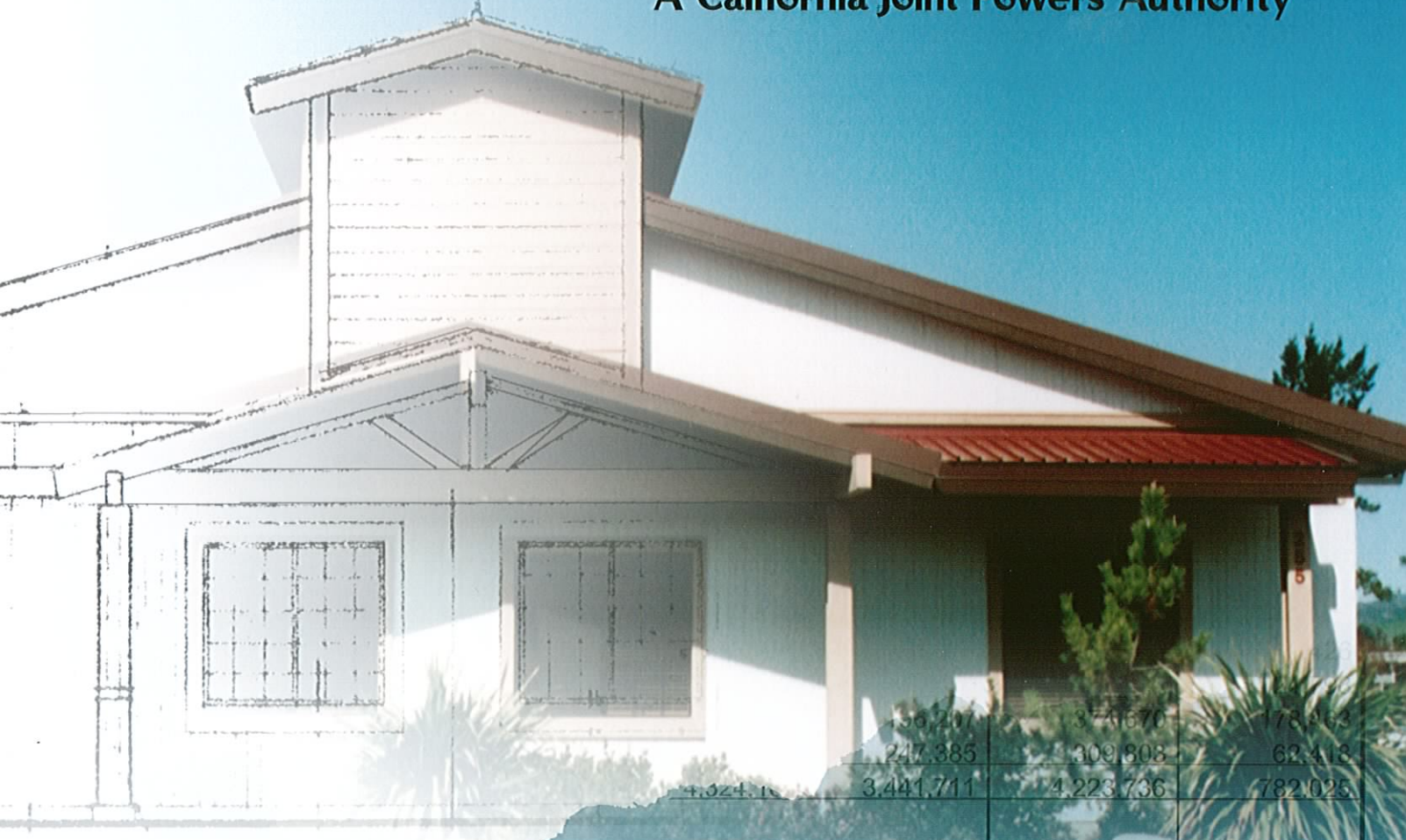


Central Coast Water Authority

A California Joint Powers Authority



	1,367,207	3,746,670	178,463		
	247,385	309,808	62,418		
	4,324,111	3,441,711	4,223,736	782,025	
Improvement Projects	94,500	239,076	50,000	185,368	135,368
CCWA Credits	7,432	88,522	110,963	132,391	21,428
1996 Revenue Bond Debt Service	-	893,679	771,349	(7,148,561)	(7,919,910)
Total Other Expenditures	8,696,389	8,645,310	8,566,626	8,025,168	(541,458)
Total CCWA Expenditures	8,798,321	9,866,587	9,498,938	1,494,366	(8,304,572)
	12,440,732	11,900,770	2,440,749	5,418,022	(7,022,547)
DWR CHARGES					
Fixed DWR Charges	18,660,047	24,992,757	24,953,880	23,493,254	(1,460,626)
Variable DWR Charges	2,580,237	2,624,536	1,280,957	2,903,317	1,622,360
TOTAL DWR CHARGES	21,240,284	27,617,293	26,234,837	26,396,571	161,734
TOTAL USES OF CASH	33,280,516	41,808,066	39,775,866	31,744,739	(7,060,813)
Ending Fund Balance	\$ 2,771,349	\$ 6,866,979	\$ 3,427,832	\$ 2,398,001	(1,028,931)
Non-Annual Recurring Balance	-	217,801	217,801	397,217	
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000	
General Fund Balance	\$ 771,349	\$ -	\$ 1,210,031	\$ 1,684	

FY 1999 / 00 Budget

Central Coast Water Authority

Mission

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

Objectives

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

On the cover –

*CCWA Administrative Office located in Buellton, California.
The building was purchased by CCWA on December 1, 1998.*



CENTRAL COAST WATER AUTHORITY

ANNUAL BUDGET

FISCAL YEAR 1999/00



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

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

**For the Fiscal Year Beginning
July 1, 1998**

Douglas R. Ellsworth
President

Jeffrey L. Esser
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Central Coast Water Authority for its annual budget for the fiscal year beginning July 1, 1998.

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

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

*California Society of
Municipal Finance Officers*

Certificate of Award

Excellence in Operational Budgeting 1998-99

Presented to

Central Coast Water Authority

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

March 1, 1999



[Signature]
Chair, Budgeting & Financial Management

[Signature]
Vice-Chair, Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management

Central Coast Water Authority

Table of Contents

Fiscal Year 1999/00 Budget

BUDGET FORWARD

	Page
Reader's Guide	1
Executive Director's Transmittal Letter.....	2
Project Map.....	6
Organization Overview, Structure and Staffing	7
Budget Process	11
Authority Financial Schedule.....	13
Financial Reporting Basis	14
Budget Policy and Strategy.....	15

BUDGET SUMMARY

Budget Summary	19
Total Expenditures Summary.....	20
Charts and Tables.....	21

REVENUES AND SOURCES OF CASH

Revenues and Sources of Cash Narrative Discussion	27
---	----

DEPARTMENT OF WATER RESOURCES

Department of Water Resources Charges Narrative Discussion.....	36
Transportation Capital Charges	40
Transportation Capital – Coastal Branch Extension.....	41
Transportation Capital – Minimum OMP&R	42
Water System Revenue Bond Surcharge.....	43
Delta Water Charges	44
Off-Aqueduct Charges	45
Variable OMP&R Charges	46
Authority Charges for Each Project Participant	49

OPERATING EXPENSES

Operating Expense Overview	50
CCWA Organization Chart.....	54
Personnel Count Summary - All Departments.....	55
Consolidated Department Operating Expenses	56
Operating Expense Allocation by Department.....	63

Central Coast Water Authority

Table of Contents

Fiscal Year 1999/00 Budget

ADMINISTRATION DEPARTMENT

Administration Department Narrative Discussion	65
Administration Department Personnel Services Summary	75
Administration Department Operating Expenses	76
Administration Department Operating Expense Detail	83

WATER TREATMENT PLANT DEPARTMENT

Water Treatment Plant Department Narrative Discussion	95
Water Treatment Plant Department Personnel Services Summary	103
Water Treatment Plant Department Operating Expenses	104
Water Treatment Plant Department Operating Expense Detail	111

DISTRIBUTION DEPARTMENT

Distribution Department Narrative Discussion	125
Distribution Department Personnel Services Summary	134
Distribution Department Operating Expenses	135
Distribution Department Operating Expense Detail	143

NON-OPERATING EXPENSES

Non-Operating Expense Overview	158
--------------------------------------	-----

CAPITAL IMPROVEMENTS BUDGET

Capital Improvements Budget Narrative Discussion	159
Revenue Bond and Capital Deposit Retention Schedule	168

DEBT MANAGEMENT

Debt Management Narrative Discussion	170
1996 Revenue Bond Series A Debt Service Payments	175
1996 Revenue Bond Distribution Schedule-Series A	176
1996 Revenue Bond Debt Service Schedule-Series A	177

RESERVES AND CASH MANAGEMENT

Reserves and Cash Management Narrative Discussion	179
---	-----

Central Coast Water Authority

Table of Contents

Fiscal Year 1999/00 Budget

FOUR YEAR FINANCIAL PLAN

Four Year Financial Plan Narrative	184
Projected Water Deliveries.....	185
Summary of Charges – All Project Participants.....	186
Summary of Charges – Santa Barbara County Project Participants.....	187
Shandon	188
Chorro Valley Turnout.....	190
Lopez Turnout.....	192
City of Guadalupe	194
City of Santa Maria	196
Southern California Water Company.....	198
Vandenberg Air Force Base.....	200
City of Buellton.....	202
Santa Ynez Improvement District #1 (City of Solvang portion).....	204
Santa Ynez Improvement District #1.....	206
Goleta Water District.....	208
Morehart Land Company	210
La Cumbre Mutual Water Company.....	212
Raytheon Systems Company (SBRC)	214
City of Santa Barbara.....	216
Montecito Water District.....	218
Carpinteria Valley Water District	220

APPENDIX

Santa Ynez Exchange Agreement	222
Regional Water Treatment Plant Allocation.....	223
Miscellaneous Statistical Information	224
Authority Investment Policy.....	225
Glossary of Terms	233
Index.....	241



Central Coast Water Authority
Reader's Guide
Fiscal Year 1999/00 Budget

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

The Authority's budget is divided into eight (8) major sections as follows with sub-sections included in each major section:

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

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



April 22, 1999

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Robert W. Puddicombe
Chairman

Joseph P. Centeno
Vice Chairman

Dan Masnada
Executive Director

Hatch & Parent
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Submitted herewith is the Fiscal Year 1999/00 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's representatives, you play an important role in making decisions regarding the direction the organization will take in FY 1999/00.

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

Financial control is the traditional function of a budget. A budget also contains a vast amount of other information. Such data includes manpower requirements, equipment needs and programs and services being provided. This level of detail provides the Board an opportunity to see what resources are needed to accomplish the Authority's goals and objectives.

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

For two consecutive years the Authority has received the Government Finance Officers' Association (GFOA) Award for Distinguished Budget Presentation and the California Society of Municipal Finance Officers Award of Excellence for the Operating Budget. We will also submit the FY 1999/00 Budget for consideration of both of these awards.

An Overview of Last Fiscal Year

The following are the major highlights of FY 1998/99:

Administration Building Purchase

In December 1998, the Authority purchased the Buellton Administration office at a cost of about \$850,000. The remodel of Suite B and C sections began in April 1999 and is scheduled to be completed by June 30, 1999.

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



Project Cost Reconciliation and Series B Bond Call

In October 1998, the Authority completed the reconciliation of all project costs associated with the CCWA portion of the construction project. New debt service amortization schedules were prepared for the financing participants and credits of about \$9.6 million were allocated to the financing participants based on the reconciliation of actual debt service payments. Additionally, on October 1, 1998, the Authority redeemed all outstanding Series B bonds with excess bond proceeds and investment earnings in the amount of \$23,380,000.

Bond Reserve Fund Investment

In December 1998, the Authority sold the Revenue Bond Reserve Fund U.S. Treasury note investments at a gain of about \$881,000 and invested the reserve fund in a guaranteed investment contract exactly equal to the Authority's restricted rate on the bonds of 5.47%. The gain on the sale of the investments is being used to partially offset financing participant debt service payments for FY 1999/00.

Awards and Competitions

During FY 1998/99, the Authority applied for the Association of California Water Agencies' Theodore Roosevelt Environmental Award of Excellence in Conservation and Natural Resources Management for the Authority's project environmental mitigation program. The Authority finished fourth out of 12 entries and will reapply for the award in 1999.

In April 1999, Darin Dargatz and Russ Banta, CCWA Water Treatment Plant Operators, participated in the Top Ops competition for the California and Nevada section of the American Water Works Association (AWWA) and won the competition. They will represent the California/Nevada section at the AWWA national convention Top Ops competition in June 1999.

In November 1998, the Authority participated in the International "Toast of the Tap" competition in Berkley Springs, West Virginia. CCWA's water was rated in the top ten of the world for tap waters.

Y2K Compliance

The Authority is working to ensure that all computer systems and equipment are Y2K (Year 2000) compliant and we expect to complete the evaluation and necessary testing by June 30, 1999.

An Overview of This Fiscal Year

Complete Construction

During FY 1999/00, the Authority will complete all outstanding construction work related to the Authority's construction project and conduct final testing of the new Supervisory Control and Data Acquisition System.

Review Department of Water Resources Costs

During FY 1999/00 the Authority will continue its review of Department of Water Resources costs as they relate to the Authority (and San Luis Obispo County) and recommend changes regarding the allocation of those charges to the Authority (and San Luis Obispo County).

FY 1999/00 BUDGET SUMMARY

The FY 1999/00 CCWA budget calls for total project participant payments of \$30.8 million. This amount includes \$12.7 million in Authority charges and \$26.5 million in DWR and Warren Act charges, which are partially offset by credits to project participants of \$8.3 million.

CCWA FY 1999/00 Budget

The FY 1999/00 operating expense budget is \$4,223,736, which is about \$100,000 lower than the FY 1998/99 operating expense budget. The following is a list of the major highlights of the operating expense budget. Additional changes and detailed explanations are available in the departmental sections of the budget.

- Increase in requested water deliveries from 33,899 acre feet for FY 1998/99 to 33,949 acre feet for FY 1999/00.
- Decrease in facilities rent for the Administration office building of \$93,000 due to the purchase of the building during FY 1998/99.
- Increase in professional fees of about \$89,000 for environmental and erosion control work in support of the ongoing five-year project revegetation program.
- Decrease in budgeted chemical costs from about \$22 per acre foot to about \$14 per acre foot.

1996 Revenue Bond Debt Service

The FY 1999/00 debt service budget is based on the November 1996 revenue bond refinancing. It includes each financing participant's debt service structure election and is based on the amended debt service amortization schedules prepared in conjunction with the project closeout. The FY 1999/00 financing payments are partially offset by the gain on the sale of the reserve fund investments, interest income earned on the guaranteed investment contract and other reserve fund earnings.

Santa Ynez Exchange Agreement Adjustments and Regional Treatment Plant Cost Allocation

The gross Authority operating expense budget of \$4.4 million is adjusted for the effect of the Santa Ynez Exchange Agreement. These adjustments result in an overall reduction of about \$317,000 for the Santa Ynez Pumping Facility power costs and Warren Act charges.

The effect of the regional water treatment plant allocation formula (Authority Resolutions 92-16 and 95-13) is also addressed in the budget for project participant billing purposes. The formula does not affect the budget bottom line; however, it does affect the allocation of certain treatment plant costs to project participants.

FY 1999/00 DWR COSTS

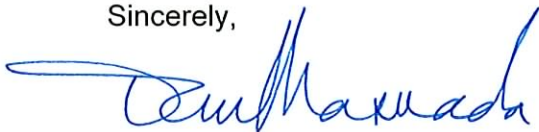
The DWR charges for the first half of FY 1999/00 are based on the 1999 Statement of Charges. The DWR charges for the second half of FY 1999/00 are based on forecasts prepared by the DWR State Water Project Analysis Office.

The FY 1999/00 DWR budget calls for project participant payments of \$26.3 million compared to the FY 1998/99 budget of \$27.5 million, a \$1.2 million decrease. This decrease is partially attributed to the higher rate management funds credit which is applied against certain DWR fixed costs.

CONCLUSION

I am proud of the accomplishments achieved during the previous fiscal year by the Authority's skilled and dedicated staff. I also look forward to the challenges and opportunities which lay ahead for FY 1999/00.

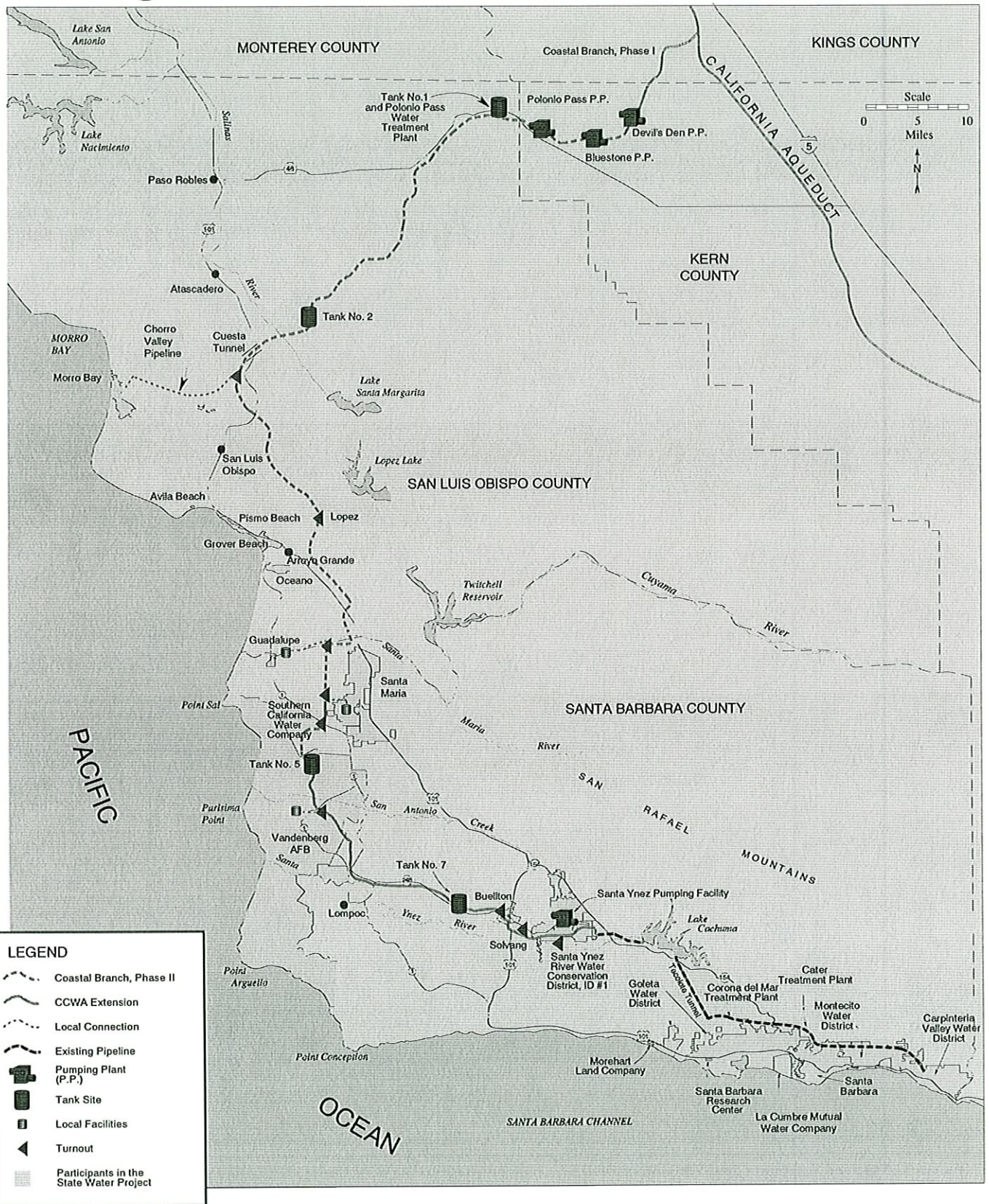
Sincerely,



Dan Masnada
Executive Director

RAS

Project Map



PROJECT MAP OF COASTAL BANCH PHASE II

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 1999/00 Budget

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

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

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

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 1999/00 Budget

CCWA Committees

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

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

Santa Barbara County Project Participants

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

Santa Barbara County Project Participant Entitlement

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

(1) In acre-feet per year.

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 1999/00 Budget

San Luis Obispo County Water Purchasers

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

San Luis Obispo County Project Participant Entitlement

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

Water Supply Agreements

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

Local Water Treatment Agreements

Each San Luis Obispo County water purchaser has entered into a Local Water Treatment Agreement with SLOCFCWCD and SLOCFCWCD has entered into the Master Water Treatment Agreement with the Authority to cause the Authority to provide for the development, financing, construction, operation and maintenance of the Authority facilities. The purpose of the Local Water Treatment Agreements is to provide the terms

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 1999/00 Budget

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

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

Central Coast Water Authority
Budget Process
Fiscal Year 1999/00 Budget

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

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

Four Year Financial Plan

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

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

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

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

Committee Review of the Budget

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

Central Coast Water Authority
Budget Process
Fiscal Year 1999/00 Budget

Board Adoption of the Fiscal Year Budget

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

Budget Amendment Process

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

CCWA Financial Schedule FY 1999/00

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

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 1999/00 Budget

Budget Reporting

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

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

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

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II

Santa Ynez I

Santa Ynez II

DWR Reaches

Reach 33B

Reach 34

Reach 35

Reach 37

Reach 38

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

Financial Statement Reporting

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 1999/00 Budget

The Fiscal Year 1999/00 Budget document has been prepared after analyzing, evaluating and justifying both the financial and non-financial objectives and goals of the Authority for the current year and beyond. The Authority's budget is a comprehensive document which enables the Board of Directors and Authority staff to evaluate where the Authority has been in the past and where it is going in the future.

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

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

BUDGET POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 1999/00 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 meetings. The Board will then consider the requests based on staff's recommendations and approve or deny the requests by a majority vote.
- Bond Coverage Policy The project participants have covenanted to collect sufficient revenues to maintain net revenues of 125% of all State water payments made to the Central Coast Water Authority. Net revenues are defined as gross revenues minus operating expenses and excluding depreciation. The Authority staff will assist project participants in guaranteeing compliance with this covenant.
- Reconciliation of Charges The Authority will endeavor to reconcile differences between actual expenditures incurred and amounts billed to the member agencies and other project participants in a timely manner. Under-expenditures in the budget will be returned to project participants as credits in subsequent billings.
- Investment Income Allocation The Authority will endeavor to provide timely allocation of investment income to the member agencies and other project participants for payments covering 1996 revenue bond debt service and DWR charges.
- DWR Charges and Credits The Authority will endeavor to provide sufficient information to the member agencies and other project participants regarding the DWR charges to enable them to gain a full understanding of the charges. Additionally, the Authority will provide credits given by DWR on the next available billing sent to the project participants.
- Four Year Financial Plan In conjunction with preparation of the fiscal year budget, the Authority will also prepare and make available a four year financial plan which provides estimates of the total State water costs for the four-year period.
- Annual Allocation of Recurring Expenditures The Authority will endeavor to identify non-annual recurring operating expenses and capital expenditures and allocate a portion of such expenditures over a number of years prior to the anticipated expenditure to eliminate large variances in the annual operating assessments to the project participants.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 1999/00 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.

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.
- 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.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 1999/00 Budget

INVESTMENT POLICY

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

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

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

- Monthly Budget Reports The Authority's Controller will produce monthly budget reports covering the activity for the current period.
- Independent Audit The Authority will employ an independent accounting firm to perform an annual audit of the Authority financial statements, and make the audit available to all required and interested parties.
- Budget Preparation The Authority will prepare an annual budget document that provides a basic understanding of the Authority's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interest parties and opportunities will be provided for customer input prior to final adoption of the budget.
- Accounting System The accounting system will maintain records on a basis consistent with accepted standards for local government accounting. The Authority will strive to receive the Certificate of Achievement for Excellence in Financial Reporting through 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.

Central Coast Water Authority

Budget Summary

Fiscal Year 1999/00 Budget

	FY 1998/99			FY 1999/00 Budget	Change from FY 98/99 Actual
	FY 1997/98 Actual	FY 1998/99 Budget	Estimated Actual		
Beginning Cash Balance	\$ 1,451,990	\$ 2,994,770	\$ 2,771,350	\$ 3,427,832	\$ 656,482
SOURCES OF CASH					
CCWA Operating Expenses	3,974,562	4,324,182	4,324,182	4,223,736	(100,446)
Debt Service Payments	8,923,298	8,645,310	8,566,626	8,167,168	(399,458)
Capital Improvement Projects	-	88,522	88,522	81,409	(7,113)
Non-Annual Recurring Expenses	-	217,801	217,801	222,602	4,801
Investment Income	367,231	-	350,000	-	(350,000)
CCWA Credits	-	-	-	(8,349,112)	(8,349,112)
Subtotal Revenues	13,265,091	13,275,815	13,547,131	4,345,803	(9,201,328)
<i>Pass-Through Expenses</i>					
DWR Fixed Costs	18,660,047	24,891,665	24,953,880	23,437,298	(1,516,582)
DWR Variable Costs	2,580,237	2,624,536	1,280,957	2,903,317	1,622,360
Warren Act Charges	94,500	239,076	50,000	185,368	135,368
Subtotal Pass-Through Expenses	21,334,784	27,755,277	26,284,837	26,525,983	241,146
TOTAL SOURCES OF CASH	34,599,875	41,031,092	39,831,968	30,871,786	(8,960,182)
USES OF CASH					
<i>CCWA Operating Expenses</i>					
Personnel	1,761,845	1,925,710	1,851,771	1,982,047	130,275
Office Expenses	29,036	24,550	21,614	23,600	1,986
Supplies and Equipment	357,362	822,047	376,237	662,812	286,575
Monitoring Expenses	74,476	127,000	86,206	100,500	14,294
Repairs and Maintenance	127,781	143,300	136,914	160,705	23,791
Professional Services	238,704	383,697	413,441	472,867	59,426
General and Administrative	81,165	114,402	111,935	136,733	24,798
Utilities	282,276	404,620	196,207	374,670	178,463
Other Expenses	289,266	378,857	247,385	309,803	62,418
<i>Total Operating Expenses</i>	3,241,911	4,324,183	3,441,711	4,223,736	782,025
<i>Other Expenditures</i>					
Warren Act Charges	94,500	239,076	50,000	185,368	135,368
Capital Improvement Projects	7,432	88,522	110,963	132,391	21,428
CCWA Credits	-	893,679	771,349	(7,146,877)	(7,918,226)
1996 Revenue Bond Debt Service	8,696,389	8,645,310	8,566,626	8,167,168	(399,458)
<i>Total Other Expenditures</i>	8,798,321	9,866,587	9,498,938	1,338,050	(8,160,888)
<i>Total CCWA Expenditures</i>	12,040,232	14,190,770	12,940,649	5,561,786	(7,378,863)
<i>DWR Charges</i>					
Fixed DWR Charges	18,660,047	24,992,757	24,953,880	23,437,298	(1,516,582)
Variable DWR Charges	2,580,237	2,624,536	1,280,957	2,903,317	1,622,360
<i>Total DWR Charges</i>	21,240,284	27,617,293	26,234,837	26,340,615	105,778
TOTAL USES OF CASH	33,280,516	41,808,063	39,175,486	31,902,401	(7,273,085)
Ending Fund Balance	\$ 2,771,349	\$ 6,866,979	\$ 3,427,832	\$ 2,397,217	(1,030,615)
Non-Annual Recurring Balance	-	217,801	217,801	397,217	
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000	
General Fund Balance	\$ 771,349	\$ -	\$ 1,210,031	\$ 0	

**Central Coast Water Authority
Total Expenditures Summary
Fiscal Year 1999/00 Budget**

Project Participant	Unadjusted CCWA Operating Expense ⁽¹⁾	Exchange Agreement Adjustment		Exchange Agreement Adjustment		Regional WTP Allocation		Warren Act Charges ⁽²⁾	96 Revenue Bond Debt Service		Subtotal FY 1999/00 CCWA	Non-Annual Recurring Expenses	CCWA Credits	Total FY 1999/00 CCWA
		Cap. & Fixed	Variable	Cap. & Fixed	Variable	Regional WTP Allocation	Regional WTP Allocation		Warren Act Charges ⁽²⁾	Bond Debt				
Guadalupe	46,926	-	-	-	-	\$16,680	\$0	-	134,512	-	\$198,119	2,461	(\$61,593)	\$ 138,987
Santa Maria	1,383,231	-	-	-	-	\$489,294	\$0	-	1,872,525	-	1,872,525	73,751	(1,464,713)	481,563
SCWC	40,138	-	-	-	-	\$14,751	\$0	-	54,888	-	54,888	2,276	(11,263)	45,902
Vandenberg AFB	529,358	-	-	-	-	\$166,923	\$0	-	696,280	-	696,280	26,958	(122,204)	601,033
Buellton	64,228	-	-	-	-	\$17,432	\$0	-	81,660	-	81,660	3,200	(90,381)	232,707
Santa Ynez (Solvang)	143,749	-	-	-	-	\$42,622	\$0	-	238,228	-	319,888	8,305	(472,497)	192,384
Santa Ynez	59,382	-	-	\$291,092	42,065	\$97,974	\$0	-	490,514	-	666,570	2,768	(654,113)	15,226
Goleta	815,992	(123,359)	-	(\$228,470)	(33,016)	\$71,774	(\$274,598)	134,618	228,324	2,302,078	2,665,020	27,291	(1,826,495)	865,815
Morehart Land	28,237	-	-	-	-	\$5,862	(\$21,738)	12,361	62,772	-	80,237	1,213	(79,314)	2,136
La Cumbre	138,318	-	-	-	-	\$29,087	(\$108,008)	23,200	300,624	-	383,221	6,055	(347,780)	41,506
Raytheon (SBRC)	9,425	-	-	-	-	\$1,528	(\$5,998)	3,190	22,151	-	30,295	303	(154)	30,445
Santa Barbara	328,929	-	-	-	-	\$85,243	(\$303,520)	-	1,415,728	-	1,526,381	18,194	(1,600,712)	(56,137)
Montecito	351,654	(8,722)	-	(\$16,223)	(2,344)	\$81,222	(\$290,647)	9,512	987,418	-	1,111,870	18,194	(1,338,246)	(208,182)
Carpinteria	263,016	(24,948)	-	(\$46,400)	(6,705)	\$44,578	(\$160,460)	9,744	951,352	-	1,030,178	12,129	(235,042)	807,266
Shandon	4,049	-	-	-	-	-	-	10,981	-	-	15,030	399	(410)	15,019
Chorro Valley	128,582	-	-	-	-	-	-	128,582	-	-	987,603	9,328	(26,543)	970,388
Lopez	126,959	-	-	-	-	-	-	126,959	236,040	-	363,000	9,767	(17,653)	355,114
TOTAL:	4,482,174	(\$157,029)	\$0	(\$0)	(\$0)	\$1,164,970	(\$1,164,970)	\$185,368	\$8,167,168	\$12,657,681	\$222,602	(\$8,349,112)	\$4,531,171	

(1) Includes capital improvement projects.

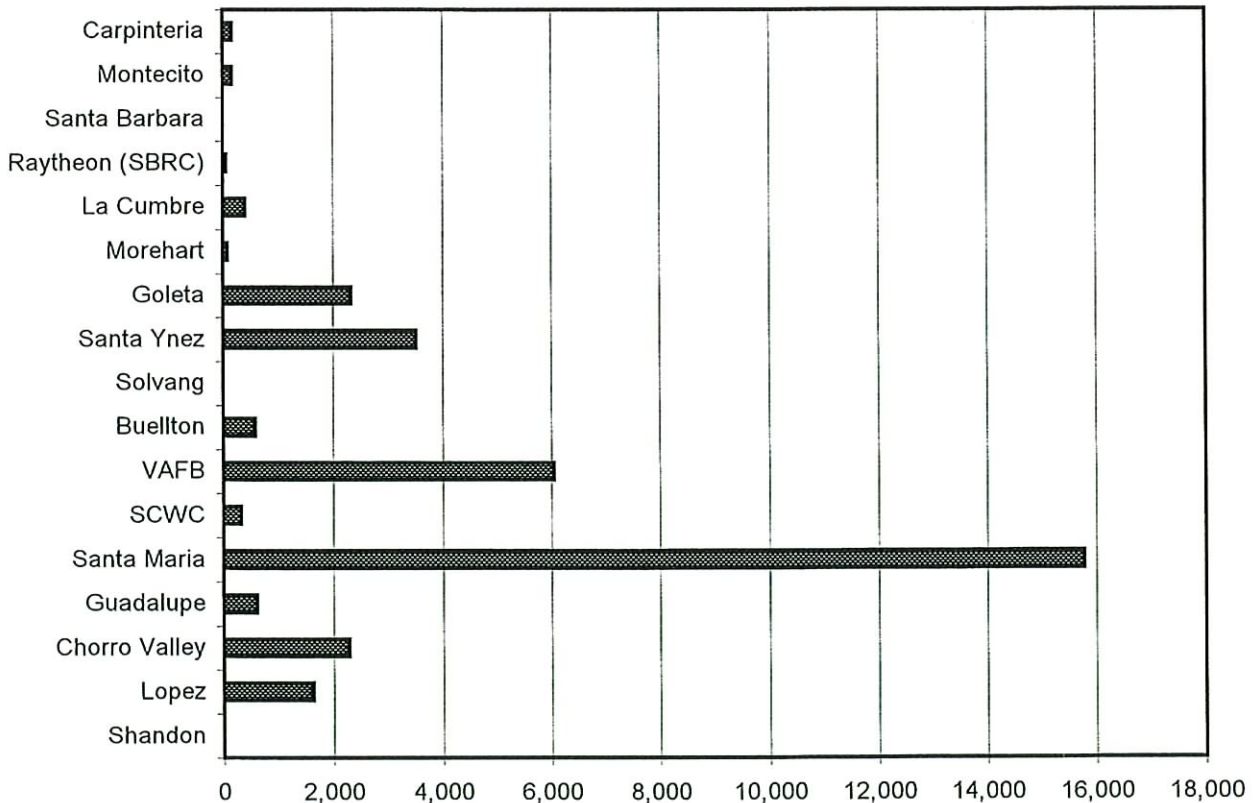
(2) Adjusted for Santa Ynez Exchange Agreement modifications.

Project Participant	DWR FIXED CHARGES			DWR VARIABLE CHARGES			TOTAL DWR and CCWA
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	
Guadalupe	\$ 280,911	\$ -	\$ -	\$ 308,382	\$ 27,156	\$ 34,008	\$ 361,847
Santa Maria	7,736,962	407,862	-	9,542,342	777,555	749,911	11,382,188
SCWC	238,237	12,588	-	291,541	-	-	292,050
Vandenberg AFB	2,651,044	138,468	-	3,484,768	297,845	280,463	4,602,555
Buellton	278,111	14,552	-	366,075	28,455	25,255	411,987
Santa Ynez (Solvang)	719,848	37,764	-	940,430	31,473	-	948,701
Santa Ynez	242,800	12,588	-	325,289	17,647	17,647	331,951
Goleta	2,165,304	113,292	-	2,780,572	193,223	323,770	3,211,600
Morehart Land	96,387	5,035	-	125,818	2,699	1,845	128,994
La Cumbre	481,936	25,176	-	633,223	17,339	-	633,689
Raytheon (SBRC)	24,383	1,259	-	32,006	2,267	2,397	35,882
Santa Barbara	1,445,748	75,528	-	1,857,866	14,114	14,576	1,813,451
Montecito	1,445,748	75,528	-	1,859,663	18,958	42,961	1,851,369
Carpinteria	963,813	50,352	-	1,252,813	18,958	-	1,285,355
Goleta 2500 AF	20,106	-	-	141,592	-	-	141,592
Shandon	-	-	-	-	-	-	-
Chorro Valley	-	-	-	-	-	-	-
Lopez	-	-	-	-	-	-	-
TOTAL:	\$ 18,771,419	\$ 969,982	\$ 601,125	\$ 23,943,370	\$ 1,411,083	\$ 1,492,234	\$ 26,340,615
				\$ 2,903,317	\$ (606,072)	\$	\$ 30,871,786

Central Coast Water Authority
FY 1999/00 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Actual Deliveries
Shandon	-	-	-
Lopez	1,626	-	1,626
Chorro Valley	2,274	-	2,274
Guadalupe	605	-	605
Santa Maria	15,777	-	15,777
SCWC	319	-	319
VAFB	6,050	-	6,050
Buellton	578	-	578
Solvang	-	-	-
Santa Ynez	750	2,774	3,524
Goleta	4,500	(2,179)	2,321
Morehart	88	-	88
La Cumbre	400	-	400
Raytheon (SBRC)	55	-	55
Santa Barbara	-	-	-
Montecito	317	(153)	164
Carpinteria	610	(442)	168
TOTAL:	33,949	-	33,949

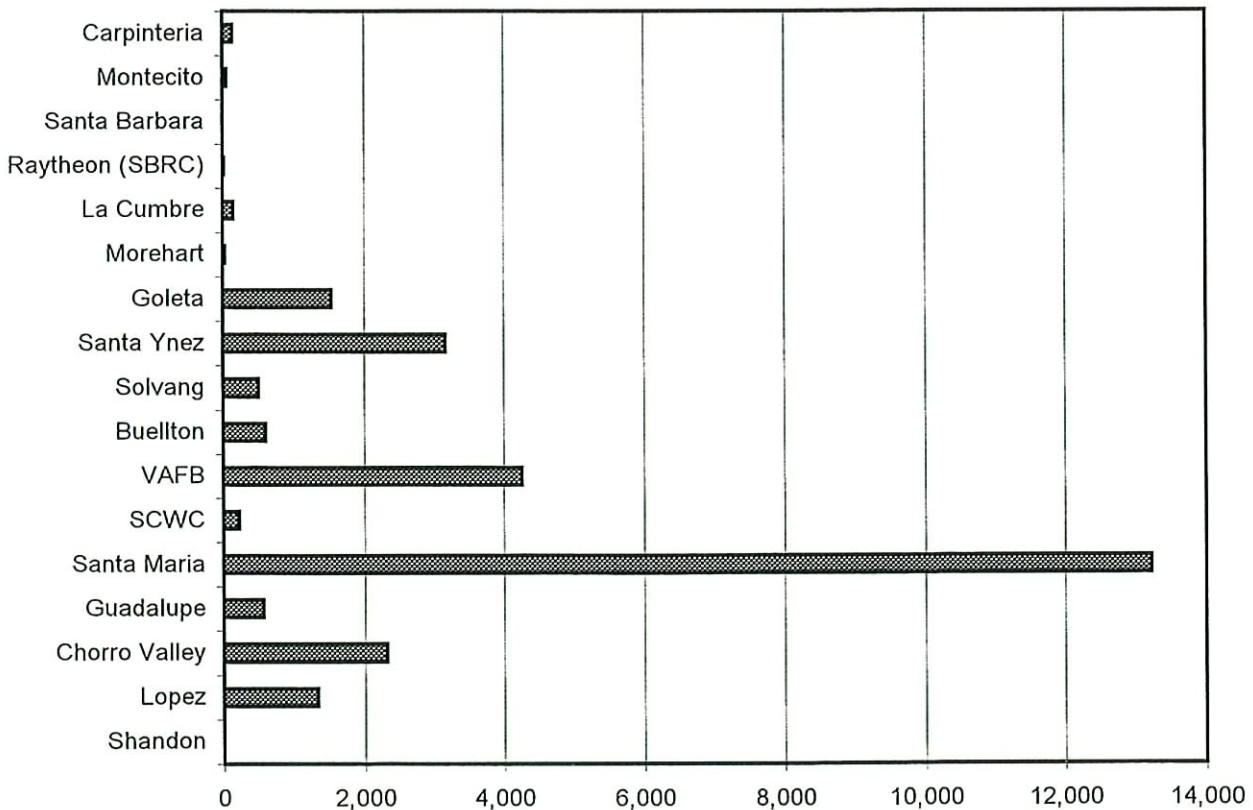
FY 1999/00 Deliveries (Acre Feet)



Central Coast Water Authority
FY 1998/99 Estimated Actual Deliveries (Acre Feet)

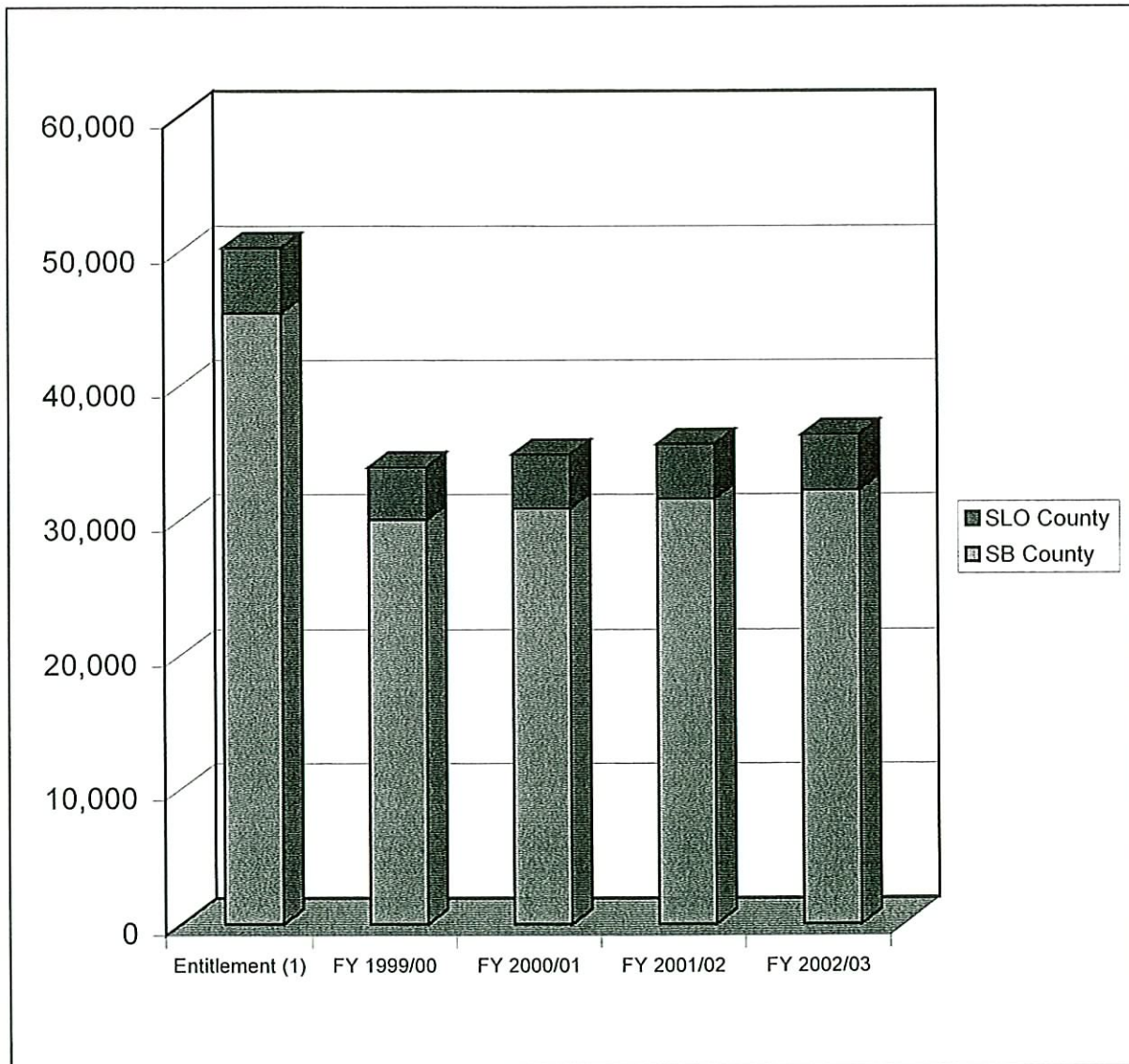
Project Participant	Est. Actual Deliveries	Exchange Deliveries	Est. Actual Deliveries
Shandon	-	-	-
Lopez	1,331	-	1,331
Chorro Valley	2,314	-	2,314
Guadalupe	557	-	557
Santa Maria	13,219	-	13,219
SCWC	216	-	216
VAFB	4,257	-	4,257
Buellton	599	-	599
Solvang	500	-	500
Santa Ynez	385	2,778	3,163
Goleta	3,724	(2,192)	1,532
Morehart	26	-	26
La Cumbre	144	-	144
Raytheon (SBRC)	20	-	20
Santa Barbara	-	-	-
Montecito	163	(109)	54
Carpinteria	617	(477)	140
TOTAL:	28,072	-	28,072

FY 1998/99 Estimated Actual Deliveries (Acre Feet)



Central Coast Water Authority
Requested State Water Deliveries
 FY 1999/00 to FY 2002/03

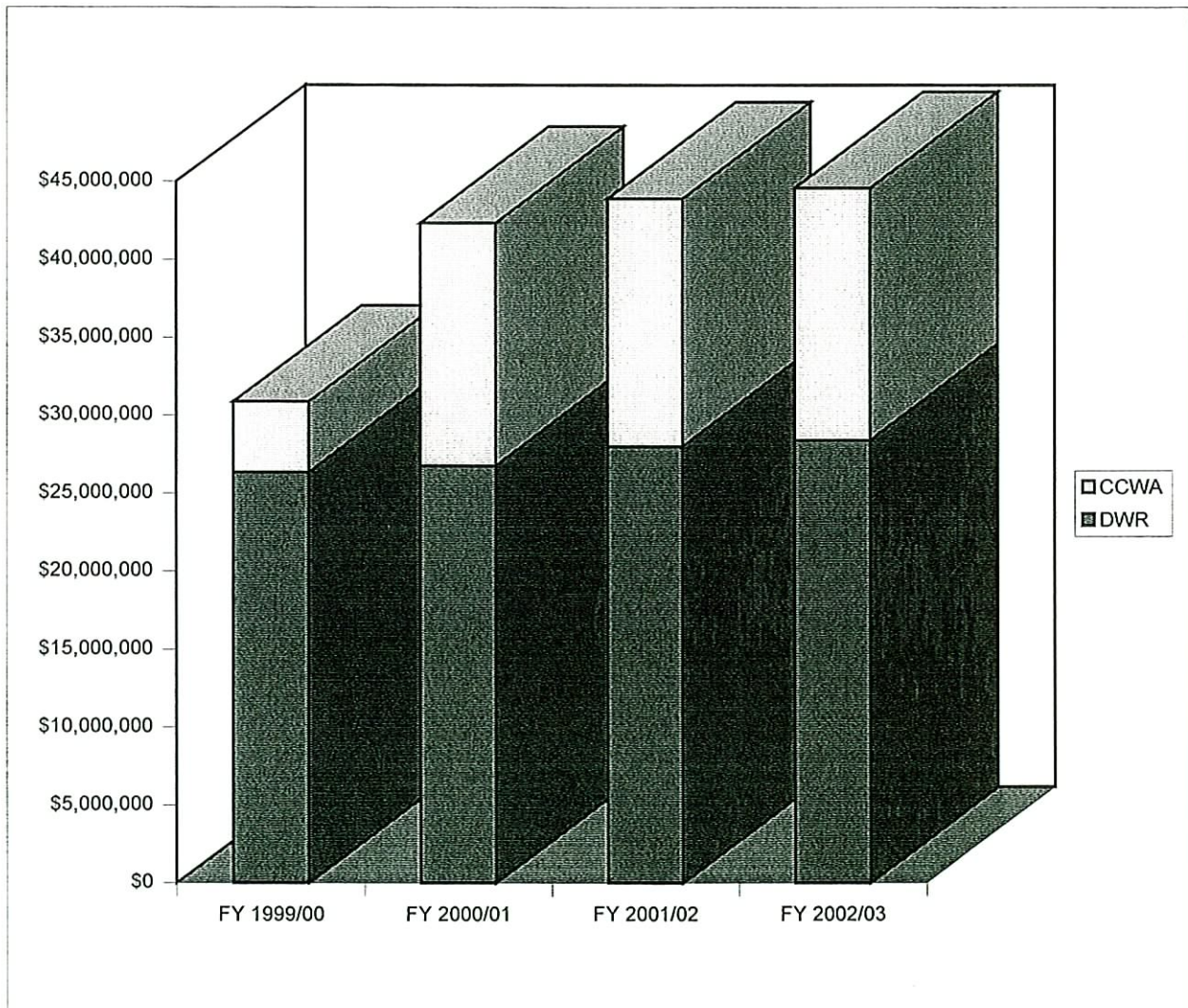
Entitlement ⁽¹⁾	50,316	AF
FY 1999/00	33,949	AF
FY 2000/01	34,900	AF
FY 2001/02	35,664	AF
FY 2002/03	36,363	AF



(1) 45,486 AF entitlement includes 3,908 AF drought buffer, 2,500 AF additional Goleta Water District entitlement and 4,830 San Luis Obispo County entitlement.

Central Coast Water Authority
Total SWP Charges DWR and CCWA
 FY 1999/00 to 2002/03

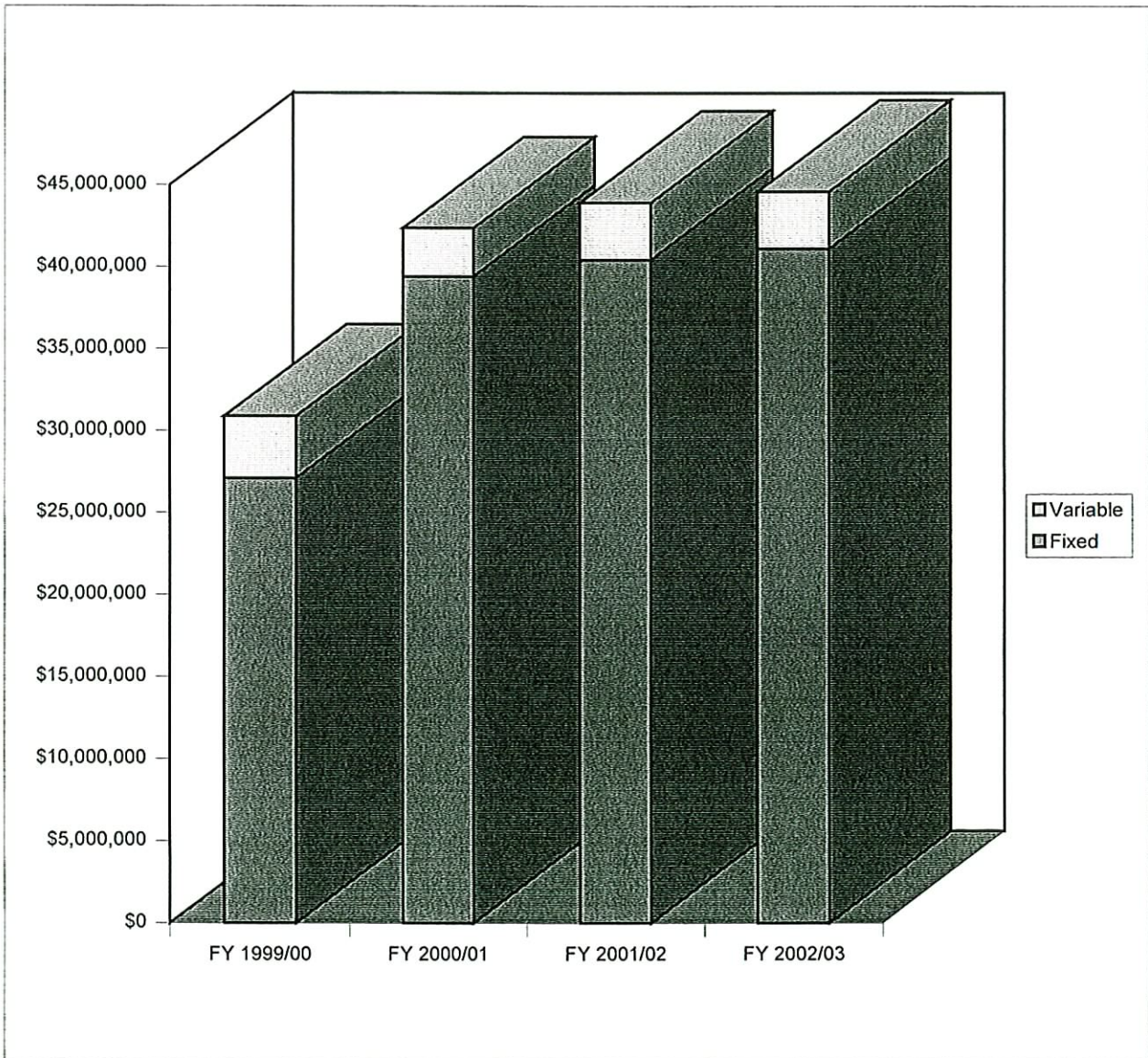
<u>Fiscal Year</u>	<u>DWR</u>	<u>CCWA</u>	<u>Total</u>
FY 1999/00	\$26,340,615	\$4,531,171	\$30,871,786
FY 2000/01	\$26,762,042	\$15,585,268	\$42,347,310
FY 2001/02	\$28,012,589	\$15,896,686	\$43,909,275
FY 2002/03	\$28,399,786	\$16,176,627	\$44,576,413



FY 1999/00 charges net of CCWA credits.

Central Coast Water Authority
Total DWR & CCWA Charges Fixed and Variable
 FY 1999/00 through 2002/03

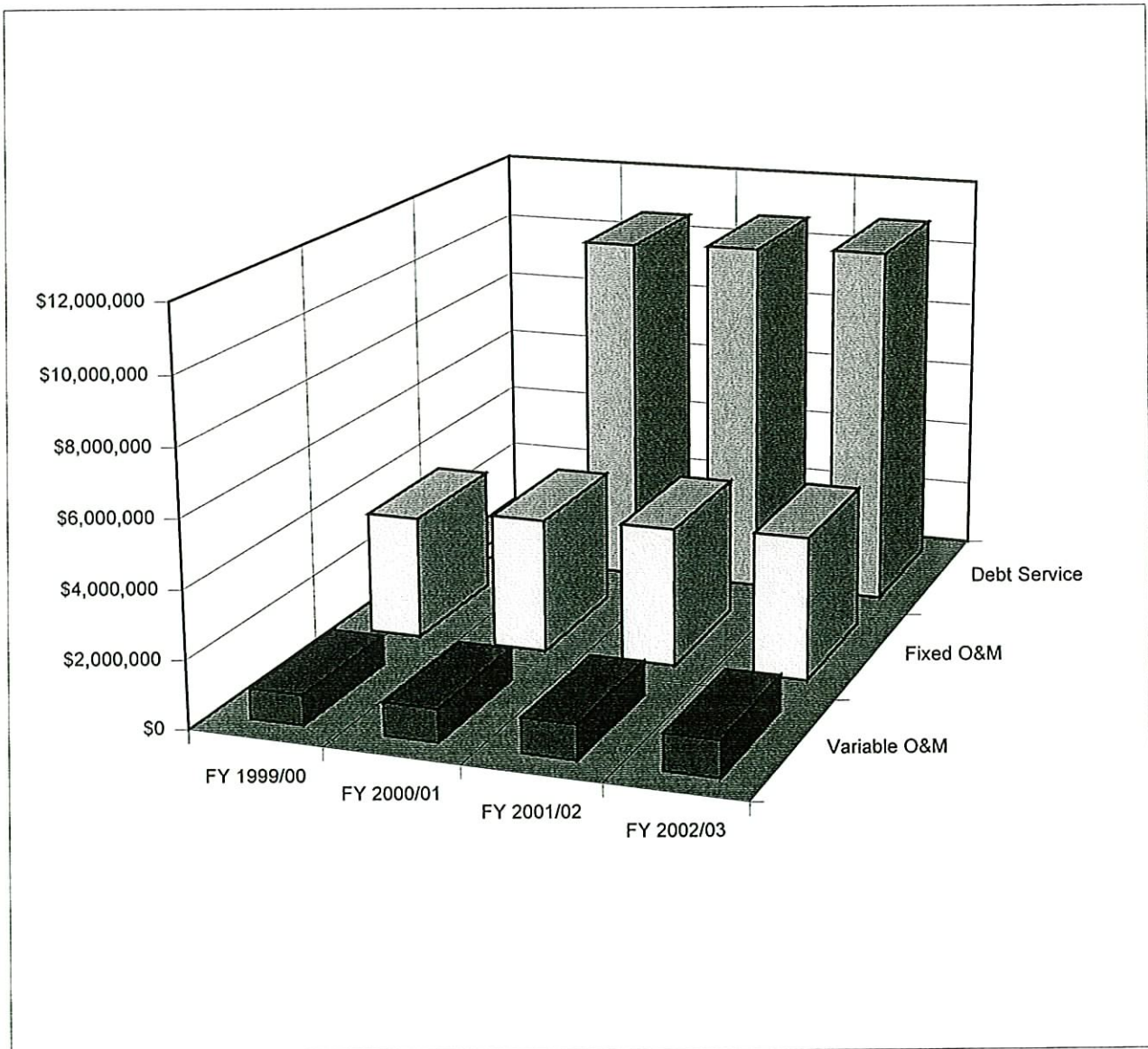
<u>Fiscal Year</u>	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>
FY 1999/00	\$27,086,931	\$3,784,855	\$30,871,786
FY 2000/01	\$39,380,668	\$2,966,642	\$42,347,310
FY 2001/02	\$40,412,896	\$3,496,379	\$43,909,275
FY 2002/03	\$41,081,953	\$3,494,461	\$44,576,413



FY 1999/00 charges net of CCWA credits.

Central Coast Water Authority
CCWA Estimated Charges
 FY 1999/00 to 2002/03

<u>Fiscal Year</u>	<u>Variable O&M</u>	<u>Fixed O&M</u>	<u>Debt Service</u>	<u>Total</u>
FY 1999/00	\$881,538	\$3,649,633	\$0	\$4,531,171
FY 2000/01	\$961,428	\$3,982,274	\$10,641,566	\$15,585,268
FY 2001/02	\$1,017,505	\$4,112,316	\$10,766,866	\$15,896,686
FY 2002/03	\$1,059,841	\$4,236,035	\$10,880,751	\$16,176,627



FY 1999/00 charges net of CCWA credits.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 1999/00 Budget

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

Revenues and Other Sources of Cash

Revenues	FY 1998/99		
	FY 1997/98 Actual	Estimated Actual	FY 1999/00 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 3,974,562	\$ 4,324,182	\$ 4,223,736
Debt Service Payments	8,923,298	8,566,626	8,167,168
Capital Improvement Projects (CIP)	-	88,522	81,409
Non-Annual Recurring Expenses	-	217,801	222,602
Investment Income	367,231	350,000	-
Subtotal Revenues	13,265,091	13,547,131	12,694,915
Pass-Through Expenses			
DWR Fixed Costs	18,660,047	24,953,880	23,943,370
DWR Variable Costs	2,580,237	1,280,957	2,903,317
DWR Account Interest	-	-	(506,072)
Warren Act Charges ⁽¹⁾	94,500	50,000	185,368
Subtotal Pass Through Expenses	21,334,784	26,284,837	26,525,983
CCWA Credits	-	(771,349)	(8,349,112)
TOTAL SOURCES OF CASH	\$ 34,599,875	\$ 39,060,619	\$ 30,871,786

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 1999/00 Budget

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

Project Participant	Original CCWA Operating Expenses ⁽¹⁾	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Adjustment SYPF Power	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 46,926	\$ 16,680	\$ -	\$ -	\$ -	\$ -	\$ 63,606
Santa Maria	1,383,231	489,294	-	-	-	-	1,872,525
SCWC	40,138	14,751	-	-	-	-	54,888
Vandenberg AFB	529,358	166,923	-	-	-	-	696,280
Buellton	64,228	17,432	-	-	-	-	81,660
Santa Ynez (Solvang)	143,749	42,622	-	-	-	-	186,370
Santa Ynez	59,382	97,974	-	-	291,092	42,065	490,514
Goleta	815,992	71,774	(274,598)	(123,359)	(228,470)	(33,016)	228,324
Morehart Land	28,237	5,862	(21,738)	-	-	-	12,361
La Cumbre	138,318	29,087	(108,008)	-	-	-	59,397
Raytheon (SBRC)	9,425	1,528	(5,998)	-	-	-	4,954
Santa Barbara	328,929	85,243	(303,520)	-	-	-	110,653
Montecito	351,654	81,222	(290,647)	(8,722)	(16,223)	(2,344)	114,940
Carpinteria	263,016	44,578	(160,460)	(24,948)	(46,400)	(6,705)	69,082
Shandon	4,049	-	-	-	-	-	4,049
Chorro Valley	128,582	-	-	-	-	-	128,582
Lopez	126,959	-	-	-	-	-	126,959
TOTAL:	\$4,462,174	\$1,164,970	(\$1,164,970)	(\$157,029)	\$0	(\$0)	\$ 4,305,145

(1) Includes \$336,712 for the gross Santa Ynez Pumping Facility power costs and \$81,409 in capital expenditures.

The adjusted total CCWA Operating Expense revenues, including capital improvement projects for Fiscal Year 1999/00, are **\$4,305,145**.

Debt Service Payments

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 1999/00 Budget

For Fiscal Year 1999/00, total revenue for debt service payments will be \$8,167,168, or \$478,142 less than the FY 1998/99 payment. The following table shows each financing participant's share of the debt service.

Financing Participant	FY 1998/99	FY 1999/00	Difference
	Actual Debt Service Payments	Debt Service Revenue	
Avila Beach	\$ 6,591	\$ 11,556	\$ 4,965
California Men's Colony	76,102	97,827	21,725
County of SLO	80,836	104,201	23,365
Cuesta College	38,041	48,917	10,876
Morro Bay	490,000	608,077	118,076
Oceano	49,298	84,644	35,347
Pismo Beach	81,484	139,840	58,355
Shandon	6,377	10,981	4,604
Guadalupe	128,129	134,512	6,383
Buellton	220,671	238,228	17,557
Santa Ynez (Solvang)	604,069	470,206	(133,863)
Santa Ynez	345,965	176,056	(169,909)
Goleta	2,183,776	2,302,078	118,301
Morehart Land	67,230	62,772	(4,458)
La Cumbre	430,193	300,624	(129,570)
Raytheon (SBRC)	22,839	22,151	(688)
Santa Barbara	1,671,116	1,415,728	(255,388)
Montecito	1,226,183	987,418	(238,765)
Carpinteria	916,408	951,352	34,944
TOTAL:	\$ 8,645,310	\$ 8,167,168	\$ (478,142)

During FY 1998/99, all project costs were reconciled and allocated to each project participant. These costs were then allocated to each project participant, and amended debt service amortization schedules were prepared for each financing participant. This resulted in changes between the FY 1998/99 debt service assessments and the FY 1999/00 debt service assessments shown above. Additionally, during FY 1998/99 certain financing participants elected to pay a portion of their debt service assessments with bond proceeds (i.e., capitalized interest).

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 1999/00 Budget

FY 1999/00 CCWA Credits

The following table shows a summary of the FY 1999/00 credits for each project participant. Certain project participants have elected to apply their credits against CCWA assessments over a number of years.

Project Participant	CCWA and Debt Service Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits
Guadalupe	\$60,369	\$1,224	\$ -	\$ -	\$61,593
Santa Maria	-	11,911	-	1,452,802	1,464,713
SCWC	9,726	1,537	-	-	11,263
Vandenberg AFB	109,940	12,264	-	-	122,204
Buellton ⁽¹⁾	85,434	1,287	3,660	-	90,381
Santa Ynez (Solvang)	469,162	3,335	-	-	472,497
Santa Ynez	652,999	1,114	-	-	654,113
Goleta	1,732,719	10,024	83,752	-	1,826,495
Morehart Land	64,571	445	-	14,298	79,314
La Cumbre	328,299	2,227	17,254	-	347,780
Raytheon (SBRC)	-	154	-	-	154
Santa Barbara	1,591,417	9,295	-	-	1,600,712
Montecito	1,285,777	6,680	45,789	-	1,338,246
Carpinteria ⁽²⁾	-	4,447	30,595	200,000	235,042
Shandon	410	-	-	-	410
Chorro Valley	17,328	-	-	9,215	26,543
Lopez	17,653	-	-	-	17,653
TOTAL:	\$6,425,804	\$65,943	\$181,050	\$1,676,315	\$8,349,112

(1) \$40,000 of the Buellton credit is retained for repairs to the Buellton turnout.

(2) Carpinteria has elected to apply its credits as prepayments over a number of years.

Investment Income and Cash Management

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

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

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 1999/00 Budget

Bank Account Cash Balances

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

Debt Service Payments

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

Investment Income

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

DWR Payment Investments

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

CCWA Operating Expense Revenue

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 1999/00 Budget

Pass-Through Expenses

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

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

Warren Act Charges

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

There are two components to the Warren Act charges: (1) Trust Fund payments of \$43 an acre-foot and (2) Warren Act charges of \$15 per acre foot. For Fiscal Year 1999/00, the charges are based on deliveries to Lake Cachuma of 3,196 acre feet.

The following table represents the Fiscal Year 1999/00 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 1999/00 DWR Fixed Charges	FY 1999/00 DWR Variable Charges	DWR Account Interest Income	FY 1999/00 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$308,382	\$61,163	(\$7,698)	\$ -	\$361,847
Santa Maria	9,542,342	1,526,866	(168,583)	-	10,900,625
SCWC	291,541	-	(9,491)	-	282,050
Vandenberg AFB	3,484,758	578,309	(61,545)	-	4,001,521
Buellton	366,075	53,711	(7,799)	-	411,987
Santa Ynez (Solvang)	940,430	31,473	(23,202)	-	948,701
Santa Ynez	326,289	17,647	(11,985)	-	331,951
Goleta	2,922,165	516,993	(85,965)	134,618	3,487,811
Morehart Land	125,818	4,544	(1,367)	5,104	134,098
LaCumbre	633,223	17,339	(16,873)	23,200	656,889
S.B. Research	32,006	4,664	(788)	3,190	39,072
Santa Barbara	1,857,866	-	(44,416)	-	1,813,451
Montecito	1,859,663	28,690	(36,984)	9,512	1,860,881
Carpinteria	1,252,813	61,919	(29,377)	9,744	1,295,099
Shandon	-	-	-	-	-
Chorro Valley	-	-	-	-	-
Lopez	-	-	-	-	-
TOTAL:	\$23,943,370	\$2,903,317	(\$506,072)	\$185,368	\$26,525,983

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 1999/00 Budget

Authority Billing Procedures

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

The Water Supply Agreements provide guidelines to be followed when billing the Santa Barbara County project participants for CCWA 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 CCWA 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 CCWA expenses based on the Board adopted fiscal year budget. Additionally, the fixed portion of the DWR charges are billed based on the most recent calendar year Statement of Charges and DWR projections.

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

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 1999/00 Budget

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 1999/00 for each project participant.

Project Participant	FY 1999/00 CCWA Operating Expenses ⁽¹⁾	FY 1999/00 Non-Annual Recurring	FY 1999/00 Debt Service Payments	FY 1999/00 DWR Costs	FY 1999/00 Warren Act Charges ⁽²⁾	FY 1999/00 CCWA Credits	FY 1999/00 Total Payments
Guadalupe	\$63,606	\$2,461	\$ 134,512	\$361,847	\$0	(\$61,593)	\$500,834
Santa Maria	1,872,525	73,751	-	10,900,625	-	(1,464,713)	11,382,188
SCWC	54,888	2,276	-	282,050	-	(11,263)	327,952
Vandenberg AFB	696,280	26,958	-	4,001,521	-	(122,204)	4,602,555
Buellton	81,660	3,200	238,228	411,987	-	(90,381)	644,694
Santa Ynez (Solvang)	186,370	8,305	470,206	948,701	-	(472,497)	1,141,085
Santa Ynez	490,514	2,768	176,056	331,951	-	(654,113)	347,177
Goleta	228,324	27,291	2,302,078	3,353,193	134,618	(1,826,495)	4,219,008
Morehart Land	12,361	1,213	62,772	128,994	5,104	(79,314)	131,131
La Cumbre	59,397	6,065	300,624	633,689	23,200	(347,780)	675,194
Raytheon (SBRC)	4,954	303	22,151	35,882	3,190	(154)	66,326
Santa Barbara	110,653	18,194	1,415,728	1,813,451	-	(1,600,712)	1,757,313
Montecito	114,940	18,194	987,418	1,851,369	9,512	(1,338,246)	1,643,187
Carpinteria	69,082	12,129	951,352	1,285,355	9,744	(235,042)	2,092,621
Shandon	4,049	399	10,981	N/A	-	(410)	15,019
Chorro Valley	128,582	9,328	859,021	N/A	-	(26,543)	970,388
Lopez	126,959	9,767	236,040	N/A	-	(17,653)	355,114
TOTAL:	\$4,305,145	\$222,602	\$8,167,168	\$26,340,615	\$185,368	(\$8,349,112)	\$30,871,786

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



Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 1999/00 Budget

The Authority holds a contract with the Department of Water Resources (DWR) to purchase up to 45,486 acre-feet of water per year. The costs for this water are charged to the various project participants through the Authority.

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 primarily of power costs.

DWR Billing Procedures

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

When the Authority receives the State of Charges from DWR, the charges are allocated on a financial reach basis (*see the Distribution Department section of this budget for further information on financial reaches*). Invoices are then prepared by the Authority and forwarded to the various project participants.

Summary of FY 1999/00 DWR Charges

The DWR charges for the first half of FY 1999/00 are based on the 1999 Statement of Charges. The DWR charges for the second half of FY 1999/00 are based on forecasts prepared by DWR State Water Project Analysis Office. DWR transportation capital charges starting in 1998 are based on a Coastal Branch Phase II project cost of \$481 million. Coastal Branch Extension capital charges are based on debt service from DWR's November 1996 Series Q revenue bond financing and include deferral of principal through 2008.

The fixed DWR charges are allocated to the various project participants based on their State water entitlement allocation. The variable DWR charges are allocated based on project participant requested deliveries. San Luis Obispo County pays DWR directly for its DWR costs. The table on page 49 shows fixed and variable DWR costs for each project participant.

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 1999/00 Budget

The FY 1999/00 DWR fixed charges total \$23,943,370, which is \$1,049,389 less than the FY 1998/99 budget.

- Transportation capital charges are decreasing by approximately \$836,000 because of an increase in the rate management funds credit of \$787,000. The total rate management funds credit for FY 1999/00 for transportation capital charges is \$2,357,338 compared to the FY 1998/99 amount of \$1,570,283. This increase is due to allocation of one-half of the 1999 and one-half of the 2000 rate management funds credit, the latter which is substantially higher than the 1998 amount contained in the FY 1998/99 total.
- Coastal Branch Phase II transportation charges are increasing by about \$63,000 compared to the FY 1998/99 amount. This increase is attributed to an additional \$278,000 amount from FY 1998/99 for return of bond cover which was not returned by DWR during FY 1998/99 (DWR requires that one full year of bond cover be held at all times). This additional charge was partially offset by an increase in the current year return of bond cover credit of \$137,000 and an increase in the rate management funds credit for FY 1999/00 of \$78,000.
- Transportation Minimum OMP&R charges are increasing by about \$746,000 over the prior year budget due to an increase in DWR O&M staff performing work on the Coastal Branch Phase II portion of the pipeline.
- Water System Revenue Bond Charges are decreasing by approximately \$847,000 because of the return of bond cover for FY 1998/99 and FY 1998/99 surplus money investment fund interest and other credits of \$80,000.
- Delta Water Charges are decreasing by approximately \$175,000 primarily as a result of credits given to those project participants which sold water in the DWR 1998 and 1999 Turnback Pools. Additionally, no Table A entitlement reductions are included in the allocation of the Delta Water Charges because DWR did not approve any such reductions for 1999.

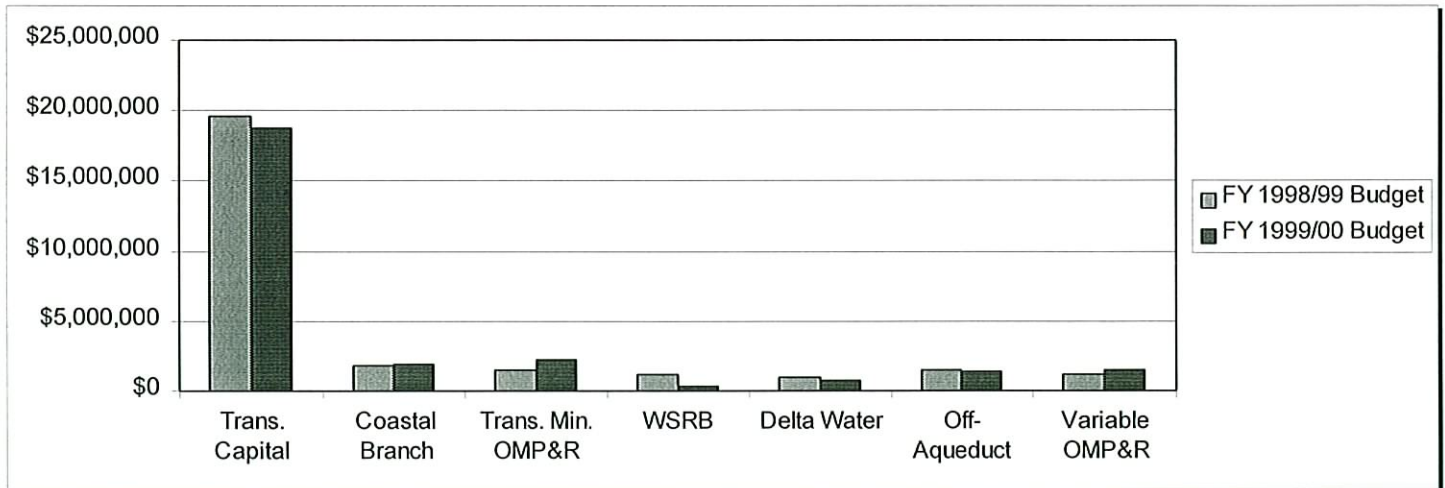
The DWR variable charges for FY 1999/00 total \$2,903,317, which is \$278,781 higher than the FY 1998/99 actual DWR variable payments.

- Off-aqueduct charges are decreasing by about \$58,000 due to (1) return of off-aqueduct bond cover from the prior year, (2) credits for prior year payments in excess of the actual amount incurred for the year and (3) surplus money fund interest payments from DWR.
- Variable OMP&R charges are increasing by approximately \$337,000 due to a higher unit rate of \$48 per acre foot for 1999 compared to the 1998 unit rate of about \$39 per acre foot, which is partially offset by credits for prior year payments made in excess of actual payments to DWR.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 1999/00 Budget

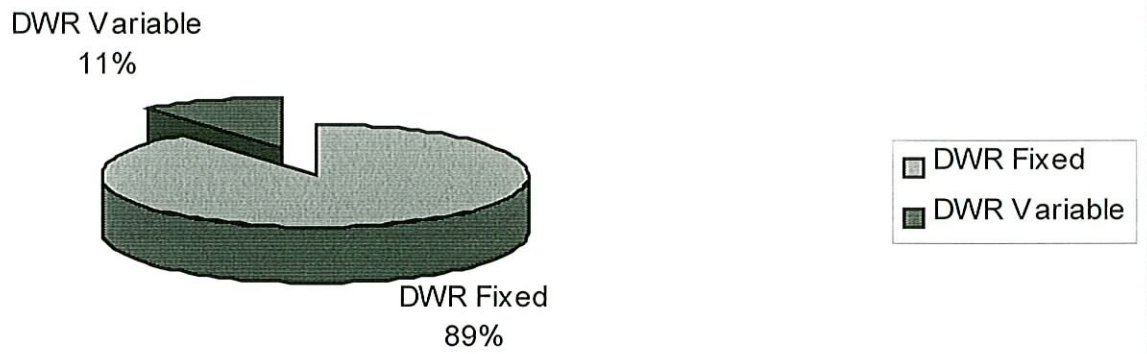
The following table provides a comparison of the FY 1998/99 and FY 1999/00 DWR budget. The FY 1999/00 charges are also partially offset by \$506,078 in investment income earned in the DWR account during FY 1998/99 compared to the prior year credit amount of \$101,092, an increase of \$404,980.

DWR Fixed and Variable Cost Comparison			
Cost Component	FY 1998/99 Budget	FY 1999/00 Budget	Increase (Decrease)
Transportation Capital	\$ 19,607,563	\$ 18,771,419	\$ (836,144)
Coastal Branch Phase II	1,808,124	1,871,107	62,983
Transportation Minimum OMP&R	1,507,796	2,253,770	745,974
Water System Revenue Bond	1,135,604	288,464	(847,140)
Delta Water Charges	933,672	758,611	(175,061)
Subtotal Fixed DWR Charges	<u>24,992,759</u>	<u>23,943,370</u>	<u>(1,049,389)</u>
Off-Aqueduct Charges	1,469,222	1,411,083	(58,139)
Variable OMP&R	1,155,314	1,492,234	336,920
Subtotal Variable DWR Charges	<u>2,624,536</u>	<u>2,903,317</u>	<u>278,781</u>
DWR Account Investment Income	(101,092)	(506,072)	(404,980)
Total DWR Charges	<u><u>\$ 27,516,203</u></u>	<u><u>\$ 26,340,615</u></u>	<u><u>\$ (1,175,588)</u></u>



Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 1999/00 Budget

FY 1999/00 Budget



Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 1999/00 Budget

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

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

The following table shows the Transportation Capital Costs for Reaches 1 through 35 for FY 1999/00 by project participant.

TRANSPORTATION CAPITAL CHARGES

Project Participant	Entitlement	Percentage	Reaches 1 to 35 ⁽¹⁾	Deferral of Charges	One-Shot & Reach 33A Power Credits	Rate Management Funds Credit	FY 1998/99 (Credits) Additional Charge ⁽²⁾	FY 1999/00 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 329,302	\$ (15,100)	\$ (17,309)	\$ (33,141)	\$ (2,840)	\$ 260,911
Santa Maria	16,200	41.46%	9,699,452	(444,775)	(509,839)	(976,145)	(31,731)	7,736,962
SCWC	500	1.28%	299,366	(13,728)	(15,736)	(30,128)	(1,537)	238,237
VAFB	5,500	14.07%	3,293,024	(151,004)	(173,093)	(331,407)	13,525	2,651,044
Buellton	578	1.48%	346,067	(15,869)	(18,191)	(34,828)	931	278,111
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	889,703	(41,183)	(47,207)	(89,500)	8,035	719,848
Santa Ynez ⁽³⁾	500	1.28%	307,760	(13,728)	(15,736)	(31,011)	(4,406)	242,880
Goleta	4,500	11.52%	2,694,292	(123,549)	(141,622)	(271,151)	7,333	2,165,304
Morehart	200	0.51%	119,746	(5,491)	(6,294)	(12,051)	477	96,387
La Cumbre	1,000	2.56%	598,732	(27,455)	(31,472)	(60,256)	2,388	481,936
Raytheon (SBRC)	50	0.13%	29,937	(1,373)	(1,574)	(3,013)	406	24,383
Santa Barbara	3,000	7.68%	1,796,195	(82,366)	(94,415)	(180,768)	7,102	1,445,749
Montecito	3,000	7.68%	1,796,195	(82,366)	(94,415)	(180,768)	7,102	1,445,748
Carpinteria	2,000	5.12%	1,197,463	(54,910)	(62,943)	(120,512)	4,715	963,813
Subtotal:	39,078	100.00%	\$ 23,397,233	\$ (1,072,896)	\$ (1,229,845)	\$ (2,354,679)	\$ 11,500	\$ 18,751,313
Goleta Additional	2,500	5.50%	23,774	(1,009)		(2,659)	-	20,106
CCWA Drought Buffer	3,908							
TOTAL:	45,486		\$ 23,421,007	\$ (1,073,905)	\$ (1,229,845)	\$ (2,357,338)	\$ 11,500	\$ 18,771,419

(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 1998/99 transportation capital reconciliation.

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

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 1999/00 Budget

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

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

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	<i>Reach 37</i>				
	Entitlement	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	498,271	(151,151)	347,120
SCWC	500	1.30%	15,379	(4,665)	10,714
VAFB	5,500	14.28%	169,166	(51,317)	117,849
Buellton	578	1.50%	17,778	(5,393)	12,385
Santa Ynez (Solvang)	1,500	3.89%	46,136	(13,995)	32,141
Santa Ynez	500	1.30%	15,379	(4,665)	10,714
Goleta	4,500	11.68%	138,409	(41,986)	96,422
Morehart	200	0.52%	6,151	(1,866)	4,285
La Cumbre	1,000	2.60%	30,757	(9,330)	21,427
Raytheon (SBRC)	50	0.13%	1,538	(467)	1,071
Santa Barbara	3,000	7.79%	92,272	(27,991)	64,281
Montecito	3,000	7.79%	92,272	(27,991)	64,281
Carpinteria	2,000	5.19%	61,515	(18,661)	42,854
Total:	38,528	100.00%	1,185,024	(359,478)	\$ 825,546

(1) Includes credits for the Deferral of Charges \$80,095, return of bond cover \$457,185 and Rate Management Funds Credit \$156,157.

Project Participant	<i>Reach 38</i>					<i>FY 1998/99</i>		<i>FY 1999/00</i>
	Entitlement	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	Additional Charge	Transportation Capital Charges	
Guadalupe	-	0.00%	-	-	\$ -	\$ -	\$ -	
Santa Maria	-	0.00%	-	-	-	61,344	408,464	
SCWC	-	0.00%	-	-	-	(83)	10,631	
VAFB	5,500	25.20%	277,394	(84,148)	193,246	52,258	363,354	
Buellton	578	2.65%	29,152	(8,843)	20,308	5,492	38,185	
Santa Ynez (Solvang)	1,500	6.87%	75,653	(22,949)	52,704	16,714	101,558	
Santa Ynez	500	2.29%	25,218	(7,650)	17,568	4,803	33,084	
Goleta	4,500	20.62%	226,959	(68,848)	158,111	42,757	297,290	
Morehart	200	0.92%	10,087	(3,060)	7,027	2,134	13,446	
La Cumbre	1,000	4.58%	50,435	(15,300)	35,136	10,545	67,108	
Raytheon (SBRC)	50	0.23%	2,522	(765)	1,757	475	3,304	
Santa Barbara	3,000	13.74%	151,306	(45,899)	105,407	33,427	203,116	
Montecito	3,000	13.74%	151,306	(45,899)	105,407	29,750	199,438	
Carpinteria	2,000	9.16%	100,871	(30,599)	70,271	19,003	132,129	
Total:	21,828	100.00%	1,100,901	(333,959)	\$ 766,942	\$ 278,619	\$ 1,871,107	

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 1999/00 Budget

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

The following table shows the Transportation Charge-Minimum OMP&R charges for FY 1999/00.

TRANSPORTATION CAPITAL MINIMUM OMP&R

Project Participant	Entitlement	Percentage	Reaches 1 to 36	One-Shot Adjustment	FY 1999/00 Transportation Minimum OMP&R
Guadalupe	550	1.41%	28,620	2,262	\$ 30,881
Santa Maria	16,200	41.46%	842,979	66,612	909,592
SCWC	500	1.28%	26,018	2,056	28,074
VAFB	5,500	14.07%	286,197	22,615	308,812
Buellton	578	1.48%	30,077	2,377	32,453
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	74,122	6,168	80,289
Santa Ynez ⁽¹⁾	500	1.28%	29,950	2,056	32,006
Goleta	4,500	11.52%	234,161	18,503	252,664
Morehart	200	0.51%	10,407	822	11,230
La Cumbre	1,000	2.56%	52,036	4,112	56,148
Raytheon (SBRC)	50	0.13%	2,602	206	2,807
Santa Barbara	3,000	7.68%	156,107	12,336	168,443
Montecito	3,000	7.68%	156,107	12,336	168,443
Carpinteria	2,000	5.12%	104,072	8,224	112,295
Subtotal:	39,078	100.00%	\$ 2,033,454	\$ 160,684	\$ 2,194,137
Goleta Additional	2,500	-	59,633	-	\$ 59,633
CCWA Drought Buffer	3,908				
TOTAL:	45,486		\$ 2,093,086	\$ 160,684	\$ 2,253,770

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

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 1999/00 Budget

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

The following table shows the Water System Revenue Bond Surcharge for FY 1999/00.

WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Entitlement	Percentage	Gross WSRB Charges	Return of Bond Cover	FY 1998/99 WSRB Credits ⁽²⁾	FY 99/00 WSRB Charges
Guadalupe	550	1.41%	\$ 27,008	\$ (11,339)	\$ (11,215)	\$ 4,453
Santa Maria	16,200	41.46%	795,500	(333,999)	(330,401)	131,100
SCWC	500	1.28%	24,552	(10,309)	(10,188)	4,055
VAFB	5,500	14.07%	270,077	(113,395)	(112,255)	44,427
Buellton	578	1.48%	28,383	(11,917)	(11,765)	4,701
Santa Ynez (Solvang)	1,500	3.84%	72,853	(30,926)	(29,201)	12,726
Santa Ynez ⁽¹⁾	500	1.28%	25,356.86	(10,309)	(11,549)	3,499
Goleta	4,500	11.52%	220,972	(92,778)	(136,410)	-
Morehart	200	0.51%	9,821	(4,123)	(4,112)	1,585
La Cumbre	1,000	2.56%	49,105	(20,617)	(20,373)	8,114
Raytheon (SBRC)	50	0.13%	2,455	(1,031)	(1,029)	395
Santa Barbara	3,000	7.68%	147,315	(61,852)	(61,124)	24,339
Montecito	3,000	7.68%	147,315	(61,852)	(61,124)	24,339
Carpinteria	2,000	5.12%	98,210	(41,234)	(40,750)	16,225
Subtotal	39,078	100.00%	\$ 1,918,924	\$ (805,680)	\$ (841,497)	\$ 279,961
Goleta Additional	2,500	-	\$ 14,609	(6,106)	\$	8,502
CCWA Drought Buffer	3,908					
TOTAL:	45,486		\$ 1,933,532	\$ (811,786)	\$ (841,497)	\$ 288,464

(1) Adjusted for the transfer of Solvang 150 acre foot drought buffer entitlement to Santa Ynez.
 (2) WSRB credits include \$761,173 return of bond cover from FY 1998/99 and DWR SMIF interest and other credits of \$80,324 paid in FY 1998/99.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 1999/00 Budget

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

For FY 1999/00, no Table A entitlement reductions were granted by DWR.

The following table shows the Delta Water Charges for FY 1999/00.

DELTA WATER CHARGE

Project Participant	Entitlement Including Drought Buffer ⁽¹⁾	Percentage	Gross Delta Water Charges	Rate Management Funds Credit	Turnback Pool B Credits ⁽²⁾	1999 Turnback Pool A & B Credits	Other Credits ⁽³⁾	FY 1999/00 Delta Water Charges
Guadalupe	605	1.41%	\$ 14,263	(1,352)	(410)		(365)	\$ 12,136
Santa Maria	17,820	41.46%	420,118	(39,828)	-	(13,027)	(10,426)	356,837
SCWC	550	1.28%	12,967	(1,229)	(1,106)	(1,534)	(511)	8,587
VAFB	6,050	14.07%	142,633	(13,522)	(8,909)		(5,251)	114,950
Buellton	636	1.48%	14,994	(1,421)	(331)	(342)	(503)	12,397
Santa Ynez (Solvang)	1,500	3.49%	35,363	(3,353)	(2,850)		(1,283)	27,878
Santa Ynez	700	1.63%	16,503	(1,565)	-		(264)	14,675
Goleta	4,950	11.52%	116,699	(11,063)	(13,840)	(17,405)	(10,852)	63,539
Morehart	220	0.51%	5,187	(492)	(125)	(1,191)	(55)	3,324
La Cumbre	1,100	2.56%	25,933	(2,459)	-	(2,360)	(549)	20,566
Raytheon (SBRC)	55	0.13%	1,297	(123)	(29)		(48)	1,097
Santa Barbara	3,300	7.68%	77,800	(7,376)	(14,951)	(31,132)	(4,382)	19,958
Montecito	3,300	7.68%	77,800	(7,376)	(14,934)	(29,364)	(4,371)	21,755
Carpinteria	2,200	5.12%	51,866	(4,917)	(3,922)	(13,681)	(1,786)	27,561
Subtotal	42,986	100.00%	\$ 1,013,423	\$ (96,075)	\$ (61,406)	\$ (110,036)	\$ (40,646)	\$ 705,260
Goleta Additional	2,500	5.50%	\$ 58,939	(5,588)	-	-	-	\$ 53,352
TOTAL:	45,486		\$ 1,072,362	\$ (101,663)	\$ (61,406)	\$ (110,036)	\$ (40,646)	\$ 758,611

(1) No Table A entitlement reductions for calendar years 1999 or 2000.

(2) Credits for water sales in DWR Turnback Pool B during 1998.

(3) Other miscellaneous credits from FY 1998/99 including credits for Table A entitlement reductions from prior years.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 1999/00 Budget

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

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

The following table shows the Off-Aqueduct charges for FY 1999/00.

OFF-AQUEDUCT CHARGES												
Calendar Year 1999 Deliveries ⁽¹⁾			\$47.37/AF ⁽²⁾		Calendar Year 2000 Deliveries ⁽¹⁾			\$51.09/AF ⁽³⁾		TOTAL		
Project Participant	Requested Delivery	SYID#1 Exchanges	Net Deliveries	One-Half Year	1999 Off-Aqueduct	Requested Delivery	SYID#1 Exchanges	Net Deliveries	One-Half Year	2000 Off-Aqueduct	FY 1998/99 Credits ⁽⁴⁾	FY 99/00 Off-Aqueduct
Guadalupe	605	-	605	303	\$ 14,330	605	-	605	303	\$ 15,455	\$ (2,629)	\$ 27,156
Santa Maria	15,612	-	15,612	7,806	369,776	15,963	-	15,963	7,982	407,780	-	777,555
SCWC	290	-	290	145	6,869	350	-	350	175	8,941	(20,728)	-
VAFB	6,050	-	6,050	3,025	143,296	6,050	-	6,050	3,025	154,549	-	297,845
Buellton	578	-	578	289	13,690	578	-	578	289	14,765	-	28,455
Santa Ynez (Solvang) ⁽⁵⁾	1,500	-	1,500	750	35,528	-	-	-	-	-	(4,055)	31,473
Santa Ynez ⁽⁶⁾	700	2,945	3,645	350	16,580	700	2,578	3,278	350	17,882	(37,382)	-
Goleta	4,499	(2,385)	2,114	2,250	106,560	4,500	(1,887)	2,613	2,250	114,954	(28,291)	193,223
Morehart	75	-	75	38	1,776	100	-	100	50	2,555	(1,632)	2,699
La Cumbre	400	-	400	200	9,474	400	-	400	200	10,218	(2,354)	17,339
Raytheon (SBRC)	55	-	55	28	1,303	55	-	55	28	1,405	(441)	2,267
Santa Barbara	-	-	-	-	-	-	-	-	-	-	-	-
Montecito	150	(95)	55	75	3,553	550	(270)	280	275	14,050	(3,489)	14,114
Carpinteria	599	(465)	134	300	14,188	700	(421)	279	350	17,882	(13,111)	18,958
	31,113	-	31,113	15,557	\$ 736,923	30,551	-	30,551	15,276	\$ 780,435	\$ (114,112)	\$ 1,411,083

- (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, 1998. Total 1999 Off-Aqueduct charges of \$1,473,845 divided by 31,113 AF equals \$47.37 per acre foot.
- (3) Source: Attachment #3, July 1, 1998 DWR Invoice. Total 2000 Off-Aqueduct charges of \$1,560,869 divided by 30,551 AF equals \$51.09 per acre foot.
- (4) Credits for reconciliation of 1997 off-aqueduct charges, return of bond cover and SMIF interest.
- (5) Solvang has requested that 1500 AF be available for sale to an outside buyer. Solvang must pay the off-aqueduct charges associated with this request.
- (6) Pursuant to the Exchange Agreement, Santa Ynez only pays off-aqueduct charges on its entitlement 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 which is amended for 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.

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 1999/00 Budget

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

The following table shows the Variable OMP&R charges for FY 1999/00.

VARIABLE OMP&R CHARGES										
Project Participant	July 1, 1999 to Dec 31, 1999				Jan 1, 2000 to June 30, 2000				FY 1998/99 Credits ⁽³⁾	TOTAL FY 99/00
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	\$48.05/AF ⁽¹⁾ 1999 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	\$51.15/AF ⁽²⁾ 2000 Var OMP&R		
Guadalupe	315		315	\$ 15,135	290		290	\$ 14,832	\$ 4,041	\$ 34,008
Santa Maria	8,190		8,190	393,510	7,587		7,587	388,044	(32,243)	749,311
SCWC	155		155	7,447	164		164	8,388	(20,286)	-
VAFB	3,285		3,285	157,836	2,765		2,765	141,418	(18,792)	280,463
Buellton	303		303	14,558	275		275	14,065	(3,368)	25,255
Santa Ynez (Solvang) ⁽⁴⁾	-		-	-	-		-	-	(17,160)	-
Santa Ynez ⁽⁵⁾	420	1,835	2,255	20,180	330	939	1,269	16,878	(19,411)	17,647
Goleta	2,250	(1,402)	848	175,470	2,250	(777)	1,473	115,078	33,222	323,770
Morehart	38		38	1,826	50	-	50	2,557	(2,538)	1,845
La Cumbre	225		225	10,811	175	-	175	8,951	(20,532)	-
Raytheon (SBRC)	25		25	1,201	30	-	30	1,534	(339)	2,397
Santa Barbara	-		-	-	-		-	-	-	-
Montecito	87	(62)	25	7,159	230	(91)	139	11,764	(4,346)	14,576
Carpinteria	460	(371)	89	39,928	150	(71)	79	7,672	(4,638)	42,961
Total	15,753	-	15,753	\$ 845,061	14,296	-	14,296	\$ 731,182	\$ (106,391)	\$ 1,492,234

(1) Source: DWR invoice dated July 1, 1998, Attachment 5.

(2) Source: DWR Bulletin 132-98 page B-103.

(3) Credits for FY 1998/99 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.

(4) The City of Solvang has requested that 1500 AF of water be made available for sale to an outside buyer. The City will not pay the Variable OMP&R associated with this water unless the water is actually sold and delivered.

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

Other DWR Charges and Credits

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

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

Table A Entitlement Reductions Represent elections by certain project participants to temporarily decrease their entitlement allocation. This election eliminates the Delta

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 1999/00 Budget

Water Charge associated with the amount of State water entitlement that has been reduced. DWR did not approve any Table A entitlement reductions for 1999 and 2000.

Turnback Pool Sales This represents elections by project participants to "turnback" a portion of their State water in a given year. The initial amount of the turnback water, designated as Pool A, must be submitted for sale by February 15 of each year. The water is then sold by DWR to other State water contractors by March 1. The sellers receive half the Delta Water Rate (about \$11.80 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 \$5.90 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.

CCWA Turnback Pool

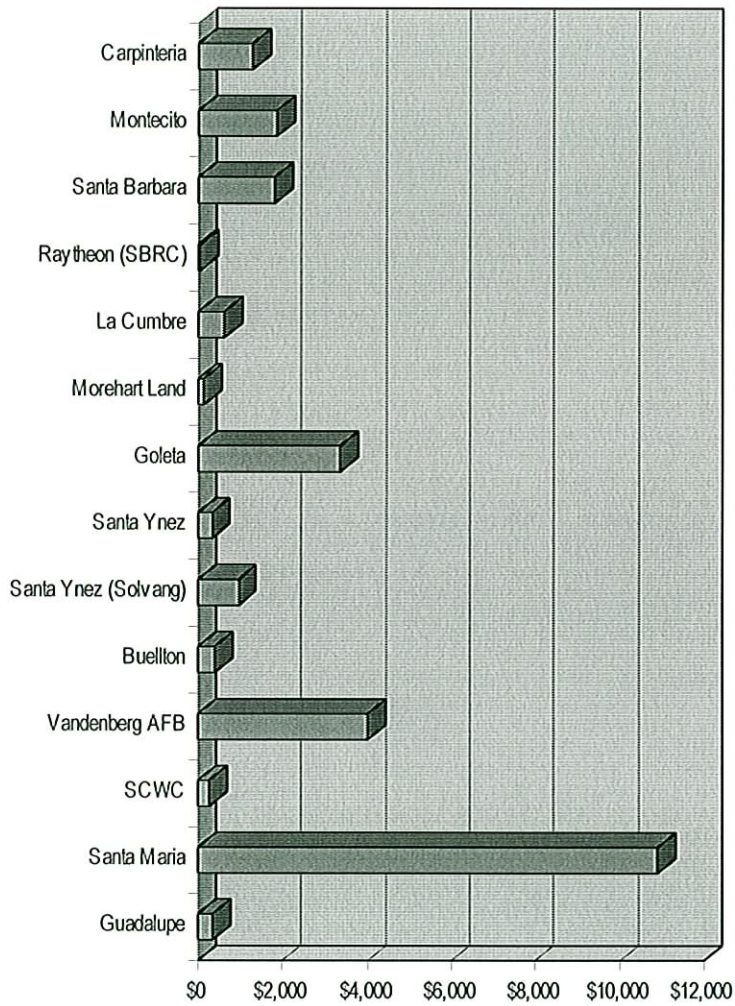
In FY 1997/98, the Authority implemented an internal turnback pool program similar to the DWR program. The Authority's pool is utilized during those years when (1) less than 100% of State water entitlement is available and (2) filling the Authority's project participant delivery requests is only possible by acquiring unused entitlement from other project participants.

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

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

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 1999/00 Budget

Total FY 1999/00 DWR Costs (in \$1,000's)



Central Coast Water Authority
DWR Charges
 Fiscal Year 1999/00 Budget

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES						DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Account Interest	Total DWR Charges		
Guadalupe	\$ 260,911	\$ -	\$ -	\$ 30,881	\$ 4,453	\$ 12,136	\$ 308,382	\$ 27,156	\$ 34,008	\$ 61,163	\$ (7,698)	\$ 361,847		
Santa Maria	7,736,962	407,952	-	909,592	131,100	356,837	9,542,342	777,555	749,311	1,526,866	(168,583)	10,900,625		
SCWC	238,237	12,588	-	28,074	4,055	8,587	291,541	-	-	-	(9,491)	282,050		
Vandenberg AFB	2,651,044	138,468	227,056	308,812	44,427	114,950	3,484,758	297,845	280,463	578,309	(61,545)	4,001,521		
Buellton	278,111	14,552	23,862	32,453	4,701	12,397	366,075	28,455	25,255	53,711	(7,799)	411,987		
Santa Ynez (Solvang)	719,848	37,764	61,924	80,289	12,726	27,878	940,430	31,473	-	31,473	(23,202)	948,701		
Santa Ynez	242,880	12,588	20,641	32,006	3,499	14,675	326,289	-	17,647	17,647	(11,985)	331,951		
Goleta	2,165,304	113,292	185,773	252,664	-	63,539	2,780,572	193,223	323,770	516,993	(85,965)	3,211,600		
Morehart Land	96,387	5,035	8,257	11,230	1,585	3,324	125,818	2,699	1,845	4,544	(1,367)	128,994		
La Cumbre	481,936	25,176	41,283	56,148	8,114	20,566	633,223	17,339	-	17,339	(16,873)	633,689		
Raytheon (SBRC)	24,383	1,259	2,064	2,807	395	1,097	32,006	2,267	2,397	4,664	(788)	35,882		
Santa Barbara	1,445,749	75,528	123,849	168,443	24,339	19,958	1,857,866	-	-	-	(44,416)	1,813,451		
Montecito	1,445,748	75,528	123,849	168,443	24,339	21,755	1,859,663	14,114	14,576	28,690	(36,984)	1,851,369		
Carpinteria	963,813	50,352	82,566	112,295	16,225	27,561	1,252,813	18,958	42,961	61,919	(29,377)	1,285,355		
Goleta 2500 AF	20,106	-	-	59,633	8,502	53,352	141,592	-	-	-	-	141,592		
Total	\$ 18,771,419	\$ 969,982	\$ 901,125	\$ 2,253,770	\$ 288,454	\$ 758,611	\$ 23,943,370	\$ 1,411,083	\$ 1,492,234	\$ 2,903,317	\$ (506,072)	\$ 26,340,615		

(1) Reach 36 was deleted during project design.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 1999/00 Budget

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

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

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

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

The Operations and Maintenance staff comprise the bulk (20) of the 26.6 Authority employees. They are charged with the mission of providing San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water and the objectives of protecting the environment, cost effectively operating and maintaining all facilities and ensuring the water supply meets or exceeds health and safety standards. All operations and maintenance activities for the Authority are overseen by the Operations Manager.

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 1999/00. These expenses are billed to the project participants based on the individual Water Supply Agreements for each agency (*see the Revenues and Sources of Cash section of this document for further information on billings*).

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

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 1999/00 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 1999/00 budget are as follows:

- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$157,029.
- Decrease in Warren Act charges of \$160,950 (Warren Act charges are not included in the Operating Expense budget).

Fixed and Variable Operating Expenses

The Authority Operating Expense budget is separated by department and further by fixed and variable O&M expenses.

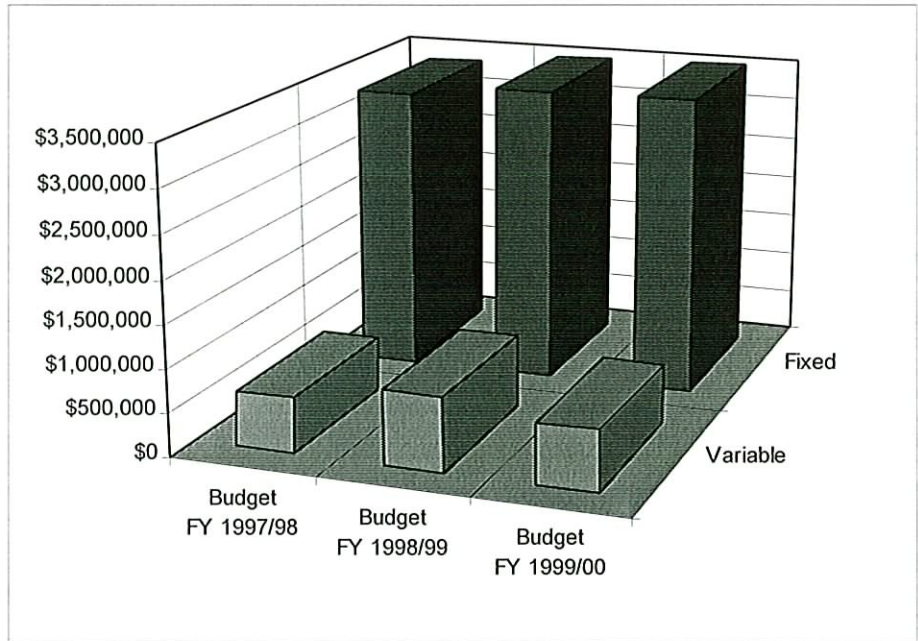
Fixed O&M Costs refer to all costs of the Authority that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services and general and administrative costs.

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

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 1999/00 Budget

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

	FY 1997/98 Budget	FY 1998/99 Budget	FY 1999/00 Budget
Fixed O&M	\$ 3,332,955	\$ 3,468,984	\$ 3,527,566
Variable O&M	641,608	855,200	696,170
Total:	\$ 3,974,563	\$ 4,324,184	\$ 4,223,736



The Fiscal Year 1999/00 Consolidated Departmental Operating Expense Budget totals \$4,223,736 which is \$100,448 lower than the Fiscal Year 1998/99 budget, a 2.32% decrease. Explanations for the various changes within the budget are found in the departmental operating expense budgets that follow.

Approximately 44% of the \$4,223,736 million budget represents personnel expenses. This is followed by 15% for supplies and equipment, 11% for professional services, 8% for utilities and the balance comprised of other expenses.

The chart on page 56 provides a detailed breakdown of the components of the FY 1999/00 budget.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 1999/00 Budget

Non-Annual Recurring Expenses

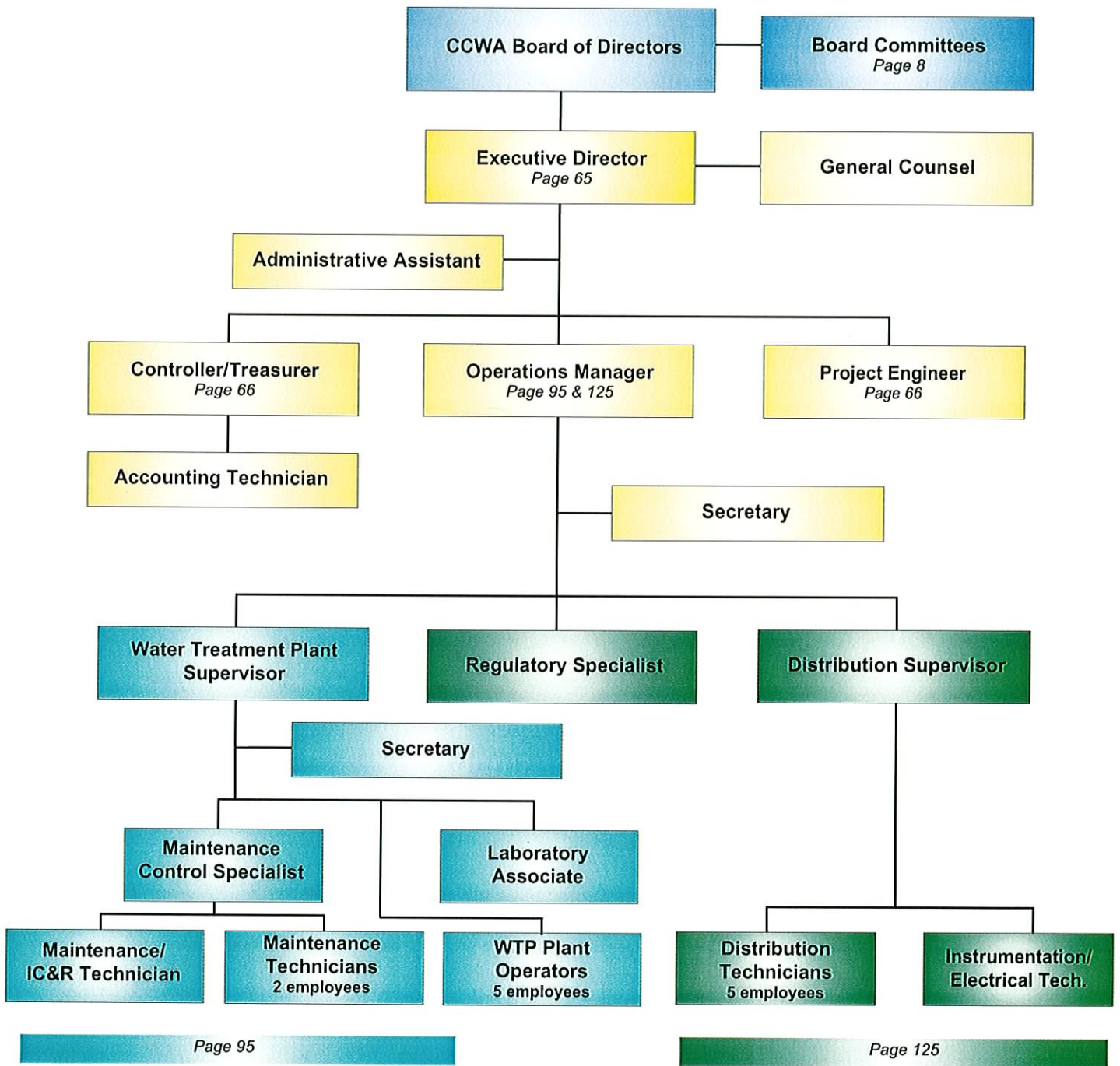
As part of the budget process, certain expenses which occur periodically are identified and charged to the project participants over a number of years to minimize fluctuations in the annual assessments. The following table shows the FY 1999/00 non-annual recurring expenses by department. Please refer to the departmental tabs for further information regarding non-annual recurring expenses.

Consolidated Departments
FY 1999/00 Non-Annual Recurring Expenses

Financing Participant	Water Treatment			FY 1999/00 Non-Annual Recurring Expenses
	Administration Department	Plant Department	Distribution Department	
Shandon	\$ -	\$ 372	\$ 28	\$ 401
Chorro Valley	-	8,708	656	9,364
Lopez	-	8,910	896	9,806
Guadalupe	152	2,049	276	2,476
Santa Maria	4,463	60,341	9,514	74,318
SCWC	138	1,862	294	2,294
VAFB	1,515	20,486	5,104	27,105
Buellton	159	2,153	899	3,211
Santa Ynez (Solvang)	413	5,587	2,333	8,333
Santa Ynez	138	1,862	778	2,778
Goleta	1,240	16,761	9,005	27,006
Morehart Land	55	745	400	1,200
La Cumbre	275	3,725	2,001	6,001
Raytheon (SBRC)	14	186	100	300
Santa Barbara	826	11,174	6,003	18,004
Montecito	826	11,174	6,003	18,004
Carpinteria	551	7,449	4,002	12,003
TOTAL:	\$ 10,765	\$ 163,546	\$ 48,292	\$ 222,602

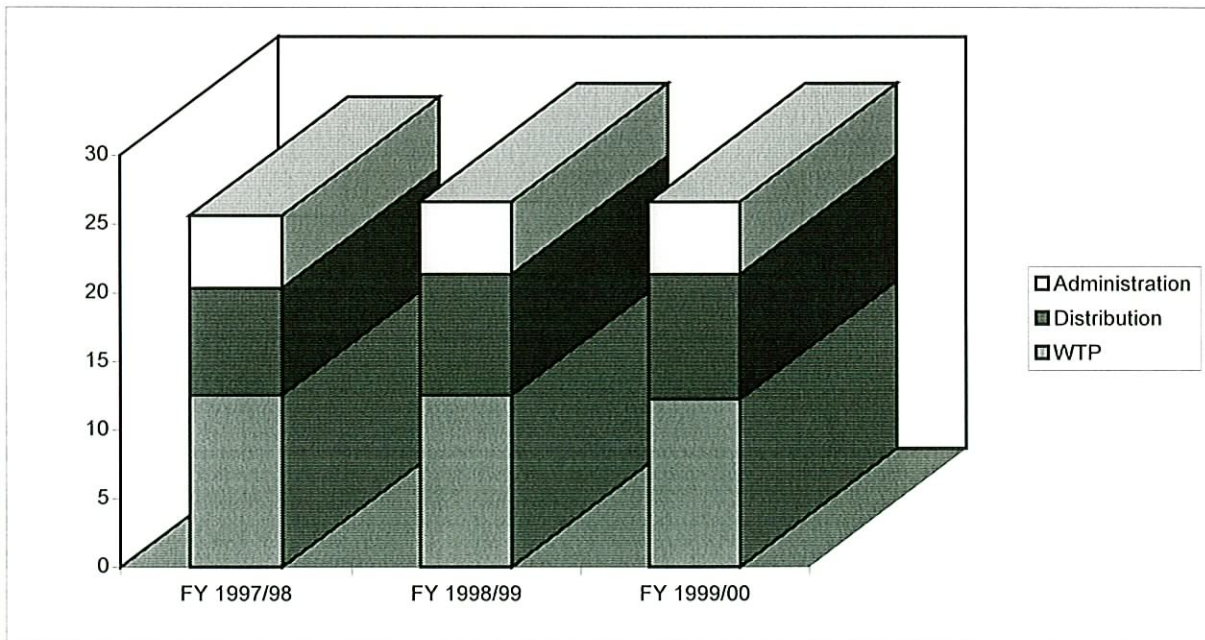
Organization Chart

Fiscal Year 1999/00



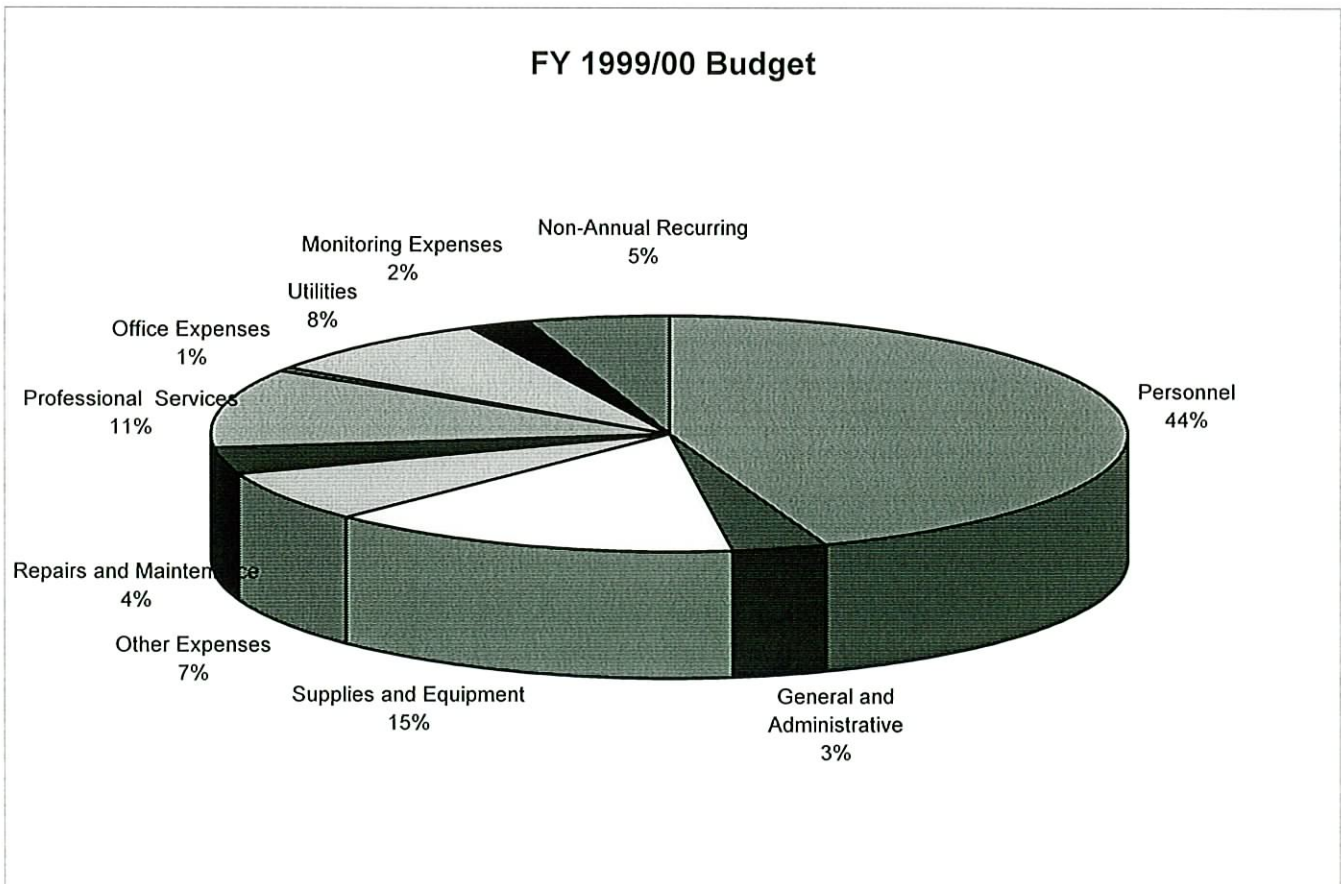
Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 1999/00 Budget

PERSONNEL COUNT SUMMARY					
Position Title	No.	No.	No.	Change	Change
	Auth. FY 1997/98	Auth. FY 1998/99	Requested FY 1999/00	Over FY 1997/98	Over FY 1998/99
Executive Director	1	1	1	0	0
Operations Manager	1	1	1	0	0
Controller and Treasurer	1	1	1	0	0
Project Engineer	1	1	1	0	0
Regulatory Specialist	0	1	1	1	0
Accounting Technician	1	1	1	0	0
Administrative Assistant	1	1	1	0	0
Secretary	1.60	1.60	1.60	0	0
WTP Supervisor	1	1	1	0	0
Distribution Supervisor	1	1	1	0	0
Maintenance Control Specialist	1	1	1	0	0
Laboratory Associate	1	1	1	0	0
Instrumentation Technician	1	1	1	0	0
Maintenance Technician	2	2	2	0	0
Maintenance/IC&R Technician	0	0	1	1	1
WTP Operator	6	6	5	-1	-1
Distribution Technician	5	5	5	0	0
TOTAL:	25.6	26.6	26.6	1	0



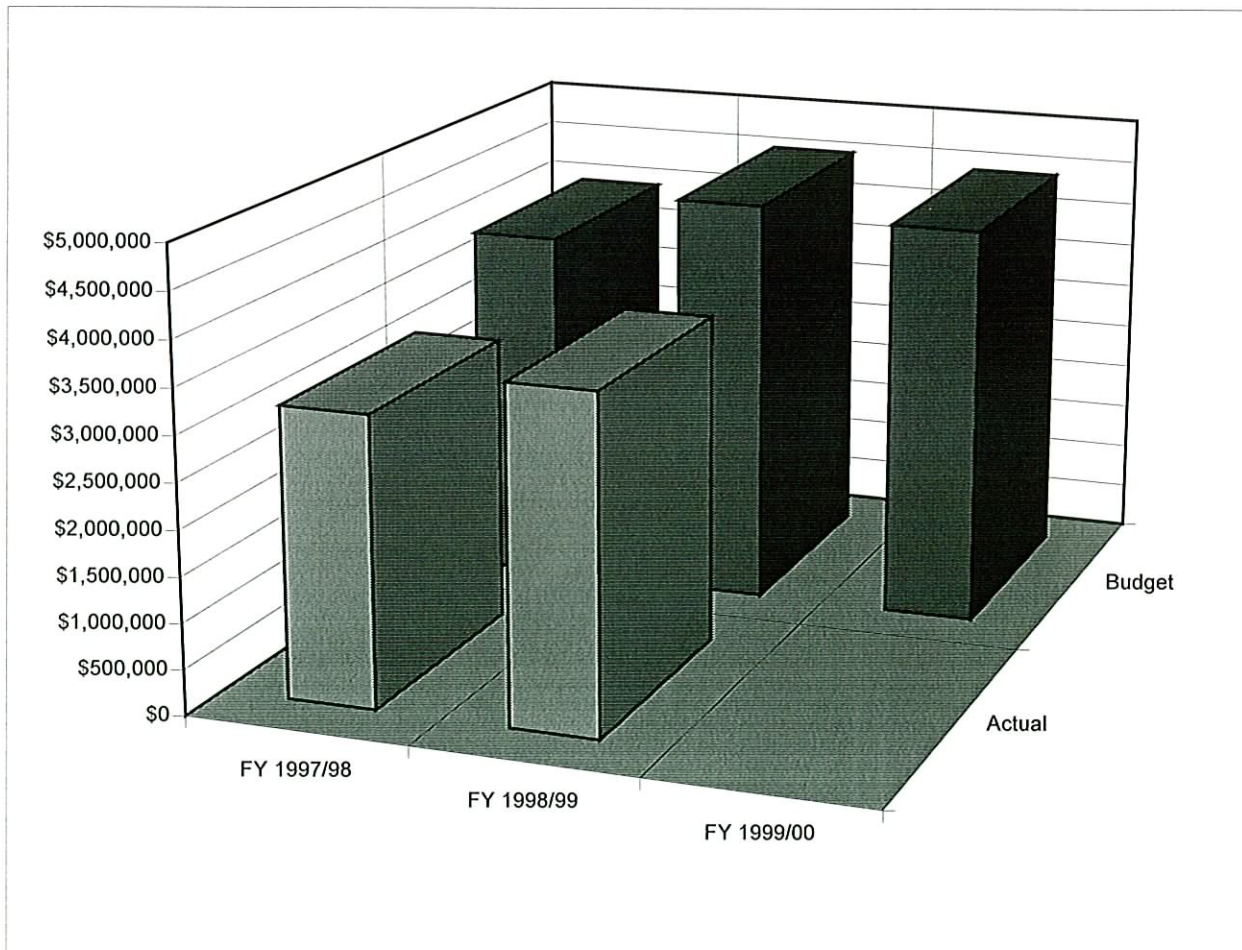
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 1999/00 Budget

Item	FY 1999/00 Budget
Personnel	\$ 1,982,047
Office Expenses	23,600
Supplies and Equipment	662,812
Monitoring Expenses	100,500
Repairs and Maintenance	160,705
Professional Services	472,867
General and Administrative	136,733
Utilities	374,670
Other Expenses	309,803
Non-Annual Recurring	222,602
TOTAL:	\$ 4,446,338



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 1999/00 Budget

Item	FY 1997/98	FY 1997/98	FY 1998/99	FY 1998/99	FY 1999/00
	Budget	Actual	Budget	Estimated Actual	Budget
Personnel	\$ 1,754,093	\$ 1,741,144	\$ 1,925,712	\$ 1,851,771	\$ 1,982,047
Office Expenses	24,650	29,035	24,550	21,614	23,600
Supplies and Equipment	663,358	357,363	822,047	376,237	662,812
Monitoring Expenses	88,000	74,476	127,000	86,206	100,500
Repairs and Maintenance	164,550	127,781	143,300	136,914	160,705
Professional Services	391,531	238,705	383,697	413,441	472,867
General and Administrative	92,070	81,166	114,402	111,935	136,733
Utilities	363,872	252,385	404,620	196,207	374,670
Other Expenses	432,439	276,260	378,857	247,385	309,803
Subtotal	\$ 3,974,563	\$ 3,178,315	\$ 4,324,184	\$ 3,441,711	\$ 4,223,736
Non-Annual Recurring	\$ -	\$ -	\$ 217,801	\$ 217,801	\$ 222,602
TOTAL:	\$ 3,974,563	\$ 3,178,315	\$ 4,541,985	\$ 3,659,512	\$ 4,446,338



Central Coast Water Authority
Consolidated Department Operating Expenses

Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change from FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
PERSONNEL EXPENSES								
5000.10	Full-Time Regular Wages	\$ 1,244,397	\$ 1,218,588	\$ 1,379,197	\$ 1,281,957	\$ 1,437,512	\$ 58,315	4.23%
5000.20	Overtime	100,446	103,131	68,802	73,237	69,999	1,197	1.74%
5000.40	Standby Pay	-	7,133	9,500	12,181	12,500	3,000	31.58%
5000.50	Shift Differential Pay	-	13,135	15,000	10,391	11,000	(4,000)	-26.67%
5100.10	PERS Retirement	179,343	175,674	211,017	208,867	198,578	(12,439)	-5.89%
5100.15	Medicare Taxes	19,500	19,800	20,996	20,444	21,859	863	4.11%
5100.20	Health Insurance	117,600	101,276	109,806	122,931	111,825	2,019	1.84%
5100.25	Workers' Compensation	32,977	24,464	34,900	33,863	24,492	(10,408)	-29.82%
5100.30	Vehicle Expenses	3,000	2,099	3,000	2,630	4,320	1,320	44.00%
5100.35	IRC 457-Employer Paid	7,500	8,004	8,000	15,121	8,000	-	0.00%
5100.40	Cafeteria Plan Benefits	-	11,935	11,528	11,210	11,279	(249)	-2.16%
5100.45	Dental/Vision Plan	25,000	28,505	29,064	41,704	30,313	1,249	4.30%
5100.50	Long-Term Disability	9,084	8,964	9,954	8,895	8,670	(1,284)	-12.90%
5100.55	Life Insurance	5,536	5,326	5,858	5,838	7,279	1,421	24.26%
5100.60	Employee Physicals	2,210	1,359	2,340	1,370	2,470	130	5.56%
5000.30	Temporary Services	5,000	11,602	5,000	896	17,500	12,500	250.00%
5100.70	Safety Incentive Program	-	-	-	-	2,700	2,700	N/A
5100.75	Sick Leave Cashout Program	-	-	-	-	-	-	N/A
5100.65	Employee Education Reimbursement	2,500	149	1,750	238	1,750	-	0.00%
Total Personnel Expenses:		1,754,093	1,741,144	1,925,712	1,851,771	1,982,047	56,335	2.93%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change from FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	250	6,183	250	524	-	(250)	-100.00%
5200.20	Office Supplies	21,400	19,628	20,100	16,880	18,800	(1,300)	-6.47%
5200.30	Misc. Office Expenses	3,000	3,224	4,200	4,210	4,800	600	14.29%
	Total Office Expenses:	24,650	29,035	24,550	21,614	23,600	(950)	-3.87%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	22,440	14,985	12,547	12,256	15,092	2,545	20.28%
5500.15	Minor Tools and Equipment	3,500	15,266	12,000	21,651	16,000	4,000	33.33%
5500.20	Spare Parts	-	1,379	80,000	18,989	50,000	(30,000)	-37.50%
5500.25	Landscape Equip. and Supplies	3,900	1,200	2,500	947	5,000	2,500	100.00%
5500.30	Chemicals-Fixed	5,000	19,313	-	-	-	-	N/A
5500.31	Chemicals-Variable	584,818	244,514	656,000	256,603	496,970	(159,030)	-24.24%
5500.35	Maintenance Supplies/Hardware	10,000	27,999	22,000	20,571	22,000	-	0.00%
5500.40	Safety Supplies	10,000	8,724	8,500	5,734	10,500	2,000	23.53%
5500.45	Fuel and Lubricants	16,200	22,014	22,500	22,554	24,750	2,250	10.00%
5500.50	Seed/Erosion Control Supplies	5,000	1,969	5,000	16,931	22,000	17,000	340.00%
5500.55	Backflow Prevention Supplies	2,500	-	1,000	-	500	(500)	-50.00%
	Total Supplies and Equipment:	663,358	357,363	822,047	376,237	662,812	(159,235)	-19.37%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	12,000	28,187	36,000	28,605	30,000	(6,000)	-16.67%
5600.20	Lab Tools and Equipment	8,000	5,054	6,000	1,912	5,500	(500)	-8.33%
5600.30	Lab Testing	68,000	41,235	85,000	55,690	65,000	(20,000)	-23.53%
	Total Monitoring Expenses:	88,000	74,476	127,000	86,206	100,500	(26,500)	-20.87%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change from FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<i>REPAIRS AND MAINTENANCE</i>								
5700.10	Equipment Repairs and Maintenance	125,550	98,266	101,300	100,233	110,925	9,625	9.50%
5700.20	Vehicle Repairs and Maintenance	13,500	9,389	13,500	13,796	13,500	-	0.00%
5700.30	Building Maintenance	23,000	17,575	26,000	21,850	32,400	6,400	24.62%
5700.40	Landscape Maintenance	2,500	2,551	2,500	1,036	3,880	1,380	55.20%
	Total Repairs and Maintenance:	164,550	127,781	143,300	136,914	160,705	17,405	12.15%
<i>PROFESSIONAL SERVICES</i>								
5400.10	Professional Services	56,500	14,127	52,000	62,774	197,120	145,120	279.08%
5400.20	Legal Services	160,000	178,570	195,000	302,807	170,000	(25,000)	-12.82%
5400.30	Engineering Services	15,000	-	22,500	-	50,000	27,500	122.22%
5400.40	Permits	19,000	10,456	17,000	7,892	10,500	(6,500)	-38.24%
5400.50	Non-Contractual Services	111,600	12,611	69,600	14,070	20,900	(48,700)	-69.97%
5400.60	Accounting Services	24,406	19,376	23,847	23,847	24,347	500	2.10%
5400.70	Payroll Service	5,025	3,565	3,750	2,050	-	(3,750)	-100.00%
	Total Professional Services:	391,531	238,705	383,697	413,441	472,867	89,170	23.24%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change from FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<i>GENERAL AND ADMINISTRATIVE</i>								
5300.10	Meeting and Travel	24,900	18,740	29,400	26,702	34,600	5,200	17.69%
5300.20	Mileage Reimbursement	2,500	1,288	2,250	1,268	2,250	-	0.00%
5300.30	Dues and Memberships	33,300	32,163	41,982	43,574	46,913	4,932	11.75%
5300.40	Publications	5,770	5,794	5,770	5,038	4,770	(1,000)	-17.33%
5300.50	Training	9,500	5,196	18,000	21,392	31,500	13,500	75.00%
5300.60	Advertising	2,000	1,234	900	-	900	-	0.00%
5300.70	Printing and Binding	2,000	7,895	6,000	6,000	6,000	-	0.00%
5300.80	Postage	12,100	8,856	10,100	7,962	9,800	(300)	-2.97%
	Total General and Administrative:	92,070	81,166	114,402	111,935	136,733	22,332	19.52%
<i>UTILITIES</i>								
5800.10	Other Utilities	-	-	-	-	-	-	N/A
5800.20	Natural Gas	7,900	3,621	5,000	661	3,300	(1,700)	-34.00%
5800.30	Electric-Fixed	230,462	125,661	135,700	102,216	108,700	(27,000)	-19.90%
5800.35	Electric-Variable	56,790	47,513	199,200	18,391	199,200	-	0.00%
5800.40	Water	3,300	1,732	2,100	1,685	2,280	180	8.57%
5800.50	Telephone	61,200	70,121	52,800	69,926	54,000	1,200	2.27%
5800.60	Waste Disposal	4,220	3,737	9,820	3,327	7,190	(2,630)	-26.78%
	Total Utilities:	363,872	252,385	404,620	196,207	374,670	(29,950)	-7.40%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change from FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	84,944	91,842	108,195	108,195	108,195	-	0.00%
5900.20	Insurance Claim Deductibles	5,000	-	5,000	-	5,000	-	0.00%
5900.30	Facilities Rent	81,720	90,556	93,384	44,514	-	(93,384)	-100.00%
5900.40	Equipment Rental	29,510	23,019	29,510	19,620	28,830	(680)	-2.30%
5900.50	Non-Capitalized Equipment	22,000	11,068	21,000	70,789	40,000	19,000	90.48%
5900.60	Computer Expenses	13,540	28,064	16,300	17,923	24,760	8,460	51.90%
5900.70	Appropriated Contingency	195,725	31,711	105,468	(13,657)	103,018	(2,450)	-2.32%
	Total Other Expenses:	432,439	276,260	378,857	247,385	309,803	(69,054)	-18.23%
	TOTAL OPERATING EXPENSES	\$ 3,974,563	\$ 3,178,315	\$ 4,324,184	\$ 3,441,711	\$ 4,223,736	\$ (100,448)	-2.32%

Central Coast Water Authority
Operating Expense Allocation by Department
 FY 1999/00 Budget

Project Participant	Administration Department			Water Treatment Plant Department/Fixed Costs					Total Fixed WTP Expenses
	Entitlement	Percentage	Administration Expenses	Entitlement	Percentage	WTP Fixed	WTP and Capital Retirement	Exchange Fixed & Capital Adjustments	
Shandon	-	-	\$ -	100	0.23%	\$ 3,266	-	-	3,266
Chorro Valley	-	-	-	2,338	5.32%	76,367	-	-	76,367
Lopez	-	-	-	2,392	5.45%	78,131	-	-	78,131
Guadalupe	550	1.41%	12,469	550	1.25%	17,965	15,628	-	33,593
Santa Maria	16,200	41.46%	367,263	16,200	36.90%	529,145	460,313	-	989,458
Southern California Water Co.	500	1.28%	11,335	500	1.14%	16,332	14,207	-	30,539
VAFB	5,500	14.07%	124,688	5,500	12.53%	179,648	156,279	-	335,927
Buellton	578	1.48%	13,104	578	1.32%	18,879	16,424	-	35,303
Santa Ynez (Solvang)	1,500	3.84%	34,006	1,500	3.42%	48,995	42,622	-	91,616
Santa Ynez	500	1.28%	11,335	500	1.14%	16,332	93,057	291,092	400,481
Goleta	4,500	11.52%	102,017	4,500	10.25%	146,985	(168,945)	(228,470)	(250,430)
Morehart Land	200	0.51%	4,534	200	0.46%	6,533	(14,552)	-	(8,019)
La Cumbre	1,000	2.56%	22,671	1,000	2.28%	32,663	(72,759)	-	(40,096)
Raytheon (SBRC)	50	0.13%	1,134	50	0.11%	1,633	(3,638)	-	(2,005)
Santa Barbara	3,000	7.68%	68,012	3,000	6.83%	97,990	(218,277)	-	(120,287)
Montecito	3,000	7.68%	68,012	3,000	6.83%	97,990	(207,024)	(16,223)	(125,257)
Carpinteria	2,000	5.12%	45,341	2,000	4.55%	65,327	(113,334)	(46,400)	(94,407)
TOTAL:	39,078	100.00%	\$ 885,919	43,908	100.00%	\$ 1,434,178	\$ 0	-	\$ 1,434,178

Project Participant	Distribution Department/Fixed Costs										Total Fixed Operating Expenses
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II	Total Fixed Distribution Charges	Total Fixed Operating Expenses	
Shandon	663	-	-	-	-	-	-	-	-	663	3,329
Chorro Valley	15,502	-	-	-	-	-	-	-	-	15,502	91,868
Lopez	15,860	5.586	-	-	-	-	-	-	-	21,445	99,576
Guadalupe	3,647	1,284	1,597	-	-	-	-	-	-	6,528	52,590
Santa Maria	107,410	37,830	47,053	31,427	-	-	-	-	-	223,720	1,580,440
Southern California Water Co.	3,315	1,168	1,452	970	-	-	-	-	-	6,905	48,779
VAFB	36,466	12,843	15,975	10,670	16,521	31,459	-	-	-	123,934	584,549
Buellton	3,832	1,350	1,679	1,121	1,736	3,306	9,181	-	-	22,206	70,612
Santa Ynez (Solvang)	9,945	3,503	4,357	2,910	4,506	8,580	23,827	-	-	57,627	183,249
Santa Ynez	3,315	1,168	1,452	970	1,502	2,860	7,942	-	-	19,209	431,025
Goleta	29,836	10,508	13,070	8,730	13,517	25,739	71,481	59,394	-	232,276	83,863
Morehart Land	1,326	467	581	388	601	1,144	3,177	2,640	-	10,323	6,838
La Cumbre	6,630	2,335	2,905	1,940	3,004	5,720	15,885	13,199	-	51,617	34,192
Raytheon (SBRC)	332	117	145	97	150	286	794	660	-	2,581	1,710
Santa Barbara	19,891	7,005	8,714	5,820	9,011	17,159	47,654	39,596	-	154,850	102,575
Montecito	19,891	7,005	8,714	5,820	9,011	17,159	47,654	39,596	-	154,850	97,605
Carpinteria	13,260	4,670	5,809	3,880	6,007	11,440	31,769	26,397	-	103,234	54,167
TOTAL:	291,121	96,839	113,502	74,742	65,566	124,852	259,364	181,483	-	1,207,469	3,527,566

Central Coast Water Authority
Operating Expense Allocation by Department

FY 1999/00 Budget

Distribution Department Variable Expenses

Project Participant	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II	Total Distribution Variable Charges
Shandon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chorro Valley	24	-	-	-	-	-	-	-	24
Lopez	17	18	-	-	-	-	-	-	36
Guadalupe	6	7	-	-	-	-	-	-	21
Santa Maria	167	179	189	193	-	-	-	-	729
Southern California Water Co.	3	4	4	4	-	-	-	-	15
VAFB	64	69	72	74	163	163	-	-	606
Buellton	6	7	7	7	16	16	29	-	86
Santa Ynez (Solvang)	-	-	-	-	-	-	-	-	-
Santa Ynez	8	9	9	9	20	20	37	-	112
Goleta	48	51	54	55	121	121	222	130,961	131,634
Morehart Land	1	1	1	1	2	2	4	-	4,976
La Cumbre	4	5	5	5	11	11	20	-	22,620
S.B. Research	1	1	1	1	1	1	3	-	3,110
Santa Barbara	-	-	-	-	-	-	-	-	-
Montecito	3	4	4	4	9	9	16	-	9,204
Carpinteria	6	7	7	7	16	16	30	-	9,548
TOTAL:	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 360	\$ 180,200	\$ 182,720

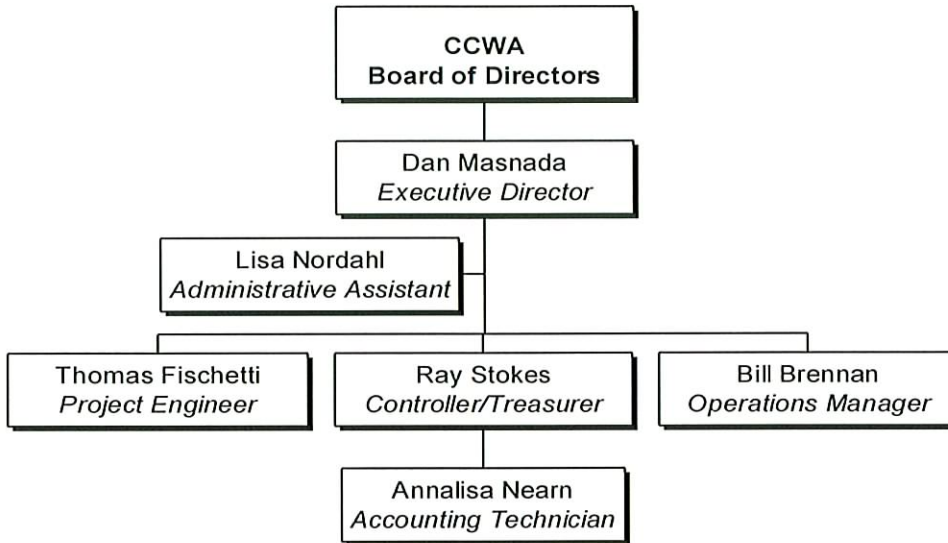
Project Participant	Water Treatment Plant Variable Charges				Total Variable Operating Expenses	TOTAL FIXED AND VARIABLE OPERATING EXPENSES
	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Charges		
Shandon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,929
Chorro Valley	33,789	-	42,065	33,789	33,814	125,682
Lopez	24,161	-	(33,016)	24,161	24,197	123,772
Guadalupe	9,171	1,052	(1,324)	10,223	10,244	62,834
Santa Maria	239,157	28,982	(33,879)	268,138	268,867	1,849,306
Southern California Water Co.	4,836	544	(6,162)	5,379	5,394	54,173
VAFB	91,709	10,644	(833)	102,353	102,959	687,507
Buellton	8,762	1,009	0	9,770	9,857	80,469
Santa Ynez (Solvang)	-	-	(2,344)	-	-	183,249
Santa Ynez	11,369	4,917	(2,401)	58,351	58,463	489,488
Goleta	68,214	(33,879)	(6,705)	1,318	132,952	216,815
Morehart Land	1,334	(1,324)	(2,344)	10	4,986	11,825
La Cumbre	6,063	(6,162)	(6,705)	(99)	22,521	56,713
S.B. Research	834	(833)	0	1	3,111	4,821
Santa Barbara	-	-	(2,344)	-	-	102,575
Montecito	4,805	(2,401)	(6,705)	60	9,264	106,869
Carpinteria	9,247	(2,547)	(6,705)	(6)	9,542	63,709
TOTAL:	\$ 513,450	\$ 0	\$ -	\$ 513,450	\$ 696,170	\$ 4,223,736



Central Coast Water Authority
Administration Department
Fiscal Year 1999/00 Budget

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

CCWA Administrative Staff



EXECUTIVE DIRECTOR



CCWA Administrative Office located in Buellton, purchased by CCWA on December 1, 1999.

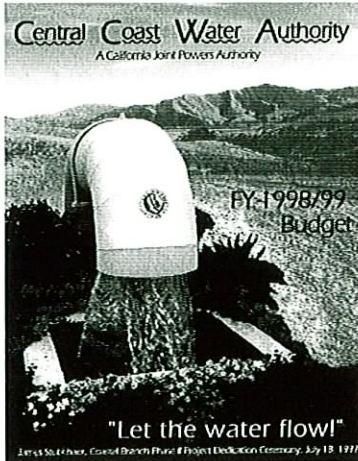
The Executive Director is the chief executive officer and administrative head of the Authority, with the responsibility for planning, organizing, staffing, coordinating, budgeting and directing the administrative activities and operations of the Authority. The Executive Director is appointed by and serves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

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

The Executive Director's office is staffed by the Executive Director and one (1) full-time Administrative Assistant.

Central Coast Water Authority
Administration Department
Fiscal Year 1999/00 Budget

ACCOUNTING AND FINANCE



Budget cover for the FY 1998/99 budget, for which the authority received GFOA and CSMFO budget awards.

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, in which all cash balances of the Authority are invested; and Administrative Services, which coordinates and administers the employee benefits program and the Authority's auto, property and liability insurances.

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

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

ENGINEERING

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

Additional secondary duties include in-house administration and maintenance of the computer network system.

Central Coast Water Authority
Administration Department
 Fiscal Year 1999/00 Budget

**ADMINISTRATION DEPARTMENT
 1998 ACCOMPLISHMENTS**

Administration

<u>Goal</u>	<u>Status</u>
Integrate FY Budget and Four Year Financial Plan documents [4/98]	Done 4/98.
Remodel Suites B and C of the Buellton office building to accommodate Distribution O&M staff [5/98]	Remodel effort deferred to 1999 as a result of office building purchase.
–	Purchased Buellton office building 12/98.
Declare project completion. Perform final reconciliation of project costs and allocation of debt service [6/98]	Declaration of project completion approved by Board of Directors 6/98. Final project accounting approved by Board 10/98.
Prepare the FY 1998/99 Administration/O&M Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the "Distinguished Budget Presentation" award [8/98]	Budget approved by Board of Directors 4/98. Submitted FY 1998/99 Budget to GFOA 10/98. (Received "Distinguished Budget Presentation" award for FY 1997/98 Budget 2/98.)
Call excess (Series B) revenue bonds upon project completion [10/98]	Done 10/98.
–	Sold reserve fund investments and purchased guaranteed investment contract for remaining life of bond issue 12/98.
Prepare a Comprehensive Annual Financial Report (CAFR) for FY 1997/98 in conformance with GFOA standards and submit it to GFOA for the "Excellence in Financial Reporting" award [10/98]	Submitted FY 1997/98 CAFR to GFOA 12/98. (Received "Excellence in Financial Reporting" award for FY 1996/97 CAFR 6/98.)
Develop formal policies and procedures for risk management [11/98]	Rescheduled to 1999.
Purchase and install payroll and reporting modules for Solomon accounting system [12/98]	Payroll schedule installed 12/98. Rescheduled reporting module installation to 1999.
Participate and represent CCWA's interests in State Water Contractors Association [ongoing]	Ongoing.
Protect CCWA's interest with regard to the following lawsuits:	

Central Coast Water Authority
Administration Department
 Fiscal Year 1999/00 Budget

- | | |
|---|---|
| <ul style="list-style-type: none"> • CCWA v. Gardner (condemnation) [2/98] • Michael Petretta v. City of Solvang, CCWA et al • Solvang v. SYRWCD, ID#1 (if appealed) • Various (6) eminent domain actions for Coastal Branch project (Reaches 1-6) [3/98] | <p>Judgement in favor of CCWA (5/98). Gardner has appealed.</p> <p>Lawsuit dismissed by the court with the exception of action against Solvang (SYRWCD, ID#1 and CCWA were dismissed as defendants 5/98).</p> <p>Solvang is appealing court decision in favor of SYRWCD, ID#1.</p> <p>All settled 7/98. Some are awaiting judicial approval of settlement agreements and attorneys fees to be resolved on one case.</p> |
|---|---|

Contracts

<u>Goal</u>	<u>Status</u>
<p>Consider Table A entitlement reduction for 1999 and 2000 and, if appropriate, implement a State Water Contract amendment [10/98]</p> <p style="text-align: center;">-</p>	<p>Approved by Board of Directors 4/98. 1999 entitlement reduction not granted by DWR for financial reasons.</p> <p>Amendment 19 to the State Water Contract approved by the Board 11/98. (The amendment clarifies a number of issues and practices mainly related to the Monterey Amendment.)</p>

Design and Construction

Close out remaining construction contracts:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Polonio Pass Water Treatment Plant <ul style="list-style-type: none"> ◆ Seven day test [2/98] ◆ Notice of completion [5/98] • Instrumentation and Control System [5/98] | <p style="text-align: center;">-</p> <p>} Contract with original contractor terminated 12/98. Settlement agreement allows use of original system until new system is installed. Montgomery Watson engaged to assist CCWA in planning and selecting an integrator to complete the new system. New software and integrator recommendations to be presented to Board of Directors for approval 1/99.</p> |
| <ul style="list-style-type: none"> • Erosion Control [7/98] | <p>Done 12/98 with exception of final work at Nipomo Mesa.</p> |
| <ul style="list-style-type: none"> • Project records, final reports and as-built drawings [6/98] | <p>Anticipate completing 3/99.</p> |

Central Coast Water Authority
Administration Department
 Fiscal Year 1999/00 Budget

DWR Coordination

Work with DWR to minimize Coastal Branch Phase II project costs

- Construction completion – Reach 5A [1/98]
- Change order dispute resolution [12/98]

Construction completed 7/98.

Disputes resolved for all but Reaches 1, 2 and 5A. Anticipate completing 6/99 except for arbitration process (Reach 2 is in arbitration).

Review DWR final project costs and allocation of said costs to CCWA:

- Coastal Branch Phase II off-peak pumping credits [6/98]
- San Luis Obispo Power Plant credits [6/98]
- Other project costs and allocations [12/98]

Meetings held with DWR and SWC. Anticipate response from DWR 1/99 and completion 4/99.

Identify issues and timing of resolution during 1999.

Environmental/Permitting

Goal

Status

Secure all agreements and permits for United States Bureau of Reclamation release of State water from Cachuma Project facilities to Santa Ynez River [2/98]

CCWA has approval for 1998 releases. Final approval for future year releases included in Section 7 permit application submitted to regulatory agencies 9/98. Regulatory agency comments received 12/98; revised documents are being resubmitted for final regulatory agency review.

Revise five-year plan for staffing ongoing environmental monitoring and revegetation activities [3/98]

Board of Directors approved Regulatory Specialist position 4/98. Position filled 9/98. Remaining DWR environmental staff released from project 10/98.

Complete HCP (Habitat Conservation Plan) and Section 10 permitting for red legged frogs and other endangered species [6/98]

Final draft submitted to regulatory agencies 7/98. Regulatory agency comments received 12/98. Regulatory agency legal review anticipated 1/99. Completion and approval anticipated 4/99.

Apply for the Association of California Water Agencies' Theodore Roosevelt Environmental Award of Excellence in Conservation and Natural Resources Management for CCWA's project environmental mitigation program [10/98]

Finished 4th out of 12 entries. Will reapply in 1999.

Central Coast Water Authority
Administration Department
 Fiscal Year 1999/00 Budget

Environmental/Permitting (continued)

Complete remedial revegetation and continue five-year monitoring program of Reaches 1-6 [12/98]

CCWA to complete revegetation of Coastal Branch Phase II reaches by 6/99. First year monitoring completed for all Coastal Branch Phase II reaches.

Continue five-year monitoring program for Schedules A, B and C [ongoing]

On schedule. (Third year of monitoring completed for Schedules A and B; second year monitoring completed for Schedule C.)

Service Efforts and Accomplishments

	Estimated		
	Actual FY 1997/98	Actual FY 1998/99	Projected FY 1999/00
Workload			
Public presentations on State Water	12	6	9
State Water Contractor meetings attended	12	16	18
Maximum investment portfolio (millions)	\$ 107	\$ 98	\$ 65
Efficiency			
Annual return on investment portfolio	5.80%	5.43%	5.30%
# of months investment policy not in compliance with investment policy	1	0	0
Operating cost per employee (thousands)	\$ 161	\$ 159	\$ 168
Total budget cost per employee (all departments in millions)	\$ 1.30	\$ 1.50	\$ 1.10
Consulting expense as a percent of O&M budget	8%	12%	11%
Effectiveness			
GFOA Certificate of Achievement Awarded	Yes	Yes	Yes
GFOA Distinguished Budget Presentation Awarded	Yes	Yes	Yes
CSMFO Excellence in Operational Budgeting Awarded	Yes	Yes	Yes

Central Coast Water Authority
Administration Department
Fiscal Year 1999/00 Budget

1999 GOALS

Administration and Accounting

Implement project costing module for Solomon accounting system [1/99]

Develop formal policies and procedures for risk management [4/99]

Remodel Suites B and C of the Buellton office building to accommodate Distribution O&M staff [5/99]

Prepare the FY 1999/00 Administration/O&M Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the "Distinguished Budget Presentation" award [8/99]

Prepare a Comprehensive Annual Financial Report for FY 1998/99 in conformance with GFOA standards and submit it to GFOA for the "Excellence in Financial Reporting" award [11/99]

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

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

- CCWA v. Gardner (appeal of condemnation)
- Michael Petretta v. City of Solvang, CCWA et al
- Solvang v. SYRWCD, ID#1 appeal
- Resolve attorneys fees for one remaining eminent domain action for Coastal Branch project (Miossi) [6/99]

Contracts

Consider Table A entitlement reduction and, if appropriate, implement a State Water Contract amendment in accordance with Amendment 19 [4/99]

Obtain final approval of and implement Amendment 19 to the State Water Contract [6/99]

Work with Department of Water Resources and the State Water Contractors to address "Phase 1A" State Water Contract issues and, if appropriate, implement a State Water Contract amendment [6/99]

Central Coast Water Authority
Administration Department
Fiscal Year 1999/00 Budget

Design and Construction

Compile project records, final reports and as-built drawings [3/99]

Complete instrumentation and control system [7/99]

Complete comprehensive electrical survey of Polonio Pass Water Treatment Plant and make any necessary modifications [7/99]

Update CCWA as-built drawings to reflect project start-up and subsequent modifications [9/99]

DWR Coordination

Work with DWR to minimize Coastal Branch Phase II project costs:

- Change order dispute resolution [9/99]
- Complete Reach 2 arbitration [ongoing]

Review DWR final project costs and allocation of said costs to CCWA:

- Coastal Branch Phase II off-peak pumping credits [4/99]
- San Luis Obispo Power Plant credits [4/99]
- Other project costs and allocations [12/99]

Environmental and Safety

Develop a schedule to ensure quarterly inspection of pipeline right-of-way and treatment plant areas [3/99]

Complete HCP (Habitat Conservation Plan) and Section 10 permitting for red legged frogs and other endangered species [4/99]

Ensure United States Bureau of Reclamation obtains Section 7 permit for release of State water from Lake Cachuma Project facilities to Santa Ynez River [6/99]

Develop a Risk Assessment Plan for the water treatment plant [7/99]

Apply for the Association of California Water Agencies' Theodore Roosevelt Environmental Award of Excellence in Conservation and Natural Resources Management for CCWA's project environmental mitigation program [10/99]

Complete remedial revegetation [6/99] and continue five-year monitoring program for Reaches 1-6 [ongoing]

Continue five-year monitoring program for Schedules A, B and C [ongoing]

Central Coast Water Authority
Administration Department
Fiscal Year 1999/00 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

The Administration Department operating expense budget for Fiscal Year 1999/00 is decreasing by \$26,610, or 2.92% when compared to the FY 1998/99 budget. The total FY 1999/00 budget is \$885,919 compared to the FY 1998/99 budget of \$912,529. The following items represent the major highlights for the changes in the administration department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$5,600 due to salary increases effective July 1, 1999, which are partially offset by decreases in other personnel related expenses.

Repairs and Maintenance Expenses Total repairs and maintenance expenses are increasing by about \$3,600 due to additional funds for building maintenance because CCWA now owns the Administration building.

Professional Services The professional services budget is decreasing by about \$2,400. The following is an explanation of the changes in the professional services budget:

- Decrease in Legal Services budget in the amount of \$25,000 due to a decrease in the anticipated legal expenses associated with the Solvang and Petretta litigation.
- Increase in the Engineering Services budget of \$27,500 for services provided by Penfield & Smith (CCWA Engineer).

Other Expenses Other Expenses are decreasing by about \$37,000 due to the elimination of rent expenses for the Buellton Administration office, which are partially offset by an increase in the computer expense account of about \$11,000.

Central Coast Water Authority
Administration Department
 Fiscal Year 1999/00 Budget

Non-Annual Recurring Expenses

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

FY 1999/00 Non-Annual Recurring Expenses

The FY 1999/00 Administration Department non-annual recurring expenses total \$9,290 for the replacement of vehicles based on the Authority's ten-year vehicle replacement schedule.

The following table shows the allocation of the FY 1999/00 non-annual recurring expenses for the Administration Department.

Administration Department
FY 1999/00 Non-Annual Recurring Expenses

Financing Participant	Entitlement	Percentage	FY 1999/00 Non-Annual Recurring Expenses
Guadalupe	550	1.41%	\$ 152
Santa Maria	16,200	41.46%	4,463
SCWC	500	1.28%	138
VAFB	5,500	14.07%	1,515
Buellton	578	1.48%	159
Santa Ynez (Solvang)	1,500	3.84%	413
Santa Ynez	500	1.28%	138
Goleta	4,500	11.52%	1,240
Morehart Land	200	0.51%	55
La Cumbre	1,000	2.56%	275
Raytheon (SBRC)	50	0.13%	14
Santa Barbara	3,000	7.68%	826
Montecito	3,000	7.68%	826
Carpinteria	2,000	5.12%	551
TOTAL:	39,078	100.00%	\$ 10,765

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 1999/00 Budget

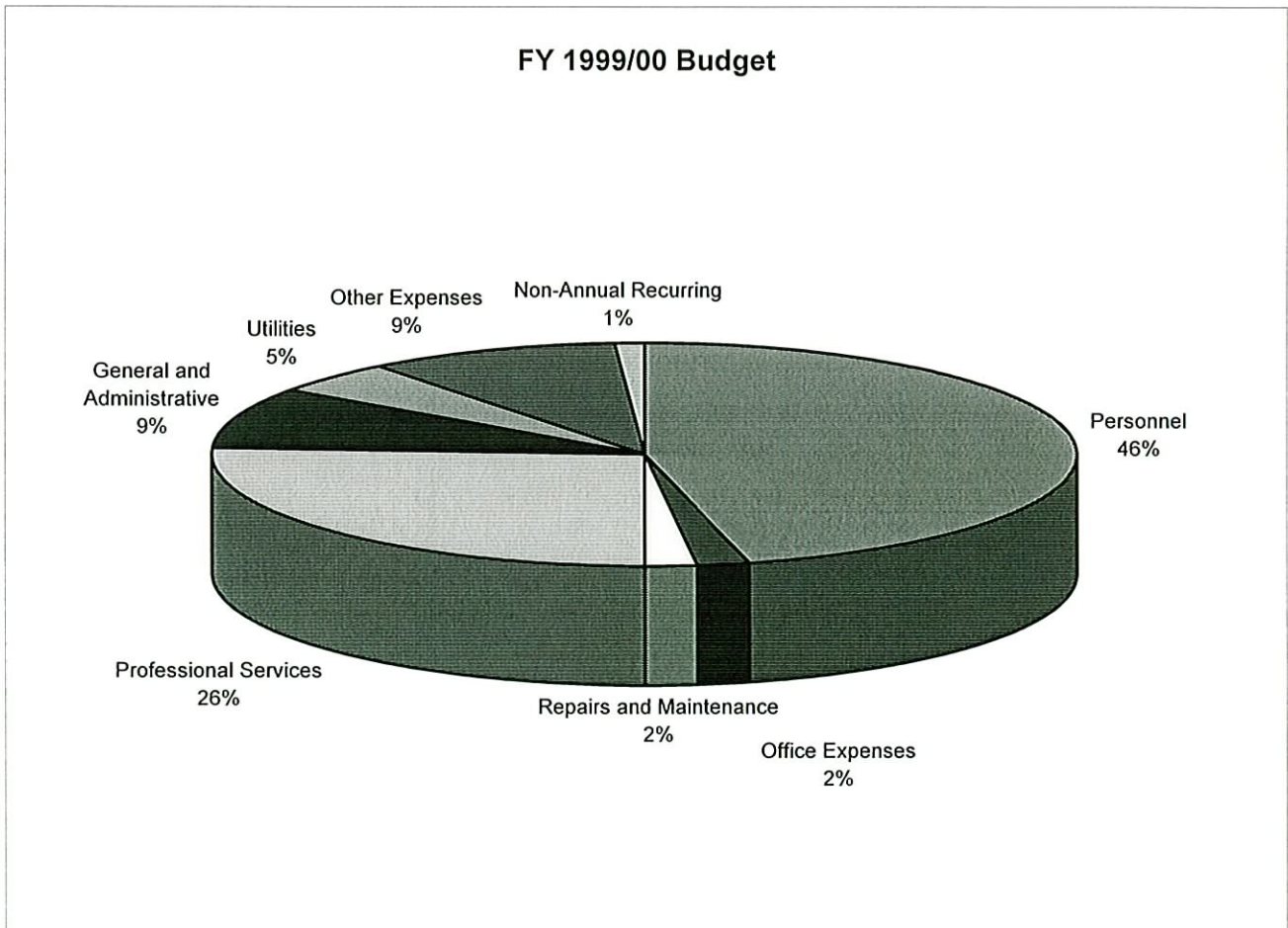
PERSONNEL COUNT SUMMARY					
Position Title	No.	No.	No.	Change	Change
	Auth.	Auth.	Requested	Over	Over
	FY 1997/98	FY 1998/99	FY 1999/00	FY 1997/98	FY 1998/99
Executive Director	1	1	1	0	0
Controller/Treasurer	1	1	1	0	0
Project Engineer ⁽¹⁾	0.25	0.25	0.25	0	0
Accounting Technician	1	1	1	0	0
Administrative Assistant	1	1	1	0	0
Secretary	1	1	1	0	0
TOTAL:	5.25	5.25	5.25	0	0

PERSONNEL WAGE SUMMARY			
Position Title	Position Classification	Maximum Monthly Salary	FY 1998/99 Current Salary
Executive Director	N/A	N/A	\$ 117,500
Controller/Treasurer	24	\$ 7,503	\$ 74,194
Project Engineer ⁽¹⁾	23	\$ 7,106	\$ 17,878
Accounting Technician	9	\$ 3,323	\$ 34,362
Administrative Assistant	7	\$ 2,981	\$ 31,699
Secretary	5	\$ 2,674	\$ 26,000
FY 1999/00 Salary Pool			\$ 15,905
TOTAL:			\$ 317,537

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

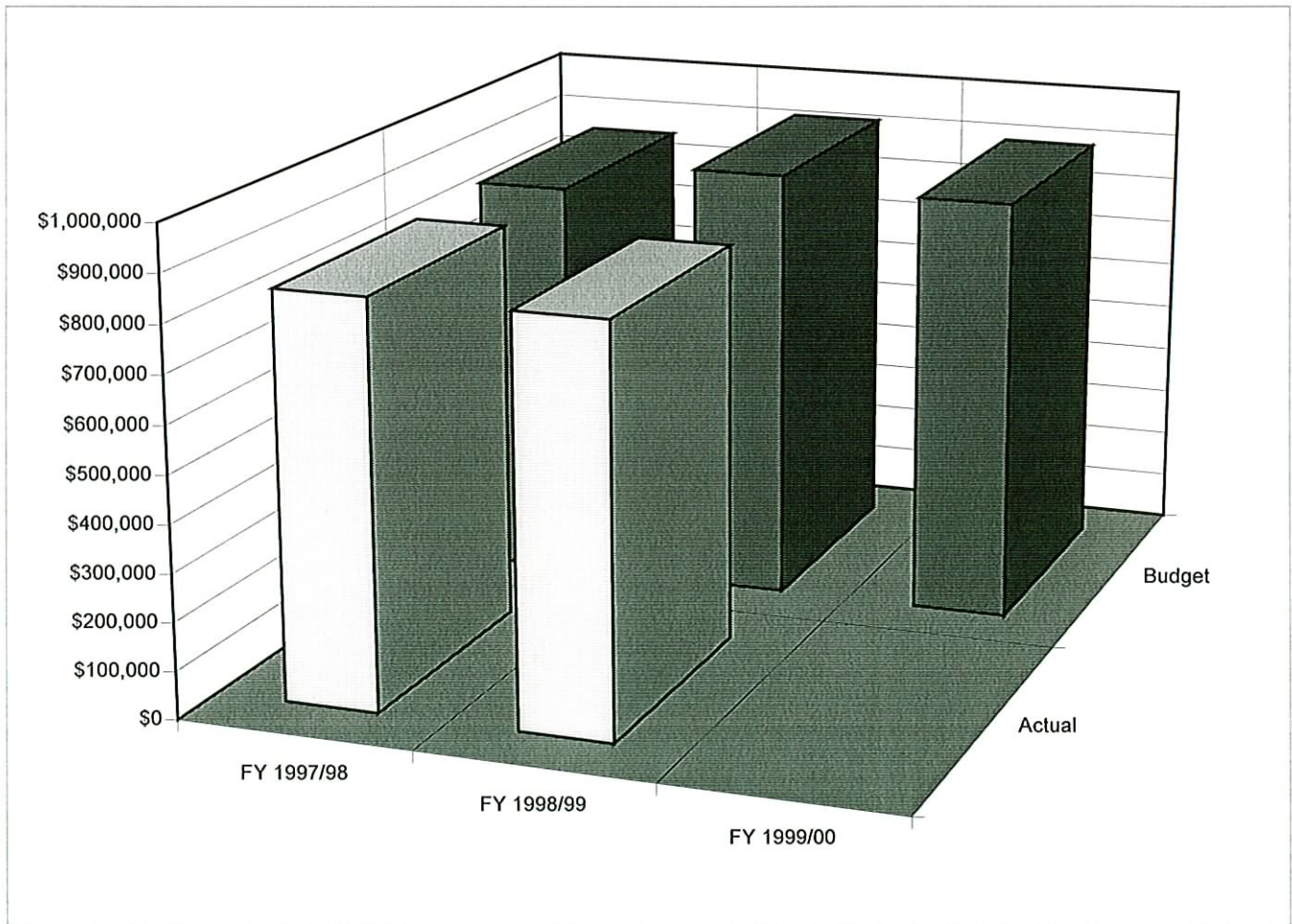
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 1999/00 Budget

Item	FY 1999/00 Budget
Personnel	\$ 414,577
Office Expenses	16,000
Repairs and Maintenance	16,925
Professional Services	232,747
General and Administrative	79,733
Utilities	41,220
Other Expenses	84,717
Non-Annual Recurring	10,765
TOTAL:	\$ 896,684



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 1999/00 Budget

Item	FY 1997/98	FY 1997/98	FY 1998/99	FY 1998/99	FY 1999/00
	Budget	Actual	Budget	Est. Actual	Budget
Personnel	\$ 375,906	\$ 387,701	\$ 408,949	\$ 404,347	\$ 414,577
Office Expenses	17,650	18,588	16,650	14,447	16,000
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	13,300	12,732	13,300	15,247	16,925
Prof. Services	204,531	205,471	235,197	216,923	232,747
General and Administration	63,820	65,189	74,052	73,110	79,733
Utilities	51,120	37,104	42,720	33,159	41,220
Other Expenses	131,981	118,644	121,662	76,671	84,717
Subtotal	\$ 858,308	\$ 845,429	\$ 912,529	\$ 833,904	\$ 885,919
Non-Annual Recurring	\$ -	\$ -	\$ 9,290	\$ 9,290	\$ 10,765
TOTAL:	\$ 858,308	\$ 845,429	\$ 921,819	\$ 843,194	\$ 896,684



Central Coast Water Authority
Administration Department Operating Expenses

Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Change From FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<u>PERSONNEL EXPENSES</u>									
5000.10	Full-Time Regular Wages	\$ 279,939	\$ 290,309	\$ 304,028	\$ 296,850	\$ 317,537	\$ 13,509	\$ 13,509	4.44%
5000.20	Overtime	4,000	1,263	4,000	526	2,000	(2,000)	(2,000)	-50.00%
5000.40	Standby Pay	-	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	40,345	41,515	46,516	47,735	43,864	(2,652)	(2,652)	-5.70%
5100.15	Medicare Taxes	4,117	4,421	4,466	4,465	4,633	167	167	3.75%
5100.20	Health Insurance	21,765	20,554	21,244	22,442	18,949	(2,295)	(2,295)	-10.80%
5100.25	Workers' Compensation	1,352	1,014	1,483	1,639	1,060	(423)	(423)	-28.51%
5100.30	Vehicle Expenses	3,000	2,099	3,000	2,630	4,320	1,320	1,320	44.00%
5100.35	IRC 457-Employer Paid	7,500	8,004	8,000	15,121	8,000	-	-	0.00%
5100.40	Cafeteria Plan Benefits	-	863	911	539	825	(86)	(86)	-9.41%
5100.45	Dental/Vision Plan	5,250	8,748	6,563	9,119	6,563	(1)	(1)	-0.01%
5100.50	Long-Term Disability	2,044	2,116	2,219	2,088	1,937	(282)	(282)	-12.71%
5100.55	Life Insurance	1,094	1,084	1,269	1,195	1,438	169	169	13.35%
5100.60	Employee Physicals	-	-	-	-	-	-	-	N/A
5000.30	Temporary Services	5,000	5,681	5,000	-	2,500	(2,500)	(2,500)	-50.00%
5100.70	Safety Incentive Program	-	-	-	-	700	700	700	N/A
5100.75	Sick Leave Cashout Program	-	-	-	-	-	-	-	N/A
5100.65	Employee Education Reimbursement	500	30	250	-	250	-	-	0.00%
Total Personnel Expenses:		375,906	387,701	408,949	404,347	414,577	5,628	5,628	1.38%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	250	1,183	250	524	-	(250)	-100.00%
5200.20	Office Supplies	14,400	14,181	14,400	12,026	14,000	(400)	-2.78%
5200.30	Misc. Office Expenses	3,000	3,224	2,000	1,896	2,000	-	0.00%
Total Office Expenses:		17,650	18,588	16,650	14,447	16,000	(650)	-3.90%

SUPPLIES AND EQUIPMENT

5500.10	Uniform Expenses	-	-	-	-	-	-	N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-	N/A
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equip. 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

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:		-	-	-	-	-	-	-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Change from FY 1998/99 Budget	Percent
<u>REPAIRS AND MAINTENANCE</u>									
5700.10	Equipment Repairs and Maint.	6,300	6,681	6,300	8,917	5,925	(375)		-5.95%
5700.20	Vehicle Repairs and Maint.	-	-	-	-	-	-		N/A
5700.30	Building Maintenance	7,000	6,051	7,000	6,329	11,000	4,000		57.14%
5700.40	Landscape Maintenance	-	-	-	-	-	-		N/A
Total Repairs and Maintenance:		13,300	12,732	13,300	15,247	16,925	3,625		27.26%
<u>PROFESSIONAL SERVICES</u>									
5400.10	Professional Services	6,500	7,768	6,500	8,100	5,000	(1,500)		-23.08%
5400.20	Legal Services	160,000	169,078	195,000	181,036	170,000	(25,000)		-12.82%
5400.30	Engineering Services	5,000	-	2,500	-	30,000	27,500		1100.00%
5400.40	Permits	-	-	-	-	-	-		N/A
5400.50	Non-Contractual Services	3,600	5,684	3,600	1,890	3,400	(200)		-5.56%
5400.60	Accounting Services	24,406	19,376	23,847	23,847	24,347	500		2.10%
5400.70	Payroll Service	5,025	3,565	3,750	2,050	-	(3,750)		-100.00%
Total Professional Services:		204,531	205,471	235,197	216,923	232,747	(2,450)		-1.04%

Central Coast Water Authority
Administration Department Operating Expenses

Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	12,400	11,556	12,400	12,709	13,600	1,200	9.68%
5300.20	Mileage Reimbursement	1,000	702	750	279	750	-	0.00%
5300.30	Dues and Memberships	32,050	31,133	40,232	41,750	44,713	4,482	11.14%
5300.40	Publications	2,770	3,773	2,770	3,266	2,770	-	0.00%
5300.50	Training	3,000	2,057	3,000	2,391	3,000	-	0.00%
5300.60	Advertising	1,000	904	500	-	500	-	0.00%
5300.70	Printing and Binding	2,000	7,895	6,000	6,000	6,000	-	0.00%
5300.80	Postage	9,600	7,169	8,400	6,715	8,400	-	0.00%
	Total General and Administrative:	63,820	65,189	74,052	73,110	79,733	5,682	7.67%
<u>UTILITIES</u>								
5800.10	Other Utilities	-	344	900	164	900	-	N/A
5800.20	Natural Gas	900	6,010	7,800	6,568	7,800	-	0.00%
5800.30	Electric-Fixed	7,800						0.00%
5800.35	Electric-Variable							N/A
5800.40	Water	900	836	900	735	1,080	180	20.00%
5800.50	Telephone	40,200	28,593	31,800	24,461	30,000	(1,800)	-5.66%
5800.60	Waste Disposal	1,320	1,321	1,320	1,231	1,440	120	9.09%
	Total Utilities:	51,120	37,104	42,720	33,159	41,220	(1,500)	-3.51%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	13,403	16,139	18,519	18,519	18,519	-	0.00%
5900.20	Insurance Claim Deductibles	5,000	-	5,000	-	5,000	-	0.00%
5900.30	Facilities Rent	45,156	43,532	45,576	24,987	-	(45,576)	-100.00%
5900.40	Equipment Rental	11,510	10,595	11,510	10,798	9,830	(1,680)	-14.60%
5900.50	Non-Capitalized Equipment	10,000	4,263	10,000	25,926	10,000	-	0.00%
5900.60	Computer Expenses	6,040	24,511	8,800	10,099	19,760	10,960	124.55%
5900.70	Appropriated Contingency	40,872	19,604	22,257	(13,657)	21,608	(649)	-2.92%
	Total Other Expenses:	131,981	118,644	121,662	76,671	84,717	(36,945)	-30.37%
	TOTAL OPERATING EXPENSES	\$ 858,308	\$ 845,429	\$ 912,529	\$ 833,904	\$ 885,919	\$ (26,610)	-2.92%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

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

Description: Funds for Administration for 5 full-time regular employees and one employee charged 25% to the Administration Department. Includes proposed \$15,905 salary pool.

FY 99/00 Requested Budget	317,537
FY 98/99 Estimated Actual	296,850
Increase (Decrease)	20,687

ACCOUNT NUMBER: 5000.20 ACCOUNT TITLE: Overtime

Description: Overtime expenses for non-exempt Administration employees. Based on half of FY 1998/99 budgeted overtime for three non-exempt employees.

FY 99/00 Requested Budget	2,000
FY 98/99 Estimated Actual	526
Increase (Decrease)	1,474

ACCOUNT NUMBER: 5100.10 ACCOUNT TITLE: PERS Retirement

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

FY 99/00 Requested Budget	43,864
FY 98/99 Estimated Actual	47,735
Increase (Decrease)	(3,870)

Based on a 13.814% contribution rate for FY 1999/00. Decrease is due to a lower employer rate for FY 1999/00 of 6.814% compared to the FY 1998/99 rate of 8.30%.

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.

FY 99/00 Requested Budget	4,633
FY 98/99 Estimated Actual	4,465
Increase (Decrease)	169

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5100.20 ACCOUNT TITLE: Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for Administration employees.

FY 99/00 Requested Budget	18,949
FY 98/99 Estimated Actual	22,442
Increase (Decrease)	(3,493)

Budget amount is based on actual medical insurance elections for the Administration Department.

Family: \$5,327

Emp+1: \$3,874

Emp: \$1,957

ACCOUNT NUMBER: 5100.25 ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Administration Department. Based on

FY 99/00 Requested Budget	1,060
FY 98/99 Estimated Actual	1,639
Increase (Decrease)	(579)

\$.39 per \$100 of covered wages with an X-Mod rate of 85%.

ACCOUNT NUMBER: 5100.30 ACCOUNT TITLE: Vehicle Expenses

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

FY 99/00 Requested Budget	4,320
FY 98/99 Estimated Actual	2,630
Increase (Decrease)	1,690

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

Description: Funds for employer paid deferred compensation contributions. Amount includes \$8,000 to fully fund the Executive Director's deferred compensation account for FY 1999/00. Prior year amount included Operations Manager employer paid deferred compensation which is now allocated to the Water Treatment Plant and Distribution Departments.

FY 99/00 Requested Budget	8,000
FY 98/99 Estimated Actual	15,121
Increase (Decrease)	(7,121)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

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 99/00 Requested Budget	825
FY 98/99 Estimated Actual	539
Increase (Decrease)	287

ACCOUNT NUMBER: 5100.45 ACCOUNT TITLE: Dental/Vision Plan

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

FY 99/00 Requested Budget	6,563
FY 98/99 Estimated Actual	9,119
Increase (Decrease)	(2,556)

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 \$.61 per \$100 of salary.

FY 99/00 Requested Budget	1,937
FY 98/99 Estimated Actual	2,088
Increase (Decrease)	(151)

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. Budgeted amount is higher due to increased salaries and a higher premium amount.

FY 99/00 Requested Budget	1,438
FY 98/99 Estimated Actual	1,195
Increase (Decrease)	244

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5000.30 ACCOUNT TITLE: Temporary Services

Description: Funds for temporary employee services.

FY 99/00 Requested Budget	2,500
FY 98/99 Estimated Actual	-
Increase (Decrease)	2,500

ACCOUNT NUMBER: 5100.65 ACCOUNT TITLE: Employee Education Reimbursement

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

FY 99/00 Requested Budget	250
FY 98/99 Estimated Actual	-
Increase (Decrease)	250

ACCOUNT NUMBER: 5100.70 ACCOUNT TITLE: Safety Incentive Program

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

FY 99/00 Requested Budget	700
FY 98/99 Estimated Actual	-
Increase (Decrease)	700

ACCOUNT NUMBER: 5200.10 ACCOUNT TITLE: Administrative Costs

Description: _____

FY 99/00 Requested Budget	-
FY 98/99 Estimated Actual	524
Increase (Decrease)	(524)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5200.20 ACCOUNT TITLE: Office Supplies

Description: Funds for Office supplies for the Administration Department. Based on \$1,167 per month in office supply expenses.

FY 99/00 Requested Budget	14,000
FY 98/99 Estimated Actual	12,026
Increase (Decrease)	1,974

ACCOUNT NUMBER: 5200.30 ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 99/00 Requested Budget	2,000
FY 98/99 Estimated Actual	1,896
Increase (Decrease)	104

ACCOUNT NUMBER: 5700.10 ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 99/00 Requested Budget	5,925
FY 98/99 Estimated Actual	8,917
Increase (Decrease)	(2,992)

\$	3,600	Copier Maint. Agreement (\$900 qtrly)
\$	2,000	Other Misc. Repairs & Maintenance
\$	325	Fax Maintenance Agreement (annual)
\$	5,925	TOTAL

ACCOUNT NUMBER: 5700.30 ACCOUNT TITLE: Building Maintenance

Description: Funds for minor repairs to the Administration office building and janitorial services. Amount is higher due to the purchase of the Administration building.

FY 99/00 Requested Budget	11,000
FY 98/99 Estimated Actual	6,329
Increase (Decrease)	4,671

\$	6,000	Janitorial Services
\$	5,000	Building Repairs Estimate
\$	11,000	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5400.10 ACCOUNT TITLE: Professional Services

Description: Funds for miscellaneous consultants and other services.

FY 99/00 Requested Budget	5,000
FY 98/99 Estimated Actual	8,100
Increase (Decrease)	(3,100)

Includes \$2,500 for Arbitrage/Rebate calculations to be done on the 1996 Revenue Bond issues and \$1,620 for the Administration Building alarm system (\$135 per month).

ACCOUNT NUMBER: 5400.20 ACCOUNT TITLE: Legal Services

Description: Funds for CCWA legal services.
\$ 120,000 Hatch & Parent Gen Counsel (\$10,000 mo)

FY 99/00 Requested Budget	170,000
FY 98/99 Estimated Actual	181,036
Increase (Decrease)	(11,036)

\$ 50,000 Other Legal Counsel
\$ 170,000 TOTAL

Other legal counsel includes legal fees which may be expended for the Solvang litigation.

ACCOUNT NUMBER: 5400.30 ACCOUNT TITLE: Engineering Services

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

FY 99/00 Requested Budget	30,000
FY 98/99 Estimated Actual	-
Increase (Decrease)	30,000

ACCOUNT NUMBER: 5400.50 ACCOUNT TITLE: Non-Contractual Services

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

FY 99/00 Requested Budget	3,400
FY 98/99 Estimated Actual	1,890
Increase (Decrease)	1,510

\$ 900 IRC 125 Plan Admin Fees (\$75 mo est)
\$ 1,000 Employee Assistance Program
\$ 1,500 Other Miscellaneous
\$ 3,400 TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5400.60 ACCOUNT TITLE: Accounting Services

Description: Funds for the annual audit of the FY 1997/98 Financial Statements and the State Water

FY 99/00 Requested Budget	24,347	Contractors audit fees. Includes an estimated 10% increase in State
FY 98/99 Estimated Actual	23,847	Water Contractor audit fees.
Increase (Decrease)	500	\$ 15,847 State Water Contractor Audit Fees
		\$ 8,500 Auditing FY 98-99 Financial Statements
		\$ 24,347 TOTAL

ACCOUNT NUMBER: 5400.70 ACCOUNT TITLE: Payroll Service

Description: Payroll is now prepared by CCWA staff.

FY 99/00 Requested Budget	-
FY 98/99 Estimated Actual	2,050
Increase (Decrease)	(2,050)

ACCOUNT NUMBER: 5300.10 ACCOUNT TITLE: Meeting and Travel

Description: Funds for meeting and travel expenses for the administration department employees.

FY 99/00 Requested Budget	13,600	\$ 2,500 ACWA Conferences
FY 98/99 Estimated Actual	12,709	\$ 6,600 Executive Director SWC (\$550 mo)
Increase (Decrease)	891	\$ 2,000 GFOA and CSMFO Meetings
		\$ 2,500 Other Miscellaneous Meetings
		\$ 13,600 TOTAL

ACCOUNT NUMBER: 5300.20 ACCOUNT TITLE: Mileage Reimbursement

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

FY 99/00 Requested Budget	750
FY 98/99 Estimated Actual	279
Increase (Decrease)	1,029

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5300.30 ACCOUNT TITLE: Dues and Memberships

		Description:	Funds for professional dues.
		\$	250 Water Education Foundation
FY 99/00 Requested Budget	44,713	\$	12,281 State Water Contractors Dues
FY 98/99 Estimated Actual	41,750	\$	25,132 SWC Bay Delta Charges/Urban Account
Increase (Decrease)	2,963	\$	2,750 AWCA
		\$	300 California Water Awareness
		\$	4,000 Employee Professional Dues and Misc.
		\$	44,713 TOTAL

ACCOUNT NUMBER: 5300.40 ACCOUNT TITLE: Publications

		Description:	Funds for publications received by CCWA
		\$	720 News Clipping Service (\$180 Quarterly)
FY 99/00 Requested Budget	2,770	\$	150 SB News Press (Annual)
FY 98/99 Estimated Actual	3,266	\$	500 Employee Professional Publications
Increase (Decrease)	(496)	\$	500 Other Publications - General
		\$	900 Personnel Related Subscriptions
		\$	2,770 TOTAL

ACCOUNT NUMBER: 5300.50 ACCOUNT TITLE: Training

		Description:	Funds for training of CCWA personnel. Does not include educational reimbursement expenses.
FY 99/00 Requested Budget	3,000		
FY 98/99 Estimated Actual	2,391		
Increase (Decrease)	609		

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 99/00 Requested Budget	500		
FY 98/99 Estimated Actual	-		
Increase (Decrease)	500		

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5300.70 ACCOUNT TITLE: Printing and Binding

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

FY 99/00 Requested Budget	6,000
FY 98/99 Estimated Actual	6,000
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.80 ACCOUNT TITLE: Postage

Description: Funds for all postal and mail expenses.
 \$ 7,200 Postage Meter Expenses (\$600/month)
 \$ 1,200 Overnight & Shipping Services (\$100/mo)
 \$ 8,400 TOTAL

FY 99/00 Requested Budget	8,400
FY 98/99 Estimated Actual	6,715
Increase (Decrease)	1,685

ACCOUNT NUMBER: 5800.20 ACCOUNT TITLE: Natural Gas

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

FY 99/00 Requested Budget	900
FY 98/99 Estimated Actual	164
Increase (Decrease)	736

ACCOUNT NUMBER: 5800.30 ACCOUNT TITLE: Electric

Description: Funds for electrical service to the administration building (\$650 per month).

FY 99/00 Requested Budget	7,800
FY 98/99 Estimated Actual	6,568
Increase (Decrease)	1,232

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5800.40 ACCOUNT TITLE: Water and Sewer

Description: Funds for water & sewer service for the administration building (\$90 per month).

FY 99/00 Requested Budget	1,080
FY 98/99 Estimated Actual	735
Increase (Decrease)	345

ACCOUNT NUMBER: 5800.50 ACCOUNT TITLE: Telephone

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

FY 99/00 Requested Budget	30,000
FY 98/99 Estimated Actual	24,461
Increase (Decrease)	5,539

\$	3,600	Long Distance (\$300/mo)
\$	22,200	Local Long Distance (\$1,833/mo)
\$	600	Pager Airtime (\$50/mo)
\$	3,600	Cell Phone Airtime (\$300/mo)
\$	30,000	TOTAL

ACCOUNT NUMBER: 5800.60 ACCOUNT TITLE: Waste Disposal

Description: Funds for waste disposal services for the administration building (\$124 per month).

FY 99/00 Requested Budget	1,440
FY 98/99 Estimated Actual	1,231
Increase (Decrease)	209

ACCOUNT NUMBER: 5900.10 ACCOUNT TITLE: Insurance

Description: Funds for insurance related expenses.

FY 99/00 Requested Budget	18,519
FY 98/99 Estimated Actual	18,519
Increase (Decrease)	-

\$	352	Property and Auto Insurance based on allocation provided by JPIA
\$	17,250	General Liability, E&O apportioned by payroll percentages.
\$	917	Employee Dishonesty bond
\$	18,519	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5900.20 ACCOUNT TITLE: Insurance Claim Deductibles

Description: Funds for deductibles on insurance claims.

FY 99/00 Requested Budget	5,000
FY 98/99 Estimated Actual	-
Increase (Decrease)	5,000

ACCOUNT NUMBER: 5900.30 ACCOUNT TITLE: Facilities Rent

Description: No facilities rent because CCWA purchased the Administration building during FY 1998/99.

FY 99/00 Requested Budget	-
FY 98/99 Estimated Actual	24,987
Increase (Decrease)	(24,987)

ACCOUNT NUMBER: 5900.40 ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment including copiers and pagers.

FY 99/00 Requested Budget	9,830
FY 98/99 Estimated Actual	10,798
Increase (Decrease)	(968)

\$	4,100	Postage Meter (\$300/mo) and other
\$	4,980	Copier Lease (\$415/mo)
\$	750	Other
\$	9,830	TOTAL

ACCOUNT NUMBER: 5900.50 ACCOUNT TITLE: Non-Capitalized Equipment

Description: Funds for the purchase of non-capitalized equipment purchases. These equipment purchases are generally under \$1,000 in cost with an estimated useful life under 5 years.

FY 99/00 Requested Budget	10,000
FY 98/99 Estimated Actual	25,926
Increase (Decrease)	(15,926)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5900.60 ACCOUNT TITLE: Computer Expenses

Description: Funds for computer expenses
including minor software purchases, minor equipment

FY 99/00 Requested Budget	19,760
FY 98/99 Estimated Actual	10,099
Increase (Decrease)	9,661

			purchases and service contracts.
	\$ 960		Silicon Beach (Internet \$80/mo)
	\$ 1,800		Mercury Mail (\$150/mo)
	\$ 14,000		Software Upgrades and Network Expenses
	\$ 3,000		Solomon Technical Support Plan
	\$ 19,760		TOTAL

ACCOUNT NUMBER: 5900.70 ACCOUNT TITLE: Appropriated Contingency

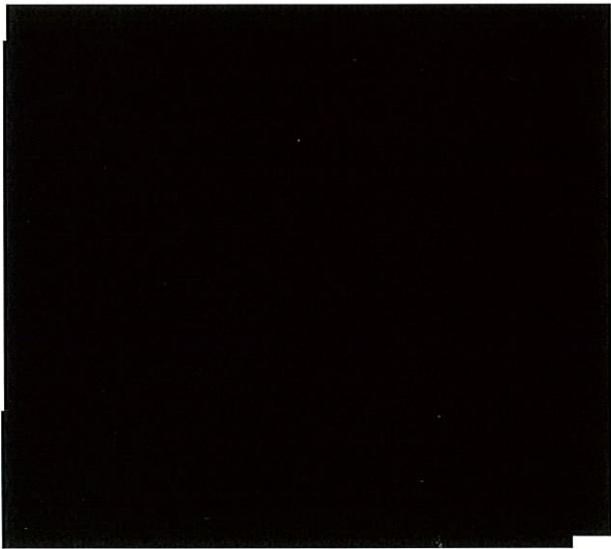
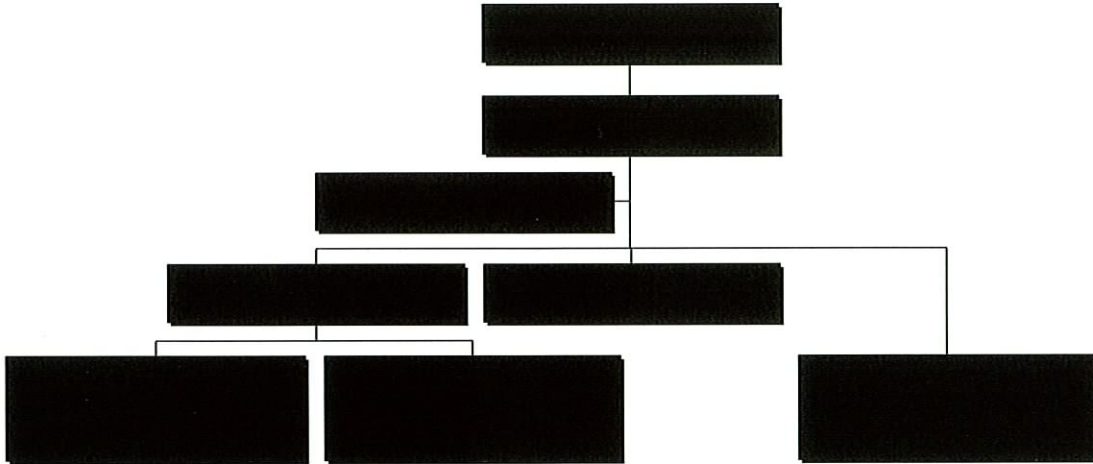
Description: 2.5% of operating expenses

FY 99/00 Requested Budget	21,608
FY 98/99 Estimated Actual	(13,657)
Increase (Decrease)	35,265

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 1999/00 Budget

The Water Treatment Plant Department receives raw water from DWR, operates and maintains the Polonio Pass Water Treatment Plant and performs all chemical and biologic analyses required by the California Department of Health Services. The department is supervised by the Water Treatment Plant Supervisor who oversees operations, maintenance and laboratory functions.

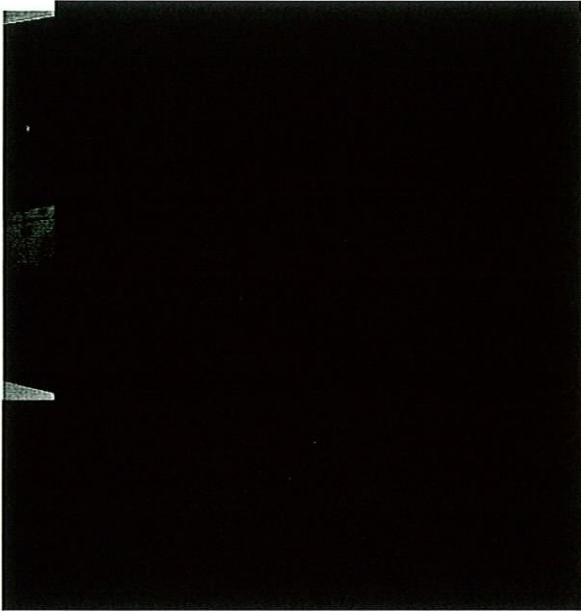
Water Treatment Plant Department



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

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

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 1999/00 Budget



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

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

1998 ACCOMPLISHMENTS

Operations and Maintenance

Complete Emergency Preparedness Manual [2/98]	Done 4/98.
Deliver water to Southern California Water Company and Guadalupe turnouts [3/98]	Water deliveries commenced 8/98.
Conduct first water treatment plant and pipeline cathodic protection survey [6/98]	- 95 - Done 8/98.
Complete 7 day and 90 day tests for treatment plant (including SCADA training for treatment plant and distribution O&M personnel) [5/98]	See comments regarding close-out of Polonio Pass Water Treatment Plant construction and instrumentation and control system under "Design and Construction".
Drain Reach 6 of Coastal Branch Phase II pipeline for internal inspection and repair as needed [5/98]	Completed 5/98. All previous repairs sound; no new damage found.
Complete computerized preventative maintenance system for treatment plant and pipeline [6/98]	Treatment plant system is functional. Pipeline system is in data-input stage; anticipate completing 1/99. (Database has been installed

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 1999/00 Budget

Service Efforts and Accomplishments

	Actual	Estimated	Projected
	FY 1997/98	Actual FY 1998/99	
<i>Workload</i>			
Lab analyses completed	65,800	67,000	67,000
Work orders completed WTP	763	830	800
<i>Efficiency</i>			
Days out of Service WTP	41	6	7
Number of lab analyses not meeting state/federal stds.	0	0	0
Operating cost per employee (thousands)	\$ 116	\$ 126	\$ 159
Overtime expense as a percent of the O&M budget	2.06%	1.48%	1.64%
Industrial injury lost work days	0	0	0

1999 GOALS

Operations and Maintenance

- Complete computerized preventative maintenance system for pipeline [1/99]
- Complete all repairs, modifications and remedial work identified during DWR biannual inspection of Coastal Branch Phase II facilities [4/99]
- Complete Y2K (year 2000) compliance for all CCWA equipment [6/99]
- Complete O&M library containing consolidated CCWA and DWR equipment data [7/99]
- Identify and pursue all possible cost saving and quality enhancing opportunities with initial concentration on bulk chemicals, communications, electricity, overtime requirements and revegetation and erosion control [ongoing]
- Identify and pursue approaches to maximize and maintain high water quality consistent with project participants' needs [ongoing]
- Assist project participants in preparing to meet new federal and state water quality regulations [ongoing]

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 1999/00 Budget

WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

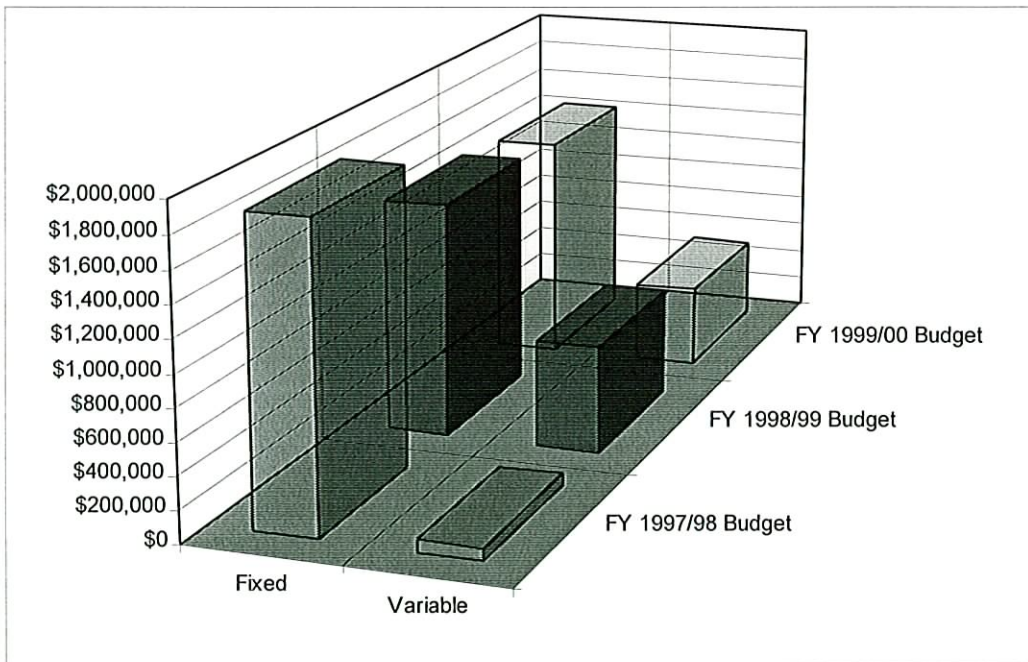
General Overview

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

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

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

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



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

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

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 1999/00 Budget

Fiscal Year 1999/00 Operating Expense Budget

The FY 1999/00 water treatment plant operating expense budget is \$1,947,628, which is \$209,225 lower than the previous year's budget of \$2,156,853, a 9.70% decrease.

The personnel expense section of the Water Treatment Plant budget represents approximately 41% of the budget. Supplies and equipment comprise 27% with other expenses making up the balance of the budget. The variable O&M expenses are included in the supplies and equipment section of the budget. The chart on page xx shows the allocation of the various components of the water treatment plant operating expense budget.

Personnel Expenses Personnel expenses are remaining constant compared to the FY 1998/99 personnel expense budget. However, the following accounts within the personnel expense section are changing:

- Shift differential pay is decreasing by \$4,000 to reflect actual expenditure expectations.
- PERS Retirement expenses are decreasing by approximately \$8,500 due to a decrease in the employer contribution rate from 8.30% for FY 1998/99 to 6.814% for FY 1999/00. This decrease is attributed to a change in actuarial valuation assumptions by PERS.
- Workers compensation insurance expenses are decreasing by about \$6,200 due to a decrease in the workers' compensation rates and a decrease in the experience modification factor from 100% to 85% representing the lower occurrence of industrial injuries at CCWA.
- Safety Incentive Program is a new account for FY 1999/00 and will be used to promote and reward a safe working environment. This program was recommended by JPIA, the CCWA insurance provider.

Supplies and Equipment Supplies and equipment expenses are decreasing by about \$180,000 when compared to the FY 1998/99 budget due to (1) a decrease in the chemical unit cost from \$22 an acre foot to \$14 an acre foot. Additionally, the spare parts account is decreasing by \$30,000 to reflect the actual experience during FY 1998/99.

Monitoring Expenses Monitoring expenses are decreasing by \$25,000 to more accurately reflect the anticipated expenses for monitoring during FY 1999/00.

General and Administrative General and Administrative expenses are increasing by \$10,700 primarily due to an increase in the training expense budget of \$9,000 for FY 1999/00.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 1999/00 Budget

Non-Annual Recurring Expenses

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

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

FY 1999/00 Non-Annual Recurring Expenses

The FY 1998/99 water treatment plant non-annual recurring expenses total \$163,546 and is comprised of the following expenses.

- \$140,000 for the replacement of the granular activated carbon filters. It is estimated that these filters will need to be replaced every five years.
- \$20,046 for the replacement of vehicles at the water treatment plant based on the ten-year vehicle replacement schedule.
- \$3,500 for the future replacement of water treatment plant computers.

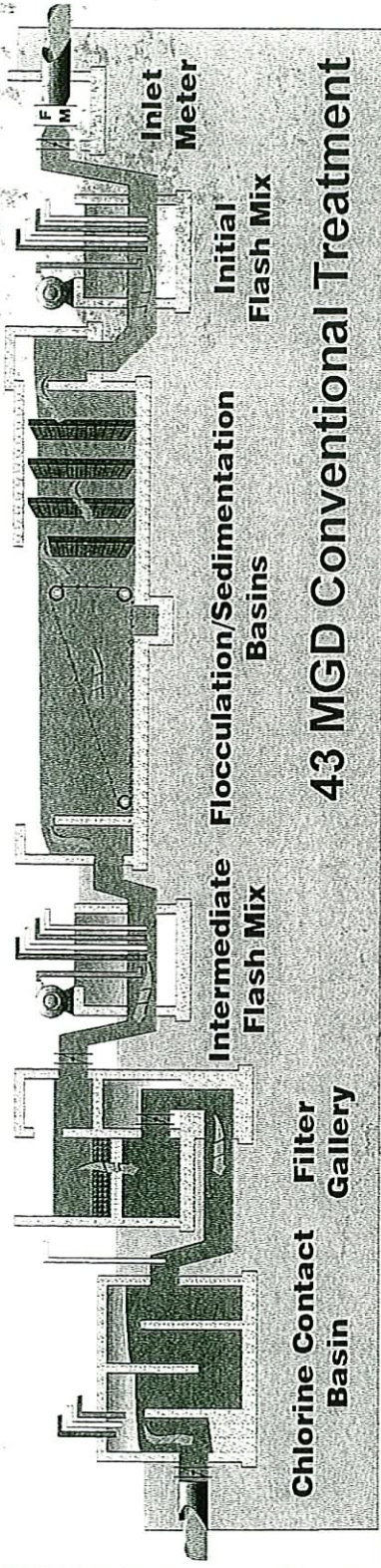
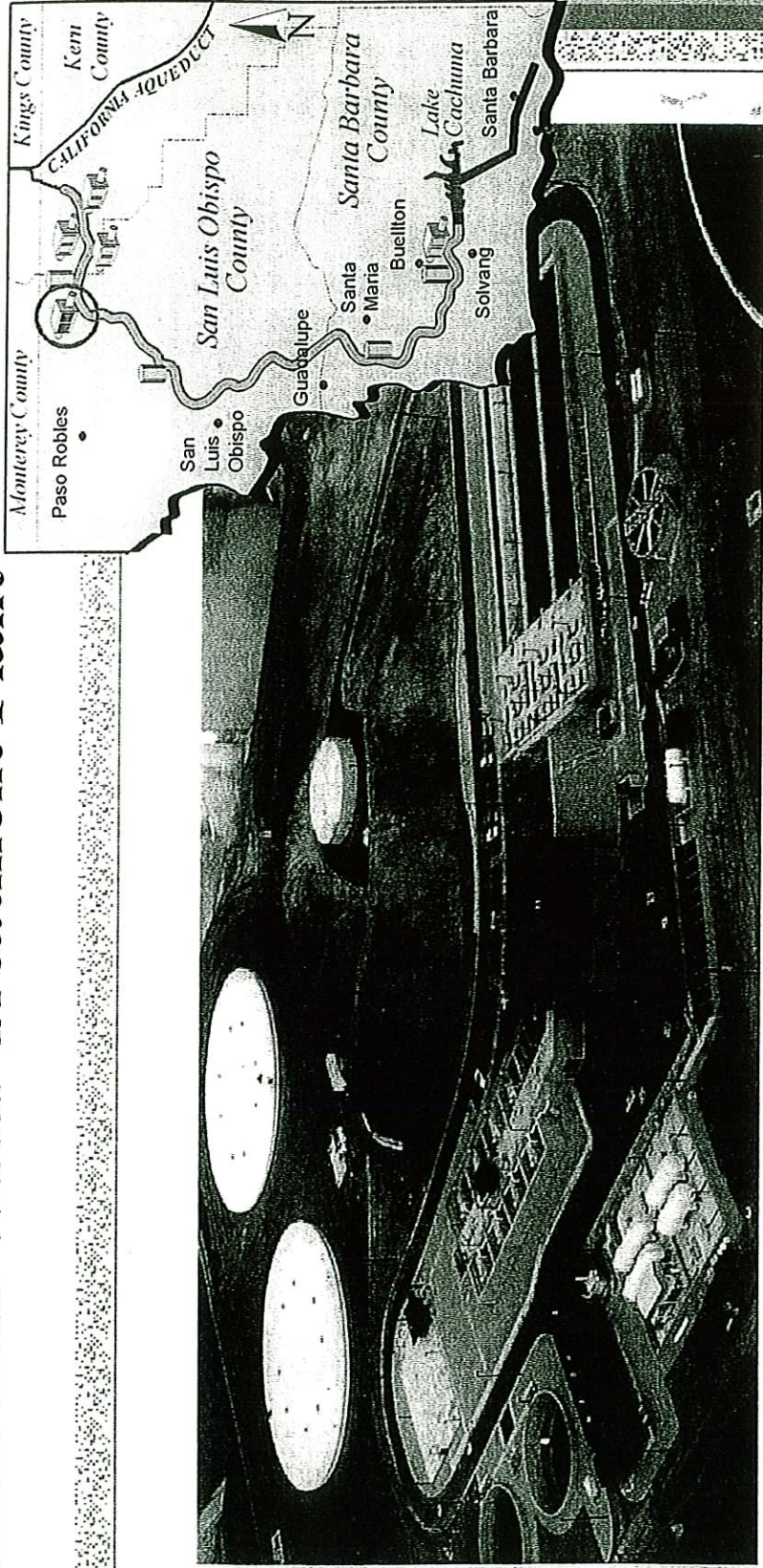
Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 1999/00 Budget

The following table shows the allocation of the FY 1999/00 non-annual recurring expenses for the water treatment plant.

Water Treatment Plant
FY 1999/00 Non-Annual Recurring Expenses

Financing Participant	Entitlement	Percentage	FY 1999/00 Non-Annual Recurring Expenses
Shandon	100	0.23%	\$ 372
Chorro Valley	2,338	5.32%	\$ 8,708
Lopez	2,392	5.45%	\$ 8,910
Guadalupe	550	1.25%	\$ 2,049
Santa Maria	16,200	36.90%	\$ 60,341
SCWC	500	1.14%	\$ 1,862
VAFB	5,500	12.53%	\$ 20,486
Buellton	578	1.32%	\$ 2,153
Santa Ynez (Solvang)	1,500	3.42%	\$ 5,587
Santa Ynez	500	1.14%	\$ 1,862
Goleta	4,500	10.25%	\$ 16,761
Morehart Land	200	0.46%	\$ 745
La Cumbre	1,000	2.28%	\$ 3,725
Raytheon (SBRC)	50	0.11%	\$ 186
Santa Barbara	3,000	6.83%	\$ 11,174
Montecito	3,000	6.83%	\$ 11,174
Carpinteria	2,000	4.55%	\$ 7,449
TOTAL:	43,908	100.00%	\$ 163,546

Polonio Pass Water Treatment Plant



43 MGD Conventional Treatment

Central Coast Water Authority

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 1999/00 Budget

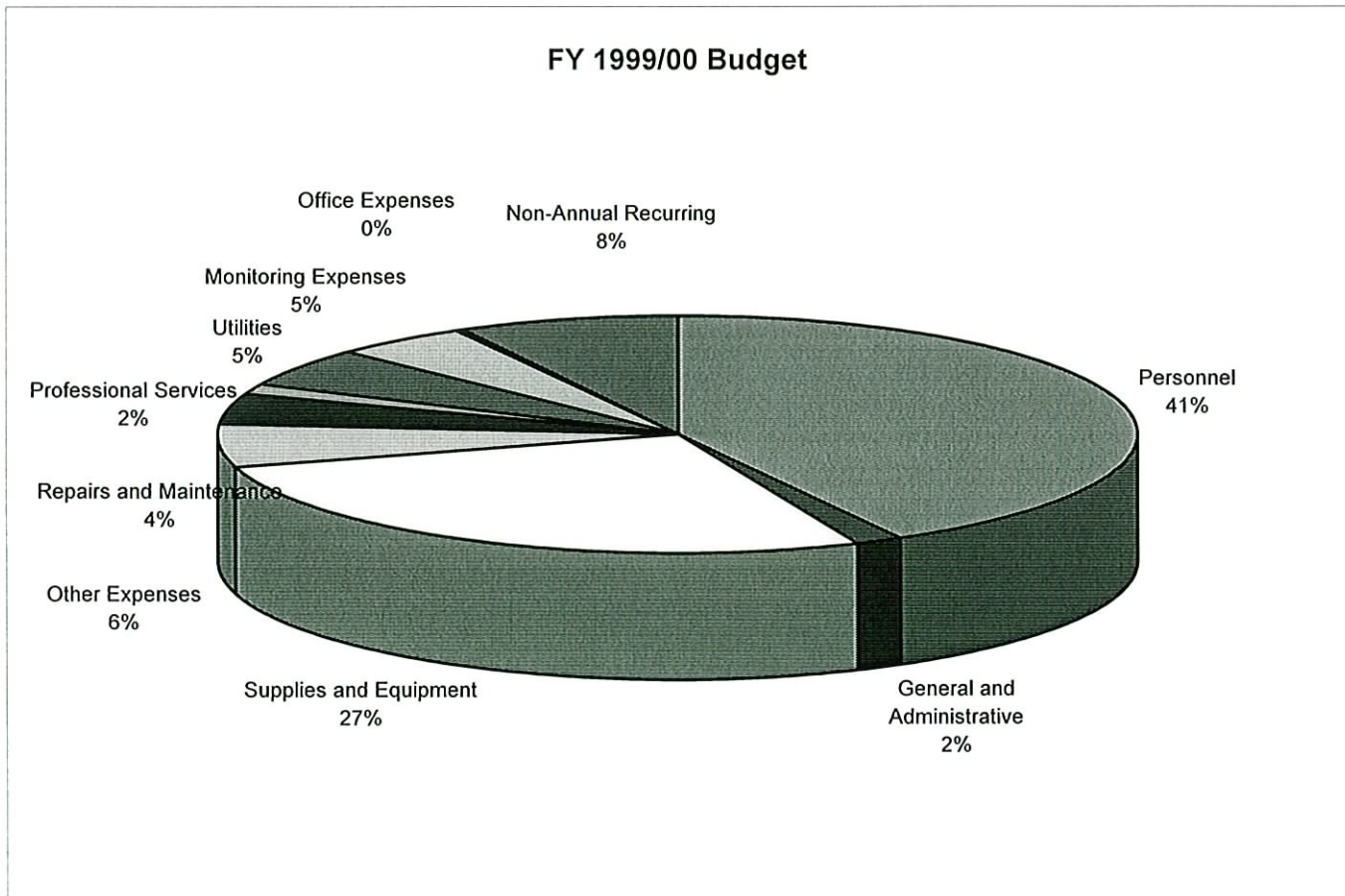
PERSONNEL COUNT SUMMARY					
Position Title	No.	No.	No.	Change	Change
	Auth.	Auth.	Requested	Over	Over
	FY 1997/98	FY 1998/99	FY 1999/00	FY 1997/98	FY 1998/99
Operations Manager	0.75	0.75	0.75	0	0
Project Engineer ⁽¹⁾	0.20	0.20	0.20	0	0
WTP Supervisor	1	1	1	0	0
Maintenance Control Specialist	1	1	1	0	0
Laboratory Associate	1	1	1	0	0
Maintenance Technician	2	2	2	0	0
Maintenance IC&R Technician	0	0	0.70	0.7	0.7
WTP Operators	6	6	5	-1	-1
Secretary	0.60	0.60	0.60	0	0
TOTAL:	12.55	12.55	12.25	-0.3	-0.3

PERSONNEL WAGE SUMMARY			
Position Title	Position Classification	Maximum	FY 1998/99
		Monthly Salary	Current Salary
Operations Manager	26	\$ 8,363	\$ 62,104
Project Engineer	23	\$ 7,106	\$ 14,302
WTP Supervisor	20	\$ 6,038	\$ 65,104
Maintenance Control Specialist	17	\$ 5,130	\$ 51,293
Laboratory Associate	16	\$ 4,859	\$ 54,662
Maintenance Technicians	14	\$ 4,359	\$ 86,923
Maintenance IC&R Technician	14	\$ 4,359	\$ 27,999
WTP Operators	14	\$ 4,359	\$ 230,734
Secretary	5	\$ 2,674	\$ 16,198
FY 1999/00 Salary Pool			\$ 30,653
TOTAL:			\$ 639,972

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

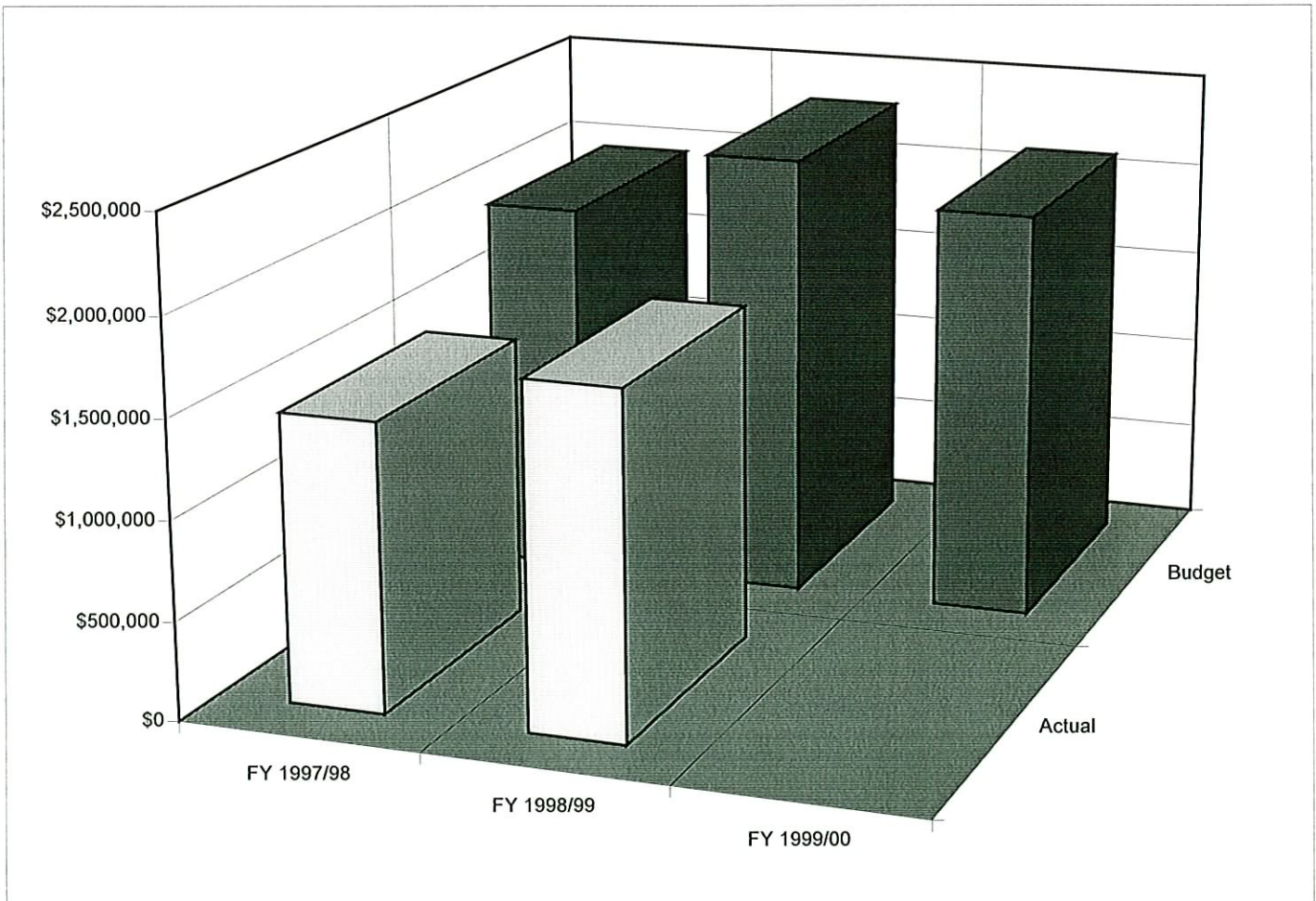
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 1999/00 Budget

Item	FY 1999/00 Budget
Personnel	\$ 887,090
Office Expenses	5,400
Supplies and Equipment	567,150
Monitoring Expenses	100,000
Repairs and Maintenance	85,400
Professional Services	32,800
General and Administrative	33,600
Utilities	111,000
Other Expenses	125,188
Non-Annual Recurring	163,546
TOTAL:	\$ 2,111,174



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 1999/00 Budget

Item	FY 1997/98	FY 1997/98	FY 1998/99	FY 1998/99	FY 1999/00
	Budget	Actual	Budget	Estimated Actual	Budget
Personnel	\$ 852,165	\$ 814,814	\$ 892,135	\$ 847,936	\$ 887,090
Office Expenses	6,000	3,567	5,700	3,917	5,400
Supplies and Equipment	613,603	306,029	747,527	299,717	567,150
Monitoring Expenses	83,000	74,298	125,000	86,206	100,000
Repairs and Maintenance	77,500	80,529	85,000	68,272	85,400
Professional Services	39,800	14,827	38,300	68,964	32,800
General and Administrativ	16,750	10,253	22,900	24,777	33,600
Utilities	113,500	106,221	114,500	104,155	111,000
Other Expenses	156,287	48,567	125,791	80,226	125,188
Subtotal	\$ 1,958,605	\$ 1,459,105	\$ 2,156,853	\$ 1,584,169	\$ 1,947,628
Non-Annual Recurring	\$ -	\$ -	\$ 155,391	\$ 155,391	\$ 163,546
TOTAL:	\$ 1,958,605	\$ 1,459,105	\$ 2,312,244	\$ 1,739,560	\$ 2,111,174



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Increase Over FY 1998/99 Budget	% Increase (Decrease) FY 1998/99 Budget
PERSONNEL EXPENSES								
5000.10	Full-Time Regular Wages	597,728	579,467	633,432	584,272	639,972	6,540	1.03%
5000.20	Overtime	59,773	29,993	31,672	23,409	31,999	327	1.03%
5000.40	Standby Pay	-	3,363	5,000	6,249	6,500	1,500	30.00%
5000.50	Shift Differential Pay	-	12,092	15,000	10,391	11,000	(4,000)	-26.67%
5000.10	PERS Retirement	86,145	83,504	96,915	95,844	88,406	(8,509)	-8.78%
5100.15	Medicare Taxes	9,534	9,156	9,644	9,306	9,744	100	1.03%
5100.20	Health Insurance	58,251	48,644	50,257	59,908	51,179	922	1.84%
5100.25	Workers' Compensation	19,412	14,359	19,555	19,828	13,274	(6,281)	-32.12%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	-	-	-	-	-	-	N/A
5100.40	Cafeteria Plan Benefits	-	8,403	7,976	8,050	7,657	(319)	-4.00%
5100.45	Dental/Vision Plan	11,950	12,073	13,063	22,477	13,625	562	4.30%
5100.50	Long-Term Disability	4,363	4,199	4,510	4,189	3,805	(705)	-15.63%
5100.55	Life Insurance	2,709	2,540	2,811	2,880	3,299	488	17.36%
5100.60	Employee Physicals	1,300	1,100	1,300	-	1,430	130	10.00%
5000.30	Temporary Services	-	5,921	-	896	3,000	3,000	N/A
5100.70	Safety Incentive Program	-	-	-	-	1,200	1,200	N/A
5100.75	Sick Leave Cashout Program	-	-	-	-	-	-	N/A
5100.65	Employee Education Reimbursement	1,000	-	1,000	238	1,000	-	0.00%
Total Personnel Expenses:		852,165	814,814	892,135	847,936	887,090	(5,045)	-0.57%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Increase Over FY 1998/99 Budget	% Increase (Decrease) FY 1998/99 Budget
<u>OFFICE EXPENSES</u>								
5200.10	Administrative Costs	-						
5200.20	Office Supplies	6,000	3,567	4,500	2,677	3,600	(900)	-20.00%
5200.30	Misc. Office Expenses	-		1,200	1,240	1,800	600	50.00%
	Total Office Expenses:	6,000	3,567	5,700	3,917	5,400	(300)	-5.26%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	12,285	10,538	8,527	7,838	9,200	673	7.89%
5500.15	Minor Tools and Equipment	1,500	3,285	4,000	10,574	8,000	4,000	100.00%
5500.20	Spare Parts	-	-	60,000	4,616	30,000	(30,000)	-50.00%
5500.25	Landscape Equip. and Supplies	1,500	67	1,000	373	2,500	1,500	150.00%
5500.30	Chemicals-Fixed	-	19,119	-	-	-	-	N/A
5500.31	Chemicals-Variable	584,818	244,514	651,000	256,603	494,450	(156,550)	-24.05%
5500.35	Maintenance Supplies/Hardware	5,000	18,461	12,000	12,143	12,000	-	0.00%
5500.40	Safety Supplies	5,000	3,842	3,500	2,017	4,500	1,000	28.57%
5500.45	Fuel and Lubricants	3,500	6,203	7,500	5,553	6,500	(1,000)	-13.33%
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
	Total Supplies and Equipment:	613,603	306,029	747,527	299,717	567,150	(180,377)	-24.13%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Increase Over FY 1998/9 Budget	% Increase (Decrease) FY 1998/99 Budget
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	10,000	28,009	35,000	28,605	30,000	(5,000)	-14.29%
5600.20	Lab Tools and Equipment	5,000	5,054	5,000	1,912	5,000	-	0.00%
5600.30	Lab Testing	68,000	41,235	85,000	55,690	65,000	(20,000)	-23.53%
Total Monitoring Expenses:		83,000	74,298	125,000	86,206	100,000	(25,000)	-20.00%

REPAIRS AND MAINTENANCE

5700.10	Equipment Repairs and Maint.	60,500	66,646	65,000	51,290	65,000	-	0.00%
5700.20	Vehicle Repairs and Maint.	4,500	2,897	4,500	1,951	2,500	(2,000)	-44.44%
5700.30	Building Maintenance	11,000	10,014	14,000	13,995	16,400	2,400	17.14%
5700.40	Landscape Maintenance	1,500	972	1,500	1,036	1,500	-	0.00%
Total Repairs and Maintenance:		77,500	80,529	85,000	68,272	85,400	400	0.47%

PROFESSIONAL SERVICES

5400.10	Professional Services	14,800	3,251	10,300	8,274	8,800	(1,500)	-14.56%
5400.20	Legal Services	-	2,207	-	45,798	-	-	N/A
5400.30	Engineering Services	5,000	-	10,000	-	10,000	-	0.00%
5400.40	Permits	17,000	8,942	12,000	7,892	8,000	(4,000)	-33.33%
5400.50	Non-Contractual Services	3,000	427	6,000	7,000	6,000	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
5400.70	Payroll Service	-	-	-	-	-	-	N/A
Total Professional Services:		39,800	14,827	38,300	68,964	32,800	(5,500)	-14.36%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses

Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Increase Over FY 1998/99 Budget	% Increase (Decrease) FY 1998/99 Budget	% Increase (Decrease) FY 1999/00 Budget
<u>GENERAL AND ADMINISTRATIVE</u>									
5300.10	Meeting and Travel	7,500	5,436	10,000	9,512	12,000	2,000	20.00%	20.00%
5300.20	Mileage Reimbursement	1,000	373	1,000	989	1,000	-	0.00%	0.00%
5300.30	Dues and Memberships	750	661	1,000	1,202	1,200	200	20.00%	20.00%
5300.40	Publications	2,000	1,022	2,000	1,559	1,500	(500)	-25.00%	-25.00%
5300.50	Training	4,000	1,127	7,500	10,280	16,500	9,000	120.00%	120.00%
5300.60	Advertising	500	330	200	-	200	-	0.00%	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A	N/A
5300.80	Postage	1,000	1,304	1,200	1,235	1,200	-	0.00%	0.00%
	Total General and Administrative:	16,750	10,253	22,900	24,777	33,600	10,700	46.72%	46.72%
<u>UTILITIES</u>									
5800.10	Other Utilities	-	-	-	-	-	-	N/A	N/A
5800.20	Natural Gas	7,000	2,874	3,500	244	2,000	(1,500)	-42.86%	-42.86%
5800.30	Electric-Fixed	75,900	70,501	76,000	74,602	76,000	-	0.00%	0.00%
5800.35	Electric-Variable	19,200	15,969	19,000	18,391	19,000	-	0.00%	0.00%
5800.40	Water	-	-	-	-	-	-	N/A	N/A
5800.50	Telephone	9,000	15,098	9,000	9,112	9,000	-	0.00%	0.00%
5800.60	Waste Disposal	2,400	1,779	7,000	1,805	5,000	(2,000)	-28.57%	-28.57%
	Total Utilities:	113,500	106,221	114,500	104,155	111,000	(3,500)	-3.06%	-3.06%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Increase Over FY 1998/99 Budget	% Increase (Decrease) FY 1998/99 Budget
<i>OTHER EXPENSES</i>								
5900.10	Insurance	41,977	34,274	53,185	53,185	53,185	-	0.00%
5900.20	Insurance Claim Deductibles	-	-	-	-	-	-	N/A
5900.30	Facilities Rent	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	10,000	9,061	10,000	1,901	7,000	(3,000)	-30.00%
5900.50	Non-Capitalized Equipment	6,000	3,689	5,000	21,342	15,000	10,000	200.00%
5900.60	Computer Expenses	5,000	1,543	5,000	3,798	2,500	(2,500)	-50.00%
5900.70	Appropriated Contingency	93,310	-	52,606	-	47,503	(5,103)	-9.70%
	Total Other Expenses:	156,287	48,567	125,791	80,226	125,188	(603)	-0.48%
	TOTAL OPERATING EXPENSES	\$ 1,958,605	\$ 1,459,105	\$ 2,156,853	\$ 1,584,169	\$ 1,947,628	\$ (209,225)	-9.70%

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP for 11 full time regular employees and one part time employee. Includes proposed \$30,653 salary pool.

FY 99/00 Requested Budget	639,972
FY 98/99 Estimated Actual	584,272
Increase (Decrease)	55,701

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 99/00 Requested Budget	31,999
FY 98/99 Estimated Actual	23,409
Increase (Decrease)	8,590

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Water Treatment Plant Department.

FY 99/00 Requested Budget	3,000
FY 98/99 Estimated Actual	896
Increase (Decrease)	2,104

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

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

FY 99/00 Requested Budget	6,500
FY 98/99 Estimated Actual	6,249
Increase (Decrease)	251

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Funds for shift employee pay.

FY 99/00 Requested Budget	11,000
FY 98/99 Estimated Actual	10,391
Increase (Decrease)	609

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

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

Based on a 15.3% contribution rate for FY 99/00.

Decrease is due to a lower employer rate for FY 1999/00 of 6.814% compared to the FY 1998/99 rate of 8.30%.

FY 99/00 Requested Budget	88,406
FY 98/99 Estimated Actual	95,844
Increase (Decrease)	(7,438)

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

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

FY 99/00 Requested Budget	9,744
FY 98/99 Estimated Actual	9,306
Increase (Decrease)	437

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

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

FY 99/00 Requested Budget	51,179
FY 98/99 Estimated Actual	59,908
Increase (Decrease)	(8,729)

Family: \$5,100

Emp+1: \$3,720

Emp: \$1,860

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP department. Based on the same rate as the previous fiscal year of \$2.65 per \$100 of covered wages for water works employees with an X-Mod rate of 85%.

FY 99/00 Requested Budget	13,274
FY 98/99 Estimated Actual	19,828
Increase (Decrease)	(6,554)

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 99/00 Requested Budget	7,657
FY 98/99 Estimated Actual	8,050
Increase (Decrease)	(392)

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

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

FY 99/00 Requested Budget	13,625
FY 98/99 Estimated Actual	22,477
Increase (Decrease)	(8,852)

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$.61 per \$100 of covered payroll.

FY 99/00 Requested Budget	3,805
FY 98/99 Estimated Actual	4,189
Increase (Decrease)	(384)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 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 99/00 Requested Budget	3,299
FY 98/99 Estimated Actual	2,880
Increase (Decrease)	419

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 99/00 Requested Budget	1,430
FY 98/99 Estimated Actual	-
Increase (Decrease)	1,430

11 @ \$130 \$1,430

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 99/00 Requested Budget	1,000
FY 98/99 Estimated Actual	238
Increase (Decrease)	762

ACCOUNT NUMBER: 5100.70

ACCOUNT TITLE: Safety Incentive Program

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

FY 99/00 Requested Budget	1,200
FY 98/99 Estimated Actual	-
Increase (Decrease)	1,200

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the WTP.
Based on \$300 per month in office supply expenses.

FY 99/00 Requested Budget	3,600
FY 98/99 Estimated Actual	2,677
Increase (Decrease)	923

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 99/00 Requested Budget	1,800
FY 98/99 Estimated Actual	1,240
Increase (Decrease)	560

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 99/00 Requested Budget	9,200
FY 98/99 Estimated Actual	7,838
Increase (Decrease)	1,362

Uniform Service @ \$132.69/week	\$	6,900
Blue jean purch. @ \$75/year for 9 employees	\$	675
Boot purch. @ \$125/yr for 9 employees	\$	1,125
Misc. uniform requirements (jackets, etc.)	\$	500
TOTAL:	\$	9,200

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 99/00 Requested Budget	8,000
FY 98/99 Estimated Actual	10,574
Increase (Decrease)	(2,574)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 99/00 Requested Budget	30,000
FY 98/99 Estimated Actual	4,616
Increase (Decrease)	25,384

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

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

A reseeded and replanting project is planned for next year.

FY 99/00 Requested Budget	2,500
FY 98/99 Estimated Actual	373
Increase (Decrease)	2,127

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

FY 99/00 Requested Budget	494,450
FY 98/99 Estimated Actual	256,603
Increase (Decrease)	237,847

\$	485,450	WTP (All Participants)
\$	9,000	WTP (All Participants without SLO; dechlor)
\$	494,450	TOTAL

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 99/00 Requested Budget	12,000
FY 98/99 Estimated Actual	12,143
Increase (Decrease)	(143)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

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. Plant will also hydrotest all compressed air tanks this fiscal year.

FY 99/00 Requested Budget	4,500
FY 98/99 Estimated Actual	2,017
Increase (Decrease)	2,483

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 99/00 Requested Budget	6,500
FY 98/99 Estimated Actual	5,553
Increase (Decrease)	947

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 99/00 Requested Budget	30,000
FY 98/99 Estimated Actual	28,605
Increase (Decrease)	1,395

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 99/00 Requested Budget	5,000
FY 98/99 Estimated Actual	1,912
Increase (Decrease)	3,088

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 99/00 Requested Budget	65,000
FY 98/99 Estimated Actual	55,690
Increase (Decrease)	9,310

Municipal Water Quality Program (\$30,000)
Outside Lab Testing (\$35,000)

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 99/00 Requested Budget	65,000
FY 98/99 Estimated Actual	51,290
Increase (Decrease)	13,710

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 99/00 Requested Budget	2,500
FY 98/99 Estimated Actual	1,951
Increase (Decrease)	549

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 99/00 Requested Budget	16,400
FY 98/99 Estimated Actual	13,995
Increase (Decrease)	2,405

Janitorial	\$	8,400
Misc. repairs	\$	3,000
Site improvements	\$	5,000
TOTAL	\$	16,400

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

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

FY 99/00 Requested Budget	1,500
FY 98/99 Estimated Actual	1,036
Increase (Decrease)	464

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description: Outside professional services including:

Fire system inspect \$ 1,000

Security \$ 1,000

Cathodic protection \$ 3,000

Oil Analysis \$ 500

HVAC \$ 2,000

Solvent Service \$ 800

Road and lot cleaning \$ 500

TOTAL \$ 8,800

FY 99/00 Requested Budget	8,800
FY 98/99 Estimated Actual	8,274
Increase (Decrease)	526

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

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

FY 99/00 Requested Budget	10,000
FY 98/99 Estimated Actual	-
Increase (Decrease)	10,000

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 99/00 Requested Budget	8,000
FY 98/99 Estimated Actual	7,892
Increase (Decrease)	108

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

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

FY 99/00 Requested Budget	6,000
FY 98/99 Estimated Actual	7,000
Increase (Decrease)	(1,000)

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meeting and Travel

Description: Funds for WTP employee meetings and travel expenses.

FY 99/00 Requested Budget	12,000
FY 98/99 Estimated Actual	9,512
Increase (Decrease)	2,488

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 99/00 Requested Budget	1,000
FY 98/99 Estimated Actual	989
Increase (Decrease)	11

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 99/00 Requested Budget	1,200
FY 98/99 Estimated Actual	1,202
Increase (Decrease)	(2)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 99/00 Requested Budget	1,500
FY 98/99 Estimated Actual	1,559
Increase (Decrease)	(59)

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

\$1500 x 11people \$ 16,500

FY 99/00 Requested Budget	16,500
FY 98/99 Estimated Actual	10,280
Increase (Decrease)	6,220

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 99/00 Requested Budget	200
FY 98/99 Estimated Actual	-
Increase (Decrease)	200

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 99/00 Requested Budget	1,200
FY 98/99 Estimated Actual	1,235
Increase (Decrease)	(35)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service to the WTP.

FY 99/00 Requested Budget	2,000
FY 98/99 Estimated Actual	244
Increase (Decrease)	1,756

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 99/00 Requested Budget	76,000
FY 98/99 Estimated Actual	74,602
Increase (Decrease)	1,398

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP.

FY 99/00 Requested Budget	19,000
FY 98/99 Estimated Actual	18,391
Increase (Decrease)	609

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 99/00 Requested Budget	-
FY 98/99 Estimated Actual	-
Increase (Decrease)	-

N.A.

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 99/00 Requested Budget	9,000
FY 98/99 Estimated Actual	9,112
Increase (Decrease)	(112)

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 99/00 Requested Budget	5,000
FY 98/99 Estimated Actual	1,805
Increase (Decrease)	3,195

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 99/00 Requested Budget	53,185
FY 98/99 Estimated Actual	53,185
Increase (Decrease)	-

\$	16,435	Property and auto coverage based on the apportionment provided by JPIA.
\$	36,750	General Liability & E&O based on salary proportions.
\$	53,185	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Facilities Rent

Description: N.A.

FY 99/00 Requested Budget	-
FY 98/99 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 99/00 Requested Budget	7,000
FY 98/99 Estimated Actual	1,901
Increase (Decrease)	5,099

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized fixed asset (equipment) purchases.

FY 99/00 Requested Budget	15,000
FY 98/99 Estimated Actual	21,342
Increase (Decrease)	(6,342)

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 99/00 Requested Budget	2,500
FY 98/99 Estimated Actual	3,798
Increase (Decrease)	(1,298)

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.5% of requested budget.

FY 99/00 Requested Budget	47,503
FY 98/99 Estimated Actual	-
Increase (Decrease)	47,503

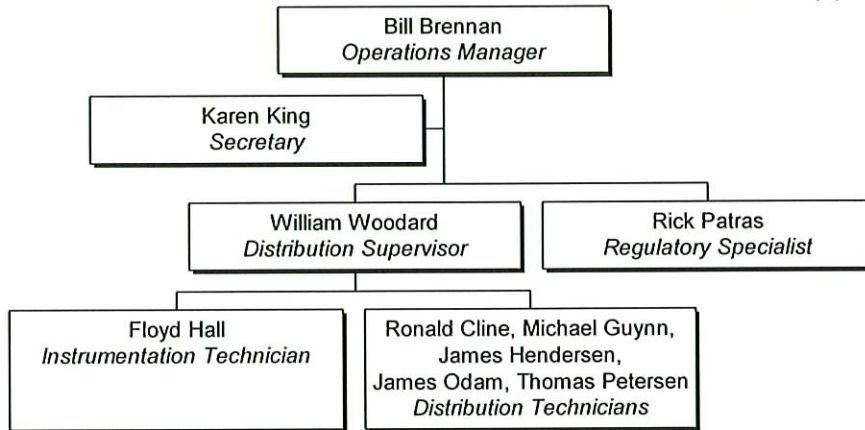
Central Coast Water Authority
Distribution Department
 Fiscal Year 1999/00 Budget

The Distribution Department is responsible for maintaining the distribution system (i.e., pipeline and ancillary facilities). The department is headed by the Distribution Supervisor who oversees and participates in all distribution operations and maintenance functions including system operations and maintenance, dechloramination and re-disinfections, erosion control, right of way issues, revegetation, environmental compliance and fiber optic communications.

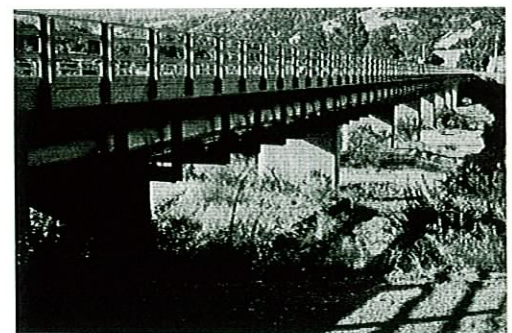


Pipeline crossing the San Andreas Fault four miles downstream of the treatment plant. The pipeline is not buried for this crossing and each section of pipe is connected with a flexible joint.

Distribution Department



The Distribution Supervisor is assisted by five (5) Technicians and an Instrumentation Technician. Together, they patrol over 131 miles of pipeline and provide operations and maintenance for 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 take weekly water quality samples from each turnout and tank for the treatment plant laboratory. The Instrumentation Technician maintains all distribution electrical, electronic, fiber optic and instrumentation systems. He also assists the Maintenance Foreman in maintaining plant electrical, electronic and fiber optic systems.



View of the pipeline suspended from the Alisal Bridge in Solvang.

Central Coast Water Authority
Distribution Department
Fiscal Year 1997/98 Budget

1998 ACCOMPLISHMENTS

Operations and Maintenance

Complete Emergency Preparedness Manual [2/98]	Done 4/98.
Deliver water to Southern California Water Company and Guadalupe turnouts [3/98]	Water deliveries commenced 8/98.
Conduct first water treatment plant and pipeline cathodic protection survey [6/98]	Done 8/98.
Complete 7 day and 90 day tests for treatment plant (including SCADA training for treatment plant and distribution O&M personnel) [5/98]	See comments regarding close-out of Polonio Pass Water Treatment Plant construction and instrumentation and control system under "Design and Construction".
Drain Reach 6 of Coastal Branch Phase II pipeline for internal inspection and repair as needed [5/98]	Completed 5/98. All previous repairs sound; no new damage found.
Complete computerized preventative maintenance system for treatment plant and pipeline [6/98]	Treatment plant system is functional. Pipeline system is in data-input stage; anticipate completing 1/99. (Database has been installed on Buellton office server and connected to the treatment plant via the fiber optic cable.)

1999 GOALS

Operations and Maintenance

- Complete computerized preventative maintenance system for pipeline [1/99]
- Complete all repairs, modifications and remedial work identified during DWR biannual inspection of Coastal Branch Phase II facilities [4/99]
- Complete Y2K (year 2000) compliance for all CCWA equipment [6/99]
- Complete O&M library containing consolidated CCWA and DWR equipment data [7/99]
- Identify and pursue all possible cost saving and quality enhancing opportunities with initial concentration on bulk chemicals, communications, electricity, overtime requirements and revegetation and erosion control [ongoing]
- Identify and pursue approaches to maximize and maintain high water quality consistent with project participants' needs [ongoing]

Central Coast Water Authority
Distribution Department
 Fiscal Year 1997/98 Budget

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

Service Efforts and Accomplishments

	Actual FY 1997/98	Estimated Actual FY 1998/99	Projected FY 1999/00
	<i>Workload</i>		
Work orders completed Distribution	1,000	1,000	1,000
	<i>Efficiency</i>		
Days out of Service Distribution	N/A	5	5
Days out of Service SCADA/communications	30	5	0
Operating cost per employee (thousands)	\$ 112	\$ 116	\$ 153
Overtime expense as a percent of the O&M budget	8.23%	4.82%	2.58%
Industrial injury lost work days	0	0	0

Central Coast Water Authority
Distribution Department
Fiscal Year 1997/98 Budget

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 CCWA 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 CCWA reaches and DWR reaches. The facilities owned by the Authority are considered CCWA reaches and those owned by DWR are considered DWR reaches.

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

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 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

Central Coast Water Authority
Distribution Department
 Fiscal Year 1997/98 Budget

The table and map on page 133 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 were derived by weighting each of the facilities within each financial reach coupled with the length and estimated personnel time to be expended by the Distribution Department personnel for operations and maintenance. The following table provides the allocation percentages for the Distribution Department operating expenses.

<i>Distribution Department Financial Reach Allocation</i>	
Financial Reach	Allocation Percentage
Reach 33B	24.11%
Reach 34	8.02%
Reach 35	9.40%
Reach 37	6.19%
Reach 38	5.43%
Mission Hills II	10.34%
Santa Ynez I	21.48%
Santa Ynez II	15.03%
	100.00%

Fixed and Variable O&M Cost Components

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

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

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

Central Coast Water Authority
Distribution Department
Fiscal Year 1997/98 Budget

Fiscal Year 1999/00 Operating Expense Budget

The Fiscal Year 1999/00 Distribution Department operating expense budget is \$1,390,387 which is \$135,387 higher than the previous year's budget of \$1,254,802 (net of Santa Ynez Exchange Agreement Modifications), an increase of 10.79%.

The personnel expense section of the Distribution Department budget represents approximately 48% of the budget. This is followed by utilities (15%) and professional services (14%) with other expenses making up the balance of the budget. The chart on page 129 shows percentage of the various components of the Distribution Department operating expense budget. Variable O&M costs are included in the supplies and equipment and utilities categories.

Personnel Expenses Personnel expenses are increasing by about \$56,000 due to (1) a salary increase effective July 1, 1999, (2) 30% of the Maintenance IC&R Technician salary and benefits allocated to the Distribution Department and (3) an increase in the temporary services budget of \$12,000 for temporary help associated with environmental monitoring.

Supplies and Equipment Supplies and equipment expenses are increasing by approximately \$21,000 due to an increase in the seed/erosion control supplies of \$17,000 and other miscellaneous account increases of \$4,000.

Repairs and Maintenance The repairs and maintenance budget is increasing by about \$13,000 due to an increase in the equipment repairs and maintenance account based on the prior year actual expenses.

Professional Services The professional services budget is increasing by \$97,120 due to an increase in the budget for environmental and erosion control work to be performed by SAIC.

Utilities The utilities budget is decreasing by about \$25,000 due to refined estimates of electrical costs at the Santa Ynez Pumping Facility.

Other Expenses The Other Expenses budget is decreasing by approximately \$31,000 due to eliminating the facilities rent expense for the Buellton office (\$48,000). This decrease is partially offset by an increase in the equipment rental account (\$4,000) and an increase in the non-capitalized equipment account (\$9,000).

Central Coast Water Authority
Distribution Department
Fiscal Year 1997/98 Budget

Non-Annual Recurring Expenses

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

FY 1999/00 Non-Annual Recurring Expenses

The FY 1999/00 Distribution Department non-annual recurring expenses total \$48,292 for the replacement of vehicles based on the Authority's ten year vehicle replacement schedule (\$44,792) and future computer replacements (\$3,500).

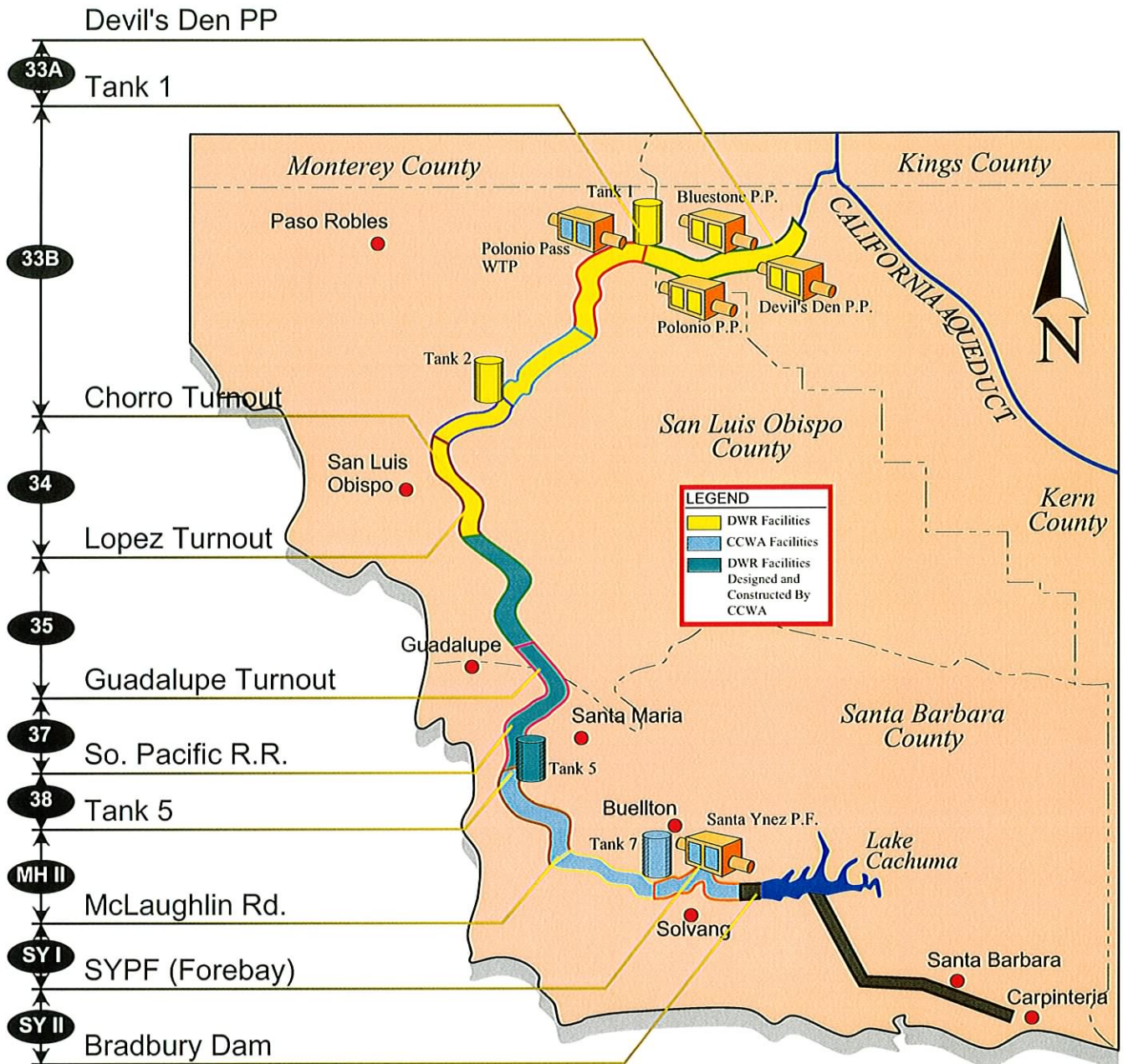
The table on page 132 shows the allocation of the FY 1999/00 non-annual recurring expenses for the Distribution Department.

Central Coast Water Authority
Distribution Department Non-Annual Recurring Expenses
 Fiscal Year 1999/00 Budget

Project Participant	WEIGHTED ENTITLEMENTS										Total		FY 1999/00 Non-Annual Recurring Expenses
	Reach 33B Entitlement	Reach 34 Entitlement	Reach 35 Entitlement	Reach 37 Entitlement	Reach 38 Entitlement	Mission Hills II Entitlement	Santa Ynez I Entitlement	Santa Ynez II Entitlement	All Reaches Entitlement	Melded Percentage	100.00%		
Allocation Percentage	24.11%	8.02%	9.40%	6.19%	5.43%	10.34%	21.48%	15.03%					
Shandon	130	-	-	-	-	-	-	-	-	-	130	0.05%	\$ 27
Chorro Valley	3,039	-	-	-	-	-	-	-	-	-	3,039	1.28%	620
Lopez	3,109	1,095	-	-	-	-	-	-	-	-	4,204	1.78%	858
Guadalupe	715	252	313	-	-	-	-	-	-	-	1,280	0.54%	261
Santa Maria	21,057	7,416	9,224	6,161	-	-	-	-	-	-	43,859	18.53%	8,947
SCWC	650	229	285	190	-	-	-	-	-	-	1,354	0.57%	276
VAFB	7,149	2,518	3,132	2,092	3,239	6,167	-	-	-	-	24,297	10.26%	4,957
Buellton	751	265	329	220	340	648	1,800	-	-	-	4,353	1.84%	888
Santa Ynez (Solvang)	1,950	687	854	570	883	1,682	4,671	-	-	-	11,297	4.77%	2,305
Santa Ynez	650	229	285	190	294	561	1,557	-	-	-	3,766	1.59%	768
Goleta	5,849	2,060	2,562	1,711	2,650	5,046	14,013	11,644	-	-	45,536	19.24%	9,290
Morehart Land	260	92	114	76	118	224	623	518	-	-	2,024	0.85%	413
La Cumbre	1,300	458	569	380	589	1,121	3,114	2,588	-	-	10,119	4.27%	2,064
Raytheon (SBRC)	65	23	28	19	29	56	156	129	-	-	506	0.21%	103
Santa Barbara	3,899	1,373	1,708	1,141	1,767	3,364	9,342	7,763	-	-	30,358	12.82%	6,193
Montecito	3,899	1,373	1,708	1,141	1,767	3,364	9,342	7,763	-	-	30,358	12.82%	6,193
Carpinteria	2,600	916	1,139	761	1,178	2,243	6,228	5,175	-	-	20,238	8.55%	4,129
TOTAL:	57,073	18,985	22,251	14,653	12,854	24,477	50,847	35,579	100.00%	100.00%	236,718	100.00%	\$ 48,292

The entitlement for each financial reach is adjusted for the weighted allocation percentage. Includes funding for vehicle replacements (\$44,792) and computer replacements (\$3,500).

COASTAL BRANCH FINANCIAL REACHES



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

Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 1999/00 Budget

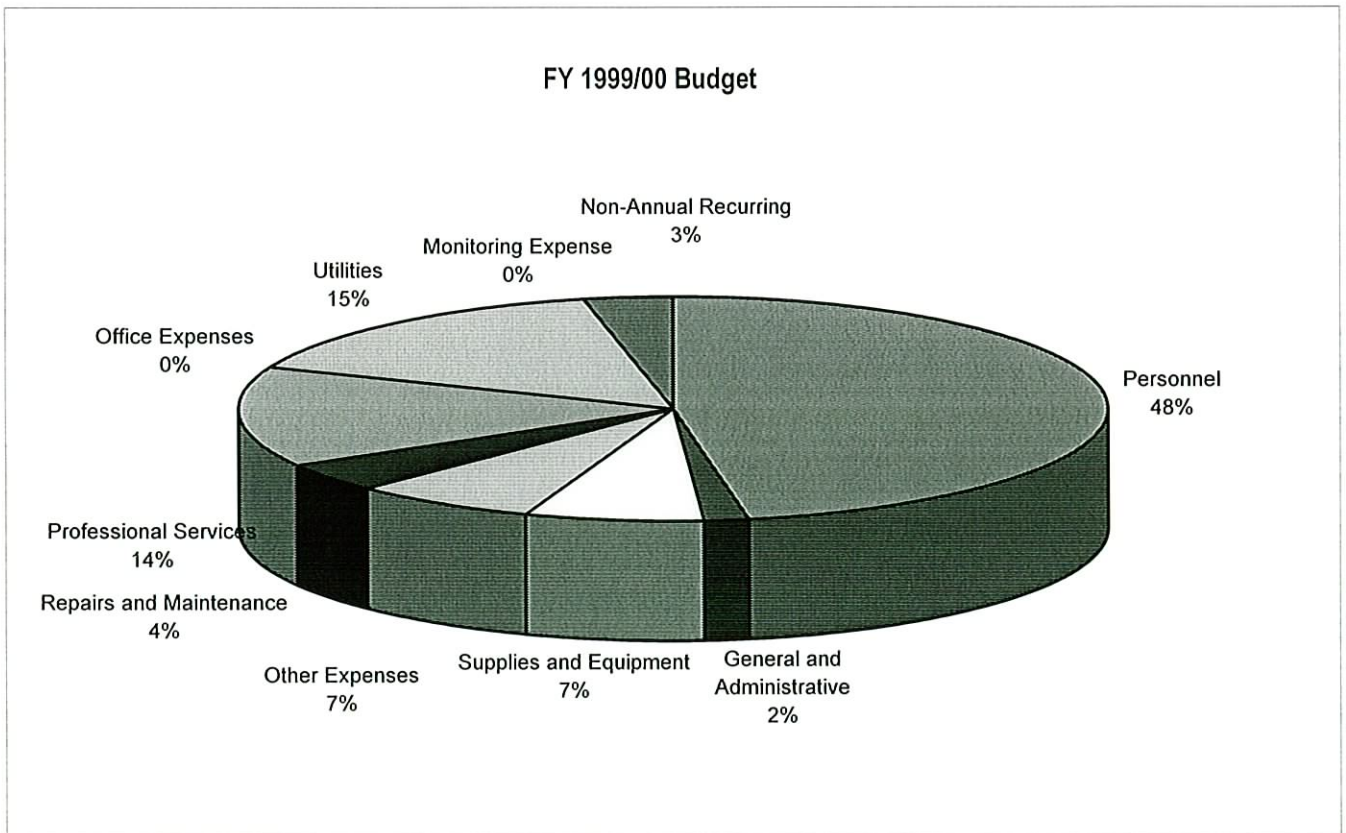
PERSONNEL COUNT SUMMARY					
Position Title	No.	No.	No.	Change	Change
	Auth.	Auth.	Requested	Over	Over
	FY 1997/98	FY 1998/99	FY 1999/00	FY 1997/98	FY 1998/99
Operations Manager	0.25	0.25	0.25	0	0
Project Engineer ⁽¹⁾	0.55	0.55	0.55	0	0
Regulatory Specialist	0	1	1	1	0
Distribution Supervisor	1	1	1	0	0
Instrumentation Technician	1	1	1	0	0
Maintenance/IC&R Technician	0	0	0.30	0.30	0.30
Distribution Technician	5	5	5	0	0
TOTAL:	7.8	8.8	9.1	1.3	0.3

PERSONNEL WAGE SUMMARY				
Position Title	Position Classification	Maximum Monthly Salary	FY 1998/99	
			Current Salary	
Operations Manager	26	\$ 8,363	\$ 20,701	
Project Engineer	23	\$ 7,106	\$ 39,331	
Regulatory Specialist	17	\$ 5,130	\$ 56,014	
Distribution Supervisor	19	\$ 5,719	\$ 55,099	
Instrumentation Technician	16	\$ 4,859	\$ 57,075	
Maintenance/IC&R Technician	14	\$ 4,359	\$ 12,000	
Distribution Technicians	14	\$ 4,359	\$ 216,341	
FY 1999/00 Salary Pool			\$ 23,442	
TOTAL:			\$ 480,003	

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

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 1999/00 Budget

Item	FY 1999/00 Budget
Personnel	\$ 680,379
Office Expenses	\$ 2,200
Supplies and Equipment	\$ 95,662
Monitoring Expenses	\$ 500
Repairs and Maintenance	\$ 58,380
Professional Services	\$ 207,320
General and Administrative	\$ 23,400
Utilities	\$ 222,450
Other Expenses	\$ 99,898
Non-Annual Recurring	\$ 48,292
TOTAL:	\$ 1,438,481



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
PERSONNEL EXPENSES								
5000.10	Full-Time Regular Wages	\$ 366,730	\$ 348,812	\$ 441,737	\$ 400,835	\$ 480,003	\$ 38,266	8.66%
5000.20	Overtime	36,673	71,875	33,130	49,302	36,000	2,870	8.66%
5000.40	Standby Pay	-	3,770	4,500	5,932	6,000	1,500	33.33%
5000.50	Shift Differential Pay	-	1,043	-	-	-	-	N/A
5100.10	PERS Retirement	52,853	50,655	67,586	65,288	66,308	(1,278)	-1.89%
5100.15	Medicare Taxes	5,849	6,223	6,886	6,673	7,482	596	8.66%
5100.20	Health Insurance	37,584	32,078	38,305	40,581	41,697	3,392	8.86%
5100.25	Workers' Compensation	12,213	9,091	13,862	12,397	10,158	(3,704)	-26.72%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	-	-	-	-	-	-	N/A
5100.40	Cafeteria Plan Benefits	7,800	2,669	2,641	2,621	2,797	156	5.91%
5100.45	Dental/Vision Plan	2,677	7,684	9,438	10,108	10,125	687	7.28%
5100.50	Long-Term Disability	1,733	2,649	3,225	2,617	2,928	(297)	-9.21%
5100.55	Life Insurance	910	1,702	1,778	1,763	2,542	764	42.94%
5100.60	Employee Physicals	-	259	1,040	1,370	1,040	-	0.00%
5000.30	Temporary Services	-	-	-	-	12,000	12,000	N/A
5100.70	Safety Incentive Program	-	-	-	-	800	800	N/A
5100.75	Sick Leave Cashout Program	-	-	-	-	-	-	N/A
5100.65	Employee Education Reimbursement	1,000	119	500	-	500	-	0.00%
Total Personnel Expenses:		526,022	538,629	624,628	599,488	680,379	55,751	8.93%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Change from FY 1998/99 Budget	Percent
<u>OFFICE EXPENSES</u>									
5200.10	Administrative Costs	-	5,000	-	-	-	-	-	N/A
5200.20	Office Supplies	1,000	1,880	1,200	2,177	1,200	-	-	0.00%
5200.30	Misc. Office Expenses	-	-	1,000	1,074	1,000	-	-	0.00%
Total Office Expenses:		1,000	6,880	2,200	3,251	2,200	-	-	0.00%

<u>SUPPLIES AND EQUIPMENT</u>									
5500.10	Uniform Expenses	10,155	4,447	4,020	4,418	5,892	1,872	46.57%	
5500.15	Minor Tools and Equipment	2,000	11,981	8,000	11,077	8,000	-	0.00%	
5500.20	Spare Parts	-	1,379	20,000	14,373	20,000	-	0.00%	
5500.25	Landscape Equip. and Supplies	2,400	1,133	1,500	574	2,500	1,000	66.67%	
5500.30	Chemicals-Fixed	5,000	194	-	-	-	-	N/A	
5500.31	Chemicals-Variable	-	-	5,000	-	2,520	(2,480)	-49.60%	
5500.35	Maintenance Supplies/Hardware	5,000	9,538	10,000	8,429	10,000	-	0.00%	
5500.40	Safety Supplies	5,000	4,882	5,000	3,717	6,000	1,000	20.00%	
5500.45	Fuel and Lubricants	12,700	15,811	15,000	17,001	18,250	3,250	21.67%	
5500.50	Seed/Erosion Control Supplies	5,000	1,969	5,000	16,931	22,000	17,000	340.00%	
5500.55	Backflow Prevention Supplies	2,500	-	1,000	-	500	(500)	-50.00%	
Total Supplies and Equipment:		49,755	51,334	74,520	76,520	95,662	21,142	28.37%	

<u>MONITORING EXPENSES</u>									
5600.10	Lab Supplies	2,000	178	1,000	-	-	(1,000)	-100.00%	
5600.20	Lab Tools and Equipment	3,000	-	1,000	-	500	(500)	-50.00%	
5600.30	Lab Testing	-	-	-	-	-	-	N/A	
Total Monitoring Expenses:		5,000	178	2,000	-	500	(1,500)	-75.00%	

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Change from FY 1998/99 Budget	Percent
<u>REPAIRS AND MAINTENANCE</u>									
5700.10	Equipment Repairs and Maint.	58,750	24,939	30,000	40,026	40,000	10,000	33.33%	
5700.20	Vehicle Repairs and Maint.	9,000	6,492	9,000	11,845	11,000	2,000	22.22%	
5700.30	Building Maintenance	5,000	1,510	5,000	1,525	5,000	-	0.00%	
5700.40	Landscape Maintenance	1,000	1,579	1,000	-	2,380	1,380	138.00%	
Total Repairs and Maintenance:		73,750	34,520	45,000	53,396	58,380	13,380	29.73%	

<u>PROFESSIONAL SERVICES</u>									
5400.10	Professional Services	35,200	3,108	35,200	46,400	183,320	148,120	420.80%	
5400.20	Legal Services	-	7,285	-	75,973	-	-	N/A	
5400.30	Engineering Services	5,000	-	10,000	-	10,000	-	0.00%	
5400.40	Permits	2,000	1,514	5,000	-	2,500	(2,500)	-50.00%	
5400.50	Non-Contractual Services	105,000	6,500	60,000	5,180	11,500	(48,500)	-80.83%	
5400.60	Accounting Services	-	-	-	-	-	-	N/A	
5400.70	Payroll Service	-	-	-	-	-	-	N/A	
Total Professional Services:		147,200	18,407	110,200	127,553	207,320	97,120	88.13%	

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	5,000	1,748	7,000	4,480	9,000	2,000	28.57%
5300.20	Mileage Reimbursement	500	213	500	-	500	-	0.00%
5300.30	Dues and Memberships	500	369	750	623	1,000	250	33.33%
5300.40	Publications	1,000	999	1,000	213	500	(500)	-50.00%
5300.50	Training	2,500	2,012	7,500	8,721	12,000	4,500	60.00%
5300.60	Advertising	500	-	200	-	200	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	1,500	383	500	12	200	(300)	-60.00%
Total General and Administrative:		11,500	5,724	17,450	14,049	23,400	5,950	34.10%

<u>UTILITIES</u>								
5800.10	Other Utilities	-	-	-	-	-	-	N/A
5800.20	Natural Gas	-	403	600	253	400	(200)	-33.33%
5800.30	Electric Fixed	146,762	49,150	51,900	21,046	24,900	(27,000)	-52.02%
5800.35	Electric-Variable	36,690	31,544	180,200	-	180,200	-	0.00%
5800.40	Water	2,400	896	1,200	951	1,200	-	0.00%
5800.50	Telephone	12,000	26,430	12,000	36,353	15,000	3,000	25.00%
5800.60	Waste Disposal	500	637	1,500	291	750	(750)	-50.00%
Total Utilities:		198,352	109,060	247,400	58,893	222,450	(24,950)	-10.08%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Change From FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
<u>OTHER EXPENSES</u>									
5900.10	Insurance	29,564	41,429	36,491	36,491	36,491	-	-	0.00%
5900.20	Insurance Claim Deductibles	-	-	-	-	-	-	-	N/A
5900.30	Facilities Rent	36,564	47,024	47,808	19,527	-	(47,808)	(47,808)	-100.00%
5900.40	Equipment Rental	8,000	3,363	8,000	6,922	12,000	4,000	4,000	50.00%
5900.50	Non-Capitalized Equipment	6,000	3,116	6,000	23,521	15,000	9,000	9,000	150.00%
5900.60	Computer Expenses	2,500	2,010	2,500	4,027	2,500	-	-	0.00%
5900.70	Appropriated Contingency	61,543	12,107	30,605	-	33,907	3,302	3,302	10.79%
	Total Other Expenses:	144,171	109,049	131,404	90,488	99,898	(31,506)	(31,506)	-23.98%
	TOTAL OPERATING EXPENSES	\$ 1,156,750	\$ 873,781	\$ 1,254,802	\$ 1,023,638	\$ 1,390,189	135,387	135,387	10.79%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 1999/00 Administration/O&M Budget

Account Number	Account Name	FY 1997/98 Budget	FY 1997/98 Actual	FY 1998/99 Budget	FY 1998/99 Estimated Actual	FY 1999/00 Budget	Change From FY 1998/99 Budget	Percent Change from FY 1998/99 Budget
	Pipeline Fixed Costs	1,156,750	873,781	1,069,562	1,023,638	\$ 1,207,469	137,907	12.89%
	Total Pipeline Fixed:	1,156,750	873,781	1,069,562	1,023,638	\$ 1,207,469	137,907	12.89%
SYII	SYPS Chemical Costs-Inc in WTP					\$ -	-	N/A
SYII	SY Pump Station Electrical Costs			180,200	-	\$ 180,200	-	0.00%
SYI	Pipeline Chemical Costs			720	-	\$ 360	(360)	-50.00%
MH	Pipeline Chemical Costs			720	-	\$ 360	(360)	-50.00%
33-B	Pipeline Chemical Costs			720	-	\$ 360	(360)	-50.00%
34	Pipeline Chemical Costs			720	-	\$ 360	(360)	-50.00%
35	Pipeline Chemical Costs			720	-	\$ 360	(360)	-50.00%
37	Pipeline Chemical Costs			720	-	\$ 360	(360)	-50.00%
38	Pipeline Chemical Costs			720	-	\$ 360	(360)	-50.00%
	Subtotal:	-	-	185,240	-	\$ 182,720	-	0.00%
	TOTAL EXPENSES:	1,156,750	873,781	1,254,802	1,023,638	\$ 1,390,189	137,907	10.99%

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes proposed \$23,442 salary pool.

FY 99/00 Requested Budget	480,003
FY 98/99 Estimated Actual	400,835
Increase (Decrease)	79,167

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 99/00 Requested Budget	36,000
FY 98/99 Estimated Actual	49,302
Increase (Decrease)	(13,302)

Overtime is set at 7.50% of salaries for FY 99/00 due to SCADA implementation. Future overtime will be set at 5% of salaries.

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Distribution Department.

FY 99/00 Requested Budget	12,000
FY 98/99 Estimated Actual	-
Increase (Decrease)	12,000

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Standby Pay

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

FY 99/00 Requested Budget	6,000
FY 98/99 Estimated Actual	5,932
Increase (Decrease)	68

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Not anticipated.

FY 99/00 Requested Budget	-
FY 98/99 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

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

Based on a 15.3% contribution rate for FY 98/99

Includes one new full-time position, Regulatory Specialist.

FY 99/00 Requested Budget	66,308
FY 98/99 Estimated Actual	65,288
Increase (Decrease)	1,019

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

Description: Funds for the employer portion of Medicare taxes for the Distribution department. Amount is equal to 1.45% of regular and overtime wages.

Includes one new full-time position, Regulatory Specialist.

FY 99/00 Requested Budget	7,482
FY 98/99 Estimated Actual	6,673
Increase (Decrease)	809

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan limits for each employee based on their dependent status as follows:

Family: \$5,100

Emp+1: \$3,720

Emp: \$1,860

FY 99/00 Requested Budget	41,697
FY 98/99 Estimated Actual	40,581
Increase (Decrease)	1,117

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Distribution Department. Assumes the same rate as the previous fiscal year of \$2.65 per \$100 of covered wages for water works employees with an X-Mod rate of 85%.

FY 99/00 Requested Budget	10,158
FY 98/99 Estimated Actual	12,397
Increase (Decrease)	(2,239)

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 employee's based on each employee's benefit election.

FY 99/00 Requested Budget	2,797
FY 98/99 Estimated Actual	2,621
Increase (Decrease)	176

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

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

FY 99/00 Requested Budget	10,125
FY 98/99 Estimated Actual	10,108
Increase (Decrease)	17

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$.61 per \$100 of covered payroll.

FY 99/00 Requested Budget	2,928
FY 98/99 Estimated Actual	2,617
Increase (Decrease)	311

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 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 employees annual salary to a maximum of \$100,000.

FY 99/00 Requested Budget	2,542
FY 98/99 Estimated Actual	1,763
Increase (Decrease)	778

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

Description: Funds for employee physicals paid by CCWA.

Employees using self contained breathing apparatus are required to have a yearly physical.
8 @ \$130 \$1,040

FY 99/00 Requested Budget	1,040
FY 98/99 Estimated Actual	1,370
Increase (Decrease)	(330)

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 99/00 Requested Budget	500
FY 98/99 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5100.70

ACCOUNT TITLE: Safety Incentive Program

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

FY 99/00 Requested Budget	800
FY 98/99 Estimated Actual	-
Increase (Decrease)	800

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department. Based on \$100 per month in office supply expenses.

FY 99/00 Requested Budget	1,200
FY 98/99 Estimated Actual	2,177
Increase (Decrease)	(977)

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 99/00 Requested Budget	1,000
FY 98/99 Estimated Actual	1,074
Increase (Decrease)	(74)

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 99/00 Requested Budget	5,892
FY 98/99 Estimated Actual	4,418
Increase (Decrease)	1,474

Uniform Service @ \$316/month.	\$3,792
Blue jean purch. @ \$100/year for 8employees	\$ 800
Boot purch. @ \$125/yr for 8 employees	\$ 1,000
Misc. uniform requirements (jackets, etc.)	\$ 300
TOTAL:	\$ 5,892

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 99/00 Requested Budget	8,000
FY 98/99 Estimated Actual	11,077
Increase (Decrease)	(3,077)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Funds for rebuilding equipment and to maintain spare parts inventory.

FY 99/00 Requested Budget	20,000
FY 98/99 Estimated Actual	14,373
Increase (Decrease)	5,627

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 99/00 Requested Budget	2,500
FY 98/99 Estimated Actual	574
Increase (Decrease)	1,926

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Funds for the purchase of chemicals for the Distribution Department such as chlorine, ammonia and sodium thiosulfite.

FY 99/00 Requested Budget	2,520
FY 98/99 Estimated Actual	-
Increase (Decrease)	2,520

\$	360	Santa Ynez I
\$	360	Mission Hills II
\$	1,800	DWR Reaches 33-B to 38 equally
\$	2,520	TOTAL

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 99/00 Requested Budget	10,000
FY 98/99 Estimated Actual	8,429
Increase (Decrease)	1,571

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

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. Distribution will also hydrotest all compressed air tanks this fiscal year.

FY 99/00 Requested Budget	6,000
FY 98/99 Estimated Actual	3,717
Increase (Decrease)	2,283

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 99/00 Requested Budget	18,250
FY 98/99 Estimated Actual	17,001
Increase (Decrease)	1,249

Vehicles	\$	14,000
Emergency Generator Sets	\$	2,000
Lubricants	\$	1,500
Miscellaneous	\$	750
TOTAL	\$	18,250

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 99/00 Requested Budget	22,000
FY 98/99 Estimated Actual	16,931
Increase (Decrease)	5,069

Seed	\$	3,000
Plants & planting mtl	\$	16,000
Erosion control	\$	3,000
TOTAL	\$	22,000

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 99/00 Requested Budget	500
FY 98/99 Estimated Actual	-
Increase (Decrease)	500

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

Description: Lab supplies for field testing at pump station, tanks and turnouts.

FY 99/00 Requested Budget	-
FY 98/99 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5600.20

ACCOUNT TITLE: Laboratory Tools and Equipment

Description: Lab equipment for field testing at pump station, tanks and turnouts.

FY 99/00 Requested Budget	500
FY 98/99 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 99/00 Requested Budget	40,000
FY 98/99 Estimated Actual	40,026
Increase (Decrease)	(26)

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 99/00 Requested Budget	11,000
FY 98/99 Estimated Actual	11,845
Increase (Decrease)	(845)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 99/00 Requested Budget	5,000
FY 98/99 Estimated Actual	1,525
Increase (Decrease)	3,475

Janitorial	\$	2,500
Misc. Repairs	\$	2,500
Total	\$	5,000

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

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

FY 99/00 Requested Budget	2,380
FY 98/99 Estimated Actual	-
Increase (Decrease)	2,380

SYPF @ \$50/ month	\$	600
BAO @ \$90/month	\$	1,080
SYPF spring mowing	\$	700
TOTAL	\$	2,380

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

Environmental Svcs	\$	142,000
I&C	\$	14,000
Security	\$	1,320
Cathodic protection	\$	20,000
Oil analysis	\$	500
Aerial survey	\$	1,500
Miscellaneous	\$	4,000
TOTAL	\$	183,320

FY 99/00 Requested Budget	183,320
FY 98/99 Estimated Actual	46,400
Increase (Decrease)	136,920

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services

FY 99/00 Requested Budget	10,000
FY 98/99 Estimated Actual	-
Increase (Decrease)	10,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 99/00 Requested Budget	2,500
FY 98/99 Estimated Actual	-
Increase (Decrease)	2,500

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

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

FY 99/00 Requested Budget	11,500
FY 98/99 Estimated Actual	5,180
Increase (Decrease)	6,320

\$	5,000	Emergency Generator & Equipment Service
\$	1,500	PM software service contract
\$	5,000	Electrical repair service
\$	11,500	

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meeting and Travel

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

FY 99/00 Requested Budget	9,000
FY 98/99 Estimated Actual	4,480
Increase (Decrease)	4,520

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 99/00 Requested Budget	500
FY 98/99 Estimated Actual	-
Increase (Decrease)	500

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

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

FY 99/00 Requested Budget	1,000
FY 98/99 Estimated Actual	623
Increase (Decrease)	378

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 99/00 Requested Budget	500
FY 98/99 Estimated Actual	213
Increase (Decrease)	287

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 99/00 Requested Budget	12,000
FY 98/99 Estimated Actual	8,721
Increase (Decrease)	3,279

1500 x 8 = \$ 12,000

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 99/00 Requested Budget	200
FY 98/99 Estimated Actual	-
Increase (Decrease)	200

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5300.70

ACCOUNT TITLE: Printing and Binding

Description:

Account not funded for FY 97/98.

FY 99/00 Requested Budget	-
FY 98/99 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

Description:

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

FY 99/00 Requested Budget	200
FY 98/99 Estimated Actual	12
Increase (Decrease)	188

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description:

Funds for natural gas service for the Distribution Department.

FY 99/00 Requested Budget	400
FY 98/99 Estimated Actual	253
Increase (Decrease)	147

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description:

Funds for electrical service for the Distribution Dept.

FY 99/00 Requested Budget	24,900
FY 98/99 Estimated Actual	21,046
Increase (Decrease)	3,854

Suite B & C @\$300/month	\$	3,600
9 Turnouts @\$300	\$	2,700
4 Iso vaults@\$300	\$	1,200
2 Tanks @\$200/month	\$	2,400
11 Rectifiers @\$250/month for all	\$	3,000
EDV @\$300/month	\$	3,600
Pump Station @\$700/month	\$	8,400
TOTAL	\$	24,900

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

Pump Station @\$180,200 \$ 180,200

FY 99/00 Requested Budget	180,200
FY 98/99 Estimated Actual	-
Increase (Decrease)	180,200

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 99/00 Requested Budget	1,200
FY 98/99 Estimated Actual	951
Increase (Decrease)	249

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 99/00 Requested Budget	15,000
FY 98/99 Estimated Actual	36,353
Increase (Decrease)	(21,353)

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 99/00 Requested Budget	750
FY 98/99 Estimated Actual	291
Increase (Decrease)	459

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 99/00 Requested Budget	36,491
FY 98/99 Estimated Actual	36,491
Increase (Decrease)	-

\$	15,491	Property & Auto Insurance as apportioned by JPIA.
\$	21,000	General Liability & E&O insurance pro rated by salary percentages.
\$	36,491	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Facilities Rent

Description: _____

FY 99/00 Requested Budget	-
FY 98/99 Estimated Actual	19,527
Increase (Decrease)	(19,527)

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

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

FY 99/00 Requested Budget	12,000
FY 98/99 Estimated Actual	6,922
Increase (Decrease)	5,078

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized fixed asset (equipment) purchases.

FY 99/00 Requested Budget	15,000
FY 98/99 Estimated Actual	23,521
Increase (Decrease)	(8,521)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION DEPARTMENT FY 1999/00 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 99/00 Requested Budget	2,500
FY 98/99 Estimated Actual	4,027
Increase (Decrease)	(1,527)

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.5% of requested budget.

FY 99/00 Requested Budget	33,907
FY 98/99 Estimated Actual	-
Increase (Decrease)	33,907



Central Coast Water Authority
Non-Operating Expenses
Fiscal Year 1999/00 Budget

The Non-Operating Expenses section of the Authority budget includes all expenditures which are not expressly associated with the day-to-day operations of the Authority. The non-operating expenses section of the budget is separated into three (3) sections: capital improvements, debt management and reserves.

Capital Improvements These expenditures are for major fixed asset purchases as well as cost accumulation of construction projects undertaken by the Authority. In order for expenditures to be classified as capital items, they must meet the Generally Accepted Accounting Principles (GAAP) guidelines for capital expenditures.

The Authority uses a minimum \$1,000 asset purchase price to qualify for capitalization for fixed asset purchases. Fixed asset purchases under \$1,000 are expensed in the operating expense section of the budget.

The Authority depreciates its fixed assets between five and 50 years based on a straight line basis. Depreciation expense is not included in the budget because it is a non-cash item.

Debt Management This section of the non-operating expense budget provides funding for the principal and interest payments on the 1996 revenue bond issue.

Reserves The reserve balances are not actually expenditures of cash. However, for budgetary purposes, payments to reserve funds are treated as cash payments. These payments are made to cash reserves for future use by the Authority.



Central Coast Water Authority
Capital Improvements
Fiscal Year 1999/00 Budget

The Capital Improvements section is a component of the non-operating expense section of the budget. The CIP (Capital Improvements Projects) budget includes expenses for fixed asset/equipment purchases as well as the accumulation of expenses associated with construction projects undertaken by the Authority. The total CIP budget for FY 1999/00 is \$132,391.

There are two (2) sections to the CIP budget: (1) **New Facilities and Equipment** and (2) **Equipment Replacement and Repair**.

New Facilities and Equipment (NFE) This section of the CIP budget provides funding for new purchases of facilities and equipment needed by the Authority. These purchases are generally for items which the Authority does not already have.

For FY 1999/00 the NFE budget is \$132,391. The budgeted expenditures for NFE are listed below.

Pressure Washer	\$1,684
Chlorine Regulator and Valve System	\$20,205
Aluminum Skiff	\$898
Variable Speed Drive Unit	\$3,368
Safety Stair System for Bulk Chemical Tanks	\$2,806
Computer	\$2,806
Building and Site Improvements	\$12,600
Portable Emergency Generator	\$28,062
Mobile Hydraulic Valve Actuator	<u>\$8,980</u>
CIP Funded from FY 1999/00 Assessments	\$81,409
Sedan	\$13,205
Small Four Wheel Drive Pickup	\$15,327
Mini Van	<u>\$22,450</u>
CIP Funded from Non-Annual Recurring Expense Deposits	\$50,982
TOTAL NFE BUDGET:	\$132,391

Equipment Replacement and Repair This section of the CIP budget provides funding for the repair and replacement of existing facilities and equipment. Since the Authority facilities are relatively new, there are no budgeted expenditures for replacement and repairs.

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 improvements budget.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 1999/00 Budget

Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. There are no carry-over capital improvement projects for FY 1999/00.

Future Capital Needs

The future capital needs of the Authority for the next five years are expected to be relatively small in nature because all facilities and equipment are new.

Funding of Capital Improvements Expenditures

All capital expenditures for FY 1999/00 will be paid as a component of the fixed assessments for FY 1999/00 except for the vehicle purchases which are funded from the non-annual recurring expense deposits.

The following table shows the allocation of FY 1999/00 capital improvements by department.

<i>FY 1999/00 Capital Improvements</i>				
Capital Improvements	Water Treatment			Total
	Administration	Plant	Distribution	
<u>Assessment Funded CIP</u>				
Pressure Washer	\$	1,684.00		\$ 1,684.00
Chlorine Regulator		20,205		20,205
Aluminum Skiff		898		898
Variable Speed Drive Unit		3,368		3,368
Safety Stair System		2,806		2,806
Computer		2,806		2,806
Building and Site Improvements		12,600		12,600
Portable Emergency Generator			28,062	28,062
Mobile Hydraulic Valve Actuator			8,980	8,980
Subtotal:	-	44,367	37,042	81,409
<u>Non-Annual Recurring Expense Funded CIP</u>				
Sedan			13,205	13,205
Small Four Wheel Drive Pickup			15,327	15,327
Mini Van		22,450		22,450
Subtotal:	-	22,450	28,532	50,982
TOTAL CIP	\$	-	\$	\$
		66,817	65,574	132,391

Central Coast Water Authority
Capital Improvements
Fiscal Year 1999/00 Budget

State Water Project Construction Project

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills Extension, a buried pipeline approximately 13 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 30 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.

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 has a capacity of 43 million gallons per day, and 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
Capital Improvements
Fiscal Year 1999/00 Budget

Fiscal Year 1999/00 CIP Budget

Description: ***Pressure Washer***

Department: Water Treatment Plant

Expanded Description: Equipment used to clean the walls of the filters and other basins. The annual accumulation of algae on the walls of the filters and basins is time consuming and difficult to remove. This equipment will significantly reduce the labor time required for these activities.

Estimated Charge \$1,500

Sales Tax \$ 109

Contingency (5%) \$ 75

Total Cost: \$1,684

Funding Source: FY 1999/00 Fixed Administration Operating Assessments.

Operating Budget Impact: This equipment will reduce labor costs and minimize time in confined space areas.

Description: ***Chlorine Regulator and Valve System***

Department: Water Treatment Plant

Expanded Description: This equipment will provide a safe shutdown system for the plants eight manifolded chlorine cylinders in the event of an earthquake

Estimated Charge \$18,000

Sales Tax \$ 1,305

Contingency (5%) \$ 900

Total Cost: \$20,205

Funding Source: FY 1999/00 Fixed Administration Operating Assessments.

Operating Budget Impact: Reduce the likelihood of an extremely hazardous chemical release during a catastrophic seismic event.

Central Coast Water Authority
Capital Improvements
Fiscal Year 1999/00 Budget

Description: **Aluminum Skiff**
Department: Water Treatment Plant
Expanded Description: Equipment will be used to enter full reservoirs and basins to make repairs to equipment and structures.

Estimated Charge \$800
Sales Tax \$ 58
Contingency (5%) \$ 40

Total Cost: \$898

Funding Source: FY 1999/00 Fixed Administration Operation Assessments.

Operating Budget Impact: Allow maintenance of tanks and basins without dewatering, thus saving time and labor.

Description: **Variable Speed Drive Unit**

Department: Water Treatment Plant

Expanded Description: Equipment will be used to control the sludge decant water volume as it is returned to the head of the treatment plant. The amount of decant water returned at low overall plant flows is too variable and at too high a flow making effective treatment difficult.

Estimated Charge \$3,000
Sales Tax \$ 218
Contingency (5%) \$ 150

Total Cost: \$3,368

Funding Source: FY 1999/00 Fixed Administration Operation Assessments.

Operating Budget Impact: None but will allow significantly better control of water quality during low flow periods.

Central Coast Water Authority
Capital Improvements
Fiscal Year 1999/00 Budget

Description: **Safety Stair System for Bulk Chemical Tanks**

Department: Water Treatment Plant

Expanded Description: Rolling stair system will allow safe access to the top of the bulk chemical tanks for equipment repairs and maintenance. It may also be used to access other difficult to reach spaces.

Estimated Charge	\$2,500
Sales Tax	\$ 181
Contingency (5%)	\$ 125

Total Cost: \$2,806

Funding Source: FY 1999/00 Fixed Administration Operating Assessments

Operating Budget Impact: Less setup time to safely work in elevated areas.

Description: **Computer**

Department: Water Treatment Plant

Expanded Description: 233 megahertz Pentium II computer to run preventive maintenance program, access email, write reports, etc. for Maintenance Technicians.

Estimated Charge	\$2,500
Sales Tax	\$ 181
Contingency (5%)	\$ 125

Total Cost: \$2,806

Funding Source: FY 1999/00 Fixed Administration Operating Assessments.

Operating Budget Impact: Maintenance Technicians do not currently have access to preventive maintenance software. Daily inputs to system must be done by supervision or clerical staff.

Central Coast Water Authority
Capital Improvements
Fiscal Year 1999/00 Budget

Description: **Building and Site Improvements**

Department: Water Treatment Plant

Expanded Description: Concrete improvements around the equalization basins to facilitate maintenance during wet weather. Restroom for maintenance level of the operations building. Treated water sample line and pump system between the treated water tank exit vault and the laboratory.

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

Total Cost: \$12,600

Funding Source: FY 1999/00 Fixed Administration Operating Assessments.

Operating Budget Impact: Improved maintenance and operations efficiency.

Description: **Portable Emergency Generator**

Department: Distribution

Expanded Description: Equipment would be used to provide emergency power at the Santa Ynez Pumping Facility, Buellton office or other CCWA facility requiring power during an extended outage.

Estimated Charge \$25,000
Sales Tax \$ 1,812
Contingency (5%) \$ 1,250

Total Cost: \$28,062

Funding Source: FY 1999/00 Fixed Administration Operating Assessments

Operating Budget Impact: Will keep certain critical facilities operable during a power outage.

Central Coast Water Authority
Capital Improvements
Fiscal Year 1999/00 Budget

Description: **Mobile Hydraulic Valve Actuator**

Department: Distribution

Expanded Description: Equipment will be used to operate large valves at the treatment plant, Energy Dissipation Vault, Guadalupe major blowoff, Santa Maria turnout, Tank 5, Tank 7 and the Santa Ynez Pumping Facility when normal hydraulic systems fail.

Estimated Charge \$8,000

Sales Tax \$ 580

Contingency (5%) \$ 400

Total Cost: \$8,980

Funding Source: FY 1999/00 Fixed administration Operating Assessments.

Operating Budget Impact: Will allow staff to operate large hydraulically actuated valves in a power outage emergency or major hydraulic failure.

Description: **Sedan**

Department: Distribution

Expanded Description: Equipment will replace the Ford Explorer currently used by the Operations Manager.

Estimated Charge \$11,000 (cost of vehicle minus trade in value)

Sales Tax \$ 1,305 (based on full \$18,000 price of vehicle)

Contingency (5%) \$ 900 (based on full \$18,000 price of vehicle)

Total Cost: \$13,205

Funding Source: Nonrecurring Annual Expense Reserve fund.

Operating Budget Impact: Vehicle replacement for vehicles over 100,000 miles.

Central Coast Water Authority
Capital Improvements
Fiscal Year 1999/00 Budget

Description: **Small Four Wheel Drive Pickup**

Department: Distribution

Expanded Description: Equipment will replace the small four wheel drive pickup currently used by Distribution.

Estimated Charge \$13,000 (cost of vehicle minus trade in value)
Sales Tax \$ 1,377 (based on full \$19,000 price of vehicle)
Contingency (5%) \$ 950 (based on full \$19,000 price of vehicle)

Total Cost: \$15,327

Funding Source: Nonrecurring Annual Expense Reserve fund.

Operating Budget Impact: Vehicle replacement for vehicles over 100,000 miles.

Description: **Mini Van**

Department: Water Treatment Plant

Expanded Description: Equipment will be used by the Maintenance/Instrumentation Calibration and Repair Technician.

Estimated Charge \$20,000
Sales Tax \$ 1,450
Contingency (5%) \$ 1,000

Total Cost: \$22,450

Funding Source: Nonrecurring Annual Expense Reserve fund.

Operating Budget Impact: Vehicle will allow Maint./IC&R Tech. service equipment along the pipeline.

Central Coast Water Authority
Revenue Bond and Capital Deposit Retention Schedule
 Fiscal Year 1999/00 Budget

Construction Contracts	Project	Allocation	Original Budget	Expenditures June 98 to January 1999	Estimated Costs to Complete
Applied Earthworks	Environmental	Pipeline All	\$ 26,771	1,146	23,191
CH2M Hill	Consulting	Pipeline All	22,000	1,786	-
Essex Environmental	Environmental	Pipeline All	21,007	1,655	684
Hopkins Technical Service	Dechlor Trailers	Pipeline All	6,367	-	6,367
Montgomery Watson	CCWA Reaches	Pipeline All	307,642	133,690	154,549
Penfield & Smith	Engineering	Pipeline All	44,000	34,912	9,088
Penfield & Smith	Retreatment Analysis	Pipeline All	30,000	-	20,000
SAIC	Environmental	Pipeline All	176,368	28,725	147,643
Other			-	19,492	-
Subtotal Schedule ABC:			634,154	221,406	361,521

Financial Reach	Percentage	Allocation			
Mission Hills II	28.1289%	178,381	62,279	101,692	
Santa Ynez I	58.3604%	370,095	129,213	210,985	
Santa Ynez II	13.5107%	85,678	29,913	48,844	
	100.0000%	\$ 634,154	\$ 221,406	\$ 361,521	

Guadalupe Turnout

Systems Integrated	SCADA-Retention	Guadalupe TO	634	-	-
Other			-	6,981	-

Mission Hills II

C. Sanchez & Sons	CCWA Retention	Mission Hills II	1,025	159	-
Native Sons Nursery/S&S	Plants/Seeds/Planting	Mission Hills II	22,000	1,349	20,651
Burton Mesa Mitigation Reserve			108,000	-	108,000
Other			-	10,948	-
Subtotal Mission Hills II:			131,025	12,456	128,651

Santa Maria Turnout

Systems Integrated	SCADA-Retention	Santa Maria TO	3,802	-	-
Other			-	-	-
			3,802	-	-

Santa Ynez I

C. Sanchez & Sons	Erosion Control	Santa Ynez I	23,419	25,735	-
Lopes-Tenant of Sterpa	ROW Restoration	Santa Ynez I	9,990	9,990	-
Gardner Ranch	Property Settlement	Santa Ynez I	50,000	-	50,000
Other			-	32,992	-
Subtotal Santa Ynez I:			83,409	68,717	50,000

Santa Ynez II

C. Sanchez & Sons	CCWA Retention	Santa Ynez II	455	346	-
P.C. Mechanical	Pump Station-Pump Coating	Santa Ynez II	16,337	16,337	-
Systems Integrated	SCADA-Retention	Santa Ynez II	4,436	-	-
Other			-	9,359	-
Subtotal Santa Ynez II:			21,228	26,042	-

Central Coast Water Authority
Revenue Bond and Capital Deposit Retention Schedule
 Fiscal Year 1999/00 Budget

Construction Contracts	Project	Allocation	Original Budget	Expenditures June 98 to January 1999	Estimated Costs to Complete
<u>SCWC Turnout</u>					
Montgomery Watson	So Cal Wtr Turnout	So Cal Wtr TO	4,400	3,979	421
Various	So Cal Wtr Turnout	So Cal Wtr TO	11,000	8,501	2,499
Systems Integrated	SCADA-Retention	So Cal Wtr TO	3,802	-	-
Other			-	-	-
Subtotal SCWC TO:			19,202	12,480	2,920
<u>VAFB Local Facilities</u>					
Hopkins Technical Service	Dechlor Trailers	VAFB	87,269	(4,076)	-
Penfield & Smith	Engineering	VAFB	379,077	59,132	254,147
Valley Engineers	VAFB	VAFB	199,104	37,259	143,744
Other			-	-	-
Subtotal VAFB:			665,450	92,315	397,891
<u>Water Treatment Plant</u>					
Hensel Phelps	Water Treatment Plant	WTP	49,881	-	-
Montgomery Watson	CCWA Reaches	WTP	257,354	87,740	-
Various	WTP Electrical Assessment	WTP	50,000	27,216	22,784
Various	Truck & Equipment	WTP	25,000	42,135	-
Various	Furniture	WTP	46,000	-	15,000
Various	Administration Building	WTP	2,000,000	824,533	200,000
Various	WTP Electrical Modifications	WTP	-	-	50,000
Various	SCADA System	WTP	300,000	40,748	291,176
Systems Integrated	SCADA	WTP	83,241	-	-
Other			-	(9,058)	-
Subtotal WTP:			2,811,477	1,013,314	578,960
TOTAL CONSTRUCTION PROJECTS & OTHER ITEMS:			\$ 4,370,379	1,453,711	1,519,944
<u>Local Projects</u>					
Guadalupe			355,765	355,765	(0)
<u>SLO County Local Projects</u>					
Karleskint-Crum	Retention Payment		8,000	8,000	-
SLO County Flood Control	Capitalized Staff Costs		59,000	-	-
Systems Integrated	SCADA	SLO County	44,000	-	-
Various	Dechlor Trailers		83,000	-	-
Various	Storage Improvements-CMC		100,000	-	-
Various	Lopez System Improvements		100,000	-	-
Other			-	-	142,000
Subtotal SLO County			394,000	8,000	142,000
Total Local Project Funds			749,765	363,765	142,000
TOTAL BOND FUND AND CAPITAL DEPOSIT RETENTION:			\$ 5,120,144	1,817,476	1,661,944



Central Coast Water Authority
Debt Management
Fiscal Year 1999/00 Budget

Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain of the Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

Central Coast Water Authority
Debt Management
Fiscal Year 1999/00 Budget

Security for the Bonds Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments with respect to the project to the Authority. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated November 1, 1996 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "1996 Revenue Bond Debt Service Schedule" in this section*).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

Arbitrage Rebate Liability

As of June 30, 1998, the arbitrage rebate liability for the 1996 Revenue Bonds was \$1,502 and funds were transferred to the rebate fund held by the Bond Trustee for this liability.

The five-year rebate calculation for the 1992 Revenues Bonds indicate a negative rebate liability of (\$5,546,174). No additional rebate calculations will be performed on the 1992 bonds as a result of this negative rebate liability.

Central Coast Water Authority
Debt Management
Fiscal Year 1999/00 Budget

Construction Project Close Out and Final Reconciliation

On June 25, 1998, the Authority declared the construction project complete. In conjunction with declaring the project complete, a reconciliation of all construction expenditures and the corresponding allocation of costs to each financial reach was performed and the Project Closeout Report was prepared. Additionally, funds were retained from the construction fund and the local project fund based on estimates of future project expenditures to fully complete the remaining construction items.

Amended debt service amortization schedules were prepared for each financing participant based on the actual construction expenditures, financed local facilities and capitalized interest elections by the financing participants. The "1996 Revenue Bond Distribution Schedule, Series A" found on page 176 from the Project Closeout Report, provides a summary of the Series A principal and interest allocation to each financing participant.

As part of the project cost reconciliation and debt service amortization process, a reconciliation of actual debt service payments to those calculated in the Project Closeout Report was prepared. Corresponding credits were identified and granted to each financing participant. These credits are being applied against FY 1999/00 CCWA assessments or used pursuant to the financing participant's directions. Credits for the San Luis Obispo County financing participants were remitted in cash to San Luis Obispo County during FY 1998/99.

A final reconciliation of all costs estimated to be incurred after the project was declared complete and actual costs incurred will be prepared during FY 1999/00. Amended debt service amortization schedules will be prepared for each financing participant. These changes are estimated to result in minor adjustments to the debt service amortization schedules.

Fiscal Year 1999/00 Debt Service Budget

For FY 1999/00, total Series A principal payments is \$2,775,000 and total interest due is \$8,447,925, totaling \$11,222,925. This amount is partially offset by the following:

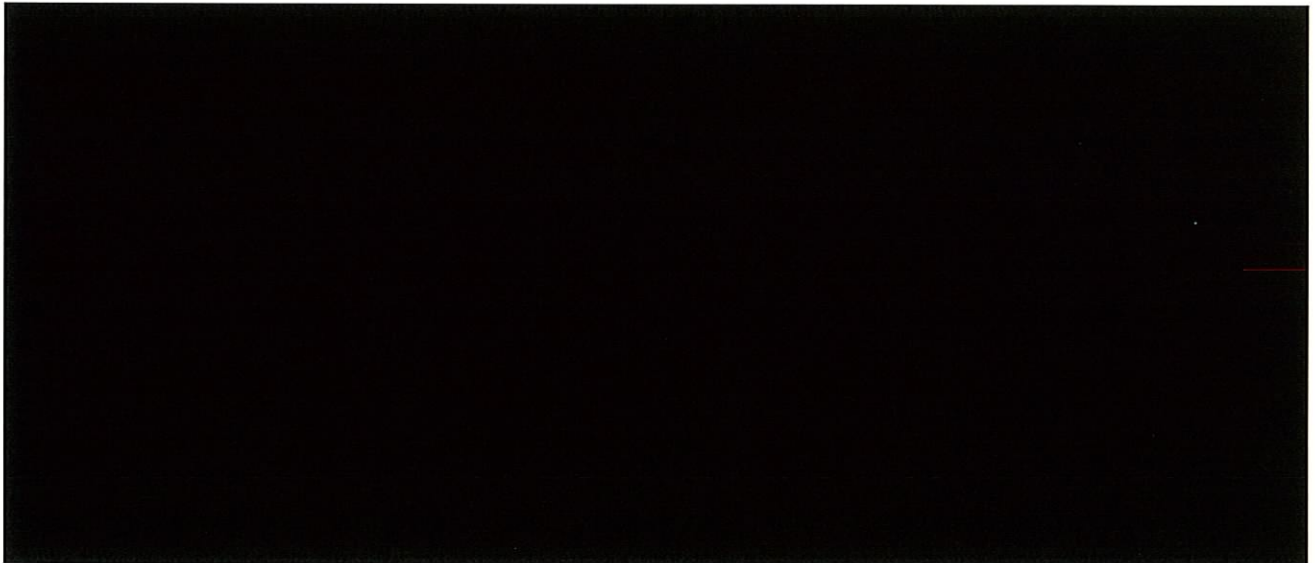
- Capitalized Interest Fund Payments Pursuant to the Indenture of Trust for the 1996 Revenue Bonds, the Authority may pay interest payments with bond fund investment earnings up to one year after the project is declared complete (June 25, 1999) on an accrual basis.

When the project was declared complete, funds were retained in the construction and local project funds for future project expenditures. Actual expenditures have been less than projected. Therefore, the excess funds will be used to pay a portion of the October 1, 1999 Series A interest payment for all financing participants.

Central Coast Water Authority
Debt Management
Fiscal Year 1999/00 Budget

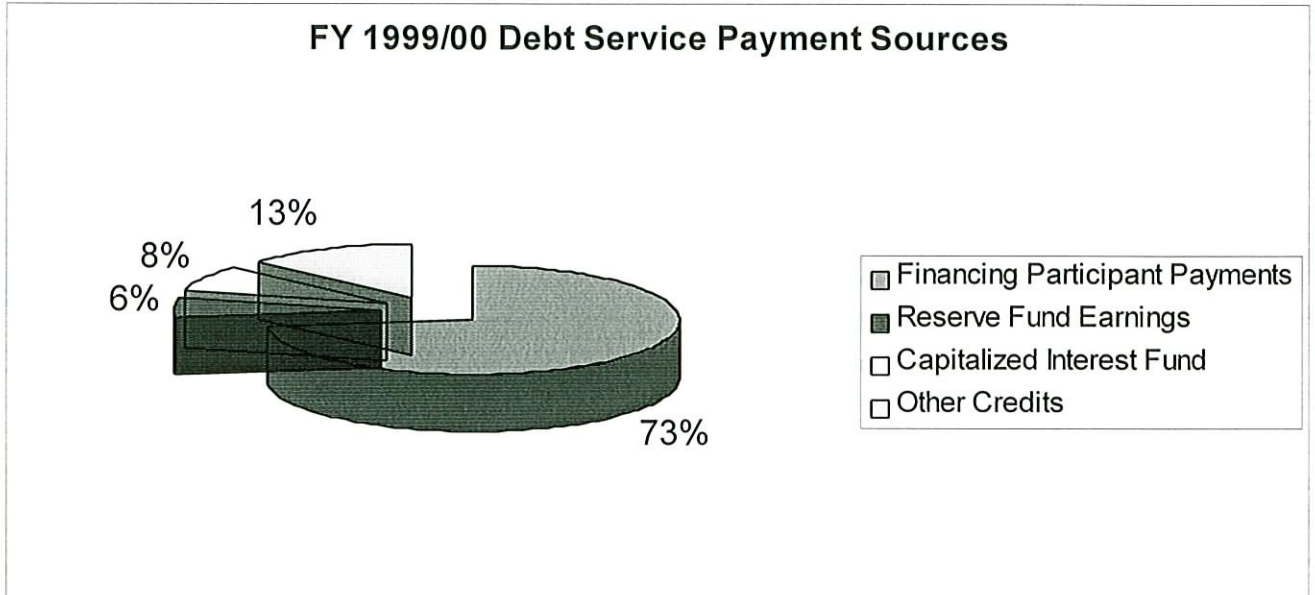
- Reserve Fund Interest Income The 1996 Revenue Bond Reserve Fund was previously invested in United States Treasury Notes. During FY 1998/99, these investments were sold at a gain of \$881,000. A collateralized guaranteed investment contract was secured for the reserve requirement in the amount of \$12,758,750 at an interest rate of 5.47%, which exactly equals the restricted rate on the CCWA bonds. The guaranteed investment contract pays interest semi-annually on April 1st and October 1st in the amount of \$348,952. Total reserve fund interest income for FY 1999/00 is \$697,903.
- Excess Reserve Fund Balance and Other Credits The gain realized on the sale of the United States Treasury Notes discussed above is being applied against FY 1999/00 debt service assessments. An additional \$340,000 from interest payments on the United States Treasury notes and other miscellaneous credits in the amount of \$54,000 are also being applied against the FY 1999/00 debt service assessments. Excess reserve fund balance and other credits total \$1,486,659 for FY 1999/00.

The following chart breaks out the total principal and interest payments for Fiscal Year 1999/00.



Central Coast Water Authority
Debt Management
Fiscal Year 1999/00 Budget

The following chart shows the sources of cash for the FY 1999/00 debt service payments.



The table on the following page shows the principal and interest payments for each financing participant for FY 1999/00 and the various credits discussed above.

Central Coast Water Authority
1996 Revenue Bond Series A Debt Service Payments
 Fiscal Year 1999/00 Budget

Financing Participant	FY 1999/00 Series A (10/1/99) Principal Payment	FY 1999/00 Series A (10/1/99) Interest Payment	FY 1999/00 Series A (4/1/00) Interest Payment	Capitalized Interest (10/1/99) Payment (1)	Reserve Fund Interest Earnings (2)	Excess Reserve Fund Balance and Other Credits (3)	FY 1999/00 Total Payments
Avila Beach	\$ 4,780	\$ 5,377	\$ 5,281	\$ (1,107)	\$ (887)	\$ (1,889)	\$ 11,556
California Men's Colony	40,466	45,516	44,707	(9,369)	(7,506)	(15,988)	97,827
County of SLO	43,103	48,482	47,620	(9,980)	(7,995)	(17,030)	104,201
Cuesta College	20,235	22,760	22,355	(4,685)	(3,753)	(7,995)	48,917
Morro Bay	251,534	282,924	277,893	(58,238)	(46,654)	(99,381)	608,077
Oceano	35,014	39,383	38,683	(8,107)	(6,494)	(13,834)	84,644
Pismo Beach	57,810	65,092	63,935	(13,399)	(10,734)	(22,865)	139,840
Shandon	4,542	5,109	5,018	(1,052)	(842)	(1,795)	10,981
Guadalupe	55,642	62,585	61,473	(12,883)	(10,320)	(21,984)	134,512
Buellton	98,544	110,842	108,871	(22,816)	(18,278)	(38,935)	238,228
Santa Ynez (Solvang)	88,912	297,569	295,791	(60,460)	(48,434)	(103,172)	470,206
Santa Ynez	33,291	111,417	110,751	(22,637)	(18,135)	(38,630)	176,056
Goleta	952,300	1,071,074	1,052,029	(220,475)	(176,620)	(376,231)	2,302,078
Morehart Land	4,671	45,165	45,072	(9,162)	(7,340)	(15,635)	62,772
La Cumbre	22,369	216,303	215,856	(43,878)	(35,150)	(74,876)	300,624
Raytheon (SBRC)	9,163	10,306	10,123	(2,121)	(1,699)	(3,620)	22,151
Santa Barbara	585,622	658,705	646,992	(135,591)	(108,620)	(231,380)	1,415,728
Montecito	73,472	710,462	708,992	(144,120)	(115,453)	(245,935)	987,418
Carpinteria	393,531	442,642	434,771	(91,115)	(72,991)	(155,485)	951,352
TOTAL:	\$ 2,775,000	\$ 4,251,713	\$ 4,196,212	\$ (871,195)	\$ (697,904)	\$ (1,486,659)	\$ 8,167,168

Notes:

- (1) Capitalized interest credits for the 10/1/99 Series A interest payment. Source of funds is the unused construction fund and local project fund monies retained when the project was declared complete in June 1998.
- (2) Represents interest on the reserve fund guaranteed investment contract (GIC). Calculated using a par amount of \$12,758,750 at an interest rate of 5.47% for one year. Payments made semi-annually on April 1st and October 1st.
- (3) Represents credit (i) \$881,000 gain realized on the sale of the U.S. Treasury notes previously held in the reserve fund \$881,000; (ii) \$553,000 excess reserve fund balance and (iii) \$53,000 miscellaneous other credits.

Source: CCWA Project Closeout Report, October 1998.

Central Coast Water Authority
1996 Revenue Bond Distribution Schedule
Series A
Project Closeout Report

Financing Participant	Series A Principal	Series A Interest	TOTAL
<u>LEVEL DEBT SERVICE</u>			
Avila Beach CSD	\$ 219,286	\$ 180,794	\$ 400,080
California Men's Colony	1,856,355	1,530,503	3,386,858
County of SLO	1,977,305	1,630,222	3,607,528
Cuesta College	928,246	765,308	1,693,555
City of Morro Bay	11,538,823	9,513,375	21,052,197
Oceano CSD	1,606,208	1,324,265	2,930,472
City of Pismo Beach	2,654,727	2,188,734	4,843,461
Shandon	208,367	171,792	380,159
City of Buellton	4,520,603	3,727,086	8,247,690
Carpinteria Valley Water District	18,052,797	14,883,929	32,936,727
City of Guadalupe	2,552,497	2,104,449	4,656,946
Goleta Water District	43,682,936	36,015,123	79,698,059
Santa Barbara Research Center	420,333	346,550	766,883
City of Santa Barbara	26,864,766	22,149,104	49,013,870
Total Level Debt Service:	\$ 117,083,250	\$ 96,531,234	\$ 213,614,484
<u>ESCALATING DEBT SERVICE</u>			
La Cumbre Mutual Water Co.	\$ 8,737,771	\$ 7,725,642	\$ 16,463,414
Montecito Water District	28,699,777	25,375,372	54,075,149
Morehart Land Co.	1,824,502	1,613,163	3,437,665
Total Escalating Debt Service:	\$ 39,262,050	\$ 34,714,178	\$ 73,976,228
<u>STEP-UP DEBT SERVICE</u>			
City of Solvang	\$ 12,128,507	\$ 11,031,811	\$ 23,160,318
Santa Ynez ID #1	4,541,193	4,130,565	8,671,758
Total Step-Up Debt Service:	\$ 16,669,700	\$ 15,162,376	\$ 31,832,076
TOTAL DEBT SERVICE:	\$ 173,015,000	\$ 146,407,788	\$ 319,422,788

Central Coast Water Authority
1996 Revenue Bond Debt Service Schedule
Series A

Debt Service Date	Interest Rate	Sinking Fund Payment	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Yr Debt Service (Cash)
4/1/97				3,625,760	173,015,000	3,625,760
10/1/97	4.000%		2,420,000	4,350,913	170,595,000	
4/1/98				4,302,513	170,595,000	11,073,425
10/1/98	4.000%		2,540,000	4,302,513	168,055,000	
4/1/99				4,251,713	168,055,000	11,094,225
10/1/99	4.000%		2,775,000	4,251,713	165,280,000	
4/1/00				4,196,213	165,280,000	11,222,925
						FY 1999/00
10/1/00	4.200%		3,010,000	4,196,213	162,270,000	
4/1/01				4,133,003	162,270,000	11,339,215
10/1/01	4.375%		3,270,000	4,133,003	159,000,000	
4/1/02				4,061,471	159,000,000	11,464,474
10/1/02	4.500%		3,535,000	4,061,471	155,465,000	
4/1/03				3,981,934	155,465,000	11,578,405
10/1/03	4.600%		3,830,000	3,981,934	151,635,000	
4/1/04				3,893,844	151,635,000	11,705,778
10/1/04	6.000%		4,135,000	3,893,844	147,500,000	
4/1/05				3,769,794	147,500,000	11,798,638
10/1/05	6.000%		4,515,000	3,769,794	142,985,000	
4/1/06				3,634,344	142,985,000	11,919,138
10/1/06	6.000%		4,915,000	3,634,344	138,070,000	
4/1/07				3,486,894	138,070,000	12,036,238
10/1/07	5.000%		5,775,000	3,486,894	132,295,000	
4/1/08				3,342,519	132,295,000	12,604,413
10/1/08	6.000%		6,065,000	3,342,519	126,230,000	
4/1/09				3,160,569	126,230,000	12,568,088
10/1/09	5.150%		6,425,000	3,160,569	119,805,000	
4/1/10				2,995,125	119,805,000	12,580,694
10/1/10	5.000%		6,760,000	2,995,125	113,045,000	
4/1/11				2,826,125	113,045,000	12,581,250
10/1/11	5.000%		7,095,000	2,826,125	105,950,000	
4/1/12				2,648,750	105,950,000	12,569,875
10/1/12	5.000%		7,455,000	2,648,750	98,495,000	
4/1/13				2,462,375	98,495,000	12,566,125
10/1/13	5.000%		7,830,000	2,462,375	90,665,000	
4/1/14				2,266,625	90,665,000	12,559,000
10/1/14	5.000%	8,225,000		2,266,625	82,440,000	
4/1/15				2,061,000	82,440,000	12,552,625
10/1/15	5.000%	8,630,000		2,061,000	73,810,000	
4/1/16				1,845,250	73,810,000	12,536,250
10/1/16	5.000%	9,065,000		1,845,250	64,745,000	
4/1/17				1,618,625	64,745,000	12,528,875
10/1/17	5.000%	9,515,000		1,618,625	55,230,000	
4/1/18				1,380,750	55,230,000	12,514,375
10/1/18	5.000%	9,995,000		1,380,750	45,235,000	

Central Coast Water Authority
1996 Revenue Bond Debt Service Schedule
Series A

Debt Service Date	Interest Rate	Sinking Fund Payment	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Yr Debt Service (Cash)
4/1/19				1,130,875	45,235,000	12,506,625
10/1/19	5.000%	10,495,000		1,130,875	34,740,000	
4/1/20				868,500	34,740,000	12,494,375
10/1/20	5.000%	11,020,000		868,500	23,720,000	
4/1/21				593,000	23,720,000	12,481,500
10/1/21	5.000%	11,570,000		593,000	12,150,000	
4/1/22				303,750	12,150,000	12,466,750
10/1/22	5.000%	12,150,000		303,750	-	12,453,750
		90,665,000	82,350,000	146,407,788		319,422,788



Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 1999/00 Budget

Operating Reserve Policy

At the December 18, 1997 Board meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Operations and Maintenance Reserve Fund

Purpose: The O&M Reserve Fund is intended to provide a mechanism for CCWA to immediately undertake unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each CCWA Contractor shall maintain on deposit with CCWA 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 CCWA Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by CCWA on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, CCWA shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty (60) days of the CCWA notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit to each CCWA Contractor with respect to that Contractor's June 1 payment to CCWA, 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 1999/00 Budget

Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgements. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

Operations and Maintenance Reserve Fund

Project Participant	Entitlement	% of Entitlement	Operating Reserve
City of Buellton	578	1.48%	\$ 29,582
Carpinteria Valley Water District	2,000	5.12%	102,359
Goleta Water District	4,500	11.52%	230,309
City of Guadalupe	550	1.41%	28,149
La Cumbre Mutual Water Company	1,000	2.56%	51,180
Montecito Water District	3,000	7.68%	153,539
Morehart Land Company	200	0.51%	10,236
City of Santa Barbara	3,000	7.68%	153,539
Raytheon (SBRC)	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
Southern California Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
TOTAL	39,078	100.00%	2,000,000

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 1999/00 Budget

Rate Coverage Reserve Fund

At the December 18, 1998 Board meeting, the Board of Directors also adopted the "Rate Coverage Reserve Fund" policy.

Purpose: The Rate Fund is intended to provide a mechanism to allow CCWA 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, a CCWA Contractor which has elected to participate in the Rate Fund shall maintain on deposit with CCWA 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 CCWA on behalf of the Contractor as of the date of the Fund's creation. In each subsequent year, CCWA shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty (60) days of the CCWA 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 CCWA Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the CCWA 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 1999/00 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 CCWA 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 January 31, 1999. Participation in the fund for FY 1999/00 is not yet known. Prior to June 30, 1999, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 1999/00.

FY 1998/99 Rate Coverage Reserve Fund

Project Participant	FY 1998/99 Deposit
City of Buellton	\$ 207,427
Carpinteria Valley Water District	784,108
Goleta Water District	1,588,532
City of Guadalupe	152,922
La Cumbre Mutual Water Company	327,155
Montecito Water District	897,999
City of Santa Maria	3,358,668
Santa Ynez, RWCD, I.D. #1	324,998
TOTAL:	\$ 7,641,809

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 1999/00 Budget

Cash Management

All cash balances presented in this document exclude cash balances held as deposits for project participants. Additionally, the effect of other accounts receivables and payables have been added or subtracted from the cash balance to show the cash balances as if all receivables and payables had been received or paid.

It is the Authority's policy to refund unexpended operating assessments and investment income on the general fund after the close of each fiscal year. Therefore, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

Cash Components

The Authority's cash balances are comprised of the following:

- **Operating Expense Assessments** Cash amounts collected from the project participants for operating expense assessments. These cash balances are held in the Authority demand deposit bank accounts and the California Local Agency Investment Fund.
- **Pass-Through Expenses** Cash amounts collected from the project participants for payment to the Department of Water Resources and Warren Act charges paid to the U.S. Bureau of Reclamation. These balances are held in a custodial account and invested in accordance with the Authority's investment policy with maturities corresponding to the anticipated payment date on the expenses.
- **Debt Service Payments** Cash amounts collected from the financing participants for payment on the 1996 revenue bonds. These balances are held in a custodial account and invested in accordance with the Authority's investment policy with maturities corresponding to the debt service payment dates on the 1996 revenue bonds.
- **Construction Fund** Bond proceeds from the 1996 revenue bond issue used to construct the Authority facilities. These funds are held in trust by the Trustee on the bond issue and invested by the Authority's Treasurer in accordance with the bond indenture and the Authority Investment Policy.



Central Coast Water Authority
Four Year Financial Plan
Fiscal Year 1999/00 Budget

The four year financial plan is prepared in conjunction with the fiscal year budget and has four primary purposes as follows:

- Allocation of the CCWA fixed and variable O&M expenses to each of the project participants.
- Calculation and allocation of the Regional Water Treatment Plant Allocation (*see the Appendix for further information*).
- Calculation and allocation of the Santa Ynez Exchange Agreement modifications (*see the Appendix for further information*).
- Calculation of the four year pro forma State water cost projections for all project participants.

The following formulas show the method used in calculating the CCWA operating expense allocation by project participant.

CCWA Fixed Charges

	Gross (unadjusted) CCWA operating expenses allocated on an entitlement basis within financial reach.
Plus:	Regional WTP fixed allocation to all Santa Barbara County project participants.
Minus:	Regional WTP fixed credit back to the Santa Barbara County South Coast project participants.
Plus:	Santa Ynez Exchange Agreement capital modifications (South Coast project participants and Santa Ynez only).
Plus:	Santa Ynez Exchange Agreement fixed O&M modifications (South Coast project participants and Santa Ynez only).
Equals:	Net CCWA Fixed charges.

CCWA Variable O&M Charges

	Gross (unadjusted CCWA chemical and power costs allocated in proportion to deliveries within financial reach.
Plus:	Gross (unadjusted) Warren Act and Trust Fund charges (South Coast project participants only).
Plus:	Regional WTP Variable O&M Allocation (all Santa Barbara County project participants requesting State water).
Minus:	Regional WTP Variable O&M credit back to the Santa Barbara County South Coast project participants requesting State water.
Plus:	Santa Ynez Exchange Agreement WTP modifications (Santa Barbara County South Coast project participants and Santa Ynez only).
Minus:	Santa Ynez Exchange Agreement Warren Act and Trust Fund modifications (Santa Barbara County South Coast project participants and Santa Ynez only).
Plus/Minus:	Santa Ynez Exchange Agreement Santa Ynez Pumping Facility electrical cost modifications (Santa Barbara County South Coast project participants and Santa Ynez only).
Equals:	Net CCWA Variable O&M Charges.

Central Coast Water Authority
Projected Water Deliveries
 Four Year Financial Plan

Project Participant	Fiscal Year Water Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				Calendar Year Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				
	FY 1999/00	FY 2000/01	FY 2001/02	FY 2002/03	1999	2000	2001	2002	2003
Shandon	-	-	-	-	-	-	-	-	-
Chorro Valley	2,274	2,331	2,331	2,338	2,338	2,338	2,339	2,338	2,338
Lopez	1,626	1,681	1,736	1,793	1,601	1,656	1,712	1,783	1,805
Guadalupe	605	605	605	605	605	605	605	605	605
Santa Maria	15,777	16,134	16,495	16,865	15,612	15,963	16,322	16,689	17,058
SCWC	319	374	423	474	290	350	400	450	500
VAFB	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050
Buellton	578	578	578	578	578	578	578	578	578
Santa Ynez (Solvang)	0	0	0	0	-	-	-	-	-
Santa Ynez	750	700	700	700	700	700	700	700	700
Goleta	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Morehart Land	88	108	122	139	75	100	115	130	150
La Cumbre	400	487	600	600	400	400	600	600	600
Raytheon (SBRC)	55	55	55	55	55	55	55	55	55
Santa Barbara	0	0	0	0	-	-	-	-	-
Montecito	317	572	619	691	150	550	600	650	700
Carpinteria	610	725	850	975	600	700	800	900	1,000
TOTAL:	33,949	34,900	35,664	36,363	33,554	34,545	35,376	36,028	36,639

Central Coast Water Authority
Total Charges-All Participants
 Four Year Financial Plan Charges

Entitlement			43,908
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 1999/00	35,074	-	35,074
FY 2000/01	35,650	-	35,650
FY 2001/02	36,414	-	36,414
FY 2002/03	37,113	-	37,113

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 1999/00	\$ 3,090,708	\$ 1,110,377	\$ (1,110,377)	\$ -	\$ -	\$ -	\$ -	\$ 897,913	\$ 3,988,621
FY 2000/01	3,982,274	1,149,202	(1,149,202)	-	-	-	-	10,641,566	14,623,840
FY 2001/02	4,112,316	1,169,240	(1,169,240)	-	-	-	-	10,766,866	14,879,181
FY 2002/03	4,236,035	1,181,211	(1,181,211)	-	-	-	-	10,880,751	15,116,786

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

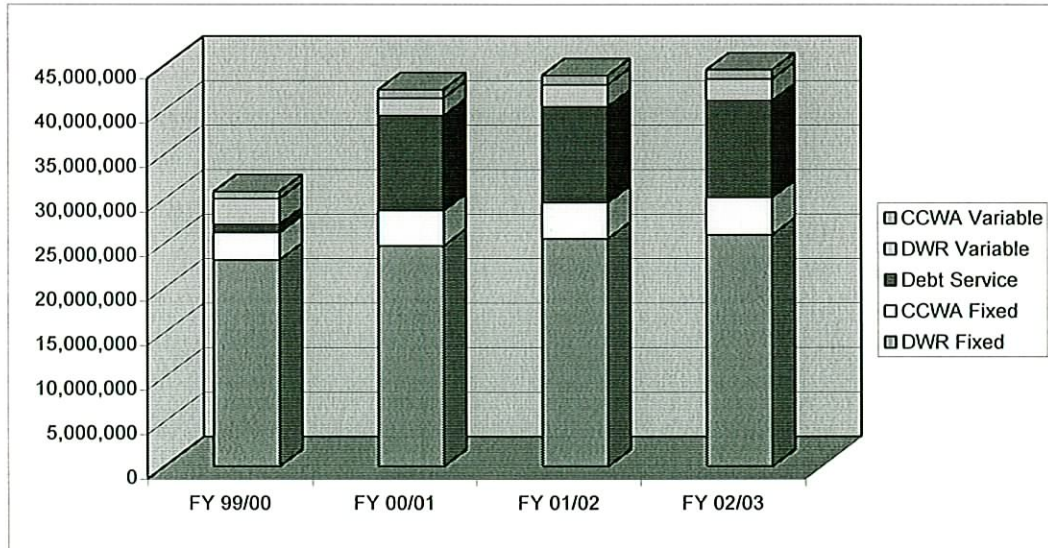
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 778,626	\$ 346,260	\$ 54,593	\$ (54,593)	\$ 0	\$ -	\$ (160,950)	\$ (156,512)	\$ 807,424
FY 2000/01	864,444	373,926	68,064	(68,064)	0	-	(149,640)	(127,302)	961,428
FY 2001/02	900,252	391,268	75,448	(75,448)	0	-	(149,640)	(124,375)	1,017,505
FY 2002/03	930,037	403,680	81,664	(81,664)	0	-	(149,640)	(124,235)	1,059,841

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR		Total SWP Charges
				Fixed	Variable O&M		Fixed	Variable O&M	
FY 1999/00	\$ 23,172,883	\$ 2,903,317	\$ 26,076,200	\$ 3,090,708	\$ 807,424	\$ 897,913	\$ 23,172,883	\$ 2,903,317	\$ 30,871,786
FY 2000/01	24,756,828	2,005,215	26,762,042	3,982,274	961,428	10,641,566	24,756,828	2,005,215	42,347,310
FY 2001/02	25,533,715	2,478,874	28,012,589	4,112,316	1,017,505	10,766,866	25,533,715	2,478,874	43,909,275
FY 2002/03	25,965,167	2,434,619	28,399,786	4,236,035	1,059,841	10,880,751	25,965,167	2,434,619	44,576,413

(3) Net of DWR account interest income.



Central Coast Water Authority
Total Charges Santa Barbara County Project Participants
 Four Year Financial Plan Charges

Entitlement				39,078
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	31,174	-	31,174	
FY 2000/01	31,638	-	31,638	
FY 2001/02	32,347	-	32,347	
FY 2002/03	32,982	-	32,982	

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 1999/00	\$ 2,706,257	\$ 1,110,377	\$ (1,110,377)	\$ -	\$ -	\$ -	\$ -	\$ 0	\$ 2,706,257
FY 2000/01	3,754,289	1,149,202	(1,149,202)	-	-	-	-	9,250,063	13,004,352
FY 2001/02	3,877,828	1,169,240	(1,169,240)	-	-	-	-	9,376,185	13,254,013
FY 2002/03	3,994,774	1,181,211	(1,181,211)	-	-	-	-	9,490,867	13,485,641

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

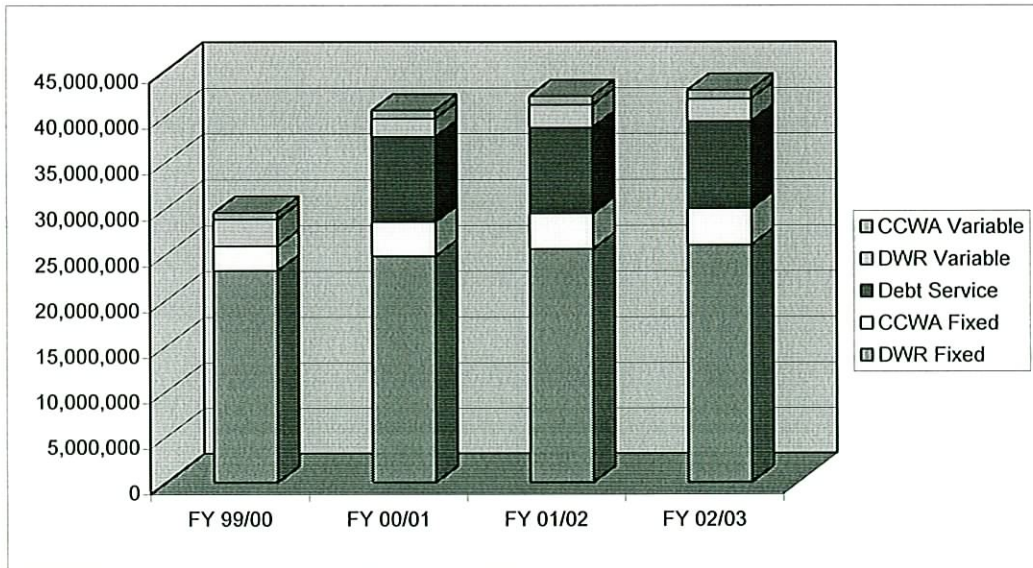
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 720,469	\$ 346,260	\$ 54,593	\$ (54,593)	\$ 0	\$ -	\$ (160,950)	\$ (156,512)	\$ 749,267
FY 2000/01	802,822	373,926	68,064	(68,064)	0	-	(149,640)	(127,302)	899,806
FY 2001/02	835,911	391,268	75,448	(75,448)	0	-	(149,640)	(124,375)	953,164
FY 2002/03	862,723	403,680	81,664	(81,664)	0	-	(149,640)	(124,235)	992,527

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR		Total SWP Charges
				Fixed	Variable O&M		Fixed	Variable O&M	
FY 1999/00	\$ 23,172,883	\$ 2,903,317	\$ 26,076,200	\$ 2,706,257	\$ 749,267	\$ 0	\$ 23,172,883	\$ 2,903,317	\$ 29,531,725
FY 2000/01	24,756,828	2,005,215	26,762,042	3,754,289	899,806	9,250,063	24,756,828	2,005,215	40,666,200
FY 2001/02	25,533,715	2,478,874	28,012,589	3,877,828	953,164	9,376,185	25,533,715	2,478,874	42,219,766
FY 2002/03	25,965,167	2,434,619	28,399,786	3,994,774	992,527	9,490,867	25,965,167	2,434,619	42,877,954

(3) Net of DWR account interest income.





Central Coast Water Authority
Shandon
 Four Year Financial Plan Charges

Entitlement				100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	-	-	-	
FY 2000/01	-	-	-	
FY 2001/02	-	-	-	
FY 2002/03	-	-	-	

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 1999/00	\$ 4,448							\$ 10,571	\$ 15,019
FY 2000/01	4,586							13,819	18,405
FY 2001/02	4,715							13,810	18,525
FY 2002/03	4,850							13,802	18,652

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

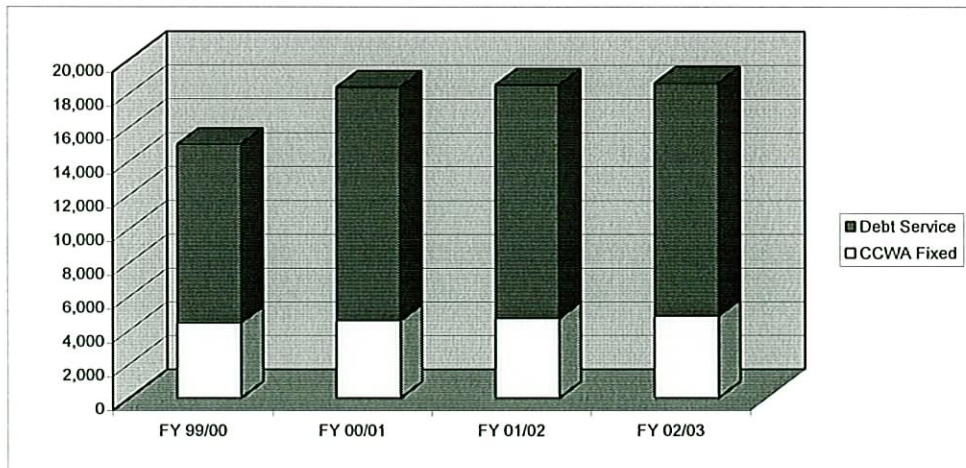
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	-								-
FY 2000/01	-								-
FY 2001/02	-								-
FY 2002/03	-								-

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 1999/00			\$ -	\$ 4,448	\$ -	\$ 10,571	\$ -	\$ -	\$ 15,019
FY 2000/01			-	4,586	-	13,819	-	-	18,405
FY 2001/02			-	4,715	-	13,810	-	-	18,525
FY 2002/03			-	4,850	-	13,802	-	-	18,652

(2) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Shandon

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$0	0
June 1, 1999	\$15,019	n/a
July 1, 1999	\$0	0
October 1, 1999	\$0	0
January 1, 2000	\$0	0
April 1, 1999	\$0	0
June 1, 1999	\$18,405	n/a
July 1, 1999	\$0	0
October 1, 1999	\$0	0
January 1, 2000	\$0	0
April 1, 1999	\$0	0
June 1, 1999	\$18,525	n/a
July 1, 1999	\$0	0
October 1, 1999	\$0	0
January 1, 2000	\$0	0
April 1, 2000	\$0	0
June 1, 2000	\$18,652	n/a
July 1, 2000	\$0	0
October 1, 2000	\$0	0
January 1, 2001	\$0	0

Central Coast Water Authority
Chorro Valley Turnout
 Four Year Financial Plan Charges

Entitlement			2,338
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 1999/00	2,274	2,274	4,548
FY 2000/01	2,331	2,331	4,662
FY 2001/02	2,331	2,331	4,662
FY 2002/03	2,338	2,338	4,676

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 1999/00	\$ 104,000						\$ 832,478	\$ 936,478	
FY 2000/01	107,229						1,080,565	1,187,794	
FY 2001/02	110,236						1,079,933	1,190,168	
FY 2002/03	113,398						1,079,315	1,192,713	

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

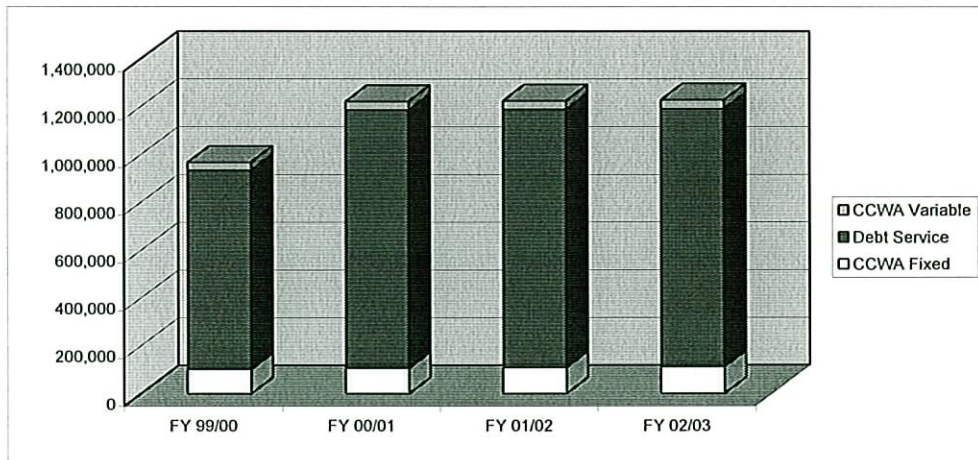
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 33,910							\$ 33,910	
FY 2000/01	35,803							35,803	
FY 2001/02	36,877							36,877	
FY 2002/03	38,097							38,097	

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	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 1999/00			\$ -	\$ 104,000	\$ 33,910	\$ 832,478	\$ -	\$ -	\$ 970,388
FY 2000/01			-	107,229	35,803	1,080,565	-	-	1,223,597
FY 2001/02			-	110,236	36,877	1,079,933	-	-	1,227,045
FY 2002/03			-	113,398	38,097	1,079,315	-	-	1,230,810

(2) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
SLO County - Chorro Valley Turnout

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$10,668	710
June 1, 1999	\$936,478	n/a
July 1, 1999	\$7,736	540
October 1, 1999	\$6,530	381
January 1, 2000	\$8,880	643
April 1, 1999	\$11,059	0
June 1, 1999	\$1,187,794	n/a
July 1, 1999	\$9,124	0
October 1, 1999	\$5,668	0
January 1, 2000	\$9,953	0
April 1, 1999	\$11,454	0
June 1, 1999	\$1,190,168	n/a
July 1, 1999	\$9,460	0
October 1, 1999	\$5,664	0
January 1, 2000	\$10,299	0
April 1, 2000	\$11,863	0
June 1, 2000	\$1,192,713	n/a
July 1, 2000	\$9,793	0
October 1, 2000	\$5,834	0
January 1, 2001	\$10,608	0

Central Coast Water Authority
Lopez Turnout
 Four Year Financial Plan Charges

Entitlement			2,392
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 1999/00	1,626	1,626	3,252
FY 2000/01	1,681	1,681	3,362
FY 2001/02	1,736	1,736	3,472
FY 2002/03	1,793	1,793	3,586

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 1999/00	\$ 112,480							\$ 218,387	\$ 330,867
FY 2000/01	116,170							297,120	413,290
FY 2001/02	119,537							296,938	416,475
FY 2002/03	123,013							296,767	419,780

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

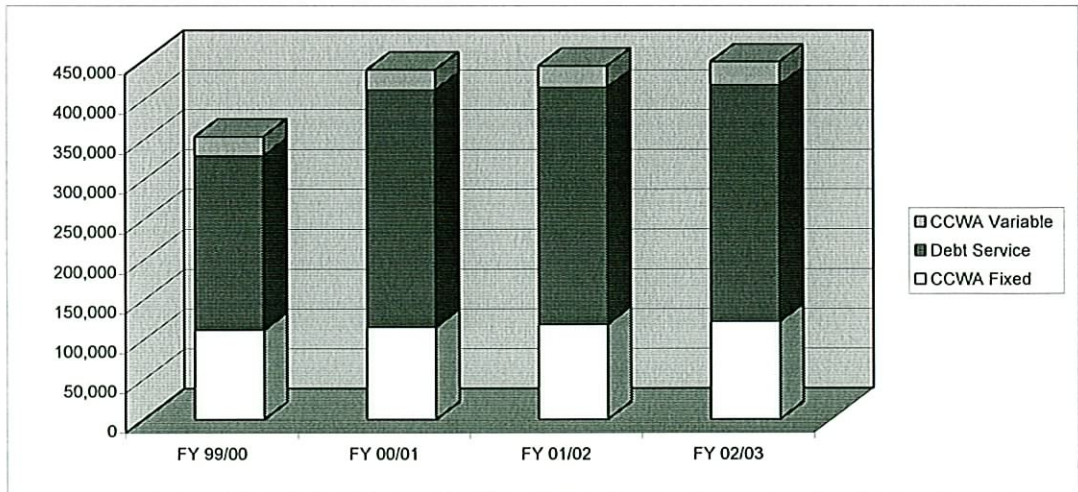
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 24,247								\$ 24,247
FY 2000/01	25,819								25,819
FY 2001/02	27,464								27,464
FY 2002/03	29,217								29,217

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 1999/00			-	\$ 112,480	\$ 24,247	\$ 218,387	\$ -	\$ -	\$ 355,114
FY 2000/01			-	116,170	25,819	297,120	-	-	439,109
FY 2001/02			-	119,537	27,464	296,938	-	-	443,939
FY 2002/03			-	123,013	29,217	296,767	-	-	448,997

(2) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
SLO County - Lopez Turnout

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$7,555	0
June 1, 1999	\$330,867	609
October 1, 1999	\$5,746	0
January 1, 2000	\$4,054	2,756
April 1, 1999	\$6,842	0
June 1, 1999	\$1,206,199	n/a
July 1, 1999	\$8,719	0
October 1, 1999	\$6,175	0
January 1, 2000	\$9,736	381
April 1, 1999	\$11,552	643
June 1, 1999	\$1,208,693	n/a
July 1, 1999	\$9,013	0
October 1, 1999	\$6,211	2,274
January 1, 2000	\$10,101	720
April 1, 2000	\$12,146	594
June 1, 2000	\$1,211,365	n/a
July 1, 2000	\$9,268	0
October 1, 2000	\$6,363	369
January 1, 2001	\$10,320	0

Central Coast Water Authority
City of Guadalupe
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				605
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	605	-	605	
FY 2000/01	605	-	605	
FY 2001/02	605	-	605	
FY 2002/03	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 1999/00	\$ 40,184	\$ 15,628	\$ -	\$ 15,628	n/a	n/a	\$ -	\$ 72,919	\$ 128,731
FY 2000/01	41,522	16,174	-	16,174	n/a	n/a	-	169,277	226,973
FY 2001/02	42,751	16,456	-	16,456	n/a	n/a	-	169,173	228,380
FY 2002/03	43,975	16,625	-	16,625	n/a	n/a	-	169,076	229,676

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

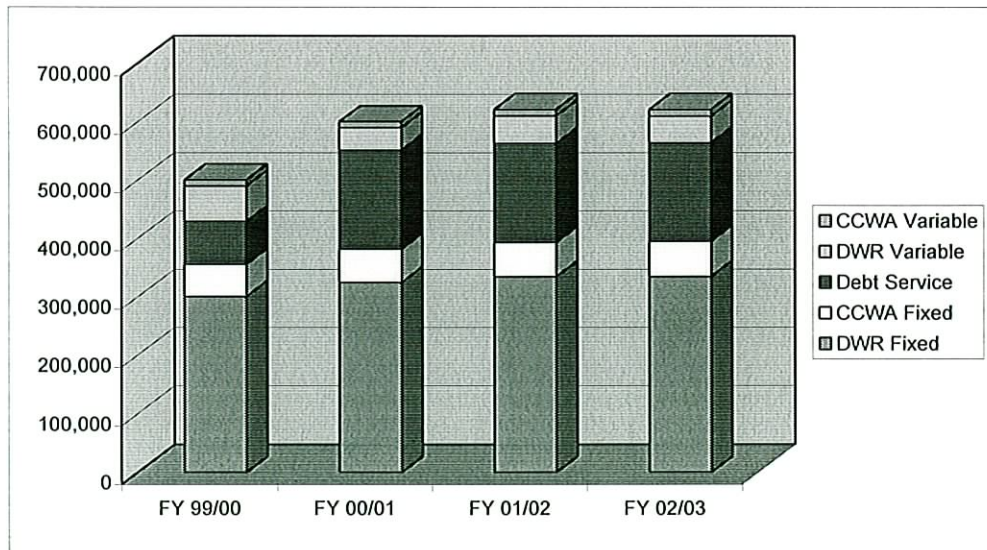
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 9,203	n/a	\$ 1,052	\$ -	\$ 1,052	n/a	n/a	n/a	\$ 10,255
FY 2000/01	9,479	n/a	1,298	-	1,298	n/a	n/a	n/a	10,777
FY 2001/02	9,763	n/a	1,414	-	1,414	n/a	n/a	n/a	11,178
FY 2002/03	10,056	n/a	1,500	-	1,500	n/a	n/a	n/a	11,556

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 1999/00	\$ 300,684	\$ 61,163	\$ 361,847	\$ 55,812	\$ 10,255	\$ 72,919	\$ 300,684	\$ 61,163	\$ 500,834	
FY 2000/01	324,768	38,784	363,552	57,696	10,777	169,277	324,768	38,784	601,302	
FY 2001/02	334,889	47,448	382,337	59,207	11,178	169,173	334,889	47,448	621,895	
FY 2002/03	334,915	45,812	380,727	60,600	11,556	169,076	334,915	45,812	621,959	

(3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
City of Guadalupe

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$18,138	205
June 1, 1999	\$429,415	n/a
July 1, 1999	\$14,594	110
October 1, 1999	\$14,935	110
January 1, 2000	\$19,700	180
April 1, 2000	\$19,153	205
June 1, 2000	\$551,741	n/a
July 1, 1999	\$2,343	110
October 1, 2000	\$11,970	110
January 1, 2001	\$16,094	180
April 1, 2001	\$17,625	205
June 1, 2001	\$563,270	n/a
July 1, 2001	\$11,991	110
October 1, 2001	\$12,400	110
January 1, 2002	\$16,609	180
April 1, 2002	\$18,154	205
June 1, 2002	\$564,591	n/a
July 1, 2002	\$12,435	110
October 1, 2002	\$11,229	110
January 1, 2003	\$15,551	180

Central Coast Water Authority
City of Santa Maria
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer			17,820
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 1999/00	15,777	-	15,777
FY 2000/01	16,134	-	16,134
FY 2001/02	16,495	-	16,495
FY 2002/03	16,865	-	16,865

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 1999/00	\$ 1,216,988	\$ 460,313	\$ -	\$ 460,313	n/a	n/a	\$ -	\$ (1,464,713)	\$ 212,588
FY 2000/01	1,258,507	476,408	-	476,408	n/a	n/a	-	-	1,734,915
FY 2001/02	1,296,309	484,715	-	484,715	n/a	n/a	-	-	1,781,024
FY 2002/03	1,333,692	489,678	-	489,678	n/a	n/a	-	-	1,823,370

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

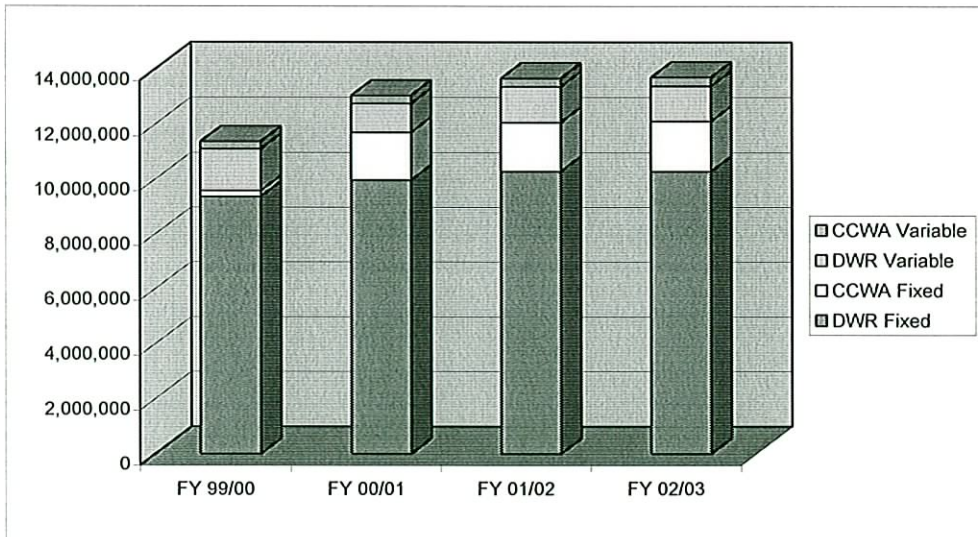
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 239,993	n/a	\$ 28,982	\$ -	\$ 28,982	n/a	n/a	n/a	\$ 268,975
FY 2000/01	252,787	n/a	35,819	-	35,819	n/a	n/a	n/a	288,606
FY 2001/02	266,191	n/a	39,679	-	39,679	n/a	n/a	n/a	305,870
FY 2002/03	280,324	n/a	43,032	-	43,032	n/a	n/a	n/a	323,356

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	Total State Water Charges			DWR Fixed	DWR Variable O&M	Total SWP Charges
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	Credits			
FY 1999/00	\$ 9,373,759	\$ 1,526,866	\$ 10,900,625	\$ 1,677,301	\$ 268,975	\$ (1,464,713)	\$ 9,373,759	\$ 1,526,866	\$ 11,382,188
FY 2000/01	9,981,721	1,043,406	11,025,127	1,734,915	288,606	0	9,981,721	1,043,406	13,048,648
FY 2001/02	10,292,426	1,294,205	11,586,631	1,781,024	305,870	0	10,292,426	1,294,205	13,673,525
FY 2002/03	10,293,419	1,273,897	11,567,315	1,823,370	323,356	0	10,293,419	1,273,897	13,714,041

(2) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
City of Santa Maria

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$496,468	4,641
June 1, 1999	\$9,586,347	n/a
July 1, 1999	\$425,391	3,549
October 1, 1999	\$397,861	2,984
January 1, 2000	\$508,256	4,603
April 1, 2000	\$460,341	4,748
June 1, 2000	\$11,716,636	n/a
July 1, 1999	\$118,429	3,628
October 1, 2000	\$327,991	3,049
January 1, 2001	\$425,250	4,709
April 1, 2001	\$434,426	4,856
June 1, 2001	\$12,073,450	n/a
July 1, 2001	\$369,603	3,708
October 1, 2001	\$347,131	3,115
January 1, 2002	\$448,916	4,816
April 1, 2002	\$458,170	4,967
June 1, 2002	\$12,116,788	n/a
July 1, 2002	\$390,998	3,791
October 1, 2002	\$320,477	3,182
January 1, 2003	\$427,608	4,925

Central Coast Water Authority
Southern California Water Company
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				550
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	319	-	319	
FY 2000/01	374	-	374	
FY 2001/02	423	-	423	
FY 2002/03	474	-	474	

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 1999/00	\$ 37,561	\$ 14,207	\$ -	\$ 14,207	n/a	n/a	\$ -	\$ (11,263)	\$ 40,506
FY 2000/01	38,843	14,704	-	14,704	n/a	n/a	-	-	53,547
FY 2001/02	40,010	14,960	-	14,960	n/a	n/a	-	-	54,970
FY 2002/03	41,163	15,114	-	15,114	n/a	n/a	-	-	56,277

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

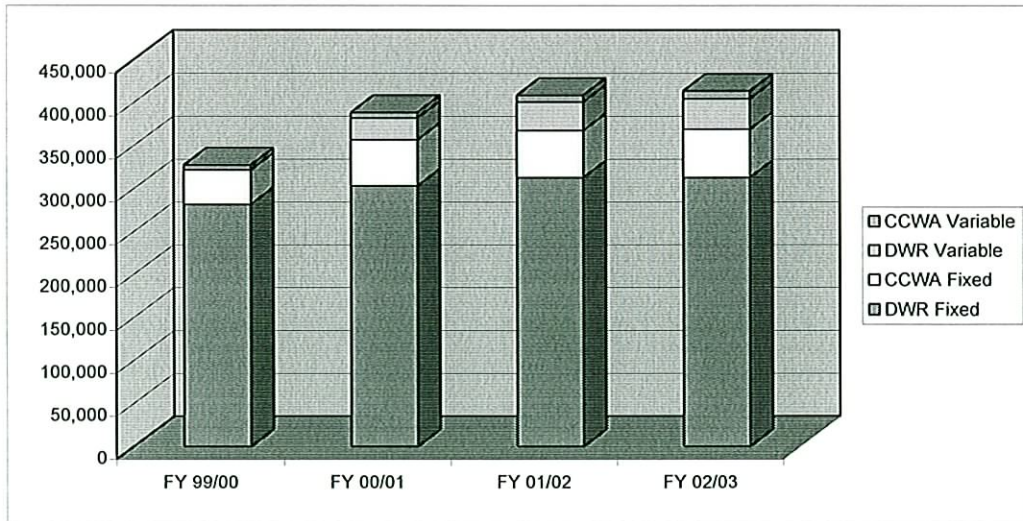
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 4,852	n/a	\$ 544	\$ -	\$ 544	n/a	n/a	n/a	\$ 5,396
FY 2000/01	5,860	n/a	782	-	782	n/a	n/a	n/a	6,642
FY 2001/02	6,826	n/a	965	-	965	n/a	n/a	n/a	7,792
FY 2002/03	7,879	n/a	1,149	-	1,149	n/a	n/a	n/a	9,027

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 1999/00	\$ 282,050	\$ -	\$ 282,050	\$ 51,769	\$ 5,396	\$ (11,263)	\$ 282,050	\$ -	\$ 327,952	
FY 2000/01	303,790	25,394	329,184	53,547	6,642	0	303,790	25,394	389,373	
FY 2001/02	313,380	33,274	346,654	54,970	7,792	0	313,380	33,274	409,415	
FY 2002/03	313,410	35,466	348,876	56,277	9,027	0	313,410	35,466	414,181	

(2) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Southern California Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$6,755	104
June 1, 1999	\$322,556	n/a
July 1, 1999	\$3,313	51
October 1, 1999	\$3,335	49
January 1, 2000	\$7,826	115
April 1, 2000	\$11,585	126
June 1, 2000	\$357,337	n/a
July 1, 1999	\$2,144	60
October 1, 2000	\$6,876	56
January 1, 2001	\$11,431	132
April 1, 2001	\$12,169	144
June 1, 2001	\$368,350	n/a
July 1, 2001	\$7,634	68
October 1, 2001	\$8,035	63
January 1, 2002	\$13,228	148
April 1, 2002	\$14,092	162
June 1, 2002	\$369,687	n/a
July 1, 2002	\$8,943	77
October 1, 2002	\$7,752	70
January 1, 2003	\$13,706	165

Central Coast Water Authority
Vandenberg Air Force Base
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				6,050
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	6,050	-	6,050	
FY 2000/01	6,050	-	6,050	
FY 2001/02	6,050	-	6,050	
FY 2002/03	6,050	-	6,050	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 1999/00	\$ 464,122	\$ 156,279	\$ -	\$ 156,279	n/a	n/a	\$ -	\$ (122,204)	\$ 498,197
FY 2000/01	481,459	161,743	-	161,743	n/a	n/a	-	-	643,202
FY 2001/02	496,733	164,564	-	164,564	n/a	n/a	-	-	661,296
FY 2002/03	511,443	166,249	-	166,249	n/a	n/a	-	-	677,692

(1) Includes capital improvement projects and non-annual recurring expenses.

CCWA Variable O&M Charges

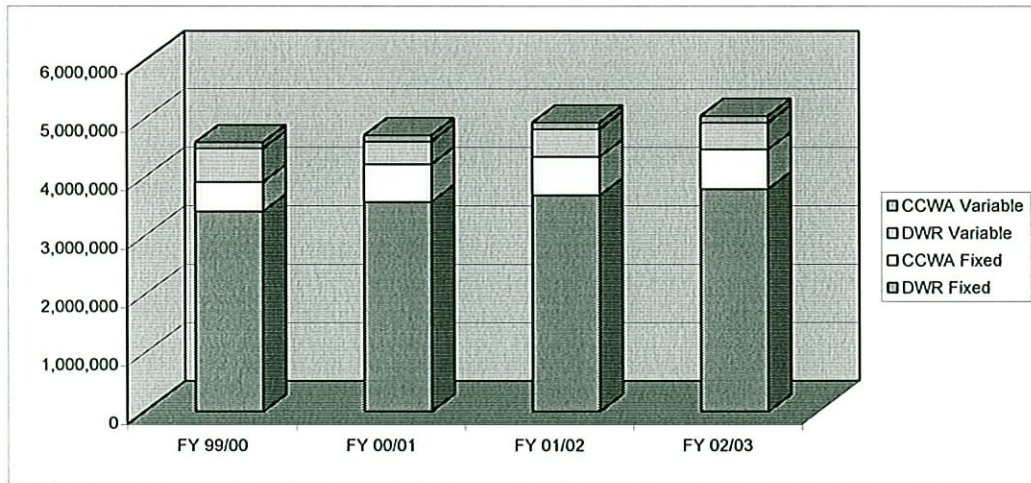
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 92,193	n/a	\$ 10,644	\$ -	\$ 10,644	n/a	n/a	n/a	\$ 102,837
FY 2000/01	94,959	n/a	13,084	-	13,084	n/a	n/a	n/a	108,043
FY 2001/02	97,805	n/a	14,248	-	14,248	n/a	n/a	n/a	112,053
FY 2002/03	100,739	n/a	15,113	-	15,113	n/a	n/a	n/a	115,853

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 1999/00	\$ 3,423,213	\$ 578,309	\$ 4,001,521	\$ 620,401	\$ 102,837	\$ (122,204)	\$ 3,423,213	\$ 578,309	\$ 4,602,555
FY 2000/01	3,583,666	388,915	3,972,581	643,202	108,043	0	3,583,666	388,915	4,723,826
FY 2001/02	3,696,163	474,411	4,170,574	661,296	112,053	0	3,696,163	474,411	4,943,924
FY 2002/03	3,804,612	458,002	4,262,613	677,692	115,853	0	3,804,612	458,002	5,056,158

(2) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Vandenberg Air Force Base

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$203,812	1,988
June 1, 1999	\$3,921,409	n/a
July 1, 1999	\$158,851	1,297
October 1, 1999	\$144,261	1,024
January 1, 2000	\$193,135	1,741
April 1, 2000	\$187,364	1,988
June 1, 2000	\$4,226,868	n/a
July 1, 1999	\$37,179	1,297
October 1, 2000	\$115,013	1,024
January 1, 2001	\$157,402	1,741
April 1, 2001	\$172,535	1,988
June 1, 2001	\$4,357,459	n/a
July 1, 2001	\$132,214	1,297
October 1, 2001	\$119,229	1,024
January 1, 2002	\$162,486	1,741
April 1, 2002	\$177,757	1,988
June 1, 2002	\$4,482,303	n/a
July 1, 2002	\$136,879	1,297
October 1, 2002	\$107,406	1,024
January 1, 2003	\$151,813	1,741

Central Coast Water Authority
City of Buellton
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				636
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	578	-	578	
FY 2000/01	578	-	578	
FY 2001/02	578	-	578	
FY 2002/03	578	-	578	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 1999/00	\$ 58,591	\$ 16,424	\$ -	\$ 16,424	n/a	n/a	\$ -	\$ 147,847	\$ 222,862
FY 2000/01	61,038	16,998	-	16,998	n/a	n/a	-	299,798	377,834
FY 2001/02	63,113	17,294	-	17,294	n/a	n/a	-	299,614	380,021
FY 2002/03	65,048	17,471	-	17,471	n/a	n/a	-	299,442	381,962

- (1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

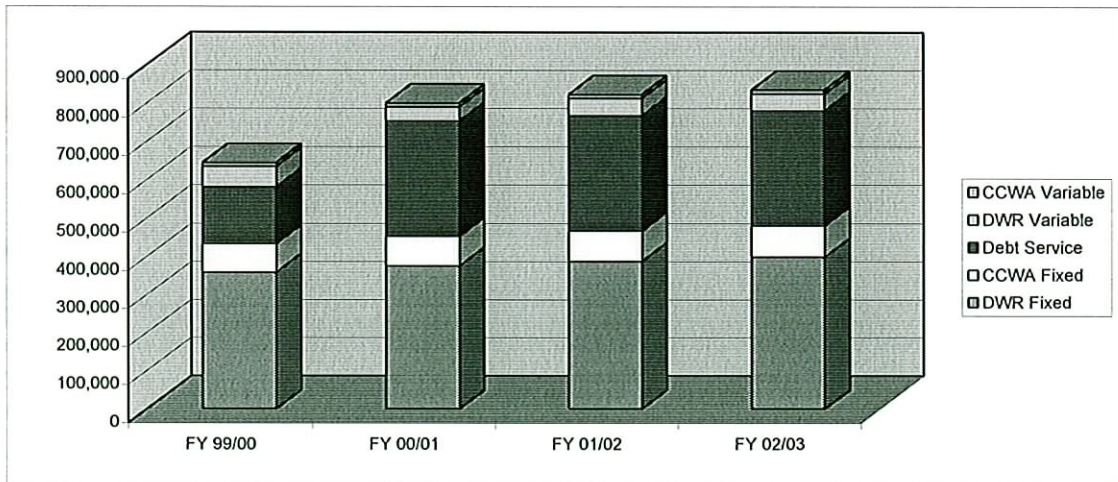
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 8,836	n/a	\$ 1,009	\$ -	\$ 1,009	n/a	n/a	n/a	\$ 9,845
FY 2000/01	9,101	n/a	1,241	-	1,241	n/a	n/a	n/a	10,341
FY 2001/02	9,373	n/a	1,352	-	1,352	n/a	n/a	n/a	10,725
FY 2002/03	9,654	n/a	1,435	-	1,435	n/a	n/a	n/a	11,089

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges		Total DWR Costs	Total State Water Charges					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 1999/00	\$ 358,276	\$ 53,711	\$ 411,987	\$ 75,015	\$ 9,845	\$ 147,847	\$ 358,276	\$ 53,711	\$ 644,694
FY 2000/01	375,280	37,069	412,349	78,036	10,341	299,798	375,280	37,069	800,524
FY 2001/02	387,102	45,329	432,432	80,407	10,725	299,614	387,102	45,329	823,178
FY 2002/03	398,499	43,766	442,265	82,519	11,089	299,442	398,499	43,766	835,315

- (3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
City of Buellton

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$19,418	189
June 1, 1999	\$581,138	n/a
July 1, 1999	\$14,535	1,297
October 1, 1999	\$13,661	96
January 1, 2000	\$19,321	179
April 1, 2000	\$17,846	189
June 1, 2000	\$753,114	n/a
July 1, 1999	\$2,867	114
October 1, 2000	\$10,879	96
January 1, 2001	\$15,818	179
April 1, 2001	\$16,436	189
June 1, 2001	\$767,124	n/a
July 1, 2001	\$12,020	114
October 1, 2001	\$11,280	96
January 1, 2002	\$16,318	179
April 1, 2002	\$16,935	189
June 1, 2002	\$780,461	n/a
July 1, 2002	\$12,454	114
October 1, 2002	\$10,148	96
January 1, 2003	\$15,318	179

Central Coast Water Authority
Santa Ynez Improvement District No. 1 (City of Solvang)
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				1,500
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	1,125	-	-	
FY 2000/01	750	-	-	
FY 2001/02	750	-	-	
FY 2002/03	750	-	-	

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 1999/00	\$ 149,763	\$ 42,622	\$ -	\$ 42,622	n/a	n/a	\$ -	\$ (0)	\$ 192,384
FY 2000/01	158,403	44,112	-	44,112	n/a	n/a	-	633,674	836,189
FY 2001/02	163,788	44,881	-	44,881	n/a	n/a	-	633,508	842,178
FY 2002/03	168,810	45,341	-	45,341	n/a	n/a	-	633,353	847,504

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

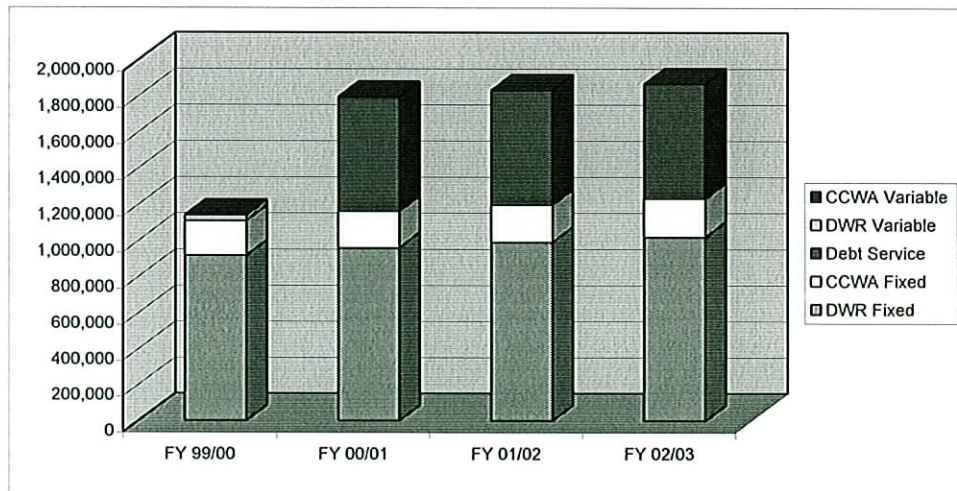
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ -	n/a	\$ -	\$ -	\$ -	n/a	n/a	n/a	\$ -
FY 2000/01	-	n/a	-	-	-	n/a	n/a	n/a	-
FY 2001/02	-	n/a	-	-	-	n/a	n/a	n/a	-
FY 2002/03	-	n/a	-	-	-	n/a	n/a	n/a	-

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 1999/00	\$ 917,228	\$ 31,473	\$ 948,701	\$ 192,384	\$ 0	\$ 0	\$ 917,228	\$ 31,473	\$ 1,141,085	
FY 2000/01	959,401	0	959,401	202,514	0	633,674	959,401	0	1,795,589	
FY 2001/02	990,189	0	990,189	208,669	0	633,508	990,189	0	1,832,367	
FY 2002/03	1,019,889	0	1,019,889	214,150	0	633,353	1,019,889	0	1,867,393	

(3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Santa Ynez RWCD, ID#1 (City of Solvang Portion)

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$4,827	0
June 1, 1999	\$1,109,612	n/a
July 1, 1999	\$8,882	0
October 1, 1999	\$8,882	0
January 1, 2000	\$8,882	0
April 1, 2000	\$0	0
June 1, 2000	\$1,795,589	n/a
July 1, 1999	\$0	0
October 1, 2000	\$0	0
January 1, 2001	\$0	0
April 1, 2001	\$0	0
June 1, 2001	\$1,832,367	n/a
July 1, 2001	\$0	0
October 1, 2001	\$0	0
January 1, 2002	\$0	0
April 1, 2002	\$0	0
June 1, 2002	\$1,867,393	n/a
July 1, 2002	\$0	0
October 1, 2002	\$0	0
January 1, 2003	\$0	0

Central Coast Water Authority
Santa Ynez Improvement District No. 1
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				700
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	750	2,775	3,525	
FY 2000/01	700	2,580	3,280	
FY 2001/02	700	2,580	3,280	
FY 2002/03	700	2,580	3,280	

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 1999/00	\$ (384,148)	\$ 93,057	\$ -	\$ 93,057	\$ 187,311	\$ 103,781	\$ 291,092	\$ (0)	\$ 0
FY 2000/01	52,801	90,576	-	90,576	175,953	98,889	274,842	237,262	655,482
FY 2001/02	54,596	92,156	-	92,156	177,897	101,331	279,228	237,200	663,180
FY 2002/03	56,270	93,099	-	93,099	177,897	104,096	281,993	237,142	668,504

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

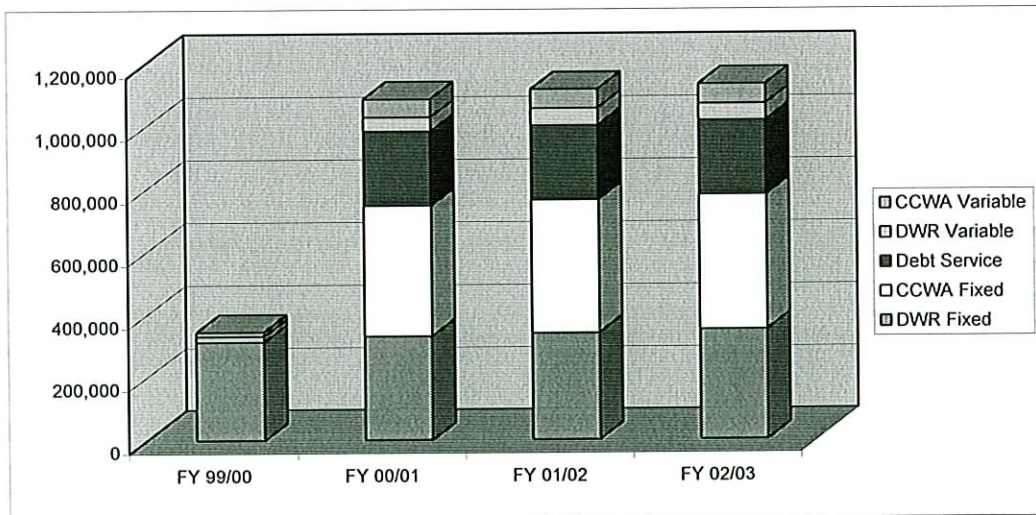
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ (31,757)	\$ -	\$ 4,917	\$ -	\$ 4,917	\$ 42,065	\$ -	\$ -	\$ 15,225
FY 2000/01	11,021	-	6,359	-	6,359	40,282	-	-	57,663
FY 2001/02	11,351	-	7,070	-	7,070	41,490	-	-	59,911
FY 2002/03	11,692	-	7,494	-	7,494	42,734	-	-	61,920

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 1999/00	\$ 314,304	\$ 17,647	\$ 331,951	\$ 1	\$ 15,225	\$ 0	\$ 314,304	\$ 17,647	\$ 347,177
FY 2000/01	330,943	44,918	375,861	418,219	57,663	237,262	330,943	44,918	1,089,006
FY 2001/02	341,063	54,895	395,958	425,980	59,911	237,200	341,063	54,895	1,119,050
FY 2002/03	350,799	53,001	403,800	431,362	61,920	237,142	350,799	53,001	1,134,224

(3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Santa Ynez RWCD, ID#1 (Excludes City of Solvang Portion)

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)	Actual SWP Delivery ⁽¹⁾ (AF)
April 1, 1999	\$45,137	330	1,765
June 1, 1999	\$314,304	n/a	n/a
July 1, 1999	\$12,453	90	355
October 1, 1999	\$10,748	95	355
January 1, 2000	\$27,183	235	915
April 1, 2000	\$45,043	260	1,520
June 1, 2000	\$986,425	n/a	n/a
July 1, 1999	\$8,516	110	490
October 1, 2000	\$16,760	95	355
January 1, 2001	\$32,261	235	915
April 1, 2001	\$44,086	260	1,520
June 1, 2001	\$1,004,243	n/a	n/a
July 1, 2001	\$20,049	110	490
October 1, 2001	\$17,364	95	355
January 1, 2002	\$33,307	235	915
April 1, 2002	\$45,416	260	1,520
June 1, 2002	\$1,019,303	n/a	n/a
July 1, 2002	\$20,797	110	490
October 1, 2002	\$16,125	95	355
January 1, 2003	\$32,582	235	915

NOTES:

1. Actual State water deliveries to Santa Ynez ID#1 as a result of Santa Ynez Exchange Agreement with certain South Coast project participants.

Central Coast Water Authority
Goleta Water District
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				4,950
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	4,500	(2,178)	2,322	
FY 2000/01	4,500	(1,869)	2,631	
FY 2001/02	4,500	(1,803)	2,697	
FY 2002/03	4,500	(1,749)	2,751	

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 1999/00	\$ 520,684	\$ 65,978	\$ (234,922)	\$ (168,945)	\$ (147,015)	\$ (81,454)	\$ (228,470)	\$ 475,583	\$ 598,853
FY 2000/01	543,835	77,371	(270,680)	(193,309)	(127,467)	(71,639)	(199,106)	2,896,971	3,048,391
FY 2001/02	563,082	80,709	(282,359)	(201,650)	(124,291)	(70,797)	(195,087)	2,895,195	3,061,539
FY 2002/03	580,704	83,151	(290,902)	(207,751)	(120,606)	(70,572)	(191,178)	2,893,534	3,075,309

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

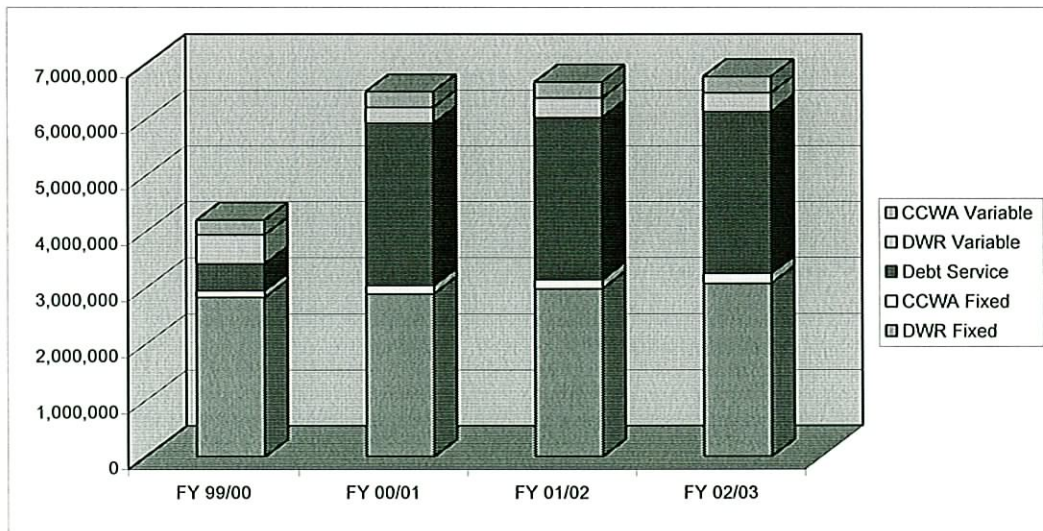
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 322,598	\$ 261,000	\$ 5,796	\$ (39,676)	\$ (33,879)	\$ (33,016)	\$ (126,325)	\$ (122,842)	\$ 267,537
FY 2000/01	292,891	261,000	6,812	(46,308)	(39,496)	(29,182)	(108,405)	(92,222)	284,586
FY 2001/02	289,906	261,000	7,331	(48,852)	(41,521)	(28,988)	(104,548)	(86,897)	288,952
FY 2002/03	291,850	261,000	7,900	(51,289)	(43,389)	(28,972)	(101,449)	(84,226)	294,814

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 1999/00	\$ 2,836,200	\$ 516,993	\$ 3,353,193	\$ 123,270	\$ 267,537	\$ 475,583	\$ 2,836,200	\$ 516,993	\$ 4,219,008
FY 2000/01	2,896,481	287,731	3,184,212	151,420	284,586	2,896,971	2,896,481	287,731	6,517,188
FY 2001/02	2,988,524	352,960	3,341,484	166,344	288,952	2,895,195	2,988,524	352,960	6,691,975
FY 2002/03	3,077,255	340,830	3,418,084	181,775	294,814	2,893,534	3,077,255	340,830	6,788,207

(3) Net of DWR account interest income. Includes DWR fixed costs for the Goleta additional 2500 AF.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Goleta Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)	Actual SWP Delivery ⁽¹⁾ (AF)
April 1, 1999	\$90,018	1,125	77
June 1, 1999	\$3,435,053	n/a	772
July 1, 1999	\$198,315	1,125	812
October 1, 1999	\$214,366	1,125	880
January 1, 2000	\$181,280	1,125	593
April 1, 1999	\$139,544	1,125	328
June 1, 1999	\$6,098,403	n/a	n/a
July 1, 1999	\$192,479	1,125	812
October 1, 1999	\$372,920	1,125	882
January 1, 2000	\$342,568	1,125	609
April 1, 1999	\$315,986	1,125	367
June 1, 1999	\$6,204,487	n/a	n/a
July 1, 1999	\$364,461	1,125	815
October 1, 1999	\$364,131	1,125	883
January 1, 2000	\$336,494	1,125	633
April 1, 2000	\$308,888	1,125	375
June 1, 2000	\$6,307,058	n/a	n/a
July 1, 2000	\$358,091	1,125	829
October 1, 2000	\$607,468	1,125	889
January 1, 2001	\$581,793	1,125	658

NOTES:

- Actual State water deliveries to South Coast project participant after exchange with Santa Ynez RWCD Improvement District #1.

Central Coast Water Authority
Morehart Land Company
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer			220
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 1999/00	88	-	88
FY 2000/01	108	-	108
FY 2001/02	122	-	122
FY 2002/03	139	-	139

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 1999/00	\$ 14,552	\$ 5,683	\$ (20,235)	\$ (14,552)	n/a	n/a	\$ -	\$ (0)	\$ (0)
FY 2000/01	24,170	5,882	(20,577)	(14,695)	n/a	n/a	-	93,201	102,677
FY 2001/02	25,026	5,984	(20,935)	(14,951)	n/a	n/a	-	99,254	109,329
FY 2002/03	25,809	6,045	(21,150)	(15,104)	n/a	n/a	-	104,765	115,470

(1) Includes capital improvement projects and non-annual recurring expenses.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

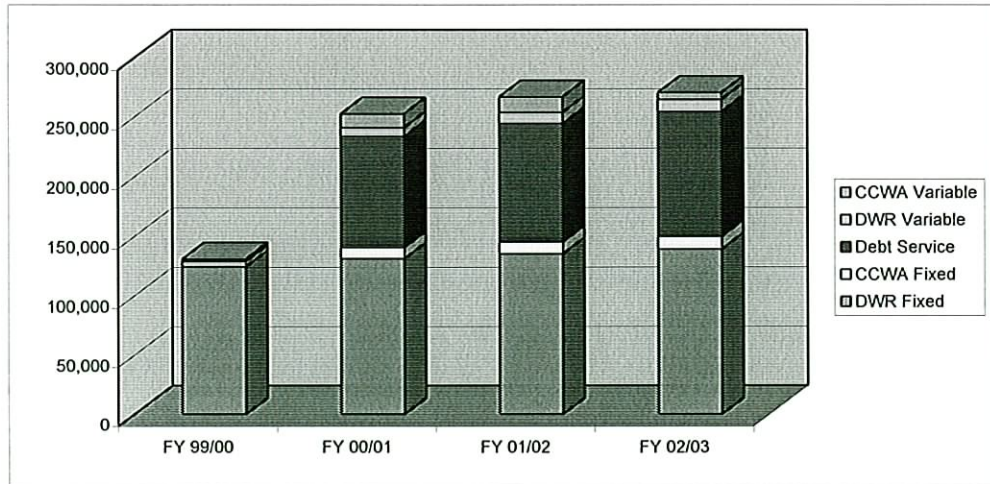
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ (1,643)	\$ 5,104	\$ 180	\$ (1,504)	\$ (1,324)	n/a	\$ -	\$ -	\$ 2,136
FY 2000/01	7,029	6,264	255	(1,901)	(1,646)	n/a	-	-	11,647
FY 2001/02	7,860	7,076	307	(2,209)	(1,902)	n/a	-	-	13,033
FY 2002/03	-	8,062	369	(2,592)	(2,223)	n/a	-	-	5,839

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 1999/00	\$ 124,451	\$ 4,544	\$ 128,994	\$0	\$ 2,136	\$0	\$ 124,451	\$ 4,544	\$ 131,131	
FY 2000/01	131,186	7,428	138,615	9,475	11,647	93,201	131,186	7,428	252,939	
FY 2001/02	135,277	9,596	144,874	10,075	13,033	99,254	135,277	9,596	267,236	
FY 2002/03	139,221	10,369	149,590	10,705	5,839	104,765	139,221	10,369	270,899	

(3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Morehart Land Company

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$3,091	19
June 1, 1999	\$124,450	n/a
July 1, 1999	\$4,174	19
October 1, 1999	\$5,062	24
January 1, 2000	\$5,394	26
April 1, 2000	\$4,806	25
June 1, 2000	\$233,863	n/a
July 1, 1999	\$3,541	25
October 1, 2000	\$5,230	28
January 1, 2001	\$5,497	30
April 1, 2001	\$5,300	29
June 1, 2001	\$244,606	n/a
July 1, 2001	\$5,190	28
October 1, 2001	\$5,862	31
January 1, 2002	\$6,277	34
April 1, 2002	\$4,051	34
June 1, 2002	\$254,691	n/a
July 1, 2002	\$3,844	31
October 1, 2002	\$4,004	35
January 1, 2003	\$4,310	39

Central Coast Water Authority
La Cumbre Mutual Water Company
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer			1,100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 1999/00	400	-	400
FY 2000/01	487	-	487
FY 2001/02	600	-	600
FY 2002/03	600	-	600

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 1999/00	\$ 72,759	\$ 28,414	\$ (101,173)	\$ (72,759)	\$ -	\$ -	\$ -	\$ 0	\$ (0)
FY 2000/01	120,852	29,408	(102,883)	(73,475)	-	-	-	446,353	493,730
FY 2001/02	125,129	29,921	(104,677)	(74,756)	-	-	-	475,340	525,713
FY 2002/03	129,045	30,227	(105,749)	(75,522)	-	-	-	501,734	555,257

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

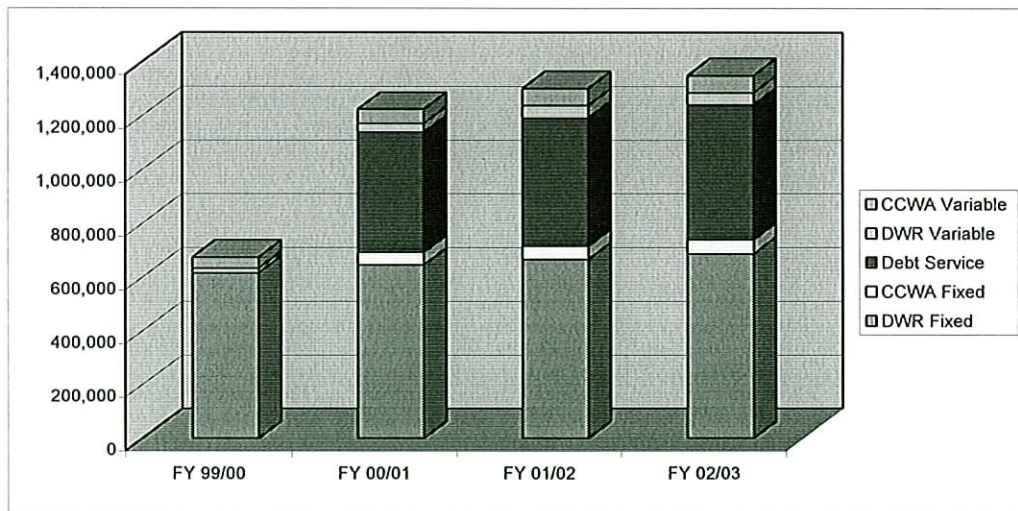
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 24,468	\$ 23,200	\$ 672	\$ (6,835)	\$ (6,162)	\$ -	\$ -	\$ -	\$ 41,506
FY 2000/01	31,697	28,246	1,049	(8,572)	(7,522)	-	-	-	52,421
FY 2001/02	38,654	34,800	1,381	(10,866)	(9,485)	-	-	-	63,969
FY 2002/03	38,913	34,800	1,467	(11,187)	(9,720)	-	-	-	63,993

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 1999/00	\$ 616,350	\$ 17,339	\$ 633,689	\$ 0	\$ 41,506	\$ 0	\$ 616,350	\$ 17,339	\$ 675,195	
FY 2000/01	645,892	32,930	678,822	47,377	52,421	446,353	645,892	32,930	1,224,973	
FY 2001/02	666,346	47,043	713,390	50,373	63,969	475,340	666,346	47,043	1,303,072	
FY 2002/03	686,064	45,411	731,475	53,524	63,993	501,734	686,064	45,411	1,350,726	

(3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
La Cumbre Mutual Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)	Actual SWP Delivery ⁽¹⁾ (AF)
April 1, 1999	\$25,461	141	141
June 1, 1999	\$616,350	84	84
July 1, 1999	\$18,560	n/a	n/a
October 1, 1999	\$13,857	54	54
January 1, 2000	\$24,942	121	121
April 1, 2000	\$25,700	141	141
June 1, 2000	\$1,139,623	n/a	n/a
July 1, 1999	\$9,878	84	84
October 1, 2000	\$17,403	81	81
January 1, 2001	\$32,370	181	181
April 1, 2001	\$36,404	210	210
June 1, 2001	\$1,192,060	n/a	n/a
July 1, 2001	\$24,356	128	128
October 1, 2001	\$17,667	81	81
January 1, 2002	\$32,586	181	181
April 1, 2002	\$36,812	210	210
June 1, 2002	\$1,241,322	n/a	n/a
July 1, 2002	\$24,743	128	128
October 1, 2002	\$16,416	81	81
January 1, 2003	\$31,434	181	181

NOTES:

- Actual State water deliveries to South Coast project participant after exchange with Santa Ynez RWCD Improvement District #1.

Central Coast Water Authority
Raytheon Systems Company (SBRC)
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				55
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	55	-	55	
FY 2000/01	55	-	55	
FY 2001/02	55	-	55	
FY 2002/03	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 1999/00	\$ 5,785	\$ 1,421	\$ (5,059)	\$ (3,638)	n/a	n/a	\$ -	\$ 21,997	\$ 24,145
FY 2000/01	6,043	1,470	(5,144)	(3,674)	n/a	n/a	-	27,876	30,245
FY 2001/02	6,256	1,496	(5,234)	(3,738)	n/a	n/a	-	27,859	30,377
FY 2002/03	6,452	1,511	(5,287)	(3,776)	n/a	n/a	-	27,843	30,519

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

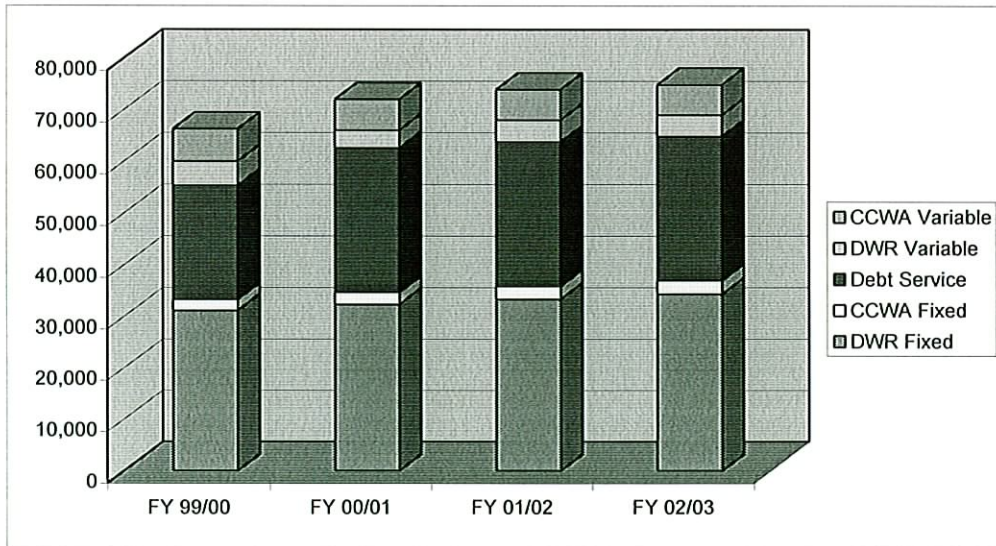
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 3,943	\$ 3,190	\$ 107	\$ (940)	\$ (833)	n/a	\$ -	\$ -	\$ 6,300
FY 2000/01	3,580	3,190	127	(968)	(841)	n/a	-	-	5,929
FY 2001/02	3,543	3,190	136	(996)	(860)	n/a	-	-	5,874
FY 2002/03	3,567	3,190	144	(1,025)	(881)	n/a	-	-	5,876

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 1999/00	\$ 31,218	\$ 4,664	\$ 35,882	\$ 2,147	\$ 6,300	\$ 21,997	\$ 31,218	\$ 4,664	\$ 66,326	
FY 2000/01	32,351	3,497	35,847	2,369	5,929	27,876	32,351	3,497	72,021	
FY 2001/02	33,373	4,315	37,689	2,519	5,874	27,859	33,373	4,315	73,939	
FY 2002/03	34,359	4,168	38,527	2,676	5,876	27,843	34,359	4,168	74,922	

(3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Raytheon Systems Company (SBRC)

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)
April 1, 1999	\$2,675	15
June 1, 1999	\$55,363	n/a
July 1, 1999	\$2,303	10
October 1, 1999	\$3,163	15
January 1, 2000	\$3,163	15
April 1, 2000	\$2,841	15
June 1, 2000	\$62,595	n/a
July 1, 1999	\$1,111	10
October 1, 2000	\$2,746	15
January 1, 2001	\$2,727	15
April 1, 2001	\$2,703	15
June 1, 2001	\$63,751	n/a
July 1, 2001	\$1,972	10
October 1, 2001	\$2,765	15
January 1, 2002	\$2,748	15
April 1, 2002	\$2,739	15
June 1, 2002	\$64,878	n/a
July 1, 2002	\$2,006	10
October 1, 2002	\$2,658	15
January 1, 2003	\$2,641	15

Central Coast Water Authority
City of Santa Barbara
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer			3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 1999/00	0	0	0
FY 2000/01	0	0	0
FY 2001/02	0	0	0
FY 2002/03	0	0	0

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 1999/00	\$ 218,276	\$ 85,243	\$ (303,520)	\$ (218,277)	\$ -	\$ -	\$ -	\$ 0	\$ (0)
FY 2000/01	362,556	88,224	(308,649)	(220,425)	-	-	-	1,781,621	1,923,753
FY 2001/02	375,388	89,762	(314,030)	(224,268)	-	-	-	1,780,529	1,931,649
FY 2002/03	387,136	90,681	(317,246)	(226,565)	-	-	-	1,779,508	1,940,079

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

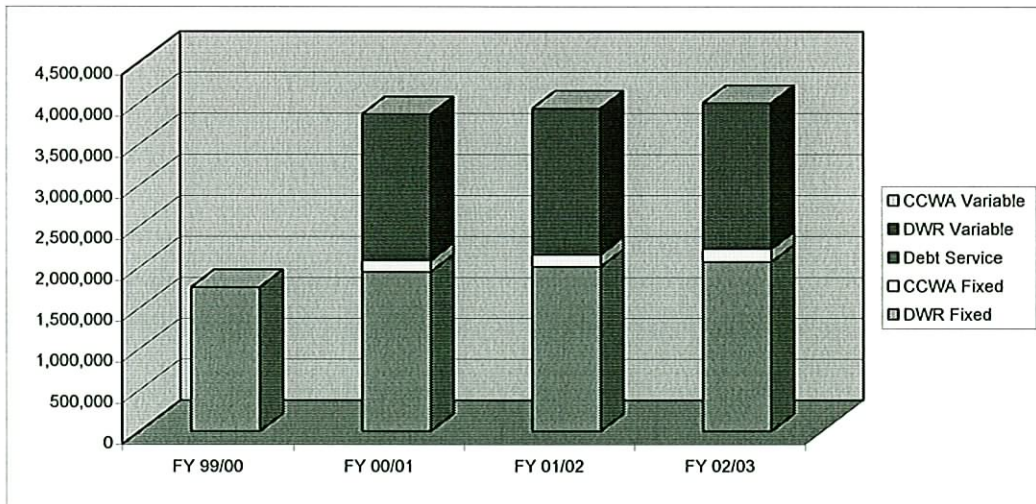
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 2000/01	-	-	-	-	-	-	-	-	-
FY 2001/02	-	-	-	-	-	-	-	-	-
FY 2002/03	-	-	-	-	-	-	-	-	-

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 1999/00	\$ 1,757,314	\$ -	\$ 1,757,314	\$0	\$ -	\$ 0	\$ 1,757,314	\$ -	\$ 1,757,314	
FY 2000/01	1,943,881	-	1,943,881	142,131	-	1,781,621	1,943,881	-	3,867,634	
FY 2001/02	2,005,244	-	2,005,244	151,120	-	1,780,529	2,005,244	-	3,936,892	
FY 2002/03	2,064,397	-	2,064,397	160,571	-	1,779,508	2,064,397	-	4,004,476	

(3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
City of Santa Barbara

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)	Actual SWP Delivery ⁽¹⁾ (AF)
April 1, 1999	\$0	0	0
June 1, 1999	\$1,757,313	n/a	n/a
July 1, 1999	\$0	0	0
October 1, 1999	\$0	0	0
January 1, 2000	\$0	0	0
April 1, 2000	\$0	0	0
June 1, 2000	\$3,867,634	n/a	n/a
July 1, 1999	\$0	0	0
October 1, 2000	\$0	0	0
January 1, 2001	\$0	0	0
April 1, 2001	\$0	0	0
June 1, 2001	\$3,936,892	n/a	n/a
July 1, 2001	\$0	0	0
October 1, 2001	\$0	0	0
January 1, 2002	\$0	0	0
April 1, 2002	\$0	0	0
June 1, 2002	\$4,004,476	n/a	n/a
July 1, 2002	\$0	0	0
October 1, 2002	\$0	0	0
January 1, 2003	\$0	0	0

NOTES:

- Actual State water deliveries to South Coast project participant after exchange with Santa Ynez RWCD Improvement District #1.

Central Coast Water Authority
Montecito Water District
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer			3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 1999/00	317	(155)	162
FY 2000/01	572	(278)	294
FY 2001/02	619	(289)	330
FY 2002/03	691	(315)	376

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 1999/00	\$ 223,247	\$ 80,849	\$ (287,873)	\$ (207,024)	\$ (10,439)	\$ (5,784)	\$ (16,223)	\$ 0	\$ (0)
FY 2000/01	362,556	80,051	(280,058)	(200,006)	(18,952)	(10,652)	(29,604)	1,466,076	1,599,023
FY 2001/02	375,388	81,108	(283,753)	(202,645)	(19,944)	(11,360)	(31,305)	1,561,285	1,702,723
FY 2002/03	387,136	81,163	(283,948)	(202,785)	(21,711)	(12,704)	(34,416)	1,647,976	1,797,912

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

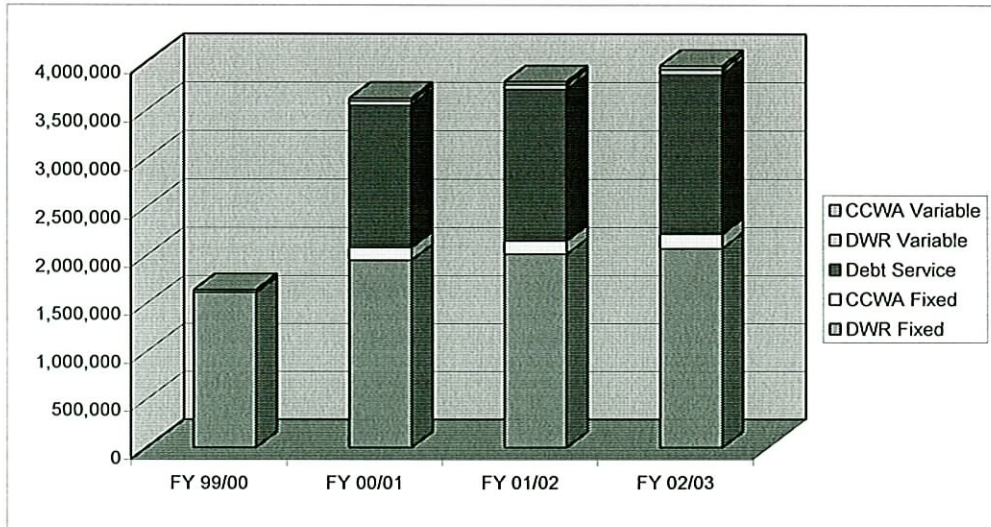
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 4,051	\$ 18,386	\$ 373	\$ (2,774)	\$ (2,401)	\$ (2,344)	\$ (8,970)	\$ (8,722)	\$ 0
FY 2000/01	37,230	33,176	688	(5,177)	(4,488)	(4,339)	(16,118)	(13,712)	31,749
FY 2001/02	39,878	35,902	819	(5,972)	(5,153)	(4,651)	(16,776)	(13,944)	35,256
FY 2002/03	44,815	40,078	989	(7,013)	(6,024)	(5,216)	(18,263)	(15,162)	40,229

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 1999/00	\$ 1,614,401	\$ 28,690	\$ 1,643,091	\$ 0	\$ 0	\$ 0	\$ 1,614,401	\$ 28,690	\$ 1,643,187
FY 2000/01	1,951,313	44,272	1,995,585	132,946	31,749	1,466,076	1,951,313	44,272	3,626,356
FY 2001/02	2,012,675	48,770	2,061,445	141,438	35,256	1,561,285	2,012,675	48,770	3,799,424
FY 2002/03	2,071,829	51,568	2,123,396	149,935	40,229	1,647,976	2,071,829	51,568	3,961,537

(3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Montecito Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)	Actual SWP Delivery ⁽¹⁾ (AF)
April 1, 1999	\$4,012	55	4
June 1, 1999	\$1,614,401	n/a	n/a
July 1, 1999	\$8,342	32	21
October 1, 1999	\$14,112	69	54
January 1, 2000	\$22,367	161	84
April 1, 2000	\$21,473	203	59
June 1, 2000	\$3,550,335	n/a	n/a
July 1, 1999	\$16,834	117	81
October 1, 2000	\$14,816	76	59
January 1, 2001	\$22,897	176	95
April 1, 2001	\$22,336	221	73
June 1, 2001	\$3,715,398	n/a	n/a
July 1, 2001	\$20,009	127	88
October 1, 2001	\$16,198	81	63
January 1, 2002	\$25,484	190	106
April 1, 2002	\$24,960	241	81
June 1, 2002	\$3,869,740	n/a	n/a
July 1, 2002	\$22,374	138	98
October 1, 2002	\$16,083	88	69
January 1, 2003	\$28,379	224	128

NOTES:

- Actual State water deliveries to South Coast project participant after exchange with Santa Ynez RWCD Improvement District #1.

Central Coast Water Authority
Carpinteria Valley Water District
 Four Year Financial Plan Charges

Entitlement Including Drought Buffer				2,200
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 1999/00	610	(442)	168	
FY 2000/01	725	(433)	292	
FY 2001/02	850	(488)	362	
FY 2002/03	975	(516)	459	

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 1999/00	\$ 231,415	\$ 44,260	\$ (157,595)	\$ (113,334)	\$ (29,857)	\$ (16,542)	\$ (46,400)	\$ 716,311	\$ 787,992
FY 2000/01	241,704	46,081	(161,212)	(115,131)	(29,534)	(16,599)	(46,133)	1,197,952	1,278,393
FY 2001/02	250,259	45,234	(158,251)	(113,017)	(33,662)	(19,174)	(52,836)	1,197,228	1,281,634
FY 2002/03	258,090	44,857	(156,930)	(112,074)	(35,580)	(20,819)	(56,399)	1,196,494	1,286,112

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA charges.

CCWA Variable O&M Charges

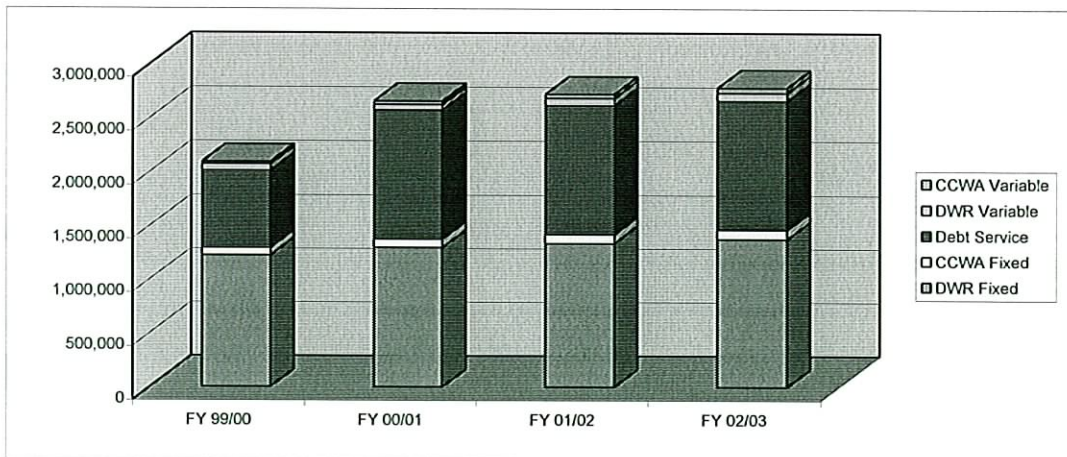
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 1999/00	\$ 43,730	\$ 35,380	\$ 318	\$ (2,865)	\$ (2,547)	\$ (6,705)	\$ (25,655)	\$ (24,948)	\$ 19,255
FY 2000/01	47,188	42,050	550	(5,139)	(4,589)	(6,761)	(25,117)	(21,368)	31,403
FY 2001/02	54,760	49,300	745	(6,552)	(5,808)	(7,851)	(28,315)	(23,535)	38,552
FY 2002/03	63,234	56,550	1,072	(8,558)	(7,486)	(8,547)	(29,928)	(24,847)	48,975

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 1999/00	\$ 1,223,436	\$ 61,919	\$ 1,285,355	\$ 71,681	\$ 19,255	\$ 716,311	\$ 1,223,436	\$ 61,919	\$ 2,092,621
FY 2000/01	1,296,154	50,871	1,347,025	80,440	31,403	1,197,952	1,296,154	50,871	2,656,821
FY 2001/02	1,337,062	66,627	1,403,689	84,406	38,552	1,197,228	1,337,062	66,627	2,723,874
FY 2002/03	1,376,498	72,331	1,448,829	89,618	48,975	1,196,494	1,376,498	72,331	2,783,916

(3) Net of DWR account interest income.



Central Coast Water Authority
1999 Four Year Financial Plan
 Project Participant Payment Summary
Carpinteria Valley Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (AF)	Actual SWP Delivery ⁽¹⁾ (AF)
April 1, 1999	\$20,052	360	25
June 1, 1999	\$2,011,428	n/a	n/a
July 1, 1999	\$15,190	100	64
October 1, 1999	\$8,017	0	0
January 1, 2000	\$24,758	150	79
April 1, 2000	\$43,052	450	131
June 1, 2000	\$2,574,547	n/a	n/a
July 1, 1999	\$8,179	100	69
October 1, 2000	\$6,798	0	0
January 1, 2001	\$24,245	175	92
April 1, 2001	\$47,651	525	171
June 1, 2001	\$2,618,696	n/a	n/a
July 1, 2001	\$18,556	100	69
October 1, 2001	\$8,120	0	0
January 1, 2002	\$30,852	225	121
April 1, 2002	\$49,612	525	175
June 1, 2002	\$2,662,610	n/a	n/a
July 1, 2002	\$26,122	150	107
October 1, 2002	\$9,833	25	19
January 1, 2003	\$35,739	275	158

NOTES:

- Actual State water deliveries to South Coast project participant after exchange with Santa Ynez RWCD Improvement District #1.



Central Coast Water Authority
Santa Ynez Exchange Agreement

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

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

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

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

The benefits of exchange are:

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

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

Central Coast Water Authority
Regional Water Treatment Plant Allocation

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

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

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

In order to properly allocate the capital cost component of the water treatment plant for those project participants that did not participate in the bond financing (Santa Maria, Southern California Water Company and Vandenberg Air Force Base), an imputed debt service schedule has been prepared which allocates treatment plant debt service as though all Santa Barbara County participants shared in the financing in proportion to their entitlement allocation.

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

Central Coast Water Authority
Miscellaneous Statistical Information
 Fiscal Year 1999/00 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	27.6
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water entitlement	(acre-feet per year)
CCWA contract entitlement	39,078
CCWA drought buffer	3,908
Goleta Water District additional entitlement	<u>2,500</u>
TOTAL	45,486
FY 1999/00 Santa Barbara County estimated deliveries	30,049 acre-feet
San Luis Obispo State water entitlement	4,830 acre-feet
FY 1999/00 estimated San Luis Obispo estimated deliveries	3,900 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. Within the context of these limitations, the following investments are authorized, provided, however, that where there is no limitation on the term of the investment, no investment shall be made in any security which, at the time of the investment, has a term remaining to maturity in excess of 5 years, unless specifically exempted in Section X of this Investment Policy or the Board has granted express authority to make that investment no less than 3 months prior to the investment:

- (a) United States notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Obligations issued by government sponsored corporations such as the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), and the Federal National Mortgage Association (FNMA).

- (c) Commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investors Service, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars and have a rating of A-1+ by Standard & Poor's Corporation and P-1 by Moody's Investors Service and which matures not more than 270 days after the date of purchase. Purchases of commercial paper may not exceed 15 percent of the Authority's surplus money invested.

An additional 15 percent, or a total of 30 percent of the Authority's surplus money, may be invested pursuant to this section. The additional 15 percent may be so invested only if the dollar-weighted average maturity of the entire amount does not exceed 31 days. "Dollar-weighted average maturity" means the sum of the amount of each outstanding commercial paper investment multiplied by the number of days to maturity divided by the total amount of outstanding commercial paper. Commercial paper investments with one company may not exceed one third (33 1/3%) of total commercial paper investments.

- (d) Time deposits. The Authority may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.
- (e) Local Agency Investment Fund. The Authority may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer up to the maximum permitted by State law.
- (f) Money market funds rated "AAAm" or AAAM-G" or better by Standard & Poor's Corporation.

VIII. DEPOSITORIES:

The Treasurer will establish selection criteria for pre-approval of institutions to do business with. To qualify for selection, an institution must have an office in California. A written listing of approved institutions will be maintained by the Investment Officer.

IX. BROKER/DEALERS:

To provide for the optimum yield in the investment of the Authority's funds, the Authority's investment procedures shall be designed to encourage competitive bidding on transactions from approved brokers/dealers. In order to be approved by the Authority, the dealer must be a primary dealer reporting to the New York Federal Reserve, unless a comprehensive credit and capitalization analysis reveals that the firm is adequately financed to conduct public business; the dealer must be experienced in institutional trading practices and familiar with the California Government Code as related to investments; and other criteria as may be established in the investment procedures.

X. MATURITY RESTRICTIONS:

In addition to the 5 year limitation on investments specified in this policy, the average maturity of the Authority's combined portfolio shall not exceed 2 years without prior approval of the Board (for a specified period). Reserve Fund investments are exempt from this restriction; however, reserve fund investment maturities shall be limited to or prior to final maturity of the Authority's Bond Financing.

XI . RISK TOLERANCE

The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Investment Officer is expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Investment Officer shall periodically establish guidelines and strategies to control risks of default, market price changes and illiquidity. In addition to these general policy considerations, the following specific policies will be strictly observed.

XII. SAFEKEEPING AND CUSTODY:

To protect against potential fraud and embezzlement, the assets of the Authority shall be secured through third-party custody and safekeeping procedures. The Investment Officer shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by the independent auditor and any irregularities noted should be reported promptly to the Treasurer and the Board.

XIII. PERFORMANCE EVALUATION AND OPERATIONS AUDIT:

The monthly investment reports submitted to the Board shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

XIV. ETHICS:

All persons authorized to place or approve investments shall report annually on Form 721 of the Fair Political Practices Commission all required economic interests for that year.

XV. UPDATE OF POLICY:

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.

Glossary of Terms

Fiscal Year 1999/00 Budget

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.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 1999/00 Budget

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.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 1999/00 Budget

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, deterioration, obsolescence or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entitlement - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 1999/00 Budget

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.

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.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 1999/00 Budget

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.

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.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 1999/00 Budget

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.

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.

Glossary of Terms

Fiscal Year 1999/00 Budget

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

T

Table A Entitlement Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of two years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

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

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Central Coast Water Authority
Glossary of Terms
Fiscal Year 1999/00 Budget

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.

Central Coast Water Authority

Index

Fiscal Year 1999/00 Budget

- Administration Department, 14, 50, 65-94
- billing procedures (CCWA), 34
- bond debt, 17, 19, 67, 170-178
 - capitalized interest, 175
 - continuing disclosure, 171
 - debt limit, 170
 - authorization to issue debt, 170
 - refinancing, 170
 - security for the bonds, 171
 - Series A, 158, 170-178
 - true interest cost, 170
- budget change policy, 16
- Bureau of Reclamation, 11, 33
- Capitalization Policy, 158
- capital improvement projects (CIP), 4, 17, 158, 159-169
- carry-over, 159
- Coastal Branch Extension, 36-38, 41, 49
- Coastal Branch Phase II, 10, 161
- construction fund, 183
- coverage (bond coverage), 16, 171
- debt (see bond debt)
- debt service payments, 4, 19, 20, 26, 27, 29, 30, 31, 170-178
- Delta Water Charges, 20, 37, 44, 49
- Department of Water Resources (DWR), 5, 10, 36-49
 - billing procedures, 36
 - deferral of charges, 40, 41, 46
- Delta Water Charges, 44
 - credits, 46-47
 - fixed charges, 38-44, 39
 - Statement of Charges, 36
 - transportation charges, 37-40
 - variable charges, 46-47
 - water system revenue bond surcharge, 43
- Distribution Department, 125-157
- drought buffer, 8
- exchange agreement (see Santa Ynez Exchange Agreement)
- Finance Committee, 8, 11
- financial reach, 128-129, 133
- Four Year Budget Plan, 184-221
- fixed O&M costs, 19, 25, 26, 34
- general fund, 19
- investment income, 16, 19, 27, 31-32
- Investment Policy, 225-233
- joint powers agreement, 7
- Local Agency Investment Fund, 32
- Local Water Treatment Agreements, 9
- Master Water Treatment Agreement, 34
- modified accrual basis of accounting, 14
- Monterey Agreement, 47
- MOU trust fund, 13, 33
- Non-annual recurring expenses, 19, 20, 27, 53, 74, 100, 131-132

Central Coast Water Authority

Index

Fiscal Year 1999/00 Budget

Off-Aqueduct Charges, 37, 45

Operating Committee, 8, 11

operating expenses, 19, 20, 26, 27, 28, 29

O&M reserve fund, 179-180

pass-through charges, 19, 27, 33

Personnel Committee, 8

Policy Committee, 8

Rate coverage reserve fund, 181-182

Rate Management Funds Credit (see also, Urban Rate Reduction), 37, 40, 41, 44, 47

Regional Water Treatment Plant Allocation, 28, 224

reporting basis, 14

reserves, 19, 158, 179-183

San Luis Obispo County, 2, 9, 10

Santa Barbara County, 7, 8

Santa Ynez Exchange Agreement, 5, 20, 28, 50, 223

SCADA system, 95, 125

State Water Contractors Association (SWC), 67

Table A entitlement reduction, 44, 46, 47

transportation charges,
Transportation Capital, 37-40

Minimum OMP&R, 37-38, 42
Coastal branch extension, 37, 38,41

turnback pool, 44, 47

Variable O&M Costs, 26

Warren Act Charges, 19, 20, 27, 33, 35

Water Treatment Plant Department, 95-124

Water Supply Agreement, 7, 9

Water System Revenue Bond Surcharge, 37, 38, 43