1, 2011	\$ 1,153,060	5,150
June 1, 2011	\$ 15,640,860	n/a
July 1, 2011	\$ 1,004,959	4,370
October 1, 2011	\$ 915,731	3,800
January 1, 2012	\$ 1,052,142	4,500
April 1, 2012	\$ 1,148,989	5,150
June 1, 2012	\$ 15,863,114	n/a
July 1, 2012	\$ 995,704	4,370
October 1, 2012	\$ 902,688	3,800
January 1, 2013	\$ 1,043,751	4,500

Central Coast Water Authority
Golden State Water Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				550
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	515	-	515	
FY 2010/11	550	-	550	
FY 2011/12	550	-	550	
FY 2012/13	550	-	550	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 57,291	\$ 18,650	\$ -	\$ 18,650	\$ -	\$ -	\$ -	\$ (20,234)	\$ 55,707
FY 2010/11	59,010	18,970	-	18,970	-	-	-	-	77,980
FY 2011/12	60,780	19,415	-	19,415	-	-	-	-	80,195
FY 2012/13	62,604	19,664	-	19,664	-	-	-	-	82,267

(1) Includes capital improvement projects.

CCWA Variable O&M Charges

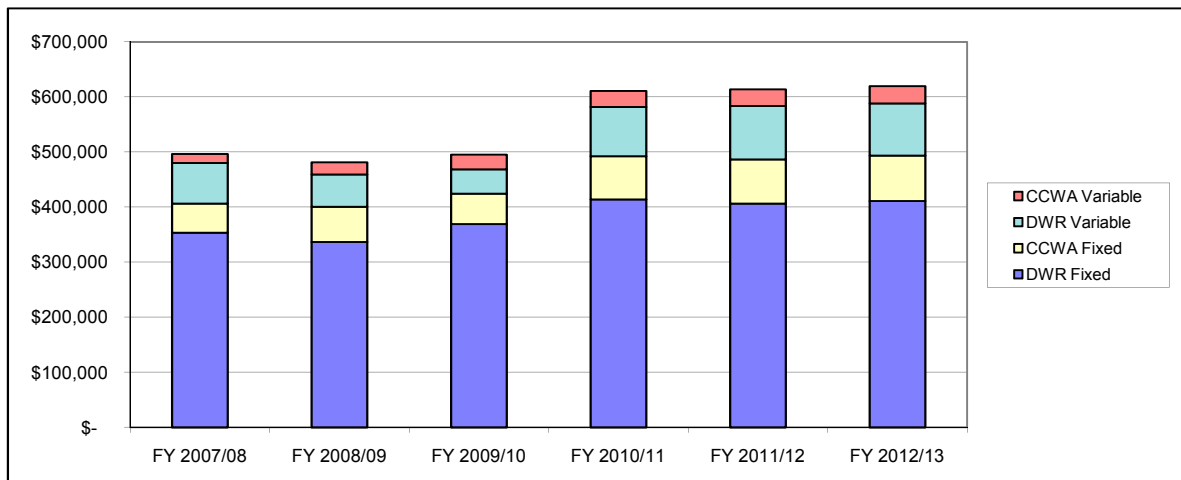
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 21,872	\$ -	\$ 4,901	\$ -	\$ 4,901	\$ -	\$ -	\$ -	\$ 26,773
FY 2010/11	24,060	-	5,189	-	5,189	-	-	-	29,248
FY 2011/12	24,781	-	5,399	-	5,399	-	-	-	30,180
FY 2012/13	25,525	-	5,561	-	5,561	-	-	-	31,086

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2009/10	\$ 369,040	\$ 43,943	\$ 412,984	\$ 75,941	\$ 26,773	\$ (20,234)	\$ 369,040	\$ 43,943	\$ 495,464
FY 2010/11	414,238	89,887	504,125	77,980	29,248	0	414,238	89,887	611,353
FY 2011/12	406,195	97,146	503,341	80,195	30,180	0	406,195	97,146	613,717
FY 2012/13	411,092	95,168	506,260	82,267	31,086	0	411,092	95,168	619,613

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Golden State Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 20,628	158
June 1, 2009	\$ 424,748	n/a
July 1, 2009	\$ 15,184	104
October 1, 2009	\$ 16,797	120
January 1, 2010	\$ 18,108	133
April 1, 2010	\$ 33,040	157
June 1, 2010	\$ 492,218	n/a
July 1, 2010	\$ 29,926	140
October 1, 2010	\$ 26,862	120
January 1, 2011	\$ 29,308	133
April 1, 2011	\$ 35,218	157
June 1, 2011	\$ 486,390	n/a
July 1, 2011	\$ 31,990	140
October 1, 2011	\$ 28,793	120
January 1, 2012	\$ 31,326	133
April 1, 2012	\$ 35,079	157
June 1, 2012	\$ 493,359	n/a
July 1, 2012	\$ 31,738	140
October 1, 2012	\$ 28,408	120
January 1, 2013	\$ 31,028	133

Central Coast Water Authority
Vandenberg Air Force Base
 Four Year Financial Plan Charges

Table A Including Drought Buffer				6,050
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	5,630	-	5,630	
FY 2010/11	6,050	-	6,050	
FY 2011/12	6,050	-	6,050	
FY 2012/13	6,050	-	6,050	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<i>Regional WTP Modifications</i>			<i>Exchange Agreement Modifications</i>			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 658,006	\$ 205,151	-	\$ 205,151	-	-	-	\$ (193,899)	\$ 669,258
FY 2010/11	677,747	208,666	-	208,666	-	-	-	-	886,413
FY 2011/12	698,079	213,565	-	213,565	-	-	-	-	911,644
FY 2012/13	719,021	216,301	-	216,301	-	-	-	-	935,322

(1) Includes capital improvement projects.

CCWA Variable O&M Charges

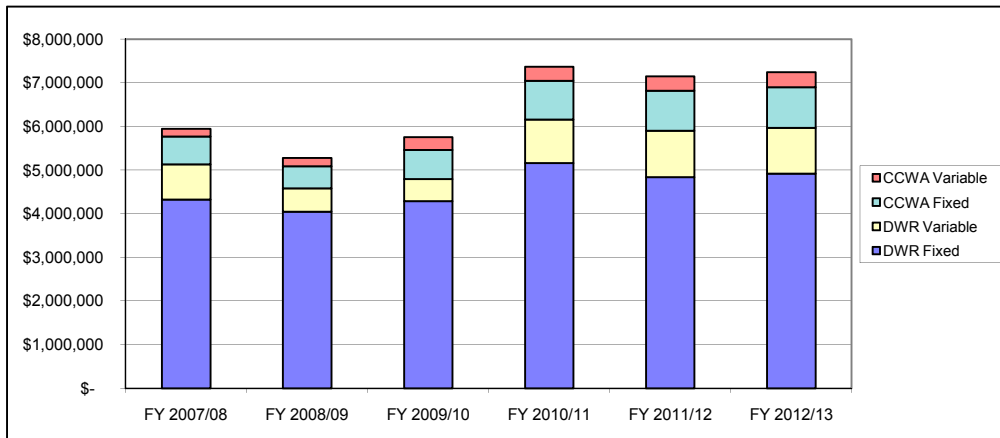
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<i>Regional WTP Modifications</i>			<i>Exchange Agreement Modifications</i>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 239,109	-	\$ 53,574	-	\$ 53,574	-	-	-	\$ 292,683
FY 2010/11	264,655	-	57,075	-	57,075	-	-	-	321,731
FY 2011/12	272,595	-	59,388	-	59,388	-	-	-	331,983
FY 2012/13	280,773	-	61,170	-	61,170	-	-	-	341,942

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11	5,163,103	996,063	6,159,165	886,413	321,731	0	5,163,103	996,063	7,367,309
FY 2011/12	4,836,636	1,069,168	5,905,804	911,644	331,983	0	4,836,636	1,069,168	7,149,431
FY 2012/13	4,919,213	1,047,407	5,966,621	935,322	341,942	0	4,919,213	1,047,407	7,243,885

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Vandenberg Air Force Base

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 213,752	1,530
June 1, 2009	\$ 4,958,787	n/a
July 1, 2009	\$ 176,979	1,205
October 1, 2009	\$ 204,700	1,450
January 1, 2010	\$ 204,134	1,445
April 1, 2010	\$ 351,933	1,655
June 1, 2010	\$ 6,049,516	n/a
July 1, 2010	\$ 323,540	1,500
October 1, 2010	\$ 321,631	1,450
January 1, 2011	\$ 320,690	1,445
April 1, 2011	\$ 373,726	1,655
June 1, 2011	\$ 5,748,280	n/a
July 1, 2011	\$ 344,296	1,500
October 1, 2011	\$ 342,052	1,450
January 1, 2012	\$ 341,078	1,445
April 1, 2012	\$ 371,723	1,655
June 1, 2012	\$ 5,854,535	n/a
July 1, 2012	\$ 341,262	1,500
October 1, 2012	\$ 338,686	1,450
January 1, 2013	\$ 337,679	1,445

Central Coast Water Authority
City of Buellton
 Four Year Financial Plan Charges

Table A Including Drought Buffer				636
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	632	-	632	
FY 2010/11	636	-	636	
FY 2011/12	636	-	636	
FY 2012/13	636	-	636	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 82,755	\$ 21,559	\$ -	\$ 21,559	\$ -	\$ -	\$ -	\$ 268,468	\$ 372,783
FY 2010/11	85,238	21,929	-	21,929	-	-	-	295,586	402,753
FY 2011/12	87,795	22,444	-	22,444	-	-	-	295,582	405,821
FY 2012/13	90,429	22,731	-	22,731	-	-	-	296,076	409,236

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

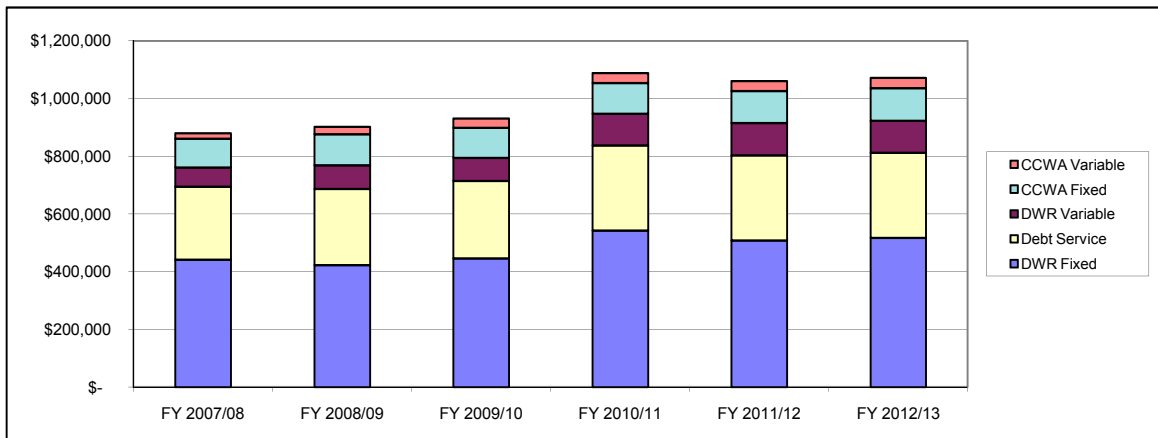
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 26,841	\$ -	\$ 6,014	\$ -	\$ 6,014	\$ -	\$ -	\$ -	\$ 32,855
FY 2010/11	27,822	-	6,000	-	6,000	-	-	-	33,822
FY 2011/12	28,656	-	6,243	-	6,243	-	-	-	34,899
FY 2012/13	29,516	-	6,430	-	6,430	-	-	-	35,946

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2009/10	\$ 446,686	\$ 79,606	\$ 526,292	\$ 104,315	\$ 32,855	\$ 268,468	\$ 446,686	\$ 79,606	\$ 931,931
FY 2010/11	542,601	109,534	652,135	107,167	33,822	295,586	542,601	109,534	1,088,710
FY 2011/12	508,292	112,424	620,716	110,239	34,899	295,582	508,292	112,424	1,061,437
FY 2012/13	516,971	110,136	627,106	113,160	35,946	296,076	516,971	110,136	1,072,289

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

City of Buellton

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 29,749	171
June 1, 2009	\$ 819,469	n/a
July 1, 2009	\$ 27,236	151
October 1, 2009	\$ 27,110	150
January 1, 2010	\$ 28,367	160
April 1, 2010	\$ 39,665	182
June 1, 2010	\$ 945,354	n/a
July 1, 2010	\$ 32,704	144
October 1, 2010	\$ 34,553	150
January 1, 2011	\$ 36,435	160
April 1, 2011	\$ 40,810	182
June 1, 2011	\$ 914,114	n/a
July 1, 2011	\$ 33,595	144
October 1, 2011	\$ 35,484	150
January 1, 2012	\$ 37,433	160
April 1, 2012	\$ 40,653	182
June 1, 2012	\$ 926,207	n/a
July 1, 2012	\$ 33,185	144
October 1, 2012	\$ 35,114	150
January 1, 2013	\$ 37,130	160

Central Coast Water Authority
Santa Ynez Improvement District No. 1 (City of Solvang)
 Four Year Financial Plan Charges

Table A Including Drought Buffer			1,500
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2009/10	1,365	-	1,365
FY 2010/11	1,500	-	1,500
FY 2011/12	1,500	-	1,500
FY 2012/13	1,500	-	1,500

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 210,415	\$ 55,950	\$ -	\$ 55,950	\$ -	\$ -	\$ -	\$ 834,364	\$ 1,100,729
FY 2010/11	216,727	56,909	-	56,909	-	-	-	951,568	1,225,204
FY 2011/12	223,229	58,245	-	58,245	-	-	-	948,588	1,230,062
FY 2012/13	229,926	58,991	-	58,991	-	-	-	949,890	1,238,807

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

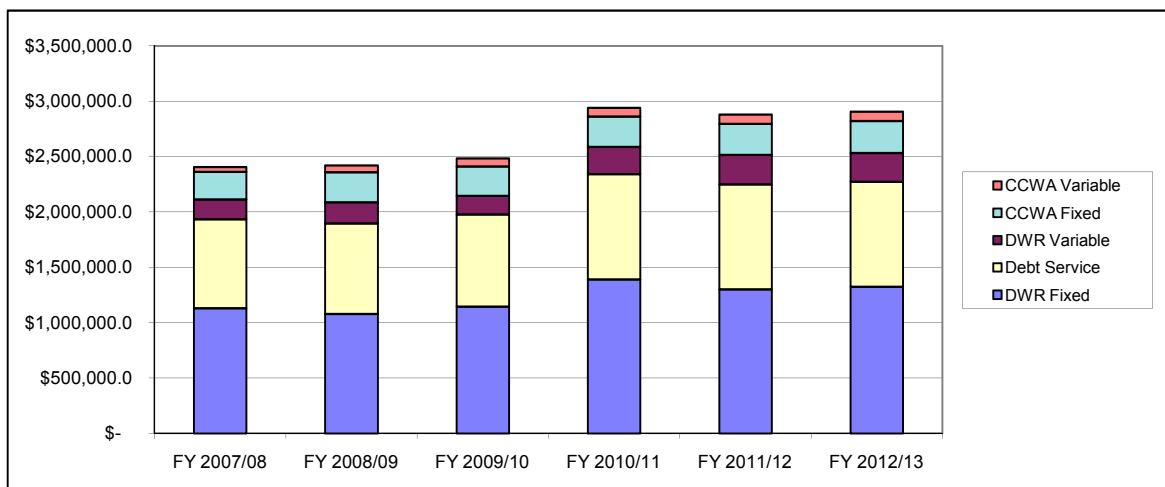
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 57,972	\$ -	\$ 12,989	\$ -	\$ 12,989	\$ -	\$ -	\$ -	\$ 70,961
FY 2010/11	65,617	-	14,151	-	14,151	-	-	-	79,768
FY 2011/12	67,585	-	14,724	-	14,724	-	-	-	82,310
FY 2012/13	69,613	-	15,166	-	15,166	-	-	-	84,779

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Fixed Costs ⁽³⁾</u>		<u>DWR Variable Costs</u>		<u>Total DWR Costs</u>		<u>CCWA</u>		<u>Debt Service</u>		<u>DWR</u>		<u>DWR</u>		<u>Total SWP Charges</u>	
	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable O&M	Service	Fixed	Variable O&M	Fixed	Variable O&M	Fixed	Variable O&M	
FY 2009/10	\$ 1,144,839	\$ 166,739	\$ 1,311,578	\$ -	\$ 266,365	\$ 70,961	\$ 834,364	\$ 1,144,839	\$ 166,739	\$ 2,483,268	\$ -	\$ -	\$ -	\$ -	\$ -	
FY 2010/11	1,390,301	246,304	1,636,604	-	273,636	79,768	951,568	1,390,301	246,304	2,941,576	-	-	-	-	-	
FY 2011/12	1,300,938	265,019	1,565,957	-	281,474	82,310	948,588	1,300,938	265,019	2,878,329	-	-	-	-	-	
FY 2012/13	1,323,302	259,624	1,582,926	-	288,917	84,779	949,890	1,323,302	259,624	2,906,512	-	-	-	-	-	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary
 Santa Ynez River Water Conservation District, ID#1
(City of Solvang)

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 61,552	360
June 1, 2009	\$ 2,245,568	n/a
July 1, 2009	\$ 54,745	300
October 1, 2009	\$ 58,149	330
January 1, 2010	\$ 63,254	375
April 1, 2010	\$ 87,964	415
June 1, 2010	\$ 2,615,504	n/a
July 1, 2010	\$ 81,553	380
October 1, 2010	\$ 74,044	330
January 1, 2011	\$ 82,512	375
April 1, 2011	\$ 93,546	415
June 1, 2011	\$ 2,531,000	n/a
July 1, 2011	\$ 86,900	380
October 1, 2011	\$ 79,057	330
January 1, 2012	\$ 87,826	375
April 1, 2012	\$ 93,080	415
June 1, 2012	\$ 2,562,109	n/a
July 1, 2012	\$ 86,202	380
October 1, 2012	\$ 78,026	330
January 1, 2013	\$ 87,095	375

Central Coast Water Authority
Santa Ynez Improvement District No. 1
 Four Year Financial Plan Charges

Table A Including Drought Buffer			700
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2009/10	700	2,470	3,170
FY 2010/11	700	2,245	2,945
FY 2011/12	700	2,121	2,821
FY 2012/13	700	2,121	2,821

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<i>Regional WTP Modifications</i>			<i>Exchange Agreement Modifications</i>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 71,055	\$ 110,768	\$ -	\$ 110,768	\$ 184,654	\$ 134,465	\$ 319,119	\$ 281,692	\$ 782,634
FY 2010/11	73,187	104,148	-	104,148	167,867	121,454	289,321	356,289	822,945
FY 2011/12	75,382	101,792	-	101,792	158,623	118,209	276,832	355,173	809,179
FY 2012/13	77,644	103,096	-	103,096	158,623	121,755	280,378	355,661	816,779

(1) Includes capital improvement projects

(2) Net of CCWA credits

CCWA Variable O&M Charges

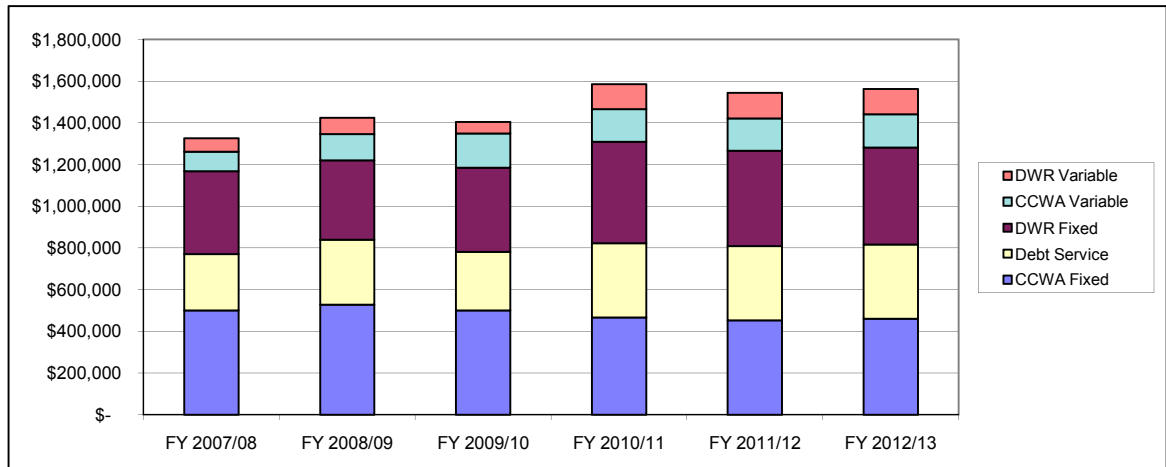
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<i>Regional WTP Modifications</i>			<i>Exchange Agreement Modifications</i>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 29,729	\$ -	\$ 30,162	\$ -	\$ 30,162	\$ 104,887	\$ -	\$ -	\$ 164,778
FY 2010/11	30,621	-	27,784	-	27,784	98,212	-	-	156,618
FY 2011/12	31,540	-	27,696	-	27,696	95,588	-	-	154,824
FY 2012/13	32,486	-	28,527	-	28,527	98,455	-	-	159,469

DWR Charges

Total State Water Charges

Fiscal Year	<i>DWR Charges</i>			<i>Total State Water Charges</i>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2009/10	\$ 402,819	\$ 55,796	\$ 458,614	\$ 500,941	\$ 164,778	\$281,692	\$ 402,819	\$ 55,796	\$ 1,406,025
FY 2010/11	487,191	120,401	607,592	466,656	156,618	356,289	487,191	120,401	1,587,154
FY 2011/12	457,839	123,581	581,420	454,006	154,824	355,173	457,839	123,581	1,545,423
FY 2012/13	465,503	121,063	586,566	461,118	159,469	355,661	465,503	121,063	1,562,813

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Santa Ynez River Water Conservation District, ID#1

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2009	\$ 98,054	210	1,232
June 1, 2009	\$ 1,185,452	n/a	n/a
July 1, 2009	\$ 31,835	180	264
October 1, 2009	\$ 21,605	105	172
January 1, 2010	\$ 69,079	205	802
April 1, 2010	\$ 112,393	210	1,120
June 1, 2010	\$ 1,310,136	n/a	n/a
July 1, 2010	\$ 47,105	180	240
October 1, 2010	\$ 32,034	105	156
January 1, 2011	\$ 85,487	205	729
April 1, 2011	\$ 109,539	210	1,018
June 1, 2011	\$ 1,267,018	n/a	n/a
July 1, 2011	\$ 47,105	180	218
October 1, 2011	\$ 32,982	105	156
January 1, 2012	\$ 88,779	205	729
April 1, 2012	\$ 111,313	210	1,018
June 1, 2012	\$ 1,282,281	n/a	n/a
July 1, 2012	\$ 46,979	180	218
October 1, 2012	\$ 32,344	105	156
January 1, 2013	\$ 89,895	205	729

Central Coast Water Authority
Goleta Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				4,950
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	4,950	(889)	4,061	
FY 2010/11	4,950	(808)	4,142	
FY 2011/12	4,950	(764)	4,186	
FY 2012/13	4,950	(764)	4,186	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 740,922	\$ 134,688	\$ (466,593)	\$ (331,905)	\$ (66,475)	\$ (48,407)	\$ (114,883)	\$ 2,544,841	\$ 2,838,975
FY 2010/11	763,150	140,063	(475,743)	(335,681)	(60,432)	(43,723)	(104,156)	2,861,028	3,184,342
FY 2011/12	786,044	145,079	(487,543)	(342,464)	(57,104)	(42,555)	(99,659)	2,860,992	3,204,913
FY 2012/13	809,626	146,937	(493,788)	(346,851)	(57,104)	(43,832)	(100,936)	2,865,767	3,227,606

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

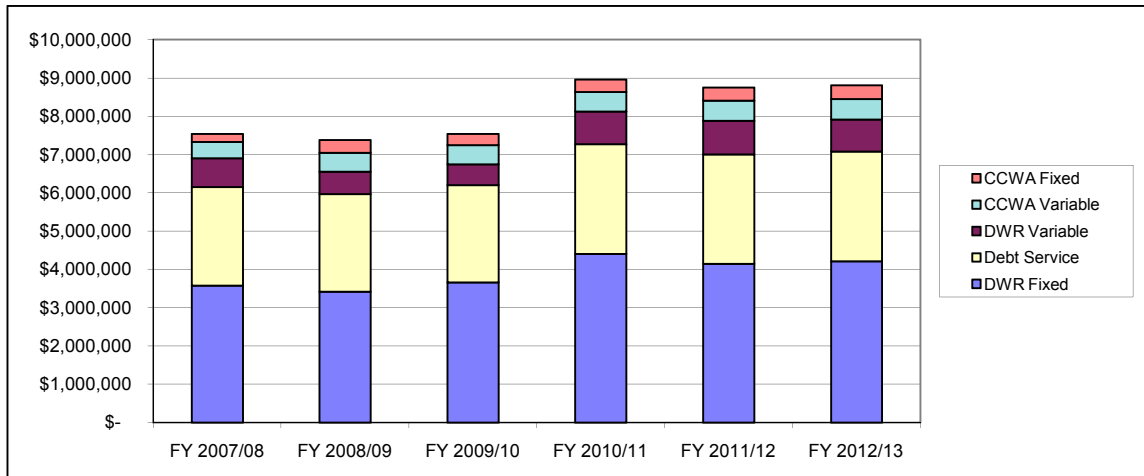
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2009/10	\$ 436,017	\$ 287,100	\$ 38,643	\$ (172,470)	\$ (133,827)	\$ (37,759)	\$ (51,566)	\$ 499,965
FY 2010/11	451,166	287,100	39,073	(181,180)	(142,107)	(35,356)	(46,878)	513,925
FY 2011/12	467,299	287,100	41,093	(188,620)	(147,527)	(34,412)	(44,297)	528,163
FY 2012/13	481,318	287,100	42,326	(194,279)	(151,953)	(35,444)	(44,297)	536,724

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11	4,407,973	853,659	5,261,632	323,313	513,925	2,861,028	4,407,973	853,659	8,959,900
FY 2011/12	4,144,642	873,575	5,018,218	343,921	528,163	2,860,992	4,144,642	873,575	8,751,293
FY 2012/13	4,213,635	836,555	5,050,189	361,839	536,724	2,865,767	4,213,635	836,555	8,814,519

(3) Net of DWR account interest income. Includes DWR fixed costs for the Goleta additional 2500 AF.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Goleta Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2009	\$ 236,849	1,255	811
June 1, 2009	\$ 6,499,886	n/a	n/a
July 1, 2009	\$ 250,722	1,110	1,015
October 1, 2009	\$ 332,890	1,500	1,438
January 1, 2010	\$ 221,880	1,085	796
April 1, 2010	\$ 318,153	1,255	852
June 1, 2010	\$ 7,592,315	n/a	n/a
July 1, 2010	\$ 320,621	1,110	1,024
October 1, 2010	\$ 430,957	1,500	1,444
January 1, 2011	\$ 297,853	1,085	823
April 1, 2011	\$ 329,618	1,255	888
June 1, 2011	\$ 7,349,555	n/a	n/a
July 1, 2011	\$ 328,084	1,110	1,031
October 1, 2011	\$ 440,254	1,500	1,444
January 1, 2012	\$ 303,782	1,085	823
April 1, 2012	\$ 322,267	1,255	888
June 1, 2012	\$ 7,441,241	n/a	n/a
July 1, 2012	\$ 320,301	1,110	1,031
October 1, 2012	\$ 435,264	1,500	1,444
January 1, 2013	\$ 295,447	1,085	823

Central Coast Water Authority
Morehart Land Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				220
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	220	-	220	
FY 2010/11	220	-	220	
FY 2011/12	220	-	220	
FY 2012/13	220	-	220	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 32,930	\$ 7,460	\$ (25,843)	\$ (18,383)	\$ -	\$ -	\$ -	\$ 105,688	\$ 120,234
FY 2010/11	33,918	7,588	(25,773)	(18,185)	-	-	-	131,381	147,114
FY 2011/12	34,935	7,766	(26,098)	(18,332)	-	-	-	131,380	147,983
FY 2012/13	35,983	7,865	(26,432)	(18,567)	-	-	-	131,599	149,016

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

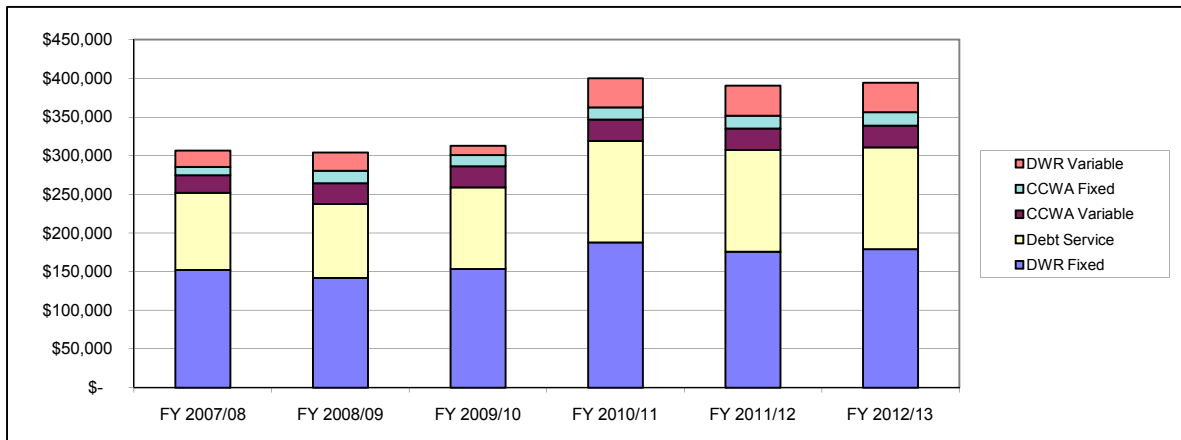
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 21,576	\$ 12,760	\$ 2,093	\$ (9,344)	\$ (7,250)	\$ -	\$ -	\$ -	\$ 27,085
FY 2010/11	22,223	12,760	2,075	(9,624)	(7,548)	-	-	-	27,434
FY 2011/12	22,749	12,760	2,160	(9,913)	(7,753)	-	-	-	27,756
FY 2012/13	23,432	12,760	2,224	(10,210)	(7,986)	-	-	-	28,206

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2009/10	\$ 153,357	\$ 12,232	\$ 165,590	\$ 14,547	\$ 27,085	\$ 105,688	\$ 153,357	\$ 12,232
FY 2010/11	187,749	37,908	225,657	15,732	27,434	131,381	187,749	37,908	400,205
FY 2011/12	175,878	38,907	214,785	16,603	27,756	131,380	175,878	38,907	390,525
FY 2012/13	178,880	38,116	216,997	17,417	28,206	131,599	178,880	38,116	394,219

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Morehart Land Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 10,512	59
June 1, 2009	\$ 273,592	n/a
July 1, 2009	\$ 8,976	50
October 1, 2009	\$ 10,683	60
January 1, 2010	\$ 9,147	51
April 1, 2010	\$ 17,216	59
June 1, 2010	\$ 334,863	n/a
July 1, 2010	\$ 14,923	50
October 1, 2010	\$ 17,770	60
January 1, 2011	\$ 15,433	51
April 1, 2011	\$ 17,572	59
June 1, 2011	\$ 323,861	n/a
July 1, 2011	\$ 15,221	50
October 1, 2011	\$ 18,133	60
January 1, 2012	\$ 15,738	51
April 1, 2012	\$ 17,515	59
June 1, 2012	\$ 327,896	n/a
July 1, 2012	\$ 15,101	50
October 1, 2012	\$ 18,083	60
January 1, 2013	\$ 15,624	51

Central Coast Water Authority
La Cumbre Mutual Water Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				1,100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	1,100	-	1,100	
FY 2010/11	1,100	-	1,100	
FY 2011/12	1,100	-	1,100	
FY 2012/13	1,100	-	1,100	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 164,649	\$ 37,300	\$ (129,217)	\$ (91,917)	\$ -	\$ -	\$ -	\$ 567,830	\$ 640,563
FY 2010/11	169,589	37,939	(128,866)	(90,927)	-	-	-	628,998	707,660
FY 2011/12	174,677	38,830	(130,489)	(91,659)	-	-	-	628,990	712,007
FY 2012/13	179,917	39,327	(132,161)	(92,834)	-	-	-	630,040	717,123

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

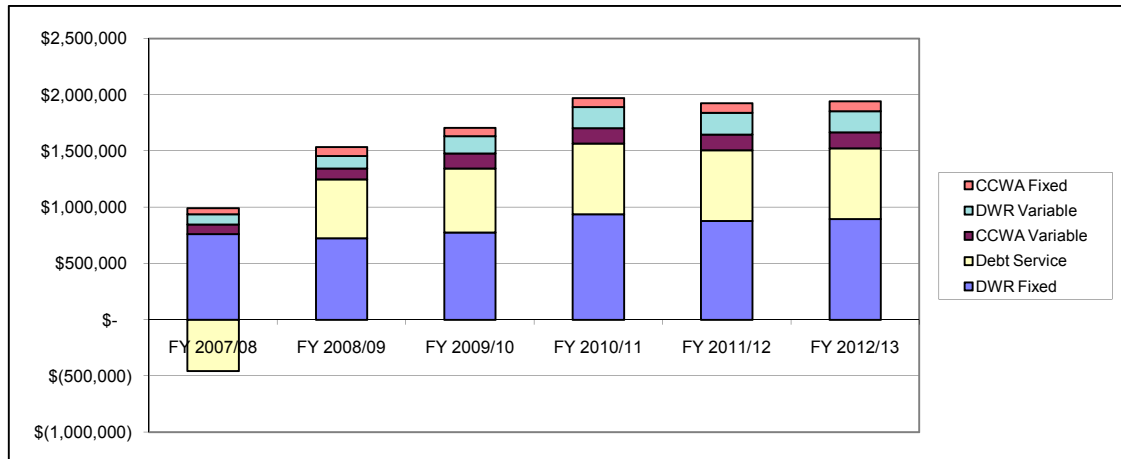
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 107,878	\$ 63,800	\$ 10,467	\$ (46,718)	\$ (36,250)	\$ -	\$ -	\$ -	\$ 135,427
FY 2010/11	111,114	63,800	10,377	(48,119)	(37,742)	-	-	-	137,172
FY 2011/12	113,747	63,800	10,798	(49,563)	(38,765)	-	-	-	138,782
FY 2012/13	117,160	63,800	11,122	(51,050)	(39,928)	-	-	-	141,032

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2009/10	\$ 776,226	\$ 154,077	\$ 930,302	\$72,733	\$ 135,427	\$ 567,830	\$ 776,226	\$ 154,077
FY 2010/11	938,746	186,485	1,125,231	78,662	137,172	628,998	938,746	186,485	1,970,063
FY 2011/12	879,388	194,457	1,073,846	83,017	138,782	628,990	879,388	194,457	1,924,635
FY 2012/13	894,402	190,501	1,084,903	87,083	141,032	630,040	894,402	190,501	1,943,058

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

La Cumbre Mutual Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 79,796	310
June 1, 2009	\$ 1,416,789	n/a
July 1, 2009	\$ 67,288	251
October 1, 2009	\$ 71,316	270
January 1, 2010	\$ 71,104	269
April 1, 2010	\$ 89,155	310
June 1, 2010	\$ 1,646,406	n/a
July 1, 2010	\$ 74,128	251
October 1, 2010	\$ 80,317	270
January 1, 2011	\$ 80,057	269
April 1, 2011	\$ 91,777	310
June 1, 2011	\$ 1,591,396	n/a
July 1, 2011	\$ 76,368	251
October 1, 2011	\$ 82,680	270
January 1, 2012	\$ 82,414	269
April 1, 2012	\$ 91,597	310
June 1, 2012	\$ 1,611,526	n/a
July 1, 2012	\$ 75,772	251
October 1, 2012	\$ 82,218	270
January 1, 2013	\$ 81,945	269

Central Coast Water Authority
Raytheon
 Four Year Financial Plan Charges

Table A Including Drought Buffer				55
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	55	-	55	
FY 2010/11	55	-	55	
FY 2011/12	55	-	55	
FY 2012/13	55	-	55	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 8,232	\$ 1,865	\$ (6,461)	\$ (4,596)	\$ -	\$ -	\$ -	\$ 20,945	\$ 24,582
FY 2010/11	8,479	1,897	(6,443)	(4,546)	-	-	-	27,502	31,435
FY 2011/12	8,734	1,941	(6,524)	(4,583)	-	-	-	27,502	31,653
FY 2012/13	8,996	1,966	(6,608)	(4,642)	-	-	-	27,548	31,902

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

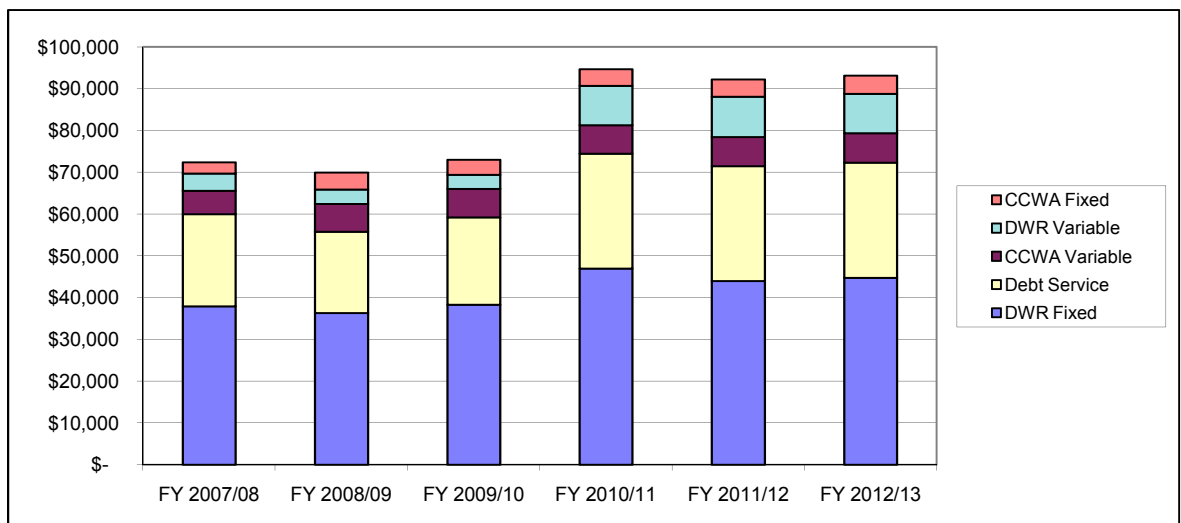
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2009/10	\$ 5,394	\$ 3,190	\$ 523	\$ (2,336)	\$ (1,813)	\$ -	\$ -	\$ -	\$ 6,771
FY 2010/11	5,556	3,190	519	(2,406)	(1,887)	-	-	-	6,859
FY 2011/12	5,687	3,190	540	(2,478)	(1,938)	-	-	-	6,939
FY 2012/13	5,858	3,190	556	(2,552)	(1,996)	-	-	-	7,052

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2009/10	\$ 38,291	\$ 3,363	\$ 41,653	\$ 3,637	\$ 6,771	\$ 20,945	\$ 38,291	\$ 3,363	\$ 73,007	
FY 2010/11	46,937	9,423	56,361	3,933	6,859	27,502	46,937	9,423	94,654	
FY 2011/12	43,969	9,673	53,643	4,151	6,939	27,502	43,969	9,673	92,234	
FY 2012/13	44,720	9,475	54,195	4,354	7,052	27,548	44,720	9,475	93,149	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Raytheon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 3,971	23
June 1, 2009	\$ 62,873	n/a
July 1, 2009	\$ 2,728	15
October 1, 2009	\$ 397	0
January 1, 2010	\$ 3,038	17
April 1, 2010	\$ 6,405	23
June 1, 2010	\$ 78,373	n/a
July 1, 2010	\$ 4,368	15
October 1, 2010	\$ 547	0
January 1, 2011	\$ 4,962	17
April 1, 2011	\$ 6,548	23
June 1, 2011	\$ 75,622	n/a
July 1, 2011	\$ 4,458	15
October 1, 2011	\$ 541	0
January 1, 2012	\$ 5,066	17
April 1, 2012	\$ 6,591	23
June 1, 2012	\$ 76,622	n/a
July 1, 2012	\$ 4,446	15
October 1, 2012	\$ 423	0
January 1, 2013	\$ 5,067	17

Central Coast Water Authority
City of Santa Barbara
 Four Year Financial Plan Charges

Table A Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	593	(593)	0	
FY 2010/11	539	(539)	0	
FY 2011/12	509	(509)	(0)	
FY 2012/13	509	(509)	(0)	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 493,948	\$ 89,792	\$ (311,062)	\$ (221,270)	\$ (44,317)	\$ (32,272)	\$ (76,589)	\$ 1,592,009	\$ 1,788,099
FY 2010/11	508,767	93,375	(317,162)	(223,787)	(40,288)	(29,149)	(69,437)	1,758,764	1,974,306
FY 2011/12	524,030	96,719	(325,029)	(228,309)	(38,069)	(28,370)	(66,440)	1,758,741	1,988,022
FY 2012/13	539,750	97,958	(329,192)	(231,234)	(38,069)	(29,221)	(67,291)	1,761,677	2,002,903

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

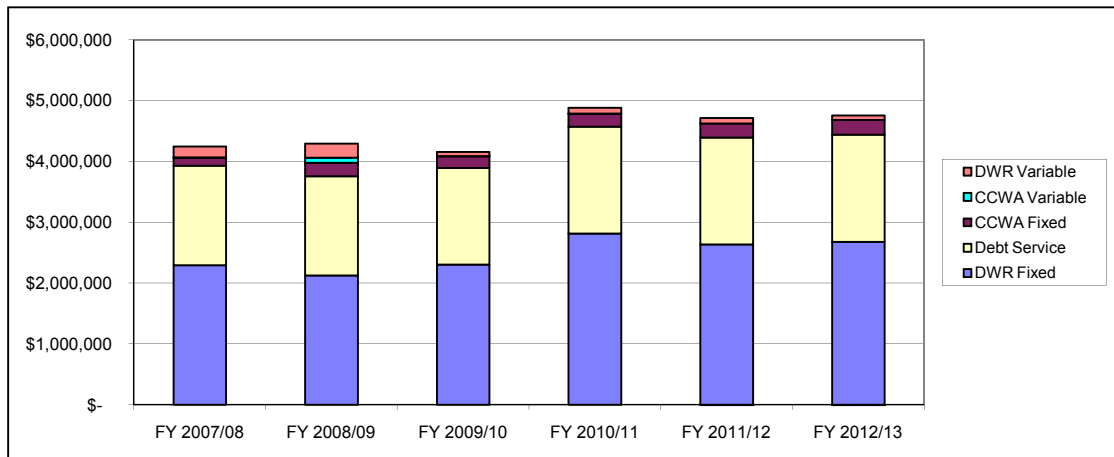
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2009/10	\$25,201	\$ 34,377	\$ 3	\$ (12)	\$ (9)	\$ (25,173)	\$ (34,377)	\$ 18
FY 2010/11	23,588	31,262	2	(7)	(6)	(23,571)	(31,252)	21
FY 2011/12	22,925	29,522	(2)	7	6	(22,941)	(29,531)	(20)
FY 2012/13	23,613	29,522	(2)	7	6	(23,629)	(29,531)	(20)

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11	2,816,238	95,951	2,912,188	215,542	21.23	1,758,764	2,816,238	95,950.65	4,886,516
FY 2011/12	2,638,165	89,300	2,727,465	229,281	(19.81)	1,758,741	2,638,165	89,300.15	4,715,467
FY 2012/13	2,683,207	72,320	2,755,527	241,226	(20.13)	1,761,677	2,683,207	72,320.00	4,758,410

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Barbara

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2009	\$ 16,461	296	0
June 1, 2009	\$ 4,093,867	n/a	n/a
July 1, 2009	\$ 16,481	64	1
October 1, 2009	\$ 16,489	42	1
January 1, 2010	\$ 16,349	191	(1)
April 1, 2010	\$ 41,200	269	0
June 1, 2010	\$ 4,790,544	n/a	n/a
July 1, 2010	\$ 13,795	58	0
October 1, 2010	\$ 11,399	38	1
January 1, 2011	\$ 29,578	174	(1)
April 1, 2011	\$ 37,775	244	(0)
June 1, 2011	\$ 4,626,187	n/a	n/a
July 1, 2011	\$ 12,117	53	1
October 1, 2011	\$ 10,266	38	1
January 1, 2012	\$ 29,122	174	(1)
April 1, 2012	\$ 34,113	244	(0)
June 1, 2012	\$ 4,686,110	n/a	n/a
July 1, 2012	\$ 7,502	53	1
October 1, 2012	\$ 5,576	38	1
January 1, 2013	\$ 25,109	174	(1)

Central Coast Water Authority
Montecito Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	3,300	(593)	2,707	
FY 2010/11	3,300	(539)	2,761	
FY 2011/12	3,300	(509)	2,791	
FY 2012/13	3,300	(509)	2,791	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 493,948	\$ 89,792	\$ (311,062)	\$ (221,270)	\$ (44,317)	\$ (32,272)	\$ (76,589)	\$ 2,002,407	\$ 2,198,497
FY 2010/11	508,767	93,375	(317,162)	(223,787)	(40,288)	(29,149)	(69,437)	2,067,200	2,282,742
FY 2011/12	524,030	96,719	(325,029)	(228,309)	(38,069)	(28,370)	(66,440)	2,067,174	2,296,454
FY 2012/13	539,750	97,958	(329,192)	(231,234)	(38,069)	(29,221)	(67,291)	2,070,624	2,311,850

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

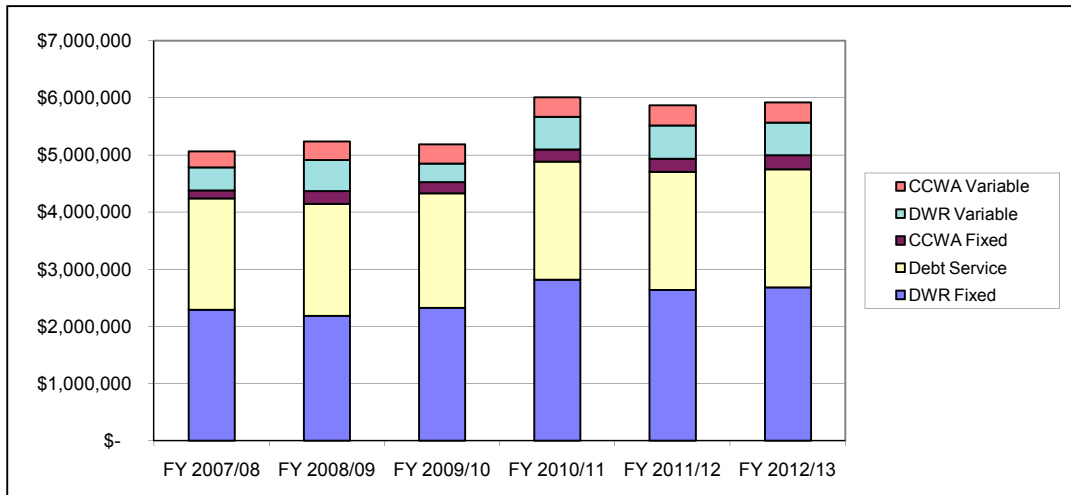
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2009/10	\$ 290,678	\$ 191,400	\$ 25,762	\$ (114,980)	\$ (89,218)	\$ (25,173)	\$ (34,377)	\$ 333,310
FY 2010/11	302,484	191,400	26,049	(120,786)	(94,738)	(23,571)	(31,252)	344,323
FY 2011/12	311,532	191,400	27,395	(125,747)	(98,352)	(22,941)	(29,531)	352,109
FY 2012/13	320,878	191,400	28,217	(129,519)	(101,302)	(23,629)	(29,531)	357,816

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	Total State Water Charges					
				CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2009/10	\$ 2,328,350	\$ 326,257	\$ 2,654,607	\$196,089	\$ 333,310	\$ 2,002,407	\$ 2,328,350	\$ 326,257	\$ 5,186,414
FY 2010/11	2,816,238	568,546	3,384,783	215,542	344,323	2,067,200	2,816,238	568,546	6,011,849
FY 2011/12	2,638,165	583,537	3,221,702	229,281	352,109	2,067,174	2,638,165	583,537	5,870,265
FY 2012/13	2,683,207	571,668	3,254,875	241,226	357,816	2,070,624	2,683,207	571,668	5,924,541

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Montecito Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Requested SWP Delivery (acre-feet)
April 1, 2009	\$ 179,859	1,020	724
June 1, 2009	\$ 4,526,847	n/a	n/a
July 1, 2009	\$ 142,207	630	567
October 1, 2009	\$ 190,799	900	859
January 1, 2010	\$ 146,702	750	558
April 1, 2010	\$ 259,100	1,020	751
June 1, 2010	\$ 5,098,980	n/a	n/a
July 1, 2010	\$ 186,103	630	572
October 1, 2010	\$ 261,881	900	863
January 1, 2011	\$ 205,785	750	575
April 1, 2011	\$ 268,006	1,020	776
June 1, 2011	\$ 4,934,619	n/a	n/a
July 1, 2011	\$ 190,375	630	578
October 1, 2011	\$ 267,266	900	863
January 1, 2012	\$ 209,999	750	575
April 1, 2012	\$ 267,599	1,020	776
June 1, 2012	\$ 4,995,057	n/a	n/a
July 1, 2012	\$ 187,614	630	578
October 1, 2012	\$ 266,438	900	863
January 1, 2013	\$ 207,833	750	575

Central Coast Water Authority
Carpinteria Valley Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				2,200
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2009/10	395	(395)	(0)	
FY 2010/11	359	(359)	(0)	
FY 2011/12	339	(339)	(0)	
FY 2012/13	339	(339)	(0)	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2009/10	\$ 329,299	\$ 59,861	\$ (207,375)	\$ (147,513)	\$ (29,545)	\$ (21,514)	\$ (51,059)	\$ 1,107,331	\$ 1,238,058
FY 2010/11	339,178	62,250	(211,442)	(149,191)	(26,859)	(19,433)	(46,291)	1,181,810	1,325,505
FY 2011/12	349,353	64,480	(216,686)	(152,206)	(25,380)	(18,913)	(44,293)	1,181,795	1,334,648
FY 2012/13	359,834	65,306	(219,461)	(154,156)	(25,380)	(19,481)	(44,860)	1,183,767	1,344,585

(1) Includes capital improvement projects.
 (2) Net of CCWA charges.

CCWA Variable O&M Charges

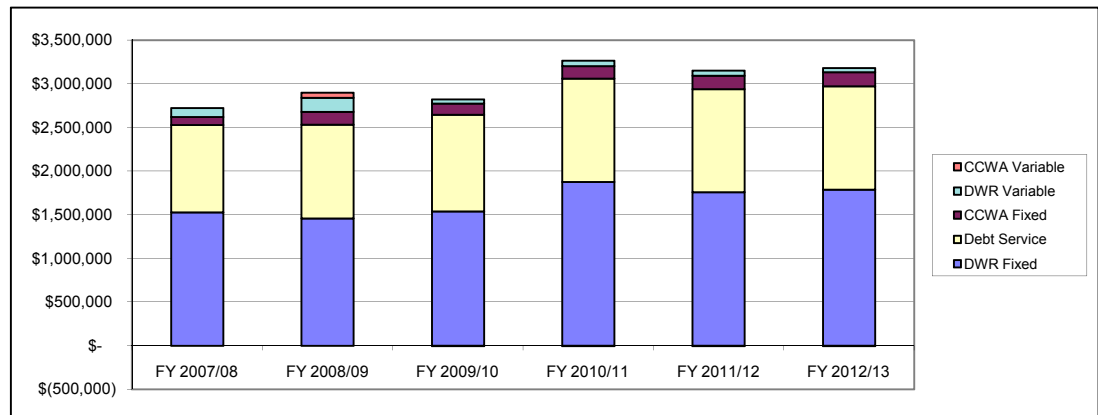
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2009/10	\$ 16,768	\$ 22,913	\$ (1)	\$ 6	\$ 5	\$ (16,782)	\$ (22,918)	\$ (14)
FY 2010/11	15,692	20,822	(2)	10	8	(15,714)	(20,835)	(27)
FY 2011/12	15,249	19,662	(4)	20	15	(15,294)	(19,687)	(55)
FY 2012/13	15,706	19,662	(4)	20	16	(15,753)	(19,687)	(56)

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11	1,877,492	63,896	1,941,388	143,695	(27)	1,181,810	1,877,492	63,896	3,266,865
FY 2011/12	1,758,777	59,514	1,818,290	152,854	(55)	1,181,795	1,758,777	59,514	3,152,884
FY 2012/13	1,788,805	48,165	1,836,970	160,817	(56)	1,183,767	1,788,805	48,165	3,181,498

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2009/10 Four Year Financial Plan
 Project Participant Payment Summary

Carpinteria Valley Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2009	\$ 11,670	197	(0)
June 1, 2009	\$ 2,775,958	n/a	n/a
July 1, 2009	\$ 11,658	42	(0)
October 1, 2009	\$ 11,734	28	1
January 1, 2010	\$ 11,652	128	(0)
April 1, 2010	\$ 27,375	179	(0)
June 1, 2010	\$ 3,202,997	n/a	n/a
July 1, 2010	\$ 9,275	39	1
October 1, 2010	\$ 7,506	25	0
January 1, 2011	\$ 19,712	116	(1)
April 1, 2011	\$ 25,277	163	0
June 1, 2011	\$ 3,093,425	n/a	n/a
July 1, 2011	\$ 7,997	35	0
October 1, 2011	\$ 6,762	25	0
January 1, 2012	\$ 19,422	116	(1)
April 1, 2012	\$ 22,832	163	0
June 1, 2012	\$ 3,133,389	n/a	n/a
July 1, 2012	\$ 4,912	35	0
October 1, 2012	\$ 3,626	25	0
January 1, 2013	\$ 16,739	116	(1)

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Conducting cathodic protection system survey near Santa Ynez

Appendix

The Appendix to the FY 2009/10 Budget contains miscellaneous statistical information on the CCWA, the CCWA Investment Policy and a glossary of terms.



Central Coast Water Authority
Santa Barbara County Area Description
Fiscal Year 2009/10 Budget

Santa Barbara County is located on the Pacific coast of the southern portion of the U.S. state of California, just west of Ventura County. The estimated total population of the County as of January 2006 was 421,625 according to the California Department of Finance. The county seat is Santa Barbara and the largest city is Santa Maria.

For thousands of years, the area was home to the Chumash tribe of Native Americans, complex hunter-gathers who lived along the coast and in interior valleys leaving rock art in many locations including Painted Cave. European contact had devastating effects on the Chumash Indians, including a series of disease epidemics that drastically reduced Chumash population. The Chumash survived, however, and thousands of Chumash descendants still live in the Santa Barbara area or surrounding counties.

The County has a total area of 3,789 square miles and four of the Channel Islands – San Miguel Island, Anacapa Island, Santa Cruz Island and Santa Rosa Island – are in Santa Barbara County. They form the largest part of the Channel Islands National Park.

Santa Barbara County has a mountainous interior abutting a coastal plains area. The largest concentration of people is on this coastal plain, referred to as the south coast – the part of the county south of the Santa Ynez Mountains – which includes the cities of Santa Barbara, Goleta and Carpinteria, as well as the unincorporated areas of Hope Ranch, Mission Canyon, Montecito and Isla Vista. North of the mountains are the towns of Santa Ynez, Solvang, Buellton, Lompoc; the unincorporated towns of Los Olivos and Ballard; the unincorporated areas of Mission Hills and Vandenberg Village; and Vandenberg Air Force Base, where the Santa Ynez River flows out to the sea. North of the Santa Ynez Valley are the cities of Santa Maria and Guadalupe.

Viticulture in Santa Barbara County is traceable to missionary plantings in the Milpas Valley late in the 18th century. Since commercial viticulture rebounded in the 1960's, Santa Barbara County has been on the fast track to viticultural stardom.

Famous for ripe, yet elegant, Chardonnay and Pinot Noir, the County is also gaining a reputation for Rhone varietals including Syrah and Viognier. Santa Barbara wine grapes now command among the highest prices anywhere in the State.

Located on California's South Central Coast, the county is an oasis of rolling hills, ancient oak trees and cattle ranches. The County now claims more than 60 wineries and 21,000 acres of vine.

Source: Wikipedia

Central Coast Water Authority
Miscellaneous Statistical Information
 Fiscal Year 2009/10 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	28.25
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2009/10 Santa Barbara County requested deliveries	36,344 acre-feet
San Luis Obispo State water Table A	4,289 acre-feet
FY 2009/10 San Luis Obispo requested deliveries	4,064 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	340,000
San Luis Obispo County	<u>41,000</u>
TOTAL	381,000

CENTRAL COAST WATER AUTHORITY
STATEMENT OF INVESTMENT POLICY

I. PURPOSE:

This statement is intended to provide guidelines for the prudent investment of the Authority's cash balances, and outline the policies for maximizing the efficiency of the Authority's cash management system. The ultimate goal is to enhance the economic status of the Authority while protecting its assets.

II. SCOPE

It is intended that this policy cover all funds and investment activities under the direct authority of the Authority Board of Directors.

III. OBJECTIVES

- A. **Safety.** Safety of principal is the foremost objective of the Authority. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value.

- B. **Liquidity.** An adequate percentage of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet cash requirements.

- C. **Yield.** Yield shall become a consideration only after the basic requirements of safety and liquidity have been met.

- D. Market-Average Rate of Return. The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Authority's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict investments.
- E. Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.
- F. Prudence (Civil Code #2261). The standard of prudence to be used by investment officials shall be the "prudent investor" per Government Code section 53600.3 which states: "care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency". This "Prudent Investor Standard" shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.
- G. Public Trust. All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

IV. DELEGATION OF AUTHORITY:

- A. Investment Officer. Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.
- B. Investment Oversight Committee. The Authority Finance Committee shall serve as the Investment Oversight Committee. The purpose of the Committee is to: (1) review the investment practices used by the Investment Officer for compliance with the investment policy and written procedures, (2) analysis of the quarterly Treasurer's report for adherence to established guidelines, and (3) advise Authority Board of Directors of any deviations from guidelines or any practices which are deemed to be imprudent for a public agency.

V. INTERNAL CONTROLS:

The Investment Officer shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by employees and officers of the Authority.

VI. REPORTING:

The Investment Officer shall submit monthly to the Board an investment report that summarizes all securities. For those securities with a maturity of more than 12 months, the type of investment, institution, date of maturity, investment amount, market value, and yield will also be provided. The Investment Officer shall also provide, on a quarterly basis, a statement of compliance of the portfolio with the Statement of Investment Policy and a statement of the Authority's ability to meet the expenditure requirements for the next six months.

VII. APPROVED INSTRUMENTS:

The Authority shall be governed by the California Government Code, Sections 53600 et seq. Where this policy specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Within the context of these limitations, the following investments are authorized, provided, however, that where there is no limitation on the term of the investment, no investment shall be made in any security which, at the time of the investment, has a term remaining to maturity in excess of 5 years, unless specifically exempted in Section X of this Investment Policy or the Board has granted express authority to make that investment no less than 3 months prior to the investment:

- (a) United States notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Obligations issued by government sponsored corporations such as the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), and the Federal National Mortgage Association (FNMA).

- (c) Commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investors Service, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars and have a rating of A-1+ by Standard & Poor's Corporation and P-1 by Moody's Investors Service and which matures not more than 270 days after the date of purchase. Purchases of commercial paper may not exceed 25 percent of the Authority's surplus money invested.

Commercial paper investments with one company may not exceed one-third (33 1/3%) of total commercial paper investments.

- (d) Time deposits. The Authority may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.
- (e) Local Agency Investment Fund. The Authority may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer up to the maximum permitted by State law.
- (f) Money market funds rated "AAAm" or AAAM-G" or better by Standard & Poor's Corporation.

VIII. DEPOSITORIES:

The Treasurer will establish selection criteria for pre-approval of institutions to do business with. To qualify for selection, an institution must have an office in California. A written listing of approved institutions will be maintained by the Investment Officer.

IX. BROKER/DEALERS:

To provide for the optimum yield in the investment of the Authority's funds, the Authority's investment procedures shall be designed to encourage competitive bidding on transactions from approved brokers/dealers. In order to be approved by the Authority, the dealer must be a primary dealer reporting to the New York Federal Reserve, unless a comprehensive credit and capitalization analysis reveals that the firm is adequately financed to conduct public business; the dealer must be experienced in institutional trading practices and familiar with the California Government Code as related to investments; and other criteria as may be established in the investment procedures.

X. MATURITY RESTRICTIONS:

In addition to the 5 year limitation on investments specified in this policy, the average maturity of the Authority's combined portfolio shall not exceed 2 years without prior approval of the Board (for a specified period). Reserve Fund investments are exempt from this restriction; however, reserve fund investment maturities shall be limited to or prior to final maturity of the Authority's Bond Financing.

XI. RISK TOLERANCE

The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Investment Officer is expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Investment Officer shall periodically establish guidelines and strategies to control risks of default, market price changes and illiquidity. In addition to these general policy considerations, the following specific policies will be strictly observed.

XII. SAFEKEEPING AND CUSTODY:

To protect against potential fraud and embezzlement, the assets of the Authority shall be secured through third-party custody and safekeeping procedures. The Investment Officer shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by the independent auditor and any irregularities noted should be reported promptly to the Treasurer and the Board.

XIII. PERFORMANCE EVALUATION AND OPERATIONS AUDIT:

The monthly investment reports submitted to the Board shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

XIV. ETHICS:

All persons authorized to place or approve investments shall report annually on Form 700 of the Fair Political Practices Commission all required economic interests for that year.

XV. UPDATE OF POLICY:

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.

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A

Account - A record of a business transaction; a reckoning of money received or paid.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

Accrual - The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot.

Adoption - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Advance Refunding - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Aqueduct - A canal for conveying a large amount of water.

Assets - Resources owned or held by a government which have monetary value.

B

Bond Call - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

Budget - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

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C

Capital Improvements - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

Capitalized Interest - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

Carry-Over - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are "carried over" into the subsequent fiscal year.

Coastal Branch Phase II - A 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

Coverage - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Defeasance - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

Delta Water Charge - A unit charge applied to each acre-foot of State water entitlement by DWR. The unit charge is applied to result in repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities, with appropriate interest, by the end of the State water contract repayment period (2035).

Department of Water Resources - The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear,

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deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

G

General Fund - The Authority's cash balance net of reserve balances.

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J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

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O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

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

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

Reserves - A budgeted amount to be set aside in an account for future use.

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Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Revenue Bond - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

Right of Way - A legal right of passage over another person's ground.

S

Santa Ynez Exchange Agreement - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

T

Table A Amount - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

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Table A Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

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

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Water Supply Agreement - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

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

THE STATE WATER PROJECT IN SANTA BARBARA COUNTY

Introduction

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

History of the State Water Project

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).

Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

The State Water Project in Santa Barbara County

The Early Years

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

The 1980's and 1990's

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report (EIR), needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities, and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.

The Central Coast Water Authority

Early Activities

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water. Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Golden State Water Company (formerly, Southern California Water Company), La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch Phase II project, which extends from northwest

Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

Project Financing, Development and Implementation

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000. In September 2006, CCWA refinanced the 1996 revenue bond issue resulting in debt service savings of approximately \$350,000. The principal amount of the refunding bonds was \$129,190,000)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. Pages 288 and 289 contain project maps depicting the facilities constructed by the State, CCWA and various project participants. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was

necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million

financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings.

CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, and construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by

State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

A Commitment to Environmental Protection

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere

environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's

cultural experts could study the sites, report them to the state and federal agencies and then mitigate.

- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and caring for 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County)

and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

Water Supply Reliability

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 73% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement

among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.

- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.
- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

The Future

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and

service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives. CCWA has built both the organization and infrastructure that will support this vision well into the future.

July 1998

Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies
(and year of initial water delivery)**

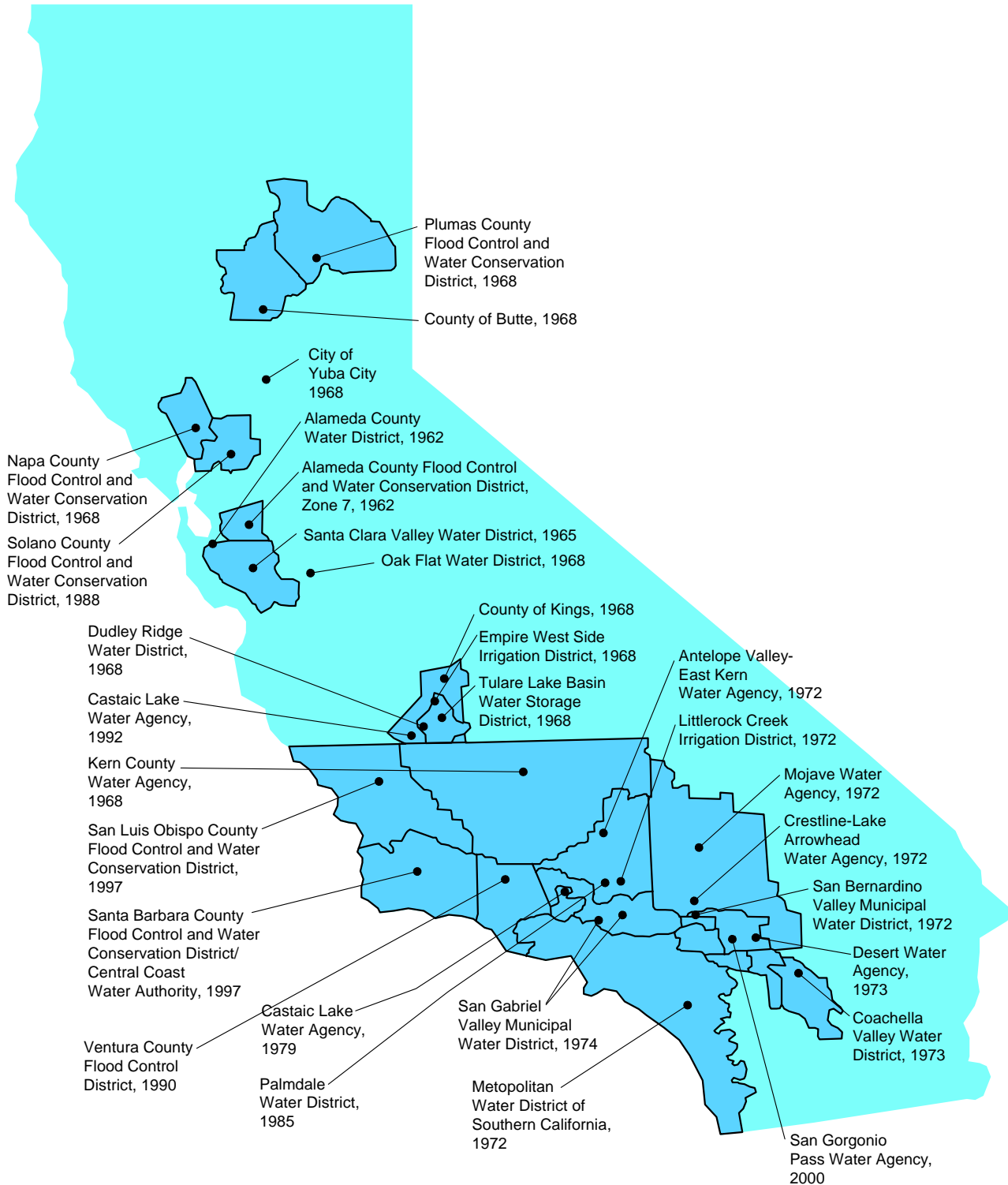


Figure 5 Location Map for Santa Barbara County Project Participants

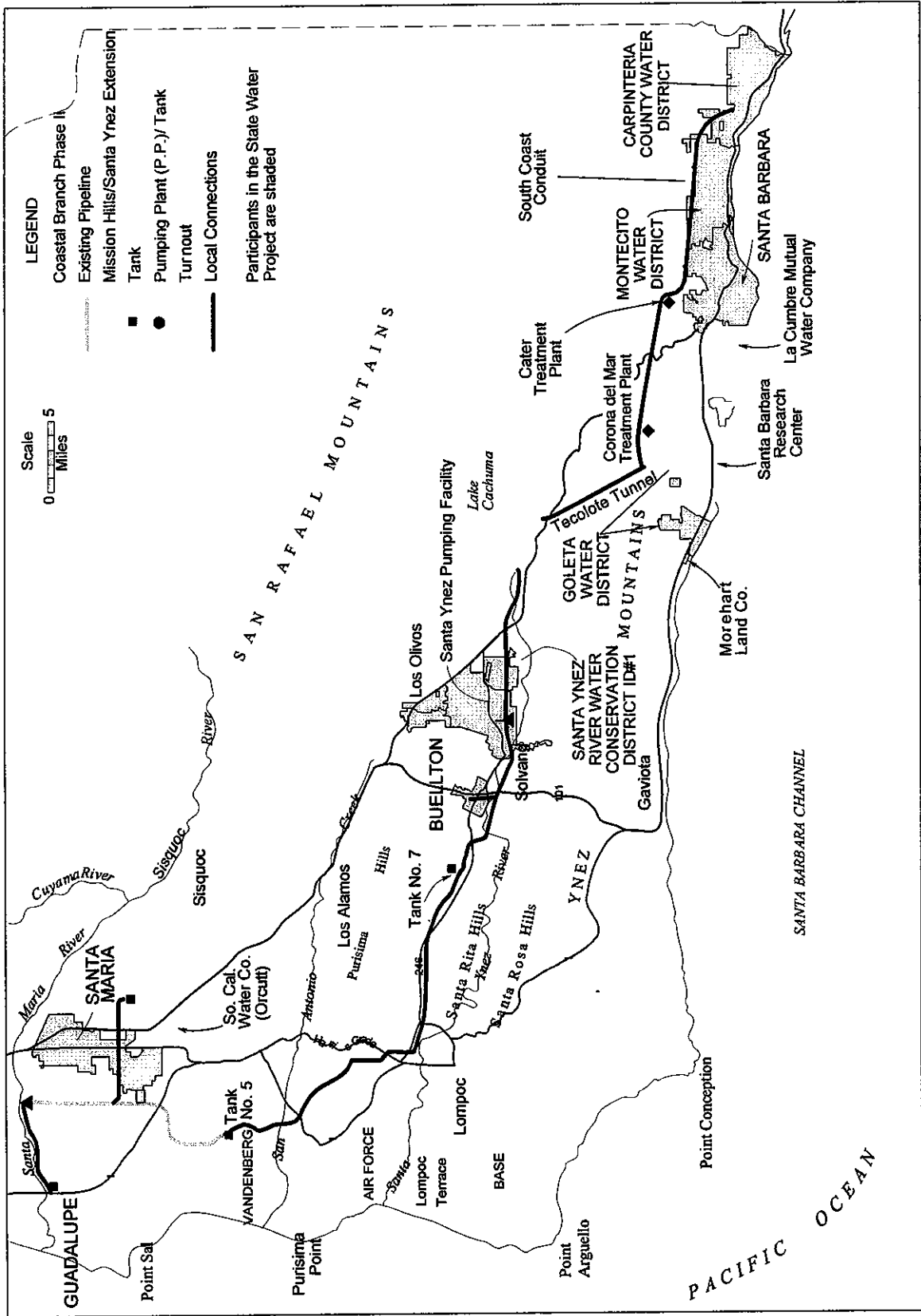


Table 1

COASTAL BRANCH PHASE II PROJECT DATA *

Tank Sites*	1	1	2	5	7
	raw water	treated water	treated water	treated water	treated water
# of tanks	3	2	2	2	1
total capacity (million gallons)	24.2	9.8	6.4	5	2.5

* Tank sites 3, 4 and 6 were eliminated during design of the facilities.

Polonio Pass Water Treatment Plant	49.46 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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Pipeline		
<u>Location (from/to)</u>	<u>Pipeline Diameter (inches)</u>	<u>Distance (miles)</u>
Devils Den Pumping Plant/Tank1	57	13.0
Tank1/Salinas River	48	33.0
Salinas River/Cuesta Tunnel	51	7.1
Cuesta Tunnel/Tank 5	42	47.5
Tank 5/Purisima Road	39	13.3
Purisima Road/Santa Ynez Pumping Facility	36	21.2
Santa Ynez P.F./Lake Cachuma	30	8.0
Total Pipeline >>>		143.1

Pump Plants	<u>Flow Rate (cfs)</u>	<u>Horsepower (each pump)</u>	<u># of Pumps</u>	<u>Lift (ft)</u>
Devils Den Pumping Plant (DWR)	100	1760	6	550
Bluestone Pumping Plant (DWR)	100	1760	6	550
Polonio Pass Pumping Plant (DWR)	100	1760	6	550
Santa Ynez Pumping Facility (CCWA)	22	300	5	250

Turnouts	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	Golden State Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Raytheon, La Cumbre Mutual Water Co.

* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.

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