



Central Coast
Water Authority

**A California Joint
Powers Authority**

FISCAL YEAR 2011/12 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.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Coast Water Authority
California**

For the Fiscal Year Beginning

July 1, 2010

President

Executive Director

Central Coast Water Authority

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"Fields of Gold"
Vineyard, Los Olivos

Budget Foreword

The Budget Foreword section of the FY 2011/12 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

Highlights

General Information

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

Operational Information

• Polonio Pass Water Treatment Plant capacity	50 million gallons per day
• Authority Pipeline (in miles)	42
• Coastal Branch Phase II Pipeline (in miles)	101
• Number of water storage tanks	5
• Number of turnouts	10
• Number of full-time equivalent Positions	28.50

Central Coast Water Authority
Reader's Guide
Fiscal Year 2011/12 Budget

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

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

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

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



April 21, 2011

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

L. J. Lavagnino
Chairman
Richard Shaikewitz
Vice Chairman
William Brennan
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Submitted herewith is the Fiscal Year (FY) 2011/12 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2011/12.

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

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

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

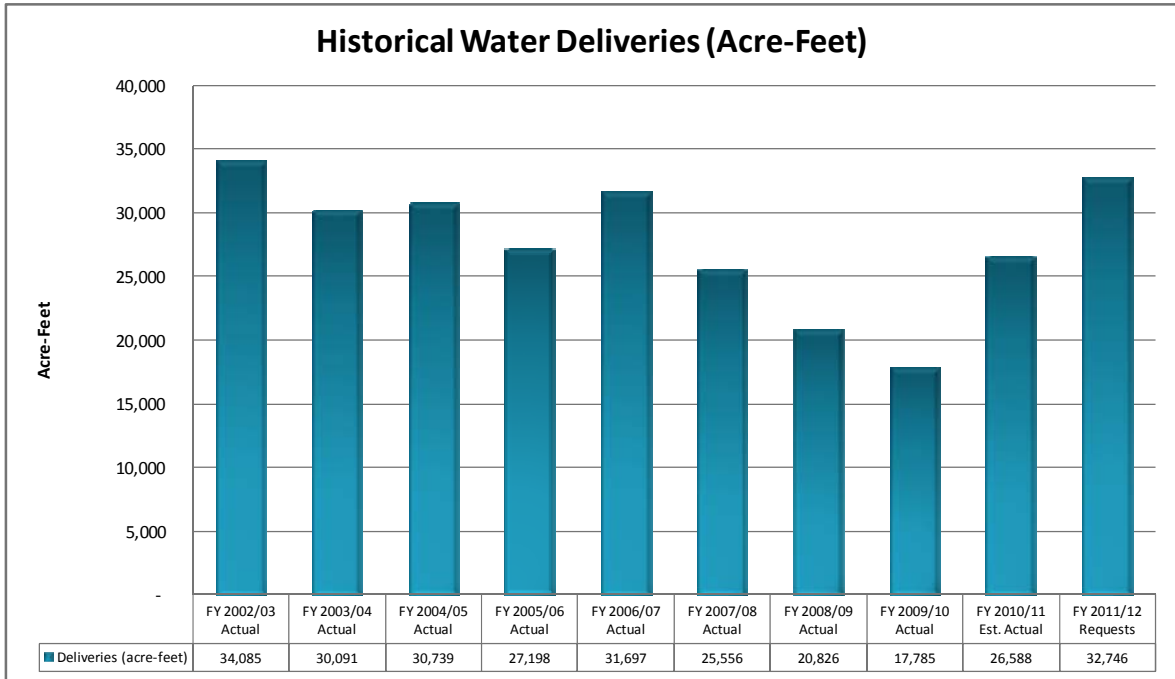
For thirteen consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2011/12 Budget for consideration of the GFOA budget award.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2010/11:

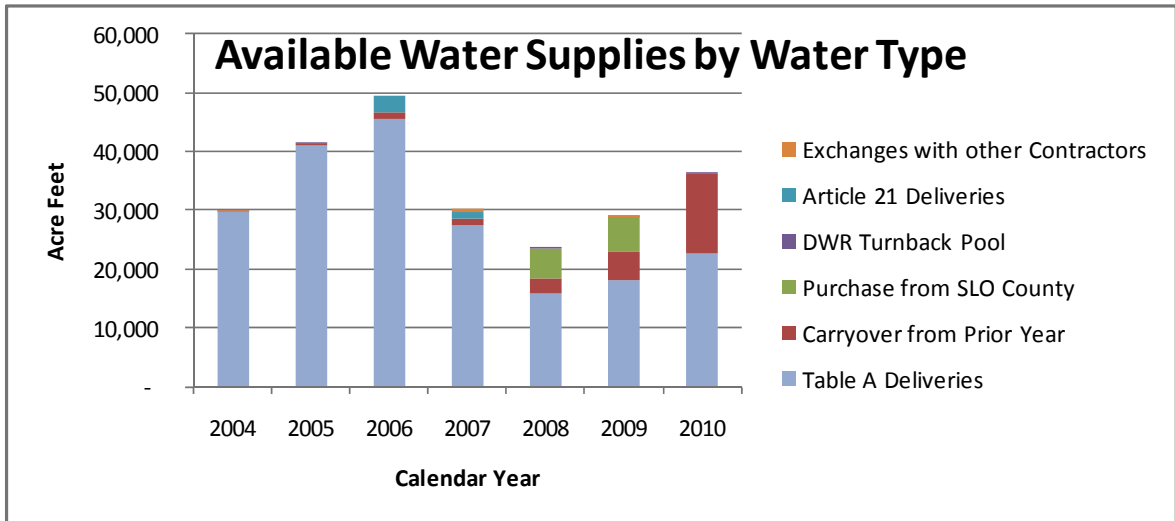
Water Deliveries

Total deliveries during FY 2010/11 by CCWA to the Santa Barbara and San Luis Obispo County project participants are estimated to be 26,588 acre-feet compared to the actual FY 2009/10 deliveries of 17,785 acre-feet. The graph on the following page shows water deliveries for the last ten fiscal years.

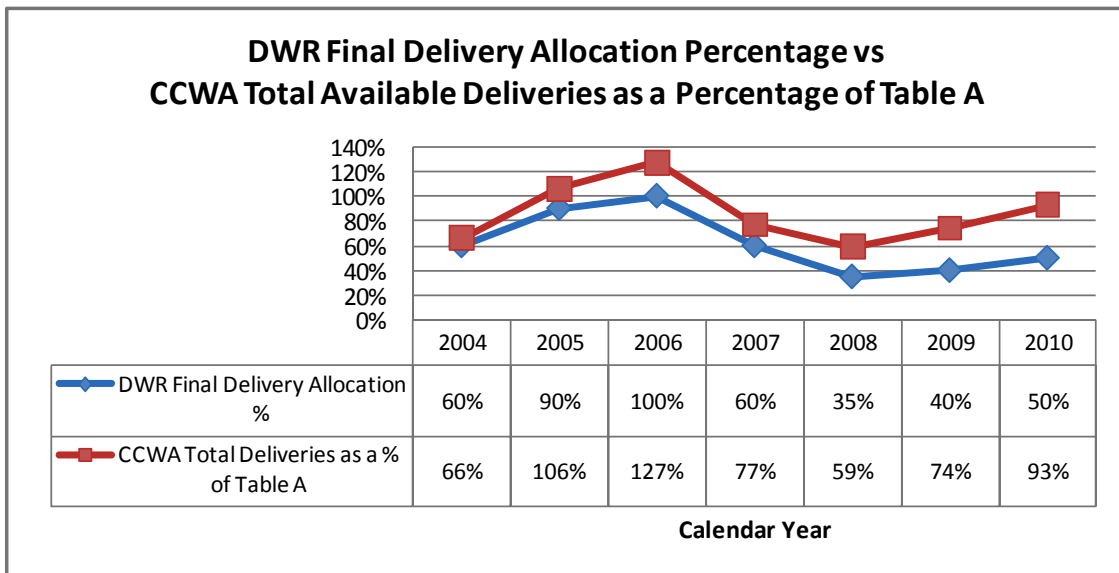


Maximization of Water Deliveries through Alternative Water Sources

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



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

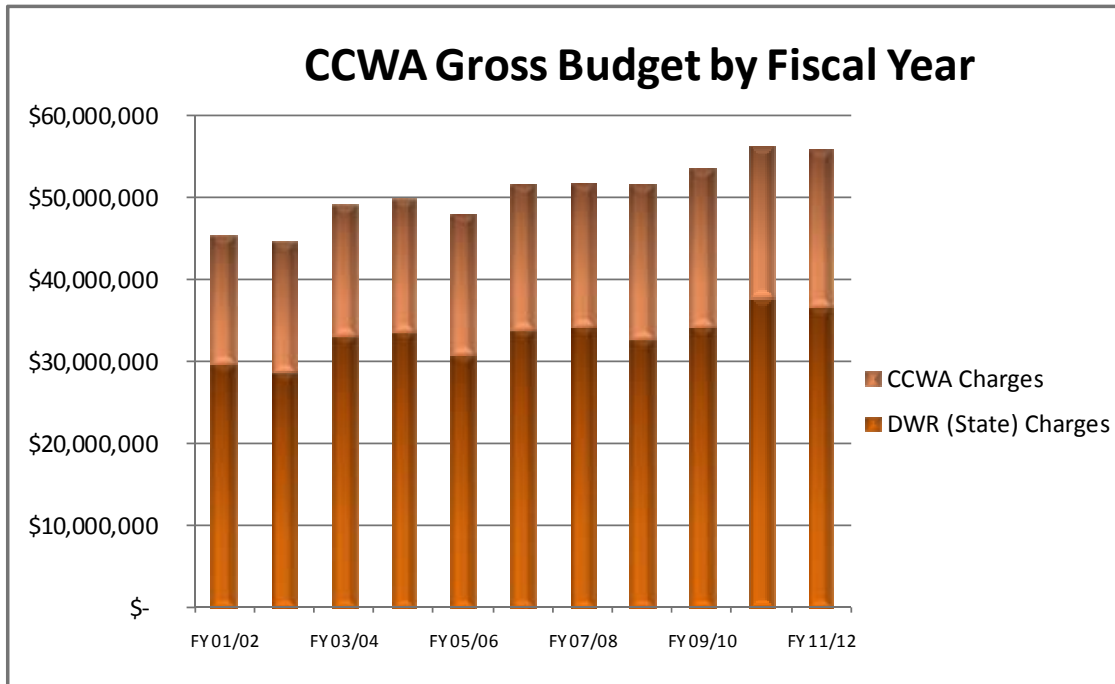


CCWA Credits

Actual CCWA operating expenses for FY 2010/11 are anticipated to be approximately \$1.4 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2011/12. Additionally, it is estimated that CCWA will earn approximately \$0.2 million in interest income which serves to offset the payments from the project participants. Total estimated credits for FY 2010/11 are estimated to be approximately \$1.6 million.

CCWA Budget History

The following graph shows the CCWA gross budget (total budget excluding CCWA credits and prepayments) broken down between CCWA costs and DWR costs from FY 2001/02 to FY 2011/12.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2010/11 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2009/10 Comprehensive Annual Financial Report.

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

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2011 and 2012, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 33,128 and 34,553 acre-feet, respectively.

Department of Water Resources Activities and Related Costs

During FY 2011/12, CCWA staff will continue to work through the State Water Contractor (SWC) board and committees that interact with the Department of Water Resources (DWR) which impact CCWA and the California water agencies as a whole. There are many significant issues on which DWR and the SWC are working which have water supply, operational, and fiscal impacts on CCWA. Some of these activities could potentially have a significant fiscal impact to CCWA in the current and future years. Therefore, staff will place a high priority on working through the various available venues to minimize the fiscal impacts to CCWA and ensure that we continue to meet our goal of providing reliable, high quality supplemental water.

DWR Costs and Financial Issues

In FY 2011/12, CCWA staff will continue to fully audit the Statement of Charges from DWR to ensure the costs allocated to CCWA are correct and appropriate based on the State Water Project Contract. The following is a list of the most significant errors remaining to be corrected in the Statement of Charges for calendar years 2011 and 2012:

- CCWA has challenged, and DWR agrees, that DWR's allocation of revenue bond debt service payments to CCWA for the Coastal Branch Extension is incorrect. Total construction and finance related costs were around \$35 million for the project, but DWR had allocated approximately \$46 million in revenue bond principal payments to CCWA. DWR has agreed to correct this error and provide both a revised invoice for the calendar year 2012 Coastal Branch Extension debt service payments as well as adjustments to future debt amortization schedules to account for both the principal and interest reductions associated with the error.
- One of the most significant DWR billing issues in FY 2011/12 will be to continue to examine the Transportation Minimum OMP&R cost component to ensure the costs allocated to CCWA by DWR are appropriate. This cost component continues to have significant volatility from year-to-year, which in turn creates large swings in the CCWA budgets. As such, significant resources will be devoted to researching these costs to ensure the amounts charges are appropriate and accurate.

DWR Energy Issues

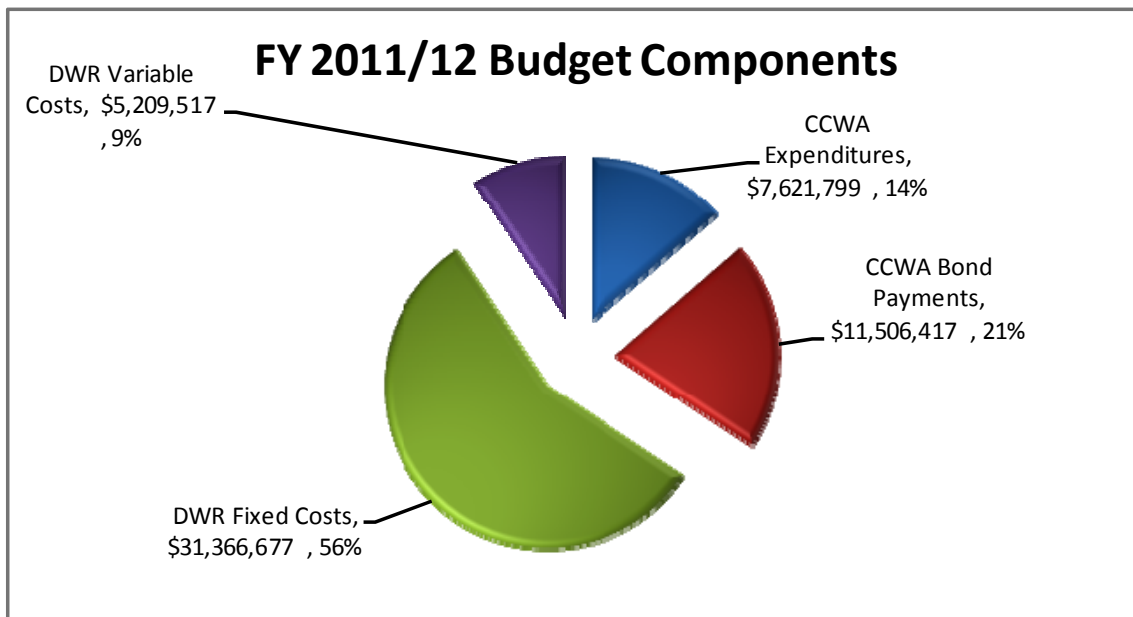
CCWA staff will continue to guide DWR through the SWC Energy Committee and the Executive Risk Oversight Committee to control and better estimate power costs by:

- Updating the electrical strategic resource plan that guides both short-term and long-term energy purchases and acquisitions

- Completing the Lodi Energy Center and ensure DWR’s participation in effectively utilizing this gas fired power generating facility through the Northern California Power Association.
- Assisting DWR in completing its contract obligations with the Nevada Power Authority and to discontinue use of the coal fired Reid Gardner power facility.
- Assisting DWR in cost effectively acquiring renewable energy resources over a planned horizon consistent with the strategic resource planning effort.

FY 2011/12 BUDGET SUMMARY

The FY 2011/12 budget calls for total project participant payments of \$55 million compared to the FY 2010/11 budget of \$56 million, a \$1.0 million decrease. These amounts include \$0.7 million in CCWA credits for FY 2011/12 and \$0.2 million for FY 2010/11. The following graph shows the breakout of the various cost components in the CCWA FY 2011/12 Budget:



The following table compares the FY 2011/12 Budget and the FY 2010/11 Budget:

Budget Item	Final FY 2010/11 Budget	Final FY 2011/12 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses	\$ 6,890,793	\$ 6,868,067	\$ (22,726)
Revenue Bond Debt Service Payments	11,534,804	11,506,417	(28,387)
Capital Improvement Projects	117,306	625,572	508,266
Non-Annual Recurring Expenses	-	-	-
Total CCWA Expenses:	18,542,903	19,000,056	457,153
Pass-Through Expenses			
DWR Fixed Costs	32,151,395	31,366,677	(784,718)
DWR Variable Costs	5,265,818	5,209,517	(56,301)
Warren Act and Trust Fund Payments	239,691	128,159	(111,532)
Total Pass-Through Expenses:	37,656,904	36,704,353	(952,551)
Subtotal Gross Budget:	56,199,807	55,704,409	(495,398)
CCWA Credits	(234,863)	(689,928)	(455,065)
TOTAL:	\$ 55,964,944	\$ 55,014,482	\$ (950,463)

CCWA Operating Expense Budget

The FY 2011/12 CCWA operating expense budget totals \$6,868,067, which is \$22,726 less than the FY 2010/11 operating expense budget, a 0.33% decrease.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2011/12 and FY 2010/11.

	Final FY 2010/11 Budget	Preliminary FY 2011/12 Budget	Increase	Percentage Change
Fixed O&M	\$ 5,418,498	\$ 5,562,461	\$ 143,962	2.66%
Variable O&M	1,472,294	1,305,607	(166,688)	-11.32%
Total:	\$ 6,890,793	\$ 6,868,067	\$ (22,725)	-0.33%

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

Personnel Expenses

Personnel expenses are increasing about \$158,000, which includes the following changes from the prior year:

- The FY 2011/12 Budget includes a \$104,393 salary pool.
- PERS Retirement expenses are increasing by about \$33,000 for an increase in employee salaries and a slight increase in the PERS contribution rate.

- Retiree medical future liability deposit increase of \$29,000. This is a new budget line item associated with changing medical insurance providers to the PERS Health Insurance Plan. Under this Plan, CCWA is required to provide a retiree medical option. The Board requested a deposit of \$1,000 per year per employee to fund the future liability associated with providing this benefit.

Supplies and Equipment

Supplies and equipment expenses are decreasing by about \$70,000 due primarily to a reduction in requested water deliveries, partially offset by an increase in the chemical cost per acre-foot. For FY 2011/12, chemical costs are based on \$34.01 per acre-foot compared to the prior year amount of \$30.13 per acre-foot.

Professional Services

Professional services expenses are decreasing by about \$67,500 due to a \$70,000 reduction in anticipated legal expenses. The prior year legal services budget included funds for potential litigation against DWR regarding the annual Statement of Charges which is not anticipated during FY 2011/12.

Utilities

Utilities are decreasing by about \$78,000 due to a decrease in electrical costs primarily associated with a large reduction in requested water deliveries into Lake Cachuma by the South Coast project participants.

CCWA Capital Improvement Projects

The FY 2011/12 Budget includes \$625,572 for capital improvements entirely funded from project participant assessments.

Please refer to the “Capital Improvements” section of the FY 2011/12 Budget for additional information.

Regional Water Treatment Plant Allocation and Exchange Agreement Modifications

The FY 2011/12 fixed, capital and variable regional water treatment plant allocation (and associated credit) is \$1,595,674. The FY 2011/12 fixed, capital and variable exchange agreement modifications total \$438,313.

CCWA 2006A Revenue Bond Debt Service

CCWA 2006A revenue bond debt service for FY 2011/12 totals \$11.5 million, unchanged from the prior year.

Warren Act and Trust Fund Payments

The FY 2011/12 Budget includes \$128,159 for Warren Act and Trust Fund MOU payments based on \$58 per acre-foot.

CCWA Credits

The FY 2011/12 budget includes the following credits:

CCWA O&M Credits	\$	656,208
O&M Reserve Fund Interest Income		7,676
Rate Coverage Reserve Fund Interest		23,525
Prepayments and Other Credits		2,518
	\$	<u>689,928</u>

DWR Charges

The FY 2011/12 DWR fixed charges total \$31,366,677, which is \$784,718 less than the FY 2010/11 Budget. The DWR variable charges total \$5,209,517, which is \$111,532 less than the prior year amount.

Please refer to the DWR section of the budget for a detailed discussion on the DWR charges.

CONCLUSION

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

Sincerely,

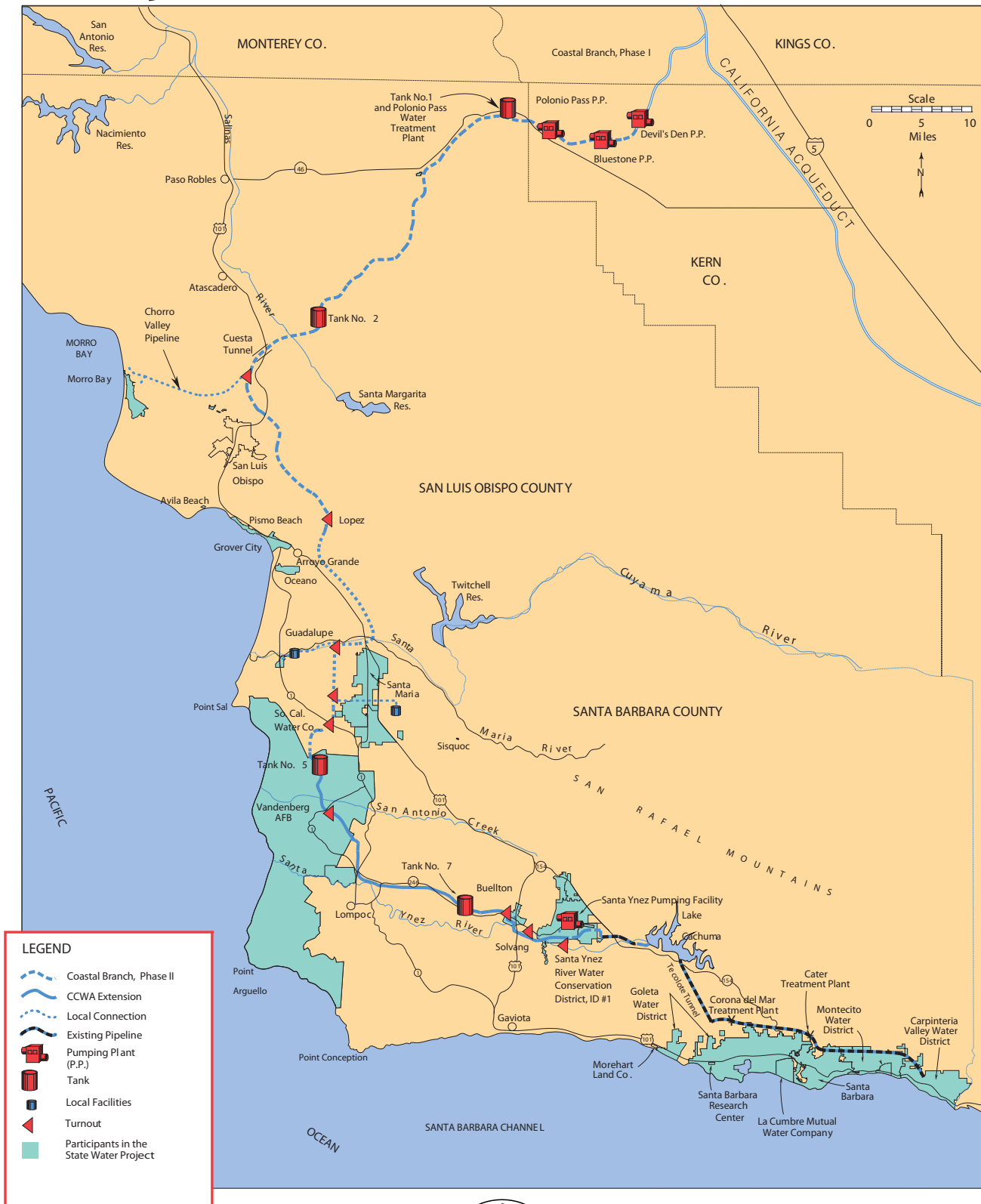


William Brennan
Executive Director



Ray A. Stokes
Deputy Director

Project Map



LEGEND

- Coastal Branch, Phase II
- CCWA Extension
- Local Connection
- Existing Pipeline
- Pumping Plant (P.P.)
- Tank
- Local Facilities
- Turnout
- Participants in the State Water Project



Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2011/12 Budget

The Authority is a public entity duly organized and existing under a Joint Exercise of Powers Agreement – Central Coast Water Authority, dated as of August 1, 1991, by and among nine public agencies in Santa Barbara County, two of which have subsequently merged. The members entered into the Agreement to exercise their common power to acquire, construct, operate and maintain works and facilities for the development and use of water resources and water rights including without limitation, works and facilities to divert, store, pump, treat and deliver water for beneficial uses. In particular, the members expressed their desire to create the Authority to finance, develop, operate, and maintain the Authority’s facilities for their mutual benefit and to act on behalf of the members with respect to the Department of Water Resources (DWR) facilities. The Authority currently has a staff of 27 full-time and 2 part-time employees.

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

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2011/12 Budget

Board of Directors Voting Percentages

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

CCWA Committees

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

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

Santa Barbara County Project Participants

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2011/12 Budget

Santa Barbara County Project Participant Table A Amounts

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

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

San Luis Obispo County Water Purchasers

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

San Luis Obispo County Project Participant Table A Amounts

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2011/12 Budget

Water Supply Agreements

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

Local Water Treatment Agreements

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

State Water Project

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

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

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

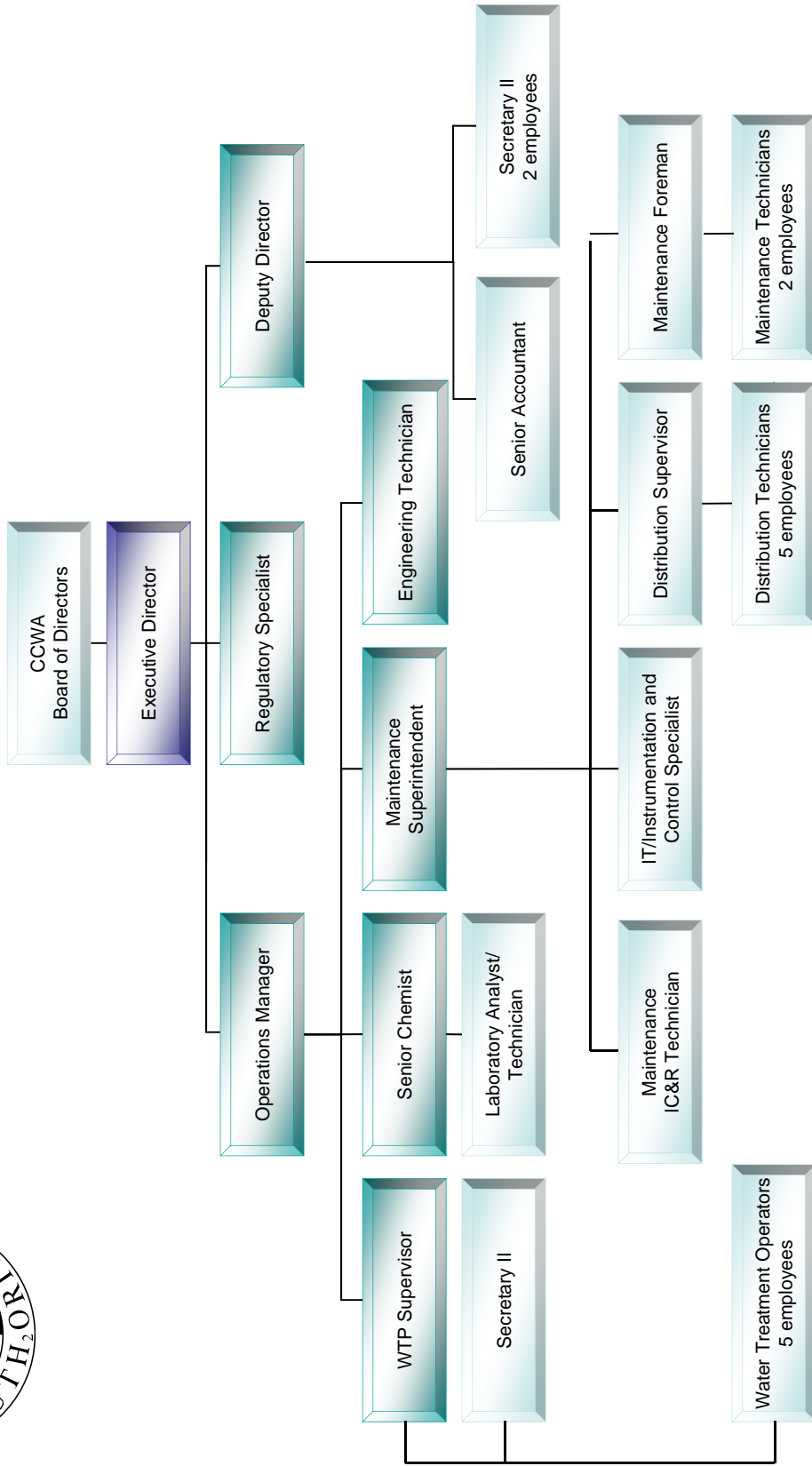
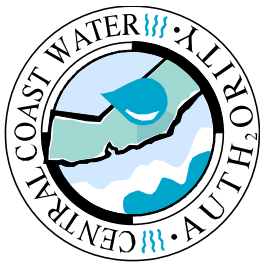
Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2011/12 Budget

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

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

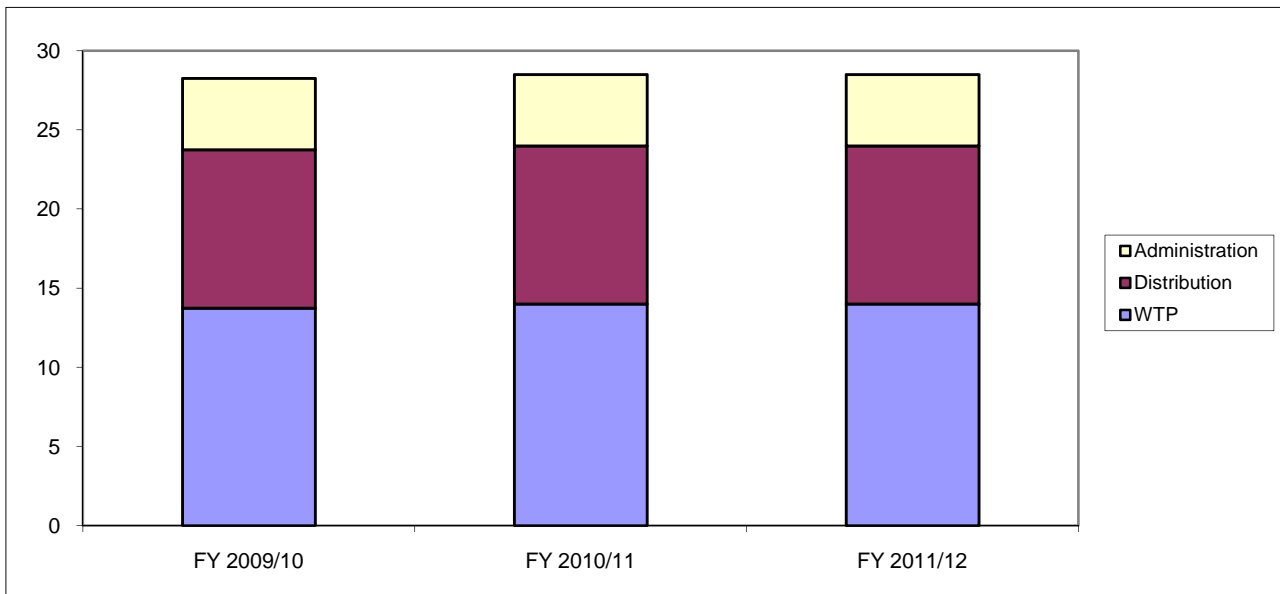
The water treatment plant receives raw water from the Coastal Branch Phase II and, after treatment, returns the water to the Coastal Branch Phase II. The plant is sized at 43 million gallons per day to accommodate the maximum annual entitlement of both counties. The plant uses conventional modern treatment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

Central Coast Water Authority Organization Chart FY 2011/12



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2011/12 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2009/10	Authorized FY 2010/11	Requested FY 2011/12	Over FY 2009/10	Over FY 2010/11
Executive Director	1.00	1.00	1.00	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager	1.00	1.00	1.00	-	-
Regulatory Specialist	1.00	1.00	1.00	-	-
Senior Accountant	1.00	1.00	1.00	-	-
Secretary II	2.50	2.50	2.50	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Chemist	-	1.00	1.00	1.00	-
Laboratory Analyst	0.75	-	-	(0.75)	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	1.00	1.00	1.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	28.25	28.50	28.50	0.25	-



Central Coast Water Authority
Budget Process
Fiscal Year 2011/12 Budget

Fiscal Year Budget

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

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

Four Year Financial Plan

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

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

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

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

Central Coast Water Authority
Budget Process
Fiscal Year 2011/12 Budget

Committee Review of the Budget

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

Board Adoption of the Fiscal Year Budget

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

Budget Amendment Process

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

CCWA Financial Schedule FY 2011/12

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

CCWA FINANCIAL SCHEDULE

FISCAL YEAR 2011/2012

	FY 2010/11												FY 2011/12											
	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A
1.0	BUDGET																							
1.1	Receive DWR Statement of Charges (for following calendar year)																							
1.2	Project Participants Provide Delivery Requests for Budget Purposes																							
1.4	Submit Delivery Forecast and Warren Act Payment to USBR																							
1.5	Prepare Draft Budget*																							
1.6	Submit Preliminary Budget to Operating Committee																							
1.7	Submit Preliminary Budget to Finance Committee																							
1.8	Submit Preliminary Budget to Board of Directors																							
1.9	Board Approval of Final Budget																							
2.0	REVENUE																							
2.1	Project Participant Assessment Billings (CCWA Fixed Expenses)																							
2.2	SLO WTP and Coastal Branch Phase II Billing (CCWA Fixed Expenses)																							
2.3	Project Participant DWR Billings (Fixed Expenses)																							
2.4	Project Participant Bond Payment Billings																							
2.5	CCWA and DWR Variable Cost Billings																							
3.0	EXPENSES																							
3.1	CCWA Expenses																							
3.1.1	Administration / O&M Payments																							
3.1.2	Warren Act Payment																							
3.1.3	MOU Trust Fund Payments																							
3.2	CCWA Project Funds																							
3.2.1	Semi-Annual Bond Payment																							
3.3	DWR Payments																							
3.3.1	Semi Annual DWR Capital Cost Payment																							
3.3.2	Semi Annual DWR Coastal Branch Extension Payment																							
3.3.3	Monthly DWR Minimum and Variable OMP&R Cost Payment																							
4.0	WATER TRANSFERS AND SALES																							
4.1	CCWA Turnback Pool Sales																							
4.2	DWR Turnback Pool Sales																							

*Contains the FY 2011/2012 Budget and the Four-Year Financial Plan for FY 2011/12 through FY 2014/15

◆ DWR Statement Received
★ CCWA Board / Committee Milestone

← CCWA Bond Payment/Period
← SLO WTP Billing Due Date/Period
◆ Participants' Bond Payment Due Date/Period

▲ CCWA Staff Milestone
◆ Participant's DWR Billing Due Date/Period
◆ Participant Assessment Due Date/Period

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

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January 3, 2011

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2011/12 Budget

Budget Reporting

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

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

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

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II
Santa Ynez I
Santa Ynez II

DWR Reaches

Reach 33B
Reach 34
Reach 35
Reach 37
Reach 38

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

Financial Statement Reporting

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2011/12 Budget

The Fiscal Year 2011/12 Budget document has been prepared after analyzing, evaluating, and justifying both the financial and non-financial objectives and goals of the Authority for the current year and beyond. The Authority's budget is a comprehensive document which enables the Board of Directors and Authority staff to evaluate the Authority's past and future.

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

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

BUDGET POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2011/12 Budget

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2011/12 Budget

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

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

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

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2011/12 Budget

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

CAPITAL IMPROVEMENTS POLICY

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

DEBT POLICY

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2011/12 Budget

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

RESERVE POLICY

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

INVESTMENT POLICY

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

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

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2011/12 Budget

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



Lake Cachuma

Budget Summary

The Budget Summary section of the FY 2011/12 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document. Additionally, graphs and tables showing the projected expenditures through FY 2014/15 are included in this section as well as cost per acre-foot amounts based on the FY 2011/12 Budget.

Highlights

Budget Summary

• FY 2011/12 Gross Budget	\$ 55,704,409
• FY 2010/11 Gross Budget	<u>\$ 56,199,807</u>
Decrease:	\$ (952,551)
• FY 2011/12 CCWA Credits	\$ 689,928
• FY 2010/11 CCWA Credits	<u>\$ 234,863</u>
Increase:	\$ 455,065
• FY 2011/12 Net Budget (After CCWA Credits)	\$ 55,014,482
• FY 2010/11 Net Budget (After CCWA Credits)	<u>\$ 55,964,944</u>
Increase:	\$ 950,463

Significant Budget Changes

- DWR Fixed cost decrease of \$0.8 million
- CCWA Fixed O&M Expense budget increase of \$143,962
- CCWA Variable O&M Expense budget decrease of \$166,688
- CCWA capital improvement projects budget increase of \$508,000

Central Coast Water Authority
Budget Summary
 Fiscal Year 2011/12 Budget

	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Change from FY 2010/11 Est. Actual
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
SOURCES OF CASH						
CCWA Operating Expenses ⁽¹⁾	7,548,905	6,890,793	6,890,793	6,868,067	(22,726)	(22,726)
Debt Service Payments	11,454,063	11,534,804	11,534,804	11,506,417	(28,387)	(28,387)
Capital Improvement Projects	171,603	117,306	117,306	625,572	508,266	508,266
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	196,110	-	100,000	-	-	(100,000)
CCWA Credits	-	(234,863)	(234,863)	(689,927)	(455,064)	(455,064)
Subtotal Revenues	19,370,681	18,308,040	18,408,040	18,310,129	2,089	(97,911)
<u>Pass-Through Expenses</u>						
DWR Fixed Costs	30,869,591	32,151,395	32,151,395	31,366,677	(784,718)	(784,718)
DWR Variable Costs	1,216,970	5,265,818	5,265,818	5,209,517	(56,301)	(56,301)
Warren Act Charges	40,076	239,691	239,691	128,159	(111,532)	(111,532)
Subtotal Pass-Through Expenses	32,126,637	37,656,904	37,656,904	36,704,353	(952,551)	(952,551)
TOTAL SOURCES OF CASH	51,497,318	55,964,944	56,064,944	55,014,483	(950,462)	(1,050,462)
USES OF CASH						
<u>CCWA Operating Expenses</u>						
Personnel	3,440,910	3,707,459	3,246,094	3,865,467	158,008	619,372
Office Expenses	14,874	23,600	18,869	21,920	(1,680)	3,051
Supplies and Equipment	739,153	1,288,571	960,311	1,218,563	(70,008)	258,251
Monitoring Expenses	69,276	78,630	60,822	60,648	(17,982)	(174)
Repairs and Maintenance	198,521	207,558	180,552	210,025	2,467	29,473
Professional Services	289,105	307,730	126,772	240,534	(67,196)	113,762
General and Administrative	237,426	259,518	238,877	216,715	(42,803)	(22,162)
Utilities	264,184	502,520	419,108	424,217	(78,303)	5,109
Other Expenses	399,901	515,208	364,049	609,979	94,771	245,930
Total Operating Expenses	5,653,350	6,890,793	5,615,455	6,868,067	(22,725)	1,252,613
<u>Other Expenditures</u>						
Warren Act Charges	40,076	239,691	239,691	128,159	(111,532)	(111,532)
Capital Improvement Projects ⁽¹⁾	428,879	117,306	117,306	625,572	508,266	508,266
CCWA Credits	-	(234,863)	(234,863)	(689,927)	(455,064)	(455,064)
2006 Revenue Bond Debt Service	11,454,063	11,534,804	11,534,804	11,506,417	(28,387)	(28,387)
Unexpended O&M Assessments	1,834,389	-	1,375,339	-	-	-
Total Other Expenditures	13,757,407	11,656,938	13,032,277	11,570,221	(86,717)	(86,717)
Total CCWA Expenditures	19,410,757	18,547,731	18,647,732	18,438,289	(109,442)	1,165,896
<u>DWR Charges</u>						
Fixed DWR Charges	30,869,591	32,151,395	32,151,395	31,366,677	(784,718)	(784,718)
Variable DWR Charges	1,216,970	5,265,818	5,265,818	5,209,517	(56,301)	(56,301)
Total DWR Charges	32,086,561	37,417,213	37,417,213	36,576,194	(841,019)	(841,019)
TOTAL USES OF CASH	51,497,318	55,964,944	56,064,945	55,014,482	(950,461)	324,877
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ (1)	-
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ 0	\$ 0	\$ (0)	\$ -		

(1) Includes carryover revenues from the prior year.

**Central Coast Water Authority
Total Expenditures Summary
Fiscal Year 2011/12 Budget**

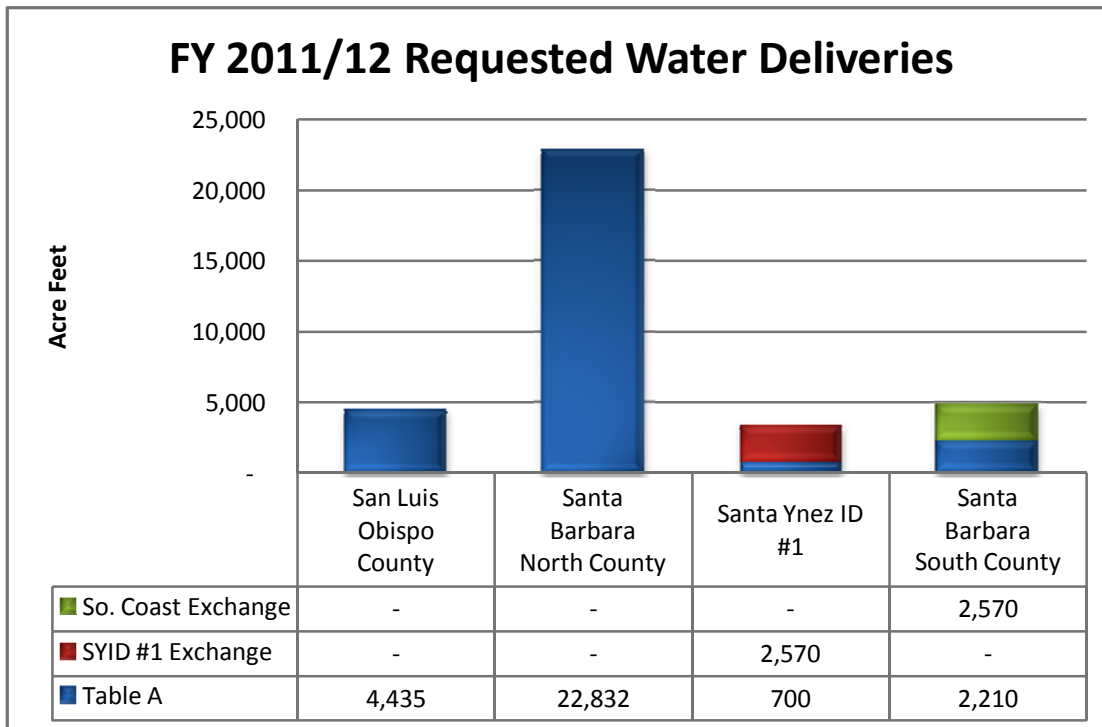
Project Participant	Unadjusted Fixed CCWA Operating Expense (1)	Unadjusted Variable Operating Expense	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Adjustment Variable	Regional WTP Allocation	Regional WTP Credit	Adjusted Charge	Warren Act Charges (2)	2006A		Subtotal FY 2011/12 CCWA	Non-Recurring Expenses	CCWA (Credits)/ Amount Due	Total FY 2011/12 CCWA
									Revenue	Bond Debt Service				
Guadalupe	63,600	21,004	-	-	\$23,016	\$0	\$107,621	-	163,921	-	\$271,542	-	(\$18,278)	253,264
Santa Maria	1,844,441	475,634	-	-	\$666,773	-	2,986,848	-	-	-	2,986,848	-	(296,374)	2,690,474
Golden State Water	60,979	17,880	-	-	\$20,829	-	99,687	-	-	-	99,687	-	(7,378)	92,309
Vandenberg AFB	710,497	210,043	-	-	\$230,164	-	1,150,704	-	-	-	1,150,704	-	(152,314)	998,390
Buellton	89,069	20,727	-	-	\$24,083	-	133,879	-	290,400	-	424,279	-	(16,874)	407,404
Santa Ynez (Solvang)	226,899	47,390	-	-	\$62,000	-	336,288	-	891,830	-	1,228,118	-	(15,388)	1,212,731
Santa Ynez	76,569	24,302	349,081	89,232	\$128,183	-	667,368	-	334,930	-	1,002,298	-	(118,034)	884,264
Goleta	896,476	32,148	(125,854)	(32,171)	\$138,886	(\$485,333)	424,152	142	2,810,830	-	3,235,123	-	(274)	3,234,850
Morehart Land	39,843	24,435	-	0	\$8,370	(\$34,804)	37,844	12,760	129,076	-	179,880	-	(14,000)	165,880
La Cumbre	199,217	60,976	-	0	\$40,355	(\$154,892)	145,656	31,842	617,962	-	795,460	-	26,676	822,136
Raytheon	9,961	6,109	-	0	\$2,092	(\$8,701)	9,461	3,190	27,024	-	39,675	-	1,611	41,286
Santa Barbara	597,651	21,367	(83,236)	(21,277)	\$92,790	(\$24,335)	282,960	(104)	1,727,905	-	2,010,761	-	2,700	2,013,461
Montecito	597,651	175,196	(83,236)	(21,277)	\$96,543	(\$372,419)	392,458	80,226	2,030,763	-	2,503,447	-	(4,629)	2,498,817
Carpinteria	398,434	14,323	(56,396)	(14,416)	\$61,591	(\$215,190)	188,346	104	1,161,117	-	1,349,567	-	4,075	1,353,642
Shandon	7,296	-	-	-	-	-	7,296	-	13,043	-	20,340	-	(718)	19,622
Chorro Valley	179,192	81,166	-	-	-	-	280,359	-	1,038,961	-	1,299,320	-	(52,178)	1,247,142
Lopez	190,257	72,815	-	-	-	-	263,073	-	288,654	-	531,726	-	(28,550)	503,176
TOTAL:	6,188,033	\$1,305,515	(2)	(3)	\$1,595,674	(\$1,595,674)	\$7,493,998	\$128,159	\$11,506,417	\$0	\$19,128,574	\$0	(689,927)	\$18,438,647

(1) Includes capital improvement projects.

Project Participant	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	DWR FIXED CHARGES		Water System Revenue		Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Interest Income	TOTAL DWR and CCWA
				Transportation Cap. Reach 38	Transportation Minimum OMP&R	Water System Bond	Water System Variable							
Guadalupe	\$ 268,745	\$ 606,404	\$ -	\$ -	\$ 81,786	\$ 22,359	\$ 26,507	\$ 12,777	\$ 399,397	\$ 12,777	\$ 61,806	\$ 74,583	\$ (424)	\$ 726,821
Santa Maria	7,915,770	18,716	-	-	2,408,968	658,585	780,742	1,282,603	12,370,460	1,282,603	1,532,356	2,814,959	(10,587)	17,865,306
Golden State Water	244,314	205,878	337,593	337,593	74,351	20,327	24,097	39,035	361,804	39,035	62,464	101,500	(309)	575,304
Vandenberg AFB	2,687,453	21,636	35,478	35,478	817,856	223,594	265,067	228,803	4,537,441	228,803	719,747	948,550	-	6,484,381
Buellton	282,427	56,149	92,071	92,071	85,949	23,498	27,865	37,847	476,853	37,847	69,844	107,691	(380)	584,164
Santa Ynez (Solvang)	726,475	18,716	30,690	30,690	217,010	59,270	66,016	133,993	1,216,990	133,993	152,701	286,694	(994)	2,715,419
Santa Ynez	250,761	7,486	276,213	276,213	80,393	22,037	30,372	46,822	432,989	46,822	83,783	130,605	(406)	1,447,452
Goleta	2,198,825	169,446	7,486	7,486	670,739	182,940	216,873	(176,671)	3,714,036	(176,671)	136,355	(40,316)	(3,545)	6,905,024
Morehart Land	97,726	37,432	61,381	61,381	29,740	8,131	9,639	10,481	164,998	10,481	22,069	32,550	(196)	363,031
La Cumbre	488,628	1,872	3,069	3,069	148,701	40,653	48,194	158,117	824,989	158,117	66,953	225,070	(228)	1,871,967
Raytheon	24,431	112,297	184,142	184,142	7,435	2,033	2,410	4,177	41,249	4,177	6,378	10,554	96	93,186
Santa Barbara	1,465,883	74,865	122,761	122,761	446,103	121,960	144,582	(6,941)	2,474,968	137,350	243,325	380,675	(2,260)	5,352,201
Montecito	1,465,883	977,256	184,142	184,142	446,103	121,960	144,582	137,350	2,474,968	137,350	243,325	380,675	(2,260)	5,352,201
Carpinteria	19,471	-	-	-	297,402	81,307	96,388	(4,349)	1,649,978	(4,349)	59,400	55,051	(641)	3,058,031
Goleta 2500 AF	-	-	-	-	72,366	23,109	111,417	-	226,363	-	-	-	-	226,363
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL:	\$ 19,114,068	\$ 1,442,193	\$ 1,339,815	\$ 5,884,893	\$ 1,611,763	\$ 1,994,750	\$ 31,367,482	\$ 1,904,045	\$ 3,305,472	\$ 5,209,517	\$ (20,805)	\$ 36,576,194	\$ 55,014,482	

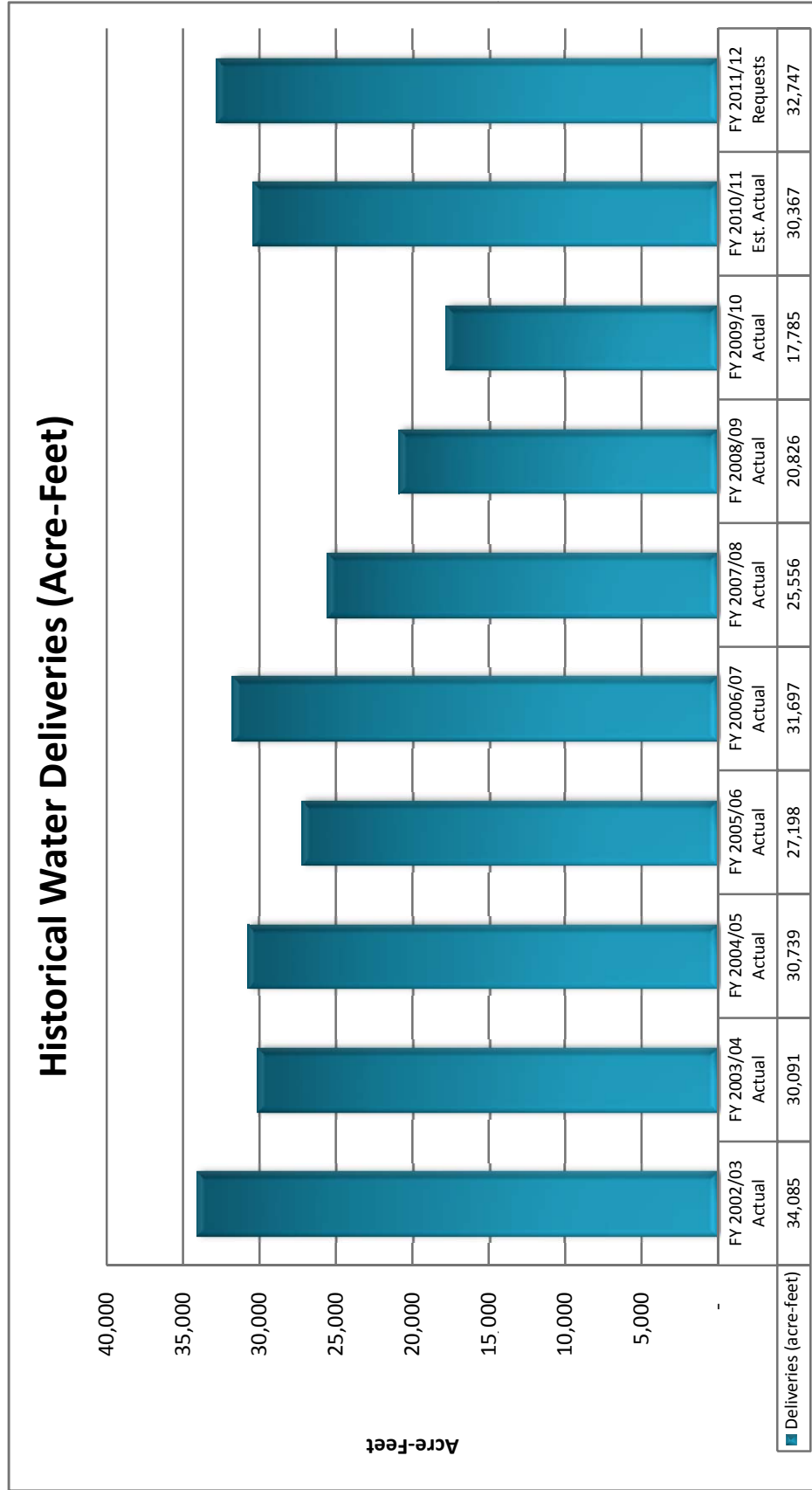
Central Coast Water Authority
FY 2011/12 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	2,097	-	2,097
Chorro Valley	2,338	-	2,338
Guadalupe	605	-	605
Santa Maria	13,700	-	13,700
Golden State Water	515	-	515
VAFB	6,050	-	6,050
Buellton	597	-	597
Solvang	1,365	-	1,365
Santa Ynez	700	2,570	3,270
Goleta	925	(925)	0
Morehart	220	-	220
La Cumbre	549	-	549
Raytheon	55	-	55
Santa Barbara	615	(615)	0
Montecito	2,000	(615)	1,385
Carpinteria	413	(413)	(0)
TOTAL:	32,747	(0)	32,747

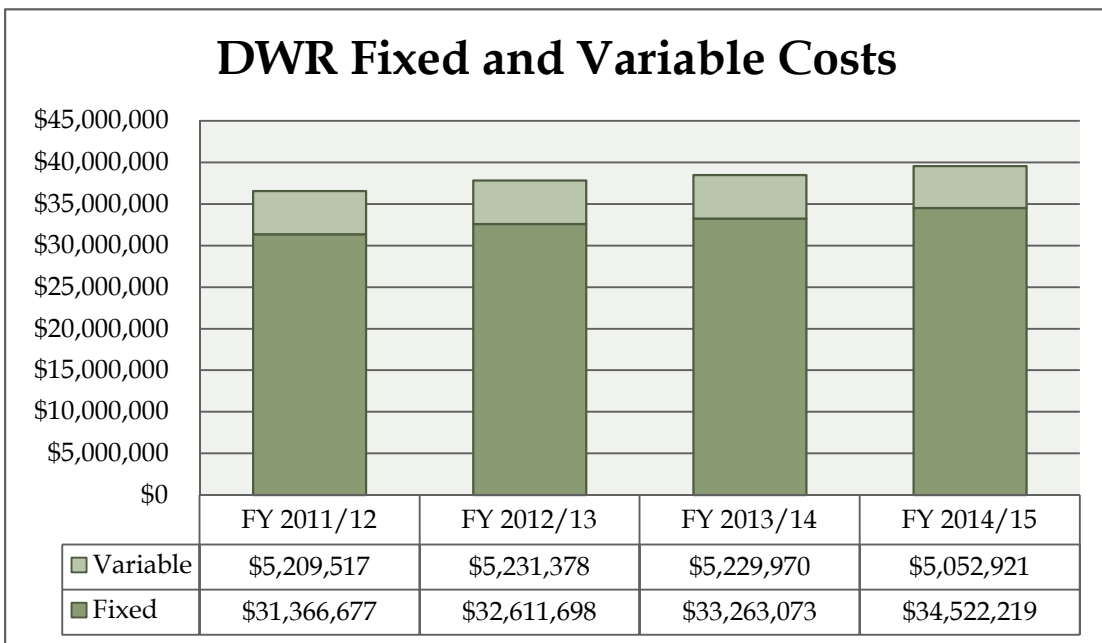
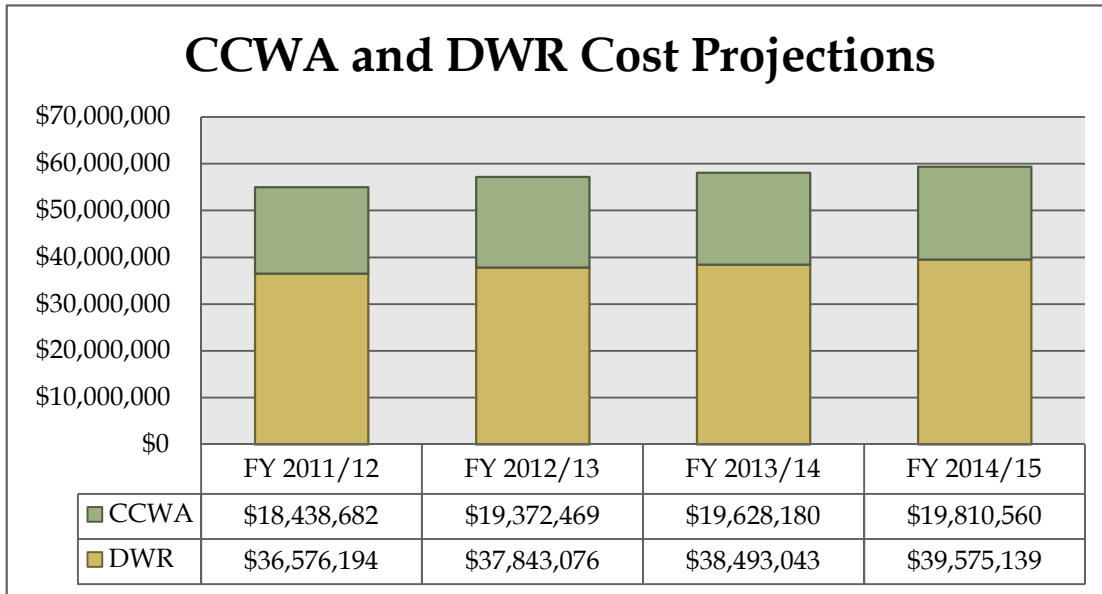


Santa Ynez ID#1 exchanges its Lake Cachuma entitlement for an equal amount of the Santa Barbara County south coast project participant State water. The amounts in the graph above show both the Santa Ynez ID#1 exchanged State water and the South coast Cachuma water taken in the exchange.

Central Coast Water Authority
Ten-Year Water Delivery History
(Fiscal Year)

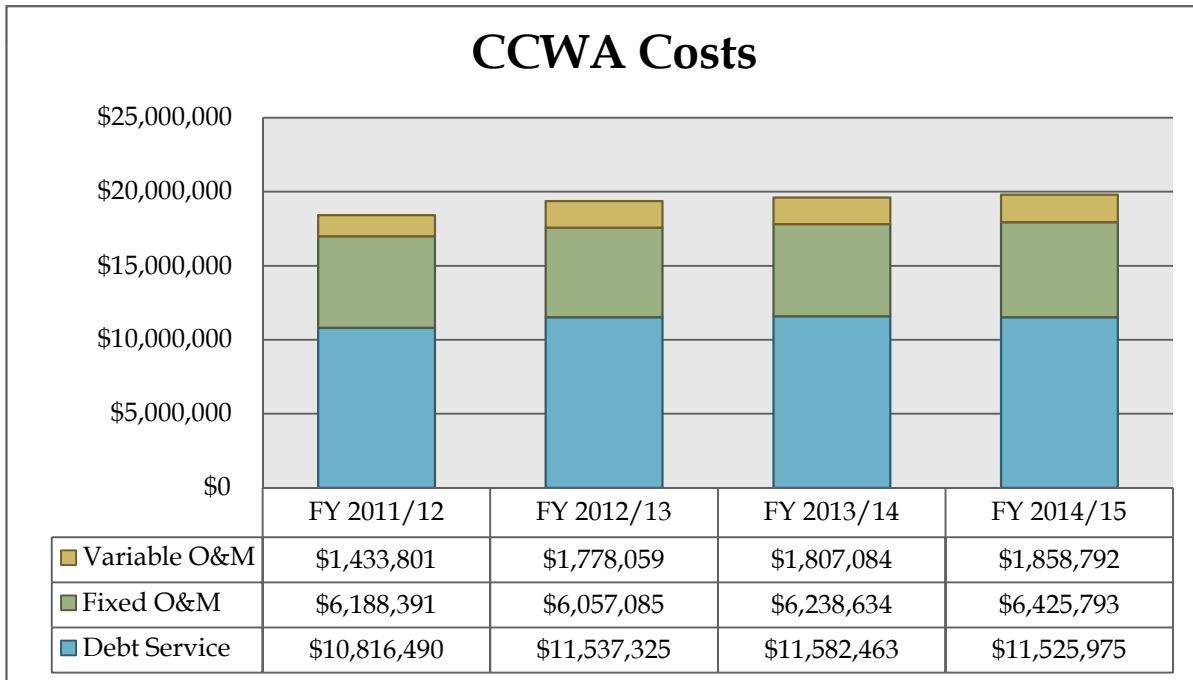
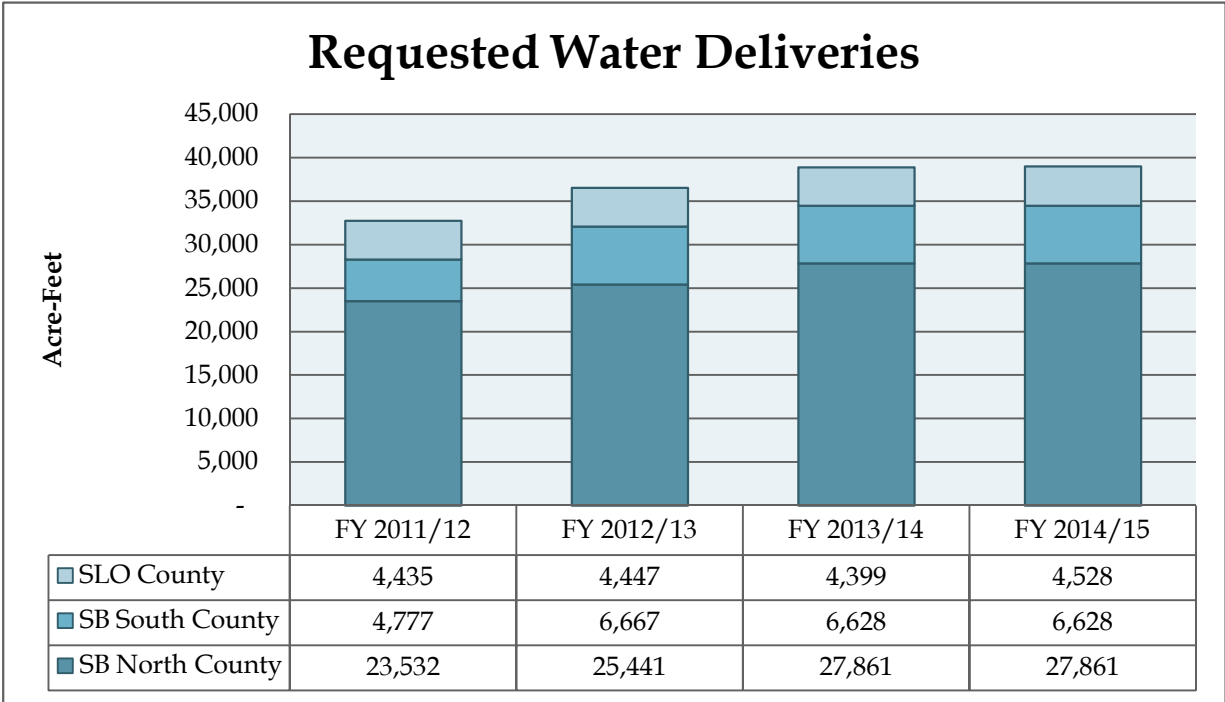


Central Coast Water Authority
Projected Future State Water Costs
 FY 2011/12 to 2014/15



FY 2011/12 charges net of CCWA credits.

Central Coast Water Authority
Projected Future State Water Costs
 FY 2011/12 to 2014/15



Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2011/12 Budget

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

Cost-Types

The two cost-types are fixed and variable costs.

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

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

Water-Types

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

FY 2011/12 Table A Fixed Cost Per Acre-Foot

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

Project Participant	Table A Amount	Fixed Cost Per Acre-Foot	
		Fixed Costs Excluding CCWA Credits	Fixed Cost Per Acre-Foot
Guadalupe	550	\$ 647,871	\$ 1,177.95
Santa Maria	16,200	14,833,970	915.68
Golden State Water C	500	461,908	923.82
VAFB	5,500	5,461,711	993.04
Buellton	578	878,407	1,519.74
Santa Ynez (Solvang)	1,500	2,393,026	1,595.35
Santa Ynez ⁽¹⁾	500	963,405	1,727.03
Goleta	4,500	6,945,684	1,543.49
Morehart	200	327,088	1,635.44
La Cumbre	1,000	1,576,817	1,576.82
Raytheon	50	76,672	1,533.44
Santa Barbara	3,000	4,484,655	1,494.89
Montecito	3,000	4,866,603	1,622.20
Carpinteria	2,000	2,998,975	1,499.49
TOTAL:	39,078	\$ 46,916,792	

Central Coast Water Authority
Cost Per Acre-Foot Analysis
Fiscal Year 2011/12 Budget

Fixed Cost Per Acre-Foot Difference Between Project Participants

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

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

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

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

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

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

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2011/12 Budget

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

FY 2011/12 Table A Variable Cost Per Acre-Foot

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

FY 2011/12 Requested Deliveries			Variable Cost Per Acre-Foot TABLE A DELIVERIES							Table A Variable Cost/AF
Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA WTP Variable	CCWA SYPF Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
605	-	605	\$ 21,005		\$ 1,639		\$ 116,374		\$ 139,018	\$ 229.78
13,700	-	13,700	475,644		37,122		2,635,252		3,148,017	229.78
515	-	515	17,880		1,395		99,062		118,338	229.78
6,050	-	6,050	210,047		16,393		1,163,742		1,390,183	229.78
597	-	597	20,727		1,618		114,835		137,180	229.78
1,365	-	1,365	47,391		3,699		262,563		313,653	229.78
700	2,570	3,270	24,303		8,860		134,648		167,811	229.78
925	(925)	0	32,115	76	(4)	(85)	177,928	26	210,055	-
220	-	220	7,638	16,797	596	(7,638)	42,318	12,760	72,471	329.41
549	-	549	19,060	41,916	1,488	(19,060)	105,602	31,842	180,849	329.41
55	-	55	1,910	4,199	149	(1,909)	10,579	3,190	18,118	329.41
615	(615)	0	21,352	-	6	62	118,298	12	139,730	-
2,000	(615)	1,385	69,437	105,656	3,759	(48,022)	384,708	80,342	595,880	329.39
413	(413)	(0)	14,339	76	(6)	(62)	79,442	(12)	93,777	-
28,312	(0)	28,312	\$ 982,847	\$ 168,721	\$ 76,714	\$ (76,714)	\$ 5,445,353	\$ 128,159	\$ 6,725,080	

(1) Santa Ynez fixed cost amounts exclude the fixed and capital exchange agreement modifications, which are shown under the Exchange Agreement cost per acre-foot analysis. Also adjusted for the retreatment allocation charge to the exchange deliveries.

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2011/12 Budget

FY 2011/12 Exchange Variable Cost Per Acre-Foot

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

Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES						
Project Participant	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	2,570	\$ 89,232	\$ 349,081	-	\$ 438,313	\$ 170.55
Goleta	(925)			\$ 177,843	177,843	192.35
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(615)			118,259	118,259	192.35
Montecito	(615)			118,259	118,259	192.35
Carpinteria	(413)			79,481	79,481	192.35
TOTAL:	(0)	\$ 89,232	\$ 349,081	\$ 493,842	\$ 932,155	

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

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



Santa Ynez Valley

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2011/12 Budget includes information on the Authority's revenues, pass-through receipts and a narrative explanation on the Authority's billing procedures and cash management.



Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2011/12 Budget

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

Assumptions for Revenue Projections

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

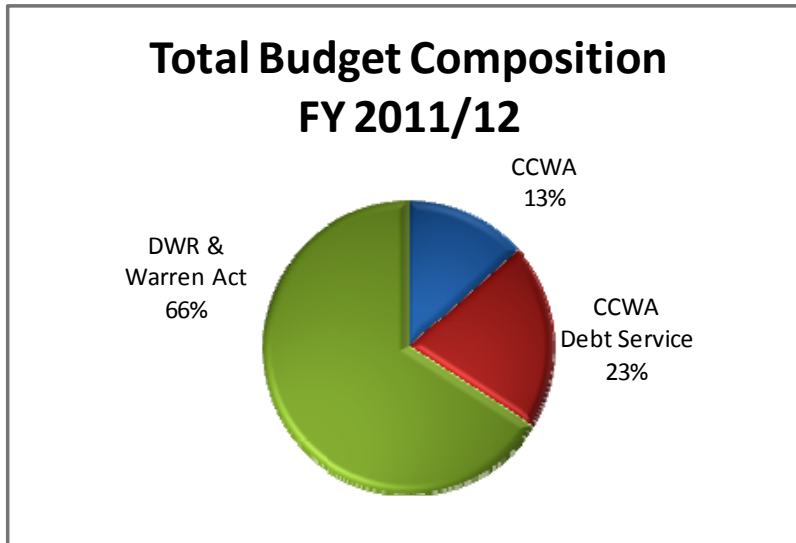
Revenues and Other Sources of Cash

Revenues	FY 2009/10 Actual	FY 2010/11 Estimated Actual	FY 2011/12 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 7,548,905	\$ 6,890,793	\$ 6,868,067
Debt Service Payments	11,454,063	11,534,804	11,506,416
Capital Improvement Projects (CIP)	171,603	117,306	625,572
Non-Annual Recurring Expenses	-	-	-
Investment Income	196,110	100,000	-
Subtotal Revenues	19,370,681	18,642,903	19,000,055
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	31,407,516	32,429,196	31,387,482
DWR Variable Costs	1,216,970	5,265,818	5,209,517
DWR Account Interest	(537,925)	(277,801)	(20,805)
Warren Act Charges ⁽¹⁾	40,076	239,691	128,159
Subtotal Pass Through Expenses	32,126,637	37,656,904	36,704,353
Gross Budget Before Credits	51,497,318	56,299,807	55,704,408
Credits and Prepayments	-	(234,863)	(689,927)
TOTAL SOURCES OF CASH	\$ 51,497,318	\$ 56,064,944	\$ 55,014,482

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2011/12 Budget

Revenues and Other Sources of Cash



FY 2010/11 Actual Cash Receipts

The actual cash receipts for FY 2010/11 are anticipated to be less than the actual expenditures for the year because of credits given to the project participants for (1) unexpended operating expense assessments for FY 2009/10, (2) interest income for FY 2009/10, and (3) differences between the DWR actual fixed payments and the budgeted fixed payments.

CCWA Operating Expense Revenues

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

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2011/12 Budget

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

***TOTAL CCWA FY 2011/12 OPERATING EXPENSES
 AND CAPITAL IMPROVEMENT PROJECTS***

Project Participant	CCWA Fixed Operating Expenses	CCWA Variable Operating Expenses	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Adjustment Cap. and Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 63,600	\$ 21,004	\$ 23,016	\$ -	\$ -	\$ -	\$ 107,621
Santa Maria	1,844,441	475,634	666,773	-	-	-	2,986,848
Golden State Water Co.	60,979	17,880	20,829	-	-	-	99,687
Vandenberg AFB	710,497	210,043	230,164	-	-	-	1,150,704
Buellton	89,069	20,727	24,083	-	-	-	133,879
Santa Ynez (Solvang)	226,899	47,390	62,000	-	-	-	336,288
Santa Ynez	76,569	24,302	128,183	-	349,081	89,232	667,368
Goleta	896,476	32,148	138,886	(485,333)	(125,854)	(32,171)	424,152
Morehart Land	39,843	24,435	8,370	(34,804)	-	-	37,844
La Cumbre	199,217	60,976	40,355	(154,892)	-	-	145,656
Raytheon	9,961	6,109	2,092	(8,701)	-	-	9,461
Santa Barbara	597,651	21,367	92,790	(324,335)	(83,236)	(21,277)	282,960
Montecito	597,651	175,196	96,543	(372,419)	(83,236)	(21,277)	392,458
Carpinteria	398,434	14,323	61,591	(215,190)	(56,396)	(14,416)	188,346
Shandon	7,296	-	-	-	-	-	7,296
Chorro Valley	179,192	81,166	-	-	-	-	260,359
Lopez	190,257	72,815	-	-	-	-	263,073
TOTAL:	\$ 6,188,033	\$ 1,305,515	\$ 1,595,674	(\$ 1,595,674)	\$ -	\$ -	\$ 7,493,998

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2011/12, are **\$7,493,998**.

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2011/12 Budget

Debt Service Payments

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

For FY 2011/12, total net revenue for debt service payments will be \$10,722,849 or about \$58,000 less than the FY 2010/11 revenues. The following table shows each financing participant's share of the debt service. Please refer to the "CCWA Bond Debt" section of this budget for additional information regarding the debt payments from the CCWA financing participants.

Financing Participant	FY 2011/12 Debt Service Payments ⁽¹⁾	Local Project Debt Service Payments ⁽²⁾	FY 2011/12 Net Debt Service Revenue
Avila Beach	\$ 13,172	\$ (1,792)	\$ 11,381
California Men's Colony	115,215	(40,019)	75,196
County of SLO	122,734	(42,678)	80,056
Cuesta College	57,612	(20,012)	37,600
Morro Bay	743,401	(306,127)	437,274
Oceano	96,308	(12,206)	84,102
Pismo Beach	159,173	(20,153)	139,021
Shandon	13,043	(1,442)	11,602
Guadalupe	163,921	(52,047)	111,875
Buellton	290,400	(8,471)	281,929
Santa Ynez (Solvang)	891,830	(22,597)	869,233
Santa Ynez	334,930	(10,014)	324,916
Goleta	2,810,830	(128,653)	2,682,177
Morehart Land	129,076	(592)	128,484
La Cumbre	617,962	(2,962)	615,000
Raytheon	27,024	(782)	26,242
Santa Barbara	1,727,905	(28,086)	1,699,819
Montecito	2,030,763	(44,681)	1,986,082
Carpinteria	1,161,117	(40,256)	1,120,861
TOTAL:	\$ 11,506,417	\$ (783,568)	\$ 10,722,849
(1) 2006A revenue bond principal and interest, minus FY 2010/11 debt service account interest income credits plus bond trustee fees.			
(2) Payments from project participants for local facilities financed with CCWA revenue bonds.			

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2011/12 Budget

FY 2011/12 CCWA Credits

The following table shows a summary of the FY 2011/12 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits
Guadalupe	\$17,536	\$175	\$ 567		\$18,278
Santa Maria	276,746	5,132	14,497		296,374
Golden State Water Co.	7,219	159	-		7,378
Vandenberg AFB	152,314	-	-		152,314
Buellton	15,818	183	873		16,874
Santa Ynez (Solvang)	12,864	475	2,048		15,388
Santa Ynez	116,462	159	1,413		118,034
Goleta	13	261	-		274
Morehart Land	11,886	64	-	2,051	14,000
La Cumbre	(26,841)	19	146		(26,676)
Raytheon	(2,078)	-	-	466	(1,611)
Santa Barbara	(2,758)	58	-		(2,700)
Montecito	-	953	3,676		4,629
Carpinteria	(4,419)	38	305		(4,075)
Shandon	718				718
Oceano CSD					-
Avila Beach CSD					-
Pismo Beach					-
Avila Valley Water Co.					-
San Miguelito Water Co.					-
San Luis School					-
Chorro Valley	52,178				52,178
Lopez	28,550				28,550
TOTAL:	\$656,208	\$7,676	\$23,525	\$2,517	\$689,927

Investment Income and Cash Management

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

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

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Bank Account Cash Balances

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

Debt Service Payments

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

Investment Income

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

DWR Payment Investments

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

CCWA Operating Expense Revenue

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

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Pass-Through Expenses

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

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

Warren Act Charges

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

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

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2011/12.

Warren Act and Trust Fund Charges

Project Participant	Total FY 2011/12 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	0	\$ (0)
Morehart Land Co.	220	12,760
LaCumbre	549	31,842
Raytheon	55	3,190
Santa Barbara	0	(0)
Montecito	1,383	80,226
Carpinteria	(0)	0
TOTAL:	2,208	\$ 128,159

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The following table represents the Fiscal Year 2011/12 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 2011/12 DWR Fixed Charges	FY 2011/12 DWR Variable Charges	FY 2011/12 Interest Income	FY 2011/12 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$399,397	\$74,583	(\$424)	\$ -	\$473,556
Santa Maria	12,370,460	2,814,959	(10,587)	-	15,174,832
Golden State Water Co.	381,804	101,500	(309)	-	482,995
Vandenberg AFB	4,537,441	948,550	-	-	5,485,991
Buellton	476,853	107,691	(380)	-	584,164
Santa Ynez (Solvang)	1,216,990	286,694	(994)	-	1,502,689
Santa Ynez	432,989	130,605	(406)	-	563,188
Goleta	3,940,398	(40,316)	(3,545)	142	3,896,678
Morehart Land	164,998	32,550	(196)	12,760	210,112
LaCumbre	824,989	225,070	(228)	31,842	1,081,673
Raytheon	41,249	10,554	96	3,190	55,090
Santa Barbara	2,474,968	81,350	(931)	(104)	2,555,283
Montecito	2,474,968	380,675	(2,260)	80,226	2,933,609
Carpinteria	1,649,978	55,051	(641)	104	1,704,493
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$31,387,482	\$5,209,517	(\$20,805)	\$128,159	\$36,704,353

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

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Authority Billing Procedures

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

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

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

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

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

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

Water Delivery Requests and Variable O&M Cost Invoices

Water Delivery Requests from Project Participants

In October of each year, DWR requests that each State water project contractor (SWPC) submit delivery requests for a five-year period on a calendar year basis commencing with the next calendar year. These requests are based on the following:

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There are basically two “tracks” that a SWPC can take with regard to delivery requests to DWR.

- (1) The “seller’s track”, which means that any SWPC water that is available to that contractor above their requested amount will be made available for sale through one of the DWR “turnback pools.” The turnback pools are a pool of unused water available by individual SWPC for sale to all SWPC and allocated in proportion to the Table A amount for each contractor requesting to buy the Turnback Pool water. The price received for water sold in Turnback pool A is one-half of the delta water rate (about \$21/AF for 2011) and one-quarter the delta water rate (about \$10.50/ for 2011) for Turnback pool B.
- (2) The “storer’s track”, which means the individual contractor wishes to store its unused current year water allocated by DWR in San Luis Reservoir to be used in the next calendar year.

For the past several years, CCWA has been on the storer’s track, which means that CCWA requests delivery of all water that is available to CCWA based on the total Table A amount of all the CCWA project participants times the current year allocation percentage from DWR. Any amounts not used by individual CCWA project participants is then “carried over” in San Luis Reservoir into the next calendar year to be used that year. Generally, this water carried over from the prior year is used first, before any of the current Table A water is used, as there is a risk that if San Luis Reservoir fills and spills, the water carried over from the prior year is lost (this is less of an issue now, but still a possibility).

SWPC cannot be on both the seller’s and storer’s tracks; it must be one or the other. As such, CCWA as a whole has selected to be on the storer’s track and individual project participants cannot elect to be on the seller’s track, except for the ability to sell water within CCWA.

CCWA project participants DO NOT pay variable costs based on water available to them in that particular year. Rather, the payment of variable costs for water is based on delivery requests based on estimated actual demand (discussed below).

Variable O&M Cost Billings to Project Participants

Pursuant to the Water Supply Agreements with each project participant, all CCWA costs are paid in advance of when the actual costs will be incurred. Fixed costs are paid annually on June 1st of each year for the ensuing fiscal year which begins on July 1st. Variable costs are paid quarterly, one quarter in advance of the quarter for which the costs are intended.

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The basis for the billings to the CCWA project participants is the annual fiscal year budget. The basis for the variable billings is requests from the project participants **based on their estimated demand for the year.** The idea is that project participants should provide delivery requests based on their estimated demand and then CCWA will attempt to meet that demand through the combination of various water sources that are available including, the current DWR Table A allocation, carryover water, dry year water purchase programs, purchases from other CCWA project participants, turnback pool purchases, etc.

The quarterly variable O&M costs are based on the requested water deliveries from each project participant. ***NOTE: The requested water deliveries may be, and many times are, different from the amount of water that is available to the project participant from DWR discussed above.*** For example, a project participant may have water available based on the current DWR Table A allocation percentage and/or carryover water from the prior year, but not have the need, or demand for that water. Conversely, the amount of water currently available from the DWR current year allocation may not be sufficient to meet the estimated demand (discussed above), but other sources may be available to meet that demand.

The quarterly variable invoices include both the CCWA variable O&M costs (electrical and chemical costs) and the DWR variable costs. The CCWA variable costs are billed to the project participants based on the budget amount for the entire year and there is no variation between the budget amount and the billed amount to the CCWA project participants.

The DWR variable costs are “trued-up” with each quarterly invoice. This means that each quarter, the actual costs incurred based on the actual water deliveries for the prior quarter are reconciled so that any difference, either positive or negative is adjusted on the current quarter’s invoice. Therefore, the DWR variable costs are constantly reconciled for differences between the requested water deliveries in the annual budget and the actual water delivered.

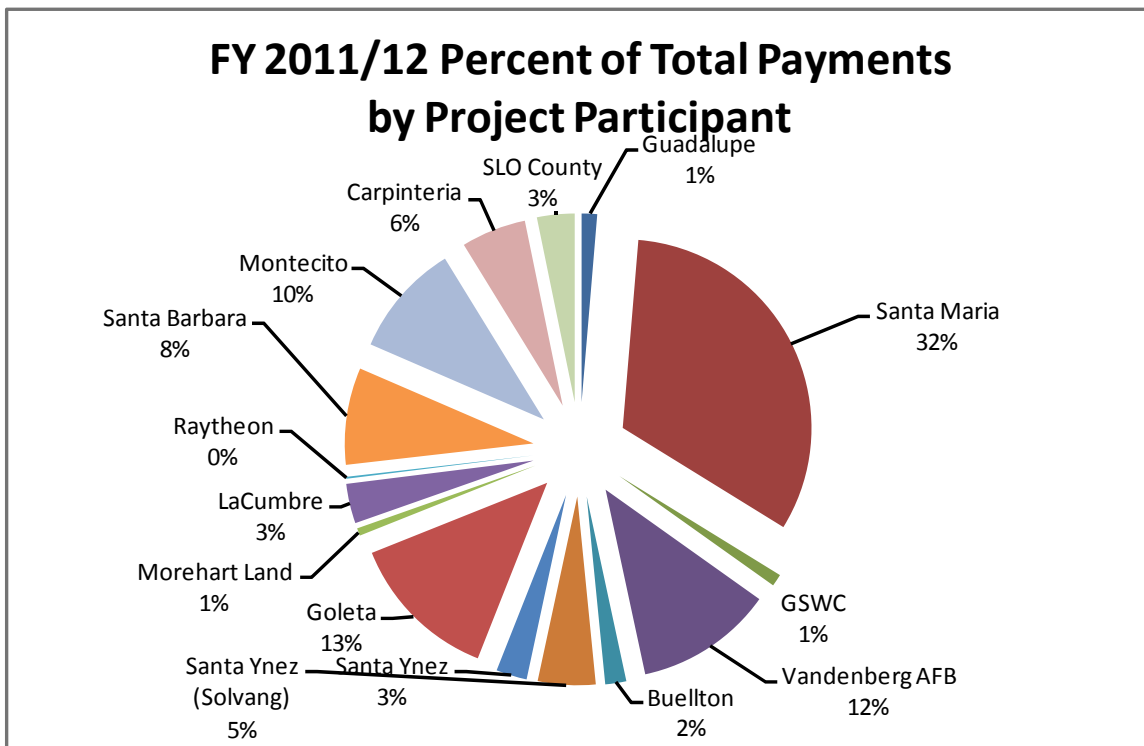
At the end of each fiscal year, a true-up and reconciliation of the entire fiscal year budget is performed. This reconciliation calculates the difference between the amounts billed to each project participant based on the budget and the actual costs incurred for the year. The result, either a credit or additional amount due, is provided or collected, usually in October of each year on the October 1st variable billing.

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2011/12 for each project participant.

Central Coast Water Authority
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Project Participant	FY 2011/12 Operating Expenses ⁽¹⁾	FY 2011/12 Debt Service Payments	FY 2011/12 DWR Costs	FY 2011/12 Warren Act Charges ⁽²⁾	FY 2011/12 CCWA Credits	FY 2011/12 Total Payments
Guadalupe	\$107,621	\$ 163,922	\$473,556	\$0	\$ (18,278)	\$726,821
Santa Maria	2,986,848	-	15,174,832	-	(296,374)	17,865,306
Golden State Water Co.	99,687	-	482,995	-	(7,378)	575,304
Vandenberg AFB	1,150,704	-	5,485,991	-	(152,314)	6,484,381
Buellton	133,879	290,400	584,164	-	(16,874)	991,567
Santa Ynez (Solvang)	336,288	891,830	1,502,689	-	(15,388)	2,715,420
Santa Ynez	667,368	334,930	563,188	-	(118,034)	1,447,451
Goleta	424,152	2,810,830	3,896,537	142	(274)	7,131,387
Morehart Land	37,844	129,076	197,352	12,760	(14,000)	363,031
La Cumbre	145,656	617,962	1,049,831	31,842	26,676	1,871,967
Raytheon	9,461	27,024	51,900	3,190	1,611	93,186
Santa Barbara	282,960	1,727,905	2,555,387	(104)	2,700	4,568,848
Montecito	392,458	2,030,763	2,853,384	80,226	(4,629)	5,352,201
Carpinteria	188,346	1,161,117	1,704,389	104	4,075	3,058,031
Shandon	7,296	13,043	N/A	-	(718)	19,621
Chorro Valley	260,359	1,038,960	N/A	-	(52,178)	1,247,141
Lopez	263,073	268,653	N/A	-	(28,550)	503,176
TOTAL:	\$7,493,998	\$11,506,416	\$36,576,194	\$128,159	(\$689,927)	\$55,014,482

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



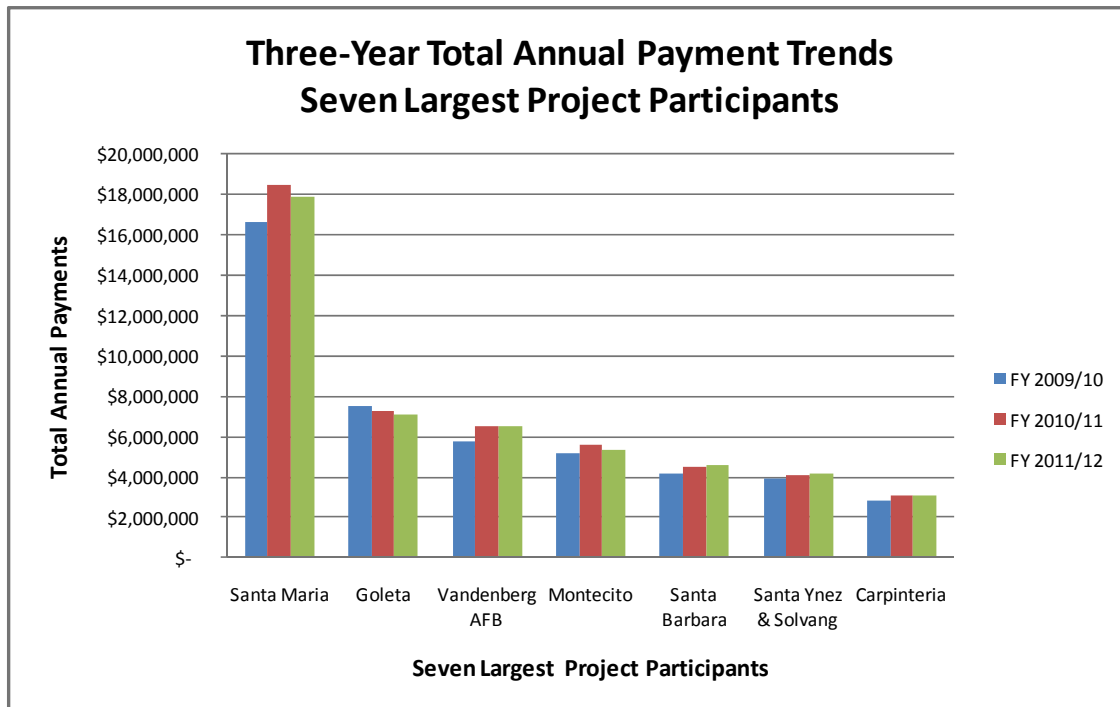
Central Coast Water Authority
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The following table shows the three-year trend in total payments due for each project participant and the corresponding increase or (decrease).

Three-Year Total Payments History by Project Participant

Project Participant	Total	Total	Total	Change	Change
	Payments FY 2009/10	Payments FY 2010/11	Payments FY 2011/12	FY 2009/10 to FY 2010/11	FY 2010/11 to FY 2011/12
Guadalupe	\$687,732	\$ 755,337	\$726,821	\$ 67,605	(\$28,516)
Santa Maria	16,615,873	18,493,387	17,865,306	1,877,514	(628,081)
Golden State Water Co.	495,464	575,203	575,304	79,739	101
Vandenberg AFB	5,758,352	6,514,998	6,484,381	756,646	(30,617)
Buellton	931,931	997,441	991,567	65,510	(5,874)
Santa Ynez (Solvang)	2,483,268	2,722,027	2,715,420	238,759	(6,607)
Santa Ynez	1,406,026	1,322,905	1,447,451	(83,121)	124,546
Goleta	7,542,227	7,256,637	7,131,387	(285,590)	(125,250)
Morehart Land	312,909	336,706	363,031	23,797	26,325
La Cumbre	1,706,292	1,926,137	1,871,967	219,845	(54,170)
Raytheon	73,007	85,177	93,186	12,170	8,009
Santa Barbara	4,159,647	4,537,856	4,568,848	378,209	30,992
Montecito	5,186,414	5,616,521	5,352,201	430,107	(264,320)
Carpinteria	2,822,672	3,042,734	3,058,031	220,062	15,297
Shandon	16,814	17,736	19,621	922	1,885
Chorro Valley	1,273,750	1,286,140	1,247,141	12,390	(38,999)
Lopez	471,124	478,003	503,176	6,879	25,173
TOTAL:	\$51,943,502	\$55,964,945	\$55,014,482	\$4,021,083	(\$950,465)

The following chart shows the three-year trend in total annual payments for the seven largest CCWA project participants.







Bradbury Dam

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2011/12 Budget provides information on the Authority's payments to DWR. This section includes information on the allocation of the fixed and variable DWR costs and other information regarding the FY 2011/12 DWR charges.

Highlights

Total FY 2011/12 DWR Charges **\$ 36,576,194**

- DWR Fixed Charges \$ 31,387,482
- DWR Variable Charges \$ 5,209,517
- Interest Income Credits \$ (20,805)

Fixed Charge Highlights

- Total fixed charge decrease over FY 2010/11 of \$763,913.
- Decrease in Transportation Capital charges of about \$2 million due to additional rate management credits for both calendar year 2011 and 2012
- Increase in Coastal Branch Extension costs of approximately \$0.9 million due to one-time extraordinary credits in the prior year budget.

Variable Charge Highlights

- Total variable charge decrease over FY 2010/11 of \$56,301.
- Estimated Variable OMP&R unit rate for 2011 and 2012: \$128.83.

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

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

DWR Billing Procedures

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

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

Summary of FY 2011/12 DWR Charges

The DWR charges for the first half of FY 2011/12 are based on the 2011 Statement of Charges. The DWR charges for the second half of FY 2011/12 are based on forecasts prepared by the DWR State Water Project Analysis Office. DWR transportation capital charges starting in 1998 are based on a Coastal Branch Phase II project cost of approximately \$481 million. Coastal Branch Extension capital charges are based on the allocation share of debt service principal and interest payments from the various DWR revenue bond debt issues allocated to repay the capital costs of the Coastal Branch Phase II.

The fixed DWR charges are allocated to the various project participants based on their State water Table A allocation. The variable DWR charges are allocated in proportion to the project participant requested deliveries. San Luis Obispo County pays DWR directly for its DWR costs. The table on page 22 shows fixed and variable DWR costs for each project participant.

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Department of Water Resources Charges
 Fiscal Year 2011/12 Budget

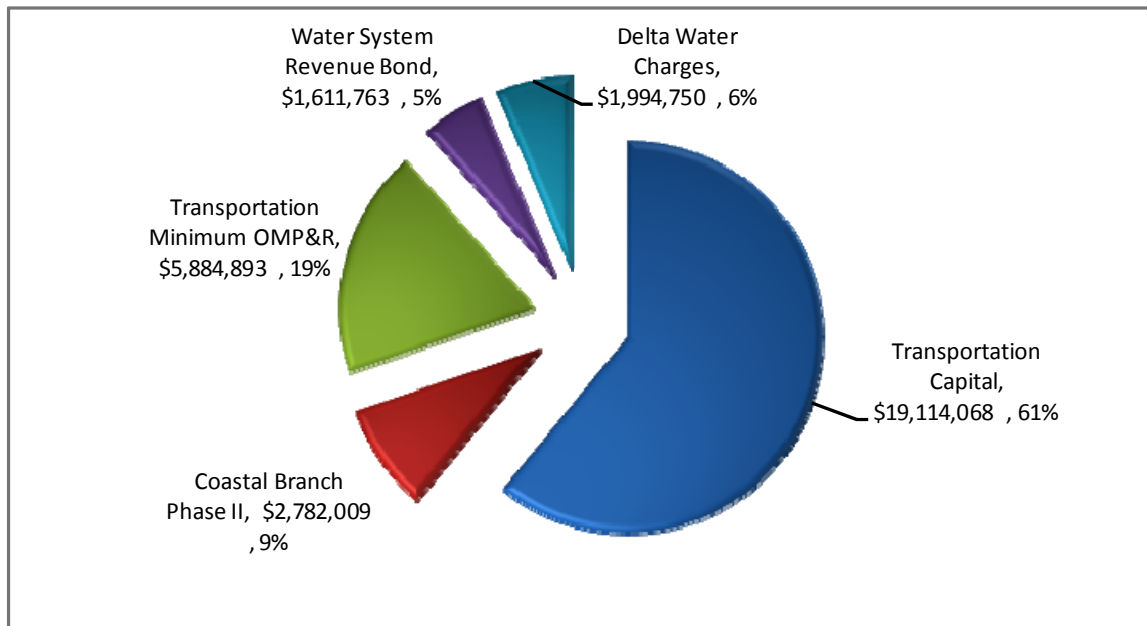
The following table provides a comparison of the FY 2009/10 through the FY 2011/12 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2009/10	FY 2010/11	FY 2010/11	FY 2011/12	FY 2011/12 Budget
	Actual	Budget	Est. Actual ⁽¹⁾	Budget	to FY 2010/11 Budget
					Increase (Decrease)
Transportation Capital	\$ 21,260,028	\$ 21,089,469	\$ 20,565,659	\$ 19,114,068	\$ (1,975,401)
Coastal Branch Phase II	2,393,487	1,836,446	1,907,387	2,782,009	945,563
Transportation Minimum OMP&R	6,397,380	5,814,264	7,401,816	5,884,893	70,629
Water System Revenue Bond	1,552,076	1,607,385	1,534,443	1,611,763	4,377
Delta Water Charges	547,528	1,803,831	1,763,631	1,994,750	190,919
Subtotal Fixed DWR Charges	<u>32,150,499</u>	<u>32,151,395</u>	<u>33,172,936</u>	<u>31,387,482</u>	<u>(763,913)</u>
Off-Aqueduct Charges	1,314,791	1,703,404	2,741,021	1,904,045	200,641
Variable OMP&R	1,336,285	3,562,414	2,328,563	3,305,472	(256,942)
Subtotal Variable DWR Charges	<u>2,651,076</u>	<u>5,265,818</u>	<u>5,069,584</u>	<u>5,209,517</u>	<u>(56,301)</u>
DWR Account Investment Income	(277,801)	-	(160,000)	(20,805)	(20,805)
Total DWR Charges	<u>\$ 34,523,774</u>	<u>\$ 37,417,213</u>	<u>\$ 38,082,520</u>	<u>\$ 36,576,194</u>	<u>\$ (841,019)</u>

(1) Includes the actual credits provided by DWR which were included in the fiscal year budget projections.

DWR FIXED COSTS

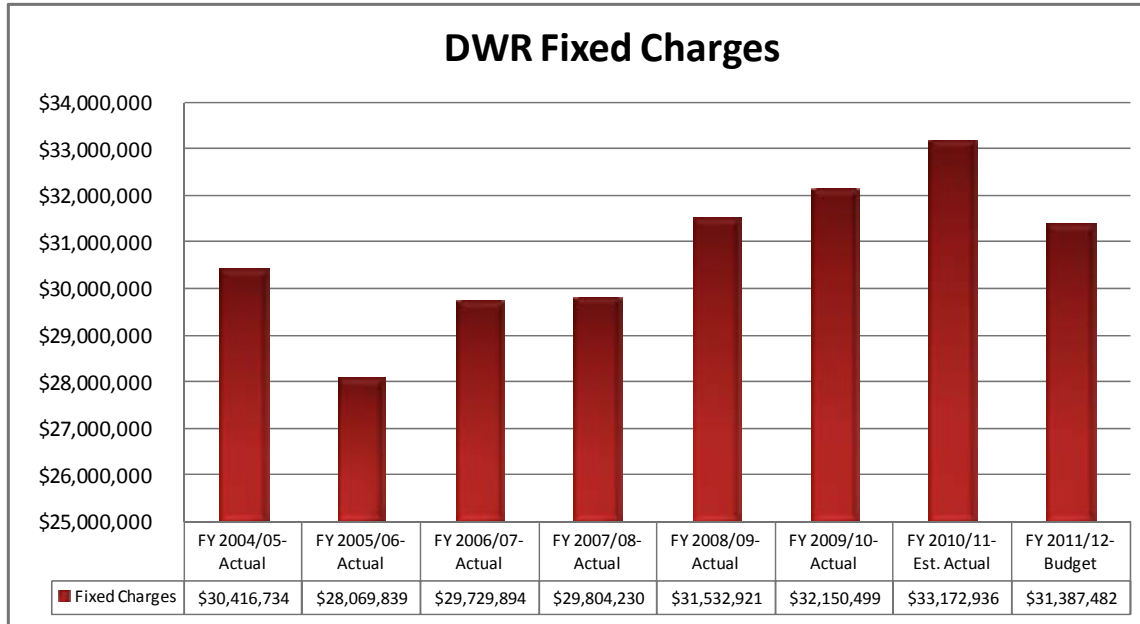
The DWR fixed costs are comprised of the following cost components:



The FY 2011/12 DWR fixed charges total \$31,387,482, which is \$763,913 less than the FY 2010/11 Budget. The reasons for the cost component variances are described later in this section.

Central Coast Water Authority
Department of Water Resources Charges
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The following graph shows the eight-year trend in the DWR fixed costs.

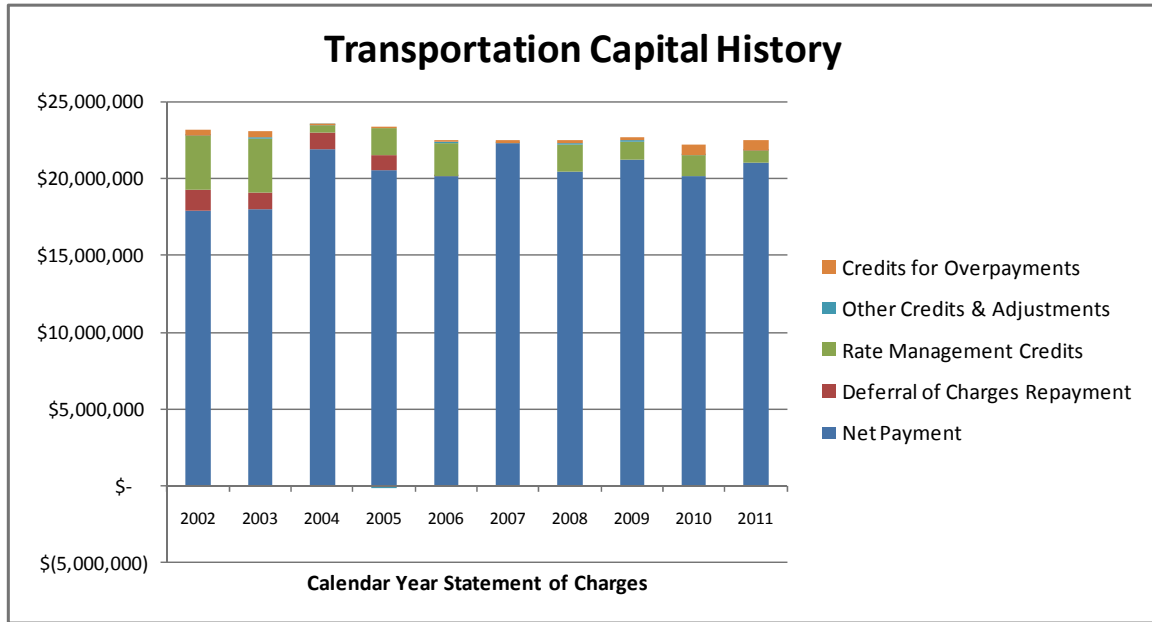


Transportation Capital

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

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

Central Coast Water Authority
Department of Water Resources Charges
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The following table shows the allocation of the FY 2011/12 Transportation Capital charges to each of the CCWA project participants:

Project Participant	Table A	Percentage	Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Rate Management Funds Credit	Prior Year DWR Credits for Overpayments ⁽²⁾	FY 2011/12 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 317,464	\$ 13	\$ (38,365)	\$ (10,366)	\$ 268,745
Santa Maria	16,200	41.46%	9,350,756	377	(1,130,031)	(305,331)	7,915,770
Golden State Water Co.	500	1.28%	288,604	12	(34,878)	(9,424)	244,314
VAFB	5,500	14.07%	3,174,639	128	(383,653)	(103,662)	2,687,453
Buellton	578	1.48%	333,626	13	(40,318)	(10,894)	282,427
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	858,405	35	(103,935)	(28,030)	726,475
Santa Ynez ⁽³⁾	500	1.28%	296,009	12	(35,575)	(9,666)	250,781
Goleta	4,500	11.52%	2,597,432	105	(313,898)	(84,814)	2,198,825
Morehart	200	0.51%	115,441	5	(13,951)	(3,770)	97,726
La Cumbre	1,000	2.56%	577,207	23	(69,755)	(18,848)	488,628
Raytheon	50	0.13%	28,860	1	(3,488)	(942)	24,431
Santa Barbara	3,000	7.68%	1,731,621	70	(209,265)	(56,543)	1,465,883
Montecito	3,000	7.68%	1,731,621	70	(209,265)	(56,543)	1,465,883
Carpinteria	2,000	5.12%	1,154,414	46	(139,510)	(37,695)	977,256
Subtotal:	39,078	100.00%	\$ 22,556,101	\$ 909	\$ (2,725,887)	\$ (736,526)	\$ 19,094,597
Goleta Additional Table A	2,500	5.50%	23,073	-	(2,849)	(753)	19,471
CCWA Drought Buffer	3,908	-	-	-	-	-	-
TOTAL:	45,486		\$ 22,579,174	\$ 909	\$ (2,728,736)	\$ (737,279)	\$ 19,114,068

- (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 for prior year(s) overpayments amortized by DWR through the year 2035.
 (3) Adjusted for transfer of the Solvang 150 acre foot drought buffer Table A to Santa Ynez.

The FY 2011/12 Transportation capital charges are decreasing by \$1,975,402 due to the following:

Central Coast Water Authority
Department of Water Resources Charges
 Fiscal Year 2011/12 Budget

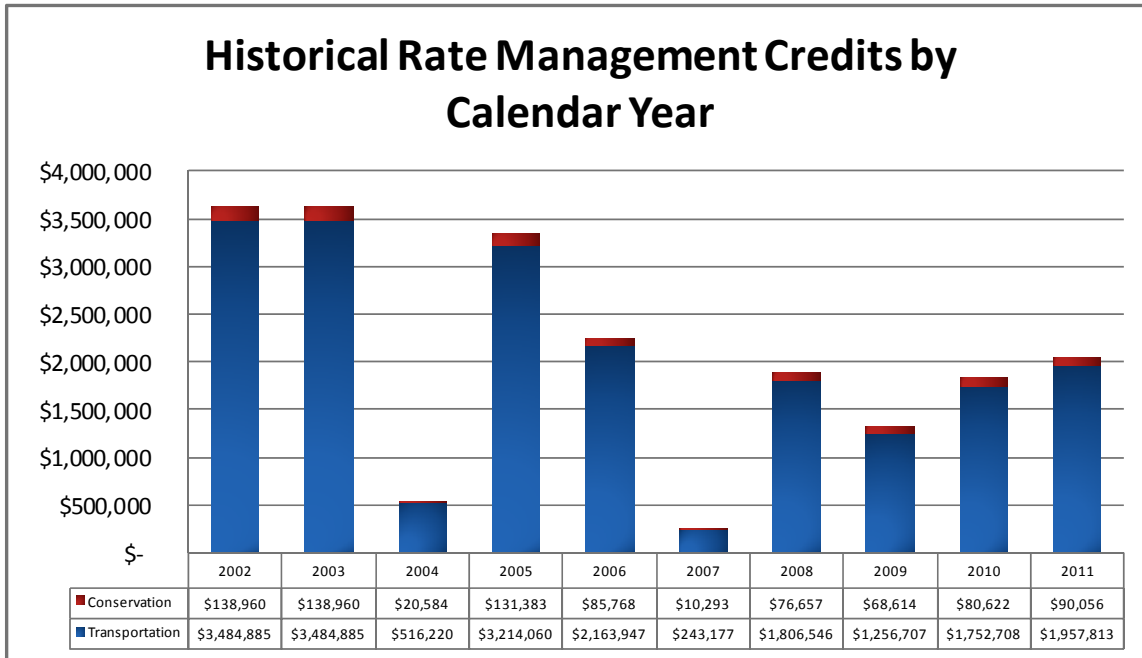
Transportation Capital Budget-to-Budget Changes			
	FY 2010/11	FY 2011/12	Change
Calculated Component	\$ 22,614,107	\$ 22,579,174	\$ (34,933)
Rate Management Credits	(812,453)	(2,728,736)	(1,916,283)
Excess Reserve Fund Credits	-	-	-
Prior Year Overcollection Credit	(713,358)	(737,279)	(23,921)
Other Adjustments	1,174	909	(266)
Total:	\$ 21,089,470	\$ 19,114,068	\$ (1,975,402)

Rate Management Credits

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

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

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The calendar year 2011 rate management credits are estimated to total \$2,047,869 (both Transportation Capital and Conservation Capital). Beginning with the 2011 Statement of Charges (SOC), DWR changed the method in which it allocates rate management credits so that an initial calculation is prepared to analyze the revenues available for rate management credits and one quarter of that amount is included in the current calendar year SOC. Then, after the close of the prior calendar year, DWR recalculates the revenues available for rate management credits, subtracts out the credits already provided and distributes a revised invoice applying the balance against the July payment to DWR. This revised calculation is anticipated to occur in late April or early May each year. Since this is after the final adoption of the CCWA budget, an estimate is being used in this budget to anticipate the 2011 rate management credits. For this budget, it is estimated that DWR will have sufficient revenues in calendar year 2011 to pay 86% of maximum rate management credits, or a total of \$2.7 million, of which approximately \$0.7 million was previously applied against the FY 2010/11 Budget.

Previously, CCWA excluded any estimate of rate management credits for the second half of the fiscal year because the revenues to provide rate management credits have historically been fairly volatile. However, with DWR's revised methodology discussed above, staff recommended, and the CCWA Board agreed to include an estimate of rate management credits for the second half of the fiscal year. This budget includes an

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estimate of rate management credits for the first half of calendar year 2012 based on 25% of full funding, or \$0.8 million.

Coastal Branch Extension-Transportation Capital Reach 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. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according to DWR's actual construction costs for the project with 51.84% allocated to Reach 37 and 48.16% allocated to Reach 38.

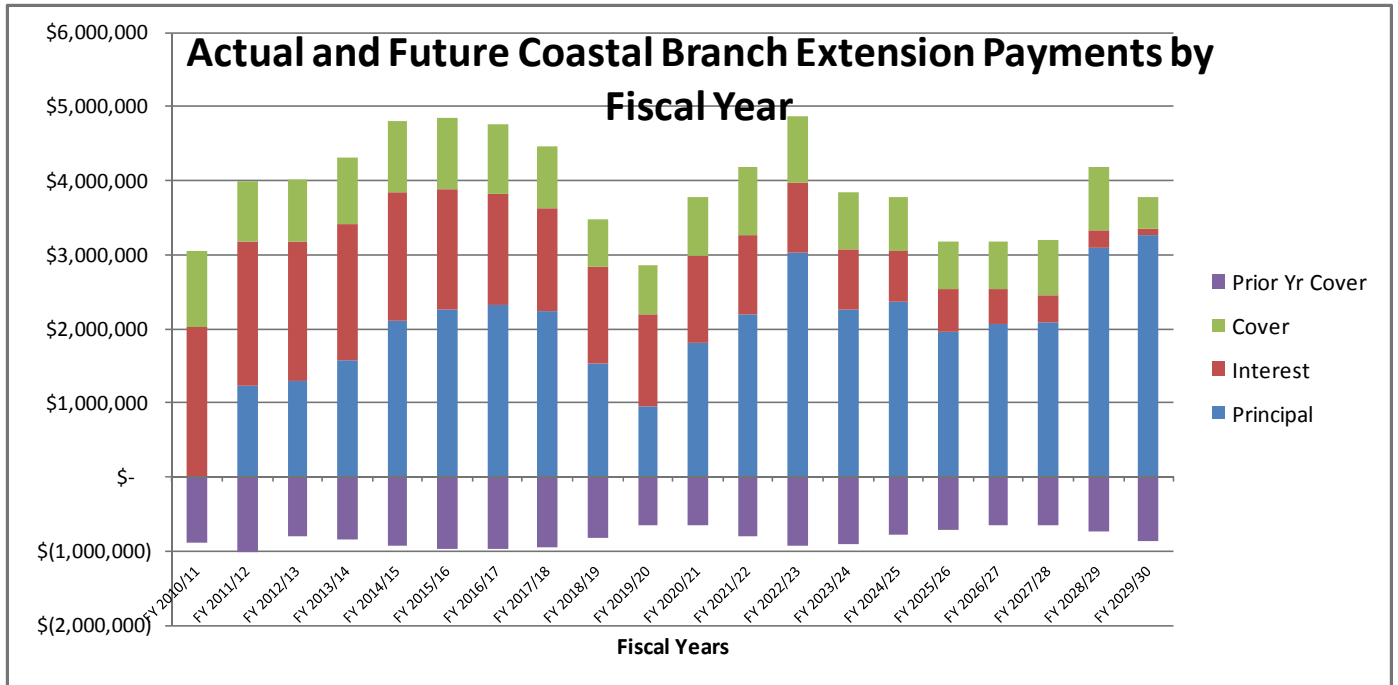
Coastal Branch Extension debt service payments for FY 2011/12 total \$2,782,009, which is \$945,563 higher than the prior year amount due to the following:

Coastal Branch Extension Debt Service				
	FY 2010/11	FY 2011/12	Change	
Principal Payments	\$ 2,790,199	\$ 1,237,279	\$	(1,552,920)
Interest Payments	2,029,687	1,945,428		(84,259)
Bond Cover	1,010,857	802,713		(208,144)
Rate Management Credits	(63,901)	(142,758)		(78,857)
Return of Prior Year Cover	(902,714)	(1,010,857)		(108,143)
Excess Reserve Fund Credits	-	-		-
Fiscal Yearend Credits	-	-		-
One-Time Extraordinary Credits	(3,027,682)	(49,797)		2,977,885
Total:	\$ 1,836,446	\$ 2,782,009	\$	945,563

Principal, Interest and Bond Cover Changes

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

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

Coastal Branch Extension Bond Allocation

CCWA is challenging DWR’s allocation of revenue bond debt service payments to CCWA for the Coastal Branch Extension. Total construction and finance related costs were around \$35 million for the project, but DWR is allocating approximately \$46 million in revenue bond principal payments to CCWA. Recently, DWR agreed that the additional bonds allocated above the construction costs is incorrect and that the bonds should be reallocated to the general water system for the State Water Project away from the Coastal Branch Extension.

In FY 2010/11, CCWA requested that DWR reduce the Coastal Branch Extension bond principal and interest for one series of bonds due in September 2010 to accelerate this credit and provide relief to the CCWA project participants, to which DWR agreed. This resulted in a reduction of \$2.7 million.

Additionally, DWR had failed to revise invoices to CCWA for Coastal Branch Extension debt service bond payments which revised due to the issuance of refunding revenue bonds. This resulted in an additional \$0.3 million

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reduction. As a result of these corrections, the total FY 2010/11 Coastal Branch Extension debt service payment budget was about \$3 million lower.

DWR still has not finalized the corrections to the Coastal Branch Extension debt service schedules for the overallocation of revenue bonds above the construction costs. The corrections, once implemented, will reduce the total debt service costs for the Coastal Branch Extension facilities.

The following tables show the allocation of the DWR Coastal Branch Extension debt service amounts for FY 2011/12.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	Reach 37				
	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	868,716	(262,312)	606,404
Golden State Water Co.	500	1.30%	26,812	(8,096)	18,716
VAFB	5,500	14.28%	294,934	(89,056)	205,878
Buellton	578	1.50%	30,995	(9,359)	21,636
Santa Ynez (Solvang)	1,500	3.89%	80,437	(24,288)	56,149
Santa Ynez	500	1.30%	26,812	(8,096)	18,716
Goleta	4,500	11.68%	241,310	(72,864)	168,446
Morehart	200	0.52%	10,725	(3,238)	7,486
La Cumbre	1,000	2.60%	53,624	(16,192)	37,432
Raytheon	50	0.13%	2,681	(810)	1,872
Santa Barbara	3,000	7.79%	160,873	(48,576)	112,297
Montecito	3,000	7.79%	160,873	(48,576)	112,297
Carpinteria	2,000	5.19%	107,249	(32,384)	74,865
Total:	38,528	100.00%	2,066,042	(623,848)	\$ 1,442,193

Project Participant	Reach 38					FY 2011/12
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	Transportation Capital Charges
Guadalupe	-	0.00%	-	-	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	606,404
Golden State Water Co.	-	0.00%	-	-	-	18,716
VAFB	5,500	25.20%	483,626	(146,032)	337,593	543,471
Buellton	578	2.65%	50,825	(15,347)	35,478	57,114
Santa Ynez (Solvang)	1,500	6.87%	131,898	(39,827)	92,071	148,219
Santa Ynez	500	2.29%	43,966	(13,276)	30,690	49,406
Goleta	4,500	20.62%	395,694	(119,481)	276,213	444,658
Morehart	200	0.92%	17,586	(5,310)	12,276	19,763
La Cumbre	1,000	4.58%	87,932	(26,551)	61,381	98,813
Raytheon	50	0.23%	4,397	(1,328)	3,069	4,941
Santa Barbara	3,000	13.74%	263,796	(79,654)	184,142	296,439
Montecito	3,000	13.74%	263,796	(79,654)	184,142	296,439
Carpinteria	2,000	9.16%	175,864	(53,103)	122,761	197,626
Total:	21,828	100.00%	1,919,378	(579,563)	\$ 1,339,815	\$ 2,782,009

(1) Includes credits for the return of bond cover of \$1,010,857 and Rate Management Funds Credits of \$192,554.

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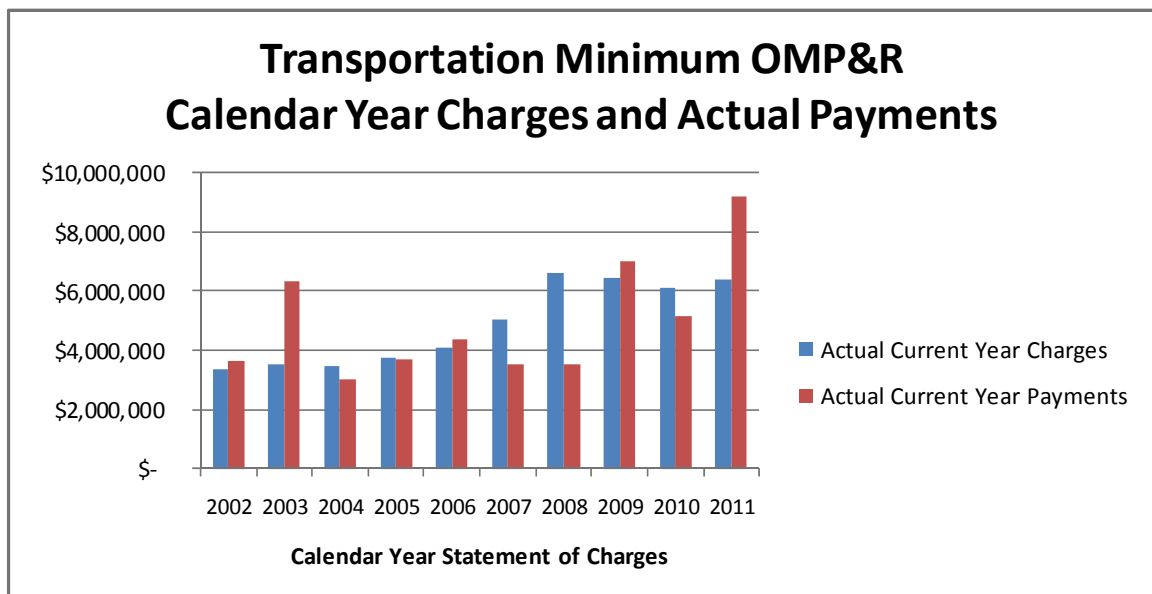
Transportation Minimum OMP&R

Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally, do not depend on or vary with the quantities of water delivered to CCWA.

For FY 2011/12, total Transportation Minimum OMP&R charges are \$7,134,893, which is \$1,320,629 higher than the prior year amount due to the following:

Transportation Minimum OMP&R			
	FY 2010/11	FY 2011/12	Change
Calculated Component	\$ 5,476,861	\$ 4,441,677	\$ (1,035,184)
Prior Year (Over)/Under Collection	(99,983)	1,414,391	1,514,374
DHCCP Costs	426,485	28,826	(397,660)
Monterey EIR Litigation Costs	10,901	-	(10,901)
Total:	\$ 5,814,264	\$ 5,884,893	\$ 70,629

DWR estimates the calendar year charges for each Contractor and then reconciles or “true’s-up” the actual charges incurred in the following year(s) resulting in either an over or under-payment of charges. The following graph shows the actual charges by calendar year and the actual payments from CCWA in that year, with the difference being either the over or under-collection.



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As the above graph shows, the calendar year 2011 charges are significantly higher than any other year. The reasons for this increase are more fully explained below.

DWR Overhead Allocation Procedures

DWR uses a number of different allocation methods to allocate costs which are not specific to a particular project or financial reach. One of those allocation methods allocates “state-wide” costs to each financial reach based on the actual employee hours incurred in each financial reach in the preceding year. These overhead allocation percentages are supposed to be updated each year to reflect the prior year actual salary expenses.

As part of the annual audit of the Statement of Charges, it was discovered that DWR has not updated the overhead allocation percentages since 2006. Additionally, the last overhead allocation percentage calculation in 2005 allocated approximately 9% of state-wide overhead costs to Reach 33A, of which CCWA pays 90%. Since the overhead allocation factors have not been updated since 2006, CCWA is being charged and has been charged a disproportionate share of the overhead costs since 2006. This can be seen in the graph above which shows that the actual current year charges have risen each year since 2006.

CCWA has filed a letter of protest on this issue with DWR requesting that the overhead allocation factors be updated immediately and that the costs be reallocated for every year back to 2006. DWR has agreed to correct the overhead allocation factors and include the adjustments in the calendar year 2012 Statement of Charges.

Because DWR does not release the Statement of Charges for calendar year 2012 until July 2011, the actual adjustment to the Transportation Minimum charges is not known. It is anticipated that there will be a significant reduction in the charges for the current year as well as reductions for the corrections in the prior year amounts. Therefore, for budgeting purposes, the calendar year 2012 Transportation Minimum charges are projected to be \$2.5 million. If the actual charges are less, these credits will be available to offset the quarterly variable charges during the year.

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The following table shows the allocation of the FY 2011/12 Transportation Minimum OMP&R charges to each of the CCWA project participants.

TRANSPORTATION MINIMUM OMP&R

Project Participant	Table A	Percentage	Calculated Component		DHCCP Costs and Litigation Costs ⁽²⁾	FY 2011/12 Transportation Minimum OMP&R
			FY 2011/12	Prior Year(s) Undercollections		
Guadalupe	550	1.41%	\$ 61,741	\$ 19,661	\$ 383	\$ 81,786
Santa Maria	16,200	41.46%	1,818,568	579,098	11,293	2,408,958
Golden State Water Co.	500	1.28%	56,129	17,873	349	74,351
VAFB	5,500	14.07%	617,415	196,607	3,834	817,856
Buellton	578	1.48%	64,885	20,662	403	85,949
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	163,875	52,184	951	217,010
Santa Ynez ⁽¹⁾	500	1.28%	60,639	19,310	444	80,393
Goleta	4,500	11.52%	505,158	160,860	4,721	670,739
Morehart	200	0.51%	22,451	7,149	139	29,740
La Cumbre	1,000	2.56%	112,257	35,747	697	148,701
Ray heon	50	0.13%	5,613	1,787	35	7,435
Santa Barbara	3,000	7.68%	336,772	107,240	2,091	446,103
Montecito	3,000	7.68%	336,772	107,240	2,091	446,103
Carpinteria	2,000	5.12%	224,515	71,494	1,394	297,402
Subtotal:	39,078	100.00%	\$ 4,386,789	\$ 1,396,912	\$ 28,826	\$ 5,812,527
Goleta Additional Table A	2,500	-	54,888	17,478	-	\$ 72,366
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 4,441,677	\$ 1,414,391	\$ 28,826	\$ 5,884,893

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

Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2011/12, the WSRB is almost exactly the same as the prior year amount.

The following table shows the allocation of the WSRB for each CCWA project participant.

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WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	FY 2011/12 WSRB Charges
Guadalupe	550	1.41%	\$ 37,633	\$ (15,273)	\$ 22,359
Santa Maria	16,200	41.46%	1,108,451	(449,866)	658,585
Golden State Water Co.	500	1.28%	34,211	(13,885)	20,327
VAFB	5,500	14.07%	376,326	(152,732)	223,594
Buellton	578	1.48%	39,548	(16,051)	23,498
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	99,756	(40,486)	59,270
Santa Ynez ⁽¹⁾	500	1.28%	37,090	(15,053)	22,037
Goleta	4,500	11.52%	307,903	(124,963)	182,940
Morehart	200	0.51%	13,685	(5,554)	8,131
La Cumbre	1,000	2.56%	68,423	(27,769)	40,653
Raytheon	50	0.13%	3,421	(1,388)	2,033
Santa Barbara	3,000	7.68%	205,269	(83,308)	121,960
Montecito	3,000	7.68%	205,269	(83,308)	121,960
Carpinteria	2,000	5.12%	136,846	(55,539)	81,307
Subtotal	39,078	100.00%	\$ 2,673,830	\$ (1,085,176)	\$ 1,588,654
Goleta Additional Table A	2,500	-	\$ 38,894	(15,785)	\$ 23,109
CCWA Drought Buffer	3,908	-	-	-	-
TOTAL:	45,486		\$ 2,712,724	\$ (1,100,961)	\$ 1,611,763

(1) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.
 (2) WSRB return of bond cover for July 2008 and January 2010 payments.

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Delta Water Charge

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

No Table A reductions are assumed for FY 2011/12.

The FY 2011/12 Delta Water Charge totals \$1,994,750, which is \$190,919 higher than the prior year amount for the following reasons.

Delta Water Charge			
	FY 2010/11	FY 2011/12	Change
Rate per acre-foot	\$ 40.59	\$ 44.43	\$ 3.84
Delta Water Charge	1,846,225	2,020,791	174,566
Rate Management Credits	(42,394)	(122,472)	(80,078)
Replacement Deposits	-	96,430	96,430
Total:	\$ 1,803,831	\$ 1,994,750	\$ 190,919

As the table above shows, the FY 2011/12 rate per acre-foot totals \$44.43, which is \$3.84/AF higher than the prior year amount.

The FY 2011/12 rate includes an estimated \$5.00/AF increase for calendar year 2012 for potential other conservation and delta related facilities (\$2.50/AF on a fiscal year basis).

Beginning with the calendar year 2011 Statement of Charges, DWR began billing for deposits associated with replacing certain equipment at DWR conservation facilities. Under the Contract, this is called the “Replacement Account System” deposits (RAS). DWR and the State Water Project Contractors agreed to include a charge on the Delta Water Charge cost per acre-foot beginning with the 2011 SOC to fund these conservation facility replacements. It is anticipated that a revision to the policy will be completed in time to incorporate into the calendar year 2012 SOC.

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The following table shows the allocation of the FY 2011/12 Delta Water Charge to each of the CCWA project participants.

DELTA WATER CHARGE

Project Participant	Table A		Gross Delta Water Charges	Replacement Accounting System Deposits	Rate Management Funds Credit	FY 2011/12 Delta Water Charges
	Including Drought Buffer	Percentage				
Guadalupe	605	1.41%	\$ 26,878	\$ 1,283	(1,654)	\$ 26,507
Santa Maria	17,820	41.46%	791,683	37,778	(48,719)	780,742
Golden State Water Co.	550	1.28%	24,435	1,166	(1,504)	24,097
VAFB	6,050	14.07%	268,781	12,826	(16,540)	265,067
Buellton	636	1.48%	28,255	1,348	(1,739)	27,865
Santa Ynez (Solvang)	1,500	3.49%	66,640	3,180	(3,804)	66,016
Santa Ynez	700	1.63%	31,099	1,484	(2,211)	30,372
Goleta	4,950	11.52%	219,912	10,494	(13,533)	216,873
Morehart	220	0.51%	9,774	466	(601)	9,639
La Cumbre	1,100	2.56%	48,869	2,332	(3,007)	48,194
Raytheon	55	0.13%	2,443	117	(150)	2,410
Santa Barbara	3,300	7.68%	146,608	6,996	(9,022)	144,582
Montecito	3,300	7.68%	146,608	6,996	(9,022)	144,582
Carpinteria	2,200	5.12%	97,739	4,664	(6,015)	96,388
Subtotal	42,986	100.00%	\$ 1,909,725	\$ 91,130	\$ (117,522)	\$ 1,883,333
Goleta Additional Table A	2,500	5.50%	\$ 111,067	\$ 5,300	(4,950)	\$ 111,417
TOTAL:	45,486	-	\$ 2,020,791	\$ 96,430	\$ (122,472)	\$ 1,994,750

2011 COST PER AF:	\$ 41.9267
Increase for 2012 SOC per AF /2	\$ 2.5000
Estimated rate for FY 2011/12	\$ 44.4267

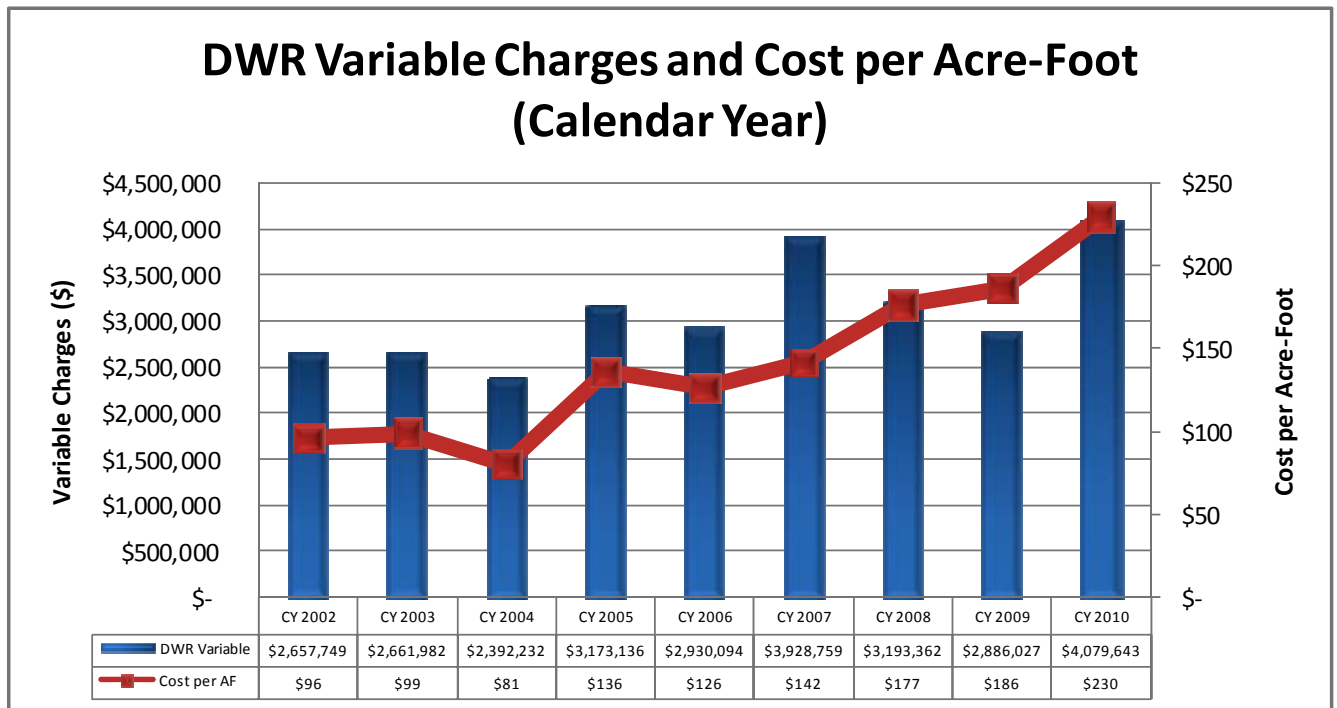
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DWR VARIABLE COSTS

The DWR variable charges are comprised of the following two cost components:

- Off-Aqueduct Charge
- Variable OMP&R

The following graph shows the seven-year history of the budgeted DWR variable costs and cost per acre-foot for each calendar year.



The DWR variable charges for FY 2011/12 total \$5,209,517, which is \$56,301 lower than the budgeted FY 2010/11 variable payments.

Off-Aqueduct Charges

Off-aqueduct charges are the bond debt service, bond cover, reserve, and operations and maintenance expenses allocated to power facilities not located on the State water aqueduct.

For FY 2011/12, the off-aqueduct charges total \$1,904,045, which is \$200,641 higher than the prior year budget.

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The following table shows the allocation of off-aqueduct charges for FY 2011/12.

Project Participant	OFF-AQUEDUCT CHARGES								FY 2010/11 (Credits) Charges ⁽⁴⁾	TOTAL FY 2011/12 Off-Aqueduct
	July 2011 to December 2011				January 2012 to June 2012					
	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2011 Off-Aqueduct ^(1 & 2)	Half-Year 2011 Charges	Requested Delivery AF ⁽¹⁾	Delivery Percentage	2012 Off-Aqueduct ⁽³⁾	Half-Year 2012 Charges		
Guadalupe	301	2.14%	\$ 39,158	\$ 19,579	304	2.13%	\$ 37,709	\$ 18,855	\$ (25,657)	\$ 12,777
Santa Maria	7,100	50.49%	923,659	461,830	6,600	46.33%	818,685	409,342	411,431	1,282,603
Golden State Water Co.	262	1.86%	34,084	17,042	253	1.78%	31,383	15,691	6,302	39,035
VAFB	3,155	22.44%	410,443	205,222	2,895	20.32%	359,105	179,552	(155,971)	228,803
Buellton	287	2.04%	37,337	18,668	310	2.18%	38,453	19,227	(48)	37,847
Santa Ynez (Solvang) ⁽⁵⁾	660	4.69%	85,861	42,931	705	4.95%	87,450	43,725	47,337	133,993
Santa Ynez ⁽⁶⁾	390	2.77%	50,736	25,368	310	2.18%	38,453	19,227	2,227	46,822
Goleta	526	3.74%	68,429	34,214	399	2.80%	49,493	24,747	(235,632)	(176,671)
Morehart	109	0.78%	14,180	7,090	111	0.78%	13,769	6,884	(3,493)	10,481
La Cumbre	300	2.13%	39,028	19,514	249	1.75%	30,887	15,443	123,160	158,117
Raytheon	38	0.27%	4,944	2,472	17	0.12%	2,109	1,054	650	4,177
Santa Barbara	350	2.49%	45,533	22,766	265	1.86%	32,871	16,436	(46,143)	(6,941)
Montecito	350	2.49%	45,533	22,766	1,650	11.58%	204,671	102,336	12,248	137,350
Carpinteria	234	1.66%	30,442	15,221	179	1.26%	22,204	11,102	(30,672)	(4,349)
	14,062	100.00%	\$ 1,829,366	\$ 914,683	14,247	100.00%	\$ 1,767,243	\$ 883,622	\$ 105,740	\$ 1,904,045

(1) Off-aqueduct charges are billed to the project participants based on requested deliveries. South coast deliveries include exchange deliveries with Santa Ynez ID#1.

(2) Source: DWR invoice dated November 4, 2010.

(3) Source: Attachment #3, November 4, 2010 DWR Invoice for calendar year 2011.

(4) Credits for reconciliation of 2010 off-aqueduct charges, return of bond cover and SMF interest.

(5) Adjusted for the transfer of Solvang 150 acre foot drought buffer Table A to Santa Ynez.

(6) Pursuant to the Exchange Agreement, Santa Ynez only pays Off-Aqueduct charges on its Table A deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Off-Aqueduct charges for exchange water they accept.

Annual Off-Aqueduct Allocation and Reconciliation

Prior to FY 2011/12, CCWA allocated the off-aqueduct charges to the project participants in proportion to each project participant's Table A amount. That is because DWR charged CCWA based on estimated deliveries of full-Table A amounts each year. Then, at the close of each calendar year the actual charges paid for the year would be reallocated to each of the project participants based on the actual deliveries for the year.

In calendar year 2011, CCWA staff proposed a change in the DWR off-aqueduct allocation whereby the charges will be allocated initially in proportion to requested deliveries. This change in allocation methodology can be accommodated because CCWA may submit revised deliveries to DWR for the calendar year in early April and then DWR will revise the current calendar year off-aqueduct charges based on the revised delivery requests. This in effect accelerates the "true-up" process for the off-aqueduct charges in that the charges are allocated initially based on requested deliveries instead of waiting until the close of the calendar year as was previously done.

The FY 2011/12 off-aqueduct charges shown in the table above are allocated based on this revised methodology. Additionally, the estimated charges and "true-up" of the costs through June 30, 2011 are also allocated using the revised methodology. As such, certain project participants have significant under or over-collections, depending on their requested water deliveries.

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Variable OMP&R Charges

Variable OMP&R costs basically represent power costs to pump the water and represent costs that are based on and vary with the amount of State water deliveries.

For FY 2011/12, the variable OMP&R charges total \$3,305,472 which is \$256,942 less than the prior year amount. The budget is based on estimated water deliveries of 28,311 acre-feet.

The cost per acre-foot for all water deliveries in FY 2011/12 is estimated to be \$128.83/AF.

The following table shows the allocation of the FY 2011/12 variable OMP&R costs.

VARIABLE OMP&R CHARGES										
Project Participant	July 1, 2011 to Dec 31, 2011 ⁽¹⁾			\$128.83/AF ⁽²⁾	Jan 1, 2012 to June 30, 2012 ⁽³⁾			\$128.83/AF ⁽⁴⁾	FY 2010/11 Credits ⁽⁵⁾	TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2011 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2012 Var OMP&R		FY 2011/12 Var. OMP&R
Guadalupe	301	-	301	\$ 38,778	304	-	304	\$ 39,164	\$ (16,136)	\$ 61,806
Santa Maria	7,100	-	7,100	914,693	6,600	-	6,600	850,278	(232,615)	1,532,356
Golden State Water Co.	262	-	262	33,753	253	-	253	32,594	(3,883)	62,464
VAFB	3,155	-	3,155	406,459	2,895	-	2,895	372,963	(59,675)	719,747
Buellton	287	-	287	36,974	310	-	310	39,937	(7,068)	69,844
Santa Ynez (Solvang)	660	-	660	85,028	705	-	705	90,825	(23,152)	152,701
Santa Ynez ⁽⁶⁾	390	1,461	1,851	50,244	310	1,109	1,419	39,937	(6,398)	83,783
Goleta	526	(526)	0	67,765	399	(399)	0	51,403	17,187	136,355
Morehart	109	-	109	14,042	111	-	111	14,300	(6,274)	22,069
La Cumbre	300	-	300	38,649	249	-	249	32,079	(3,775)	66,953
Raytheon	38	-	38	4,896	17	-	17	2,190	(708)	6,378
Santa Barbara	350	(350)	0	45,091	266	(266)	(0)	34,269	8,932	88,291
Montecito	350	(351)	(1)	45,091	1,650	(266)	1,384	212,570	(14,335)	243,325
Carpinteria	234	(234)	0	30,146	179	(179)	(0)	23,061	6,193	59,400
Total	14,062	0	14,063	\$ 1,811,607	14,248	0	14,246	\$ 1,835,570	\$ (341,705)	\$ 3,305,472

- (1) 2010 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.
- (2) Source: July 1, 2010 Statement of Charges for calendar year 2011.
- (3) 2011 Requested Deliveries based on a 100% delivery allocation.
- (4) Source: Estimate of invoice rate for 2012.
- (5) Credits for FY 2010/11 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.
- (6) Pursuant to the Exchange Agreement, Santa Ynez only pays Variable OMP&R charges on its entitlement deliveries. The South Coast project participants which participate in the Exchange Agreement pay the Variable OMP&R charges for exchange water they accept.

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2011/12 Budget

Other DWR Charges and Credits

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their Table A allocation. This election eliminates the Delta Water Charge associated with the amount of State water Table A that has been reduced. No Table A reductions are assumed for calendar years 2009 or 2010.

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

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

Central Coast Water Authority
DWR Charges
 Fiscal Year 2011/12 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		
Guadalupe	\$ 268,745	\$ -	\$ -	\$ 81,786	\$ 26,507	\$ 399,397	\$ 12,777	\$ 61,806	\$ 74,583	\$ (424)	\$ 473,556	
Santa Maria	7,915,770	606,404	-	2,408,958	658,585	12,370,460	1,282,603	1,532,356	2,814,959	(10,587)	15,174,832	
Golden State Water Co.	244,314	18,716	-	74,351	20,327	381,804	39,035	62,464	101,500	(309)	482,995	
Vandenberg AFB	2,687,453	205,878	337,593	817,856	223,594	4,537,441	228,803	719,747	948,550	-	5,485,991	
Buelton	282,427	21,636	35,478	85,949	23,498	476,853	37,847	69,844	107,691	(360)	584,164	
Santa Ynez (Solvang)	726,475	56,149	92,071	217,010	59,270	1,216,990	133,993	152,701	286,694	(954)	1,502,689	
Santa Ynez	250,781	18,716	30,690	80,393	22,037	432,989	46,822	83,783	130,605	(406)	563,188	
Goleta	2,198,825	168,446	276,213	670,739	182,940	3,714,036	(176,671)	136,355	(40,316)	(3,545)	3,670,174	
Morehart Land	97,726	7,486	12,276	29,740	8,131	164,998	10,481	22,069	32,550	(196)	197,352	
La Cumbre	488,628	37,432	61,381	148,701	40,653	824,989	158,117	66,953	225,070	(228)	1,049,831	
Raytheon	24,431	1,872	3,069	7,435	2,033	41,249	4,177	6,378	10,554	96	51,900	
Santa Barbara	1,465,883	112,297	184,142	446,103	121,960	2,474,968	(6,941)	88,291	81,350	(931)	2,555,387	
Montecito	1,465,883	112,297	184,142	446,103	121,960	2,474,968	137,350	243,325	380,675	(2,260)	2,853,384	
Carpinteria	977,256	74,865	122,761	297,402	81,307	1,649,978	(4,349)	59,400	55,051	(641)	1,704,389	
Goleta 2500 AF	19,471	-	-	72,366	23,109	226,363	-	-	-	-	226,363	
Total	\$ 19,114,068	\$ 1,442,193	\$ 1,339,815	\$ 5,884,893	\$ 1,611,763	\$ 31,387,482	\$ 1,904,045	\$ 3,305,472	\$ 5,209,517	\$ (20,805)	\$ 36,576,194	



Distribution Technician Eric Kieding
jack hammering at ISO#2

Operating Expenses

The Operating Expenses section of the FY 2011/12 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

Highlights

Summary Information

- **Total FY 2011/12 Operating Expenses** \$ **6,868,067**
- Fixed expense increase \$ 143,962
- Variable expense decrease \$ (166,688)
- Decrease over FY 2010/11 Budget \$ (22,725)
- Percentage decrease -0.33%

Significant Operating Expense Changes

- Includes a salary pool for FY 2011/12 of \$104,393.
- Chemical costs budgeted at \$31.85 an acre-foot (excluding Santa Ynez Pumping facility chemical costs)
- Budgeted employee benefits percentage for FY 2011/12: 39.42%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2011/12 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 (25) of the 29 Authority employees. They are charged with the mission of providing San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water and the objectives of protecting the environment, cost effectively operating and maintaining all facilities and ensuring the water supply meets or exceeds health and safety standards.

Operating Expense Budget and Exchange Agreement Modifications

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2011/12. These expenses are billed to the project participants based on the individual Water Supply Agreements for each agency (*see the Revenues and Sources of Cash section of this document for further information on billings*).

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

Central Coast Water Authority

Operating Expense Overview

Fiscal Year 2011/12 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2011/12 budget are as follows:

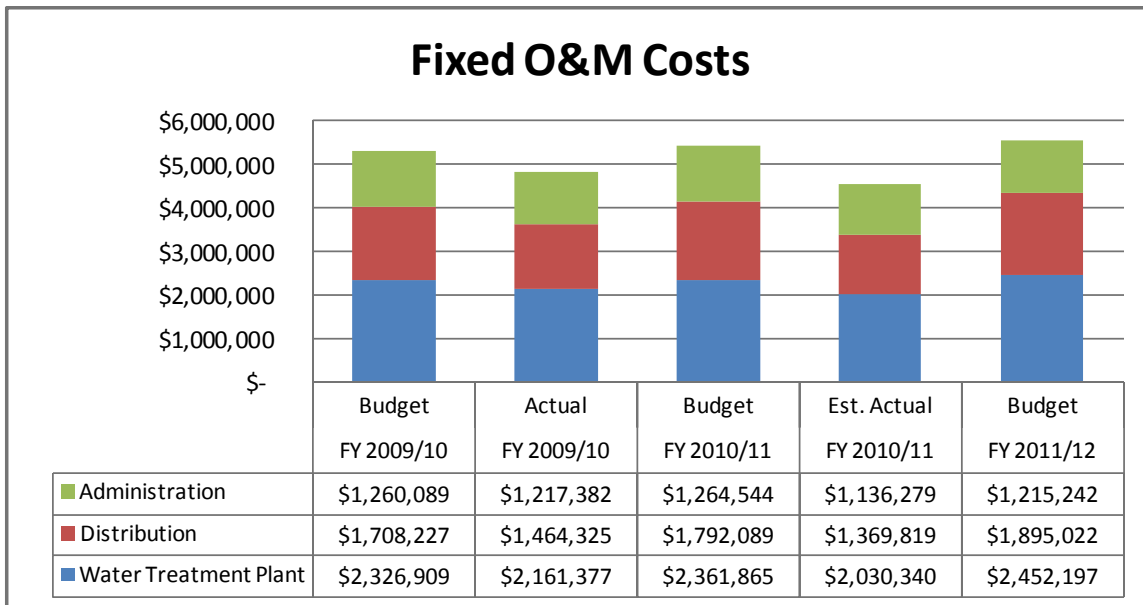
- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$196,219.
- Decrease in Warren Act charges of \$149,060 (Warren Act charges are not included in the Operating Expense budget and are treated as a pass-through expense).

Fixed and Variable Operating Expenses

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

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

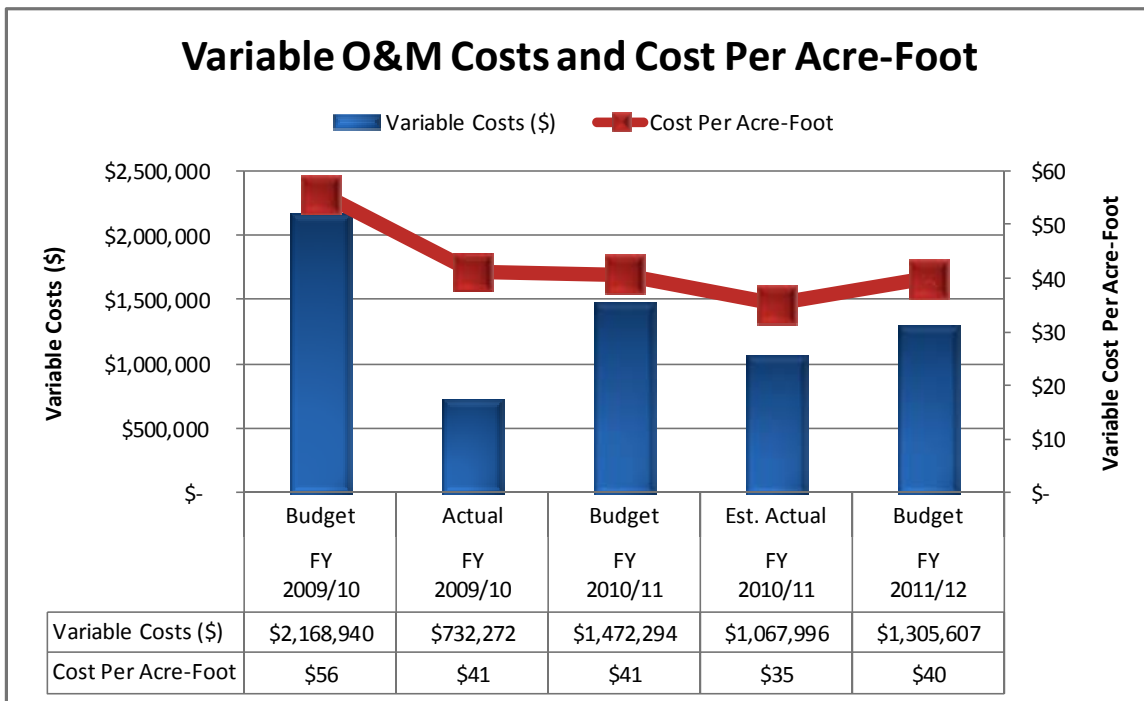
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2011/12 Budget

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

The following chart shows the variable O&M costs compared to the requested and variable cost per acre-foot for the same period.



The Fiscal Year 2011/12 Consolidated Departmental Operating Expense Budget totals \$6,868,067, which is \$22,725 lower than the Fiscal Year 2010/11 Budget, a 0.33% decrease. Explanations for the various changes within the budget are found in the departmental operating expense budgets that follow.

Approximately 54% of the operating expense budget represents personnel expenses. This is followed by 19% for supplies and equipment and the balance comprised of other expenses.

The chart on page seven provides a detailed breakdown of the components of the FY 2011/12 budget.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2011/12 Budget

CCWA Employee Benefits Percentage

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

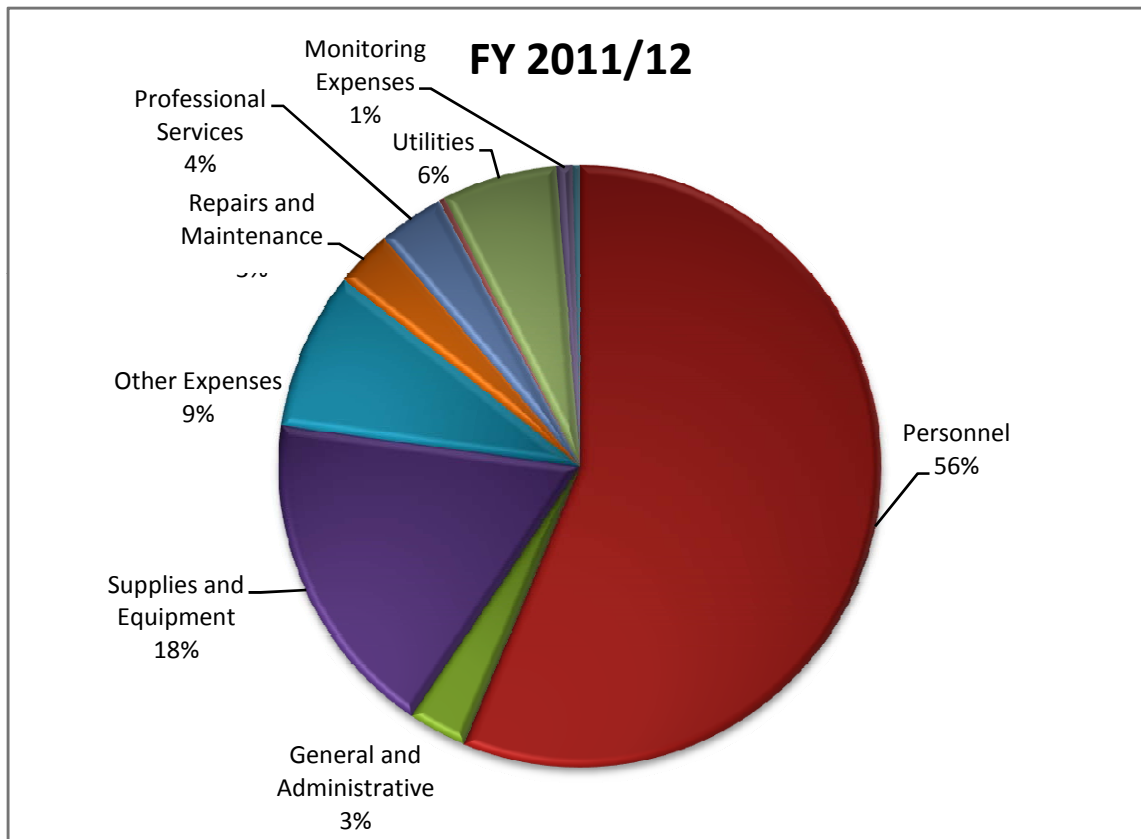
Employee Benefits Funding Benchmark: The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability and life insurance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

The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2009/10 through 2011/12.

	FY 2009/10 Actual	FY 2010/11 Est. Actual	FY 2011/12 Budget
Total Regular Salaries	\$ 2,300,202	\$ 2,096,825	\$ 2,514,274
<u>Benefits</u>			
PERS Retirement	448,771	401,286	495,953
Health Insurance	366,865	365,804	404,586
Cafeteria Plan Benefits	28,602	19,461	12,384
Dental/Vision Plan	53,072	60,052	58,875
Long-Term Disability	9,619	8,688	9,980
Life Insurance	10,573	10,446	9,437
Total Benefits:	\$ 917,502	\$ 865,737	\$ 991,216
Employee Benefits Percentage	39.89%	41.29%	39.42%

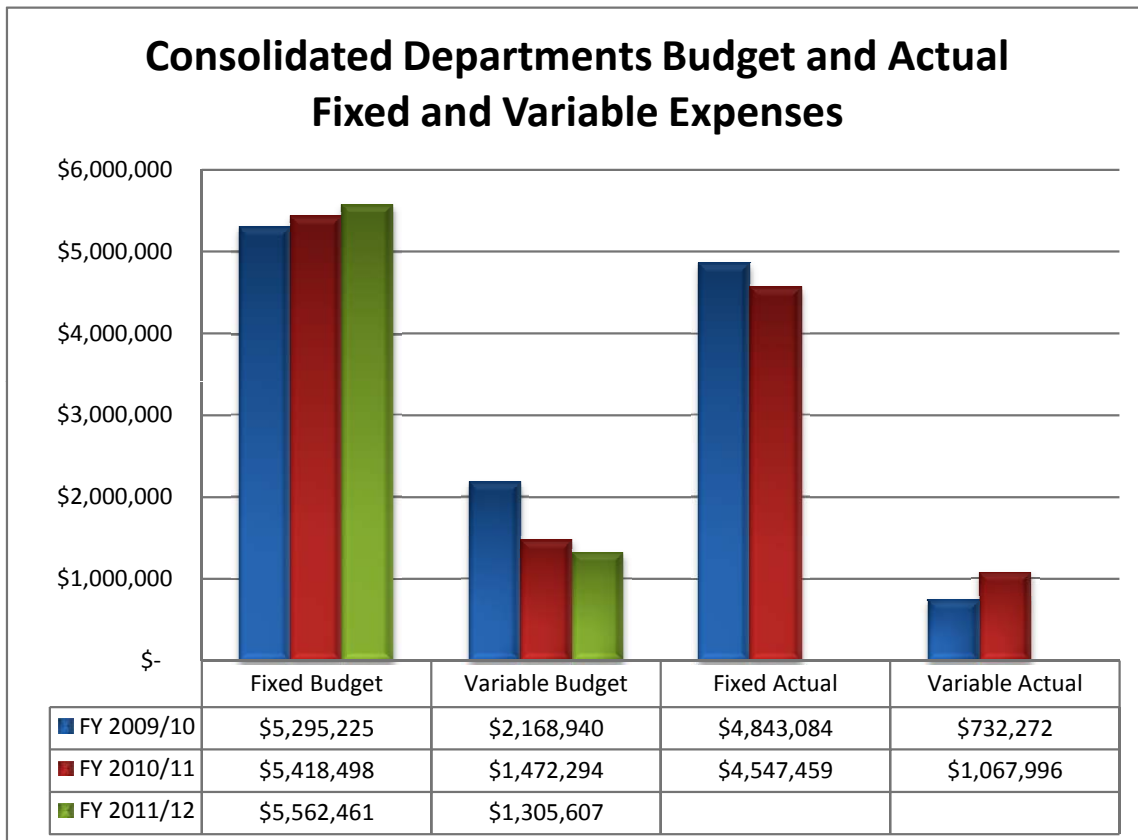
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2011/12 Budget

Item	FY 2011/12 Budget
Personnel	\$ 3,865,467
Office Expenses	21,920
Supplies and Equipment	1,218,563
Monitoring Expenses	60,648
Repairs and Maintenance	210,025
Professional Services	240,534
General and Administrative	216,715
Utilities	424,217
Other Expenses	583,005
Turnouts	26,974
TOTAL:	\$ 6,868,067



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2011/12 Budget

Item	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget
Personnel	\$ 3,497,685	\$ 3,427,178	\$ 3,707,459	\$ 3,246,094	\$ 3,865,467
Office Expenses	24,560	14,874	23,600	18,869	21,920
Supplies and Equipment	1,806,966	739,153	1,288,571	960,311	1,218,563
Monitoring Expenses	83,230	69,277	78,630	60,822	60,648
Repairs and Maintenance	199,166	198,522	207,558	180,552	210,025
Professional Services	361,200	289,105	307,730	126,772	240,534
General and Administrative	250,807	237,425	259,518	238,877	216,715
Utilities	714,379	264,184	502,520	419,108	424,217
Other Expenses	499,715	314,072	493,137	337,592	583,005
Turnouts	26,457	21,566	22,071	26,457	26,974
Total:	\$ 7,464,165	\$ 5,575,356	\$ 6,890,793	\$ 5,615,455	\$ 6,868,067



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10	FY 2009/10	FY 2010/11	FY 2010/11	FY 2011/12	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2010/11	FY 2011/12	
<u>PERSONNEL EXPENSES</u>									
5000.10	Full-Time Regular Wages	\$ 2,285,997	\$ 2,231,804	\$ 2,425,980	\$ 2,096,825	\$ 2,514,274	\$	\$ 88,294	3.64%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-		-	N/A
5000.20	Overtime	104,508	98,012	110,359	108,791	115,418		5,059	4.58%
5000.40	Standby Pay	44,326	45,585	45,902	43,252	50,195		4,292	9.35%
5000.50	Shift Differential Pay	11,500	13,810	13,500	11,994	13,500		-	0.00%
5100.10	PERS Retirement	435,327	434,102	463,052	401,286	495,953		32,901	7.11%
5100.15	Medicare Taxes	35,472	35,068	37,638	32,389	39,475		1,836	4.88%
5100.20	Health Insurance	374,745	355,720	409,577	365,804	404,586		(4,991)	-1.22%
5100.25	Workers' Compensation	70,886	71,829	84,873	55,429	84,839		(34)	-0.04%
5100.30	Vehicle Expenses	18,000	18,069	18,000	18,000	18,000		-	0.00%
5100.35	Retiree Medical Future Liability Dep.	-	-	-	-	29,000		29,000	N/A
5100.40	Cafeteria Plan Benefits	33,521	28,603	21,390	19,461	12,384		(9,006)	-42.11%
5100.45	Dental/Vision Plan	55,350	53,072	48,554	60,052	58,875		10,321	21.26%
5100.50	Long-Term Disability	9,521	9,309	10,048	8,688	9,980		(68)	-0.67%
5100.55	Life Insurance	8,933	10,206	9,034	10,446	9,437		403	4.46%
5100.60	Employee Physicals	950	110	900	140	900		-	0.00%
5000.30	Temporary Services	-	8,100	-	7,128	-		-	N/A
5100.80	Employee Incentive Programs	6,400	3,889	6,400	5,654	6,400		-	0.00%
5100.65	Employee Education Reimbursement	2,250	-	2,250	-	2,250		-	0.00%
1300.60	Capitalized Employee Benefits	-	9,890	-	755	-		-	N/A
Total Personnel Expenses:		3,497,685	3,427,178	3,707,459	3,246,094	3,865,467		158,008	4.26%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
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OFFICE EXPENSES

5200.20	Office Supplies	14,040	7,570	13,080	11,432	13,300	220	1.68%
5200.30	Misc. Office Expenses	10,520	7,304	10,520	7,437	8,620	(1,900)	-18.06%
Total Office Expenses:		24,560	14,874	23,600	18,869	21,920	(1,680)	-7.12%

SUPPLIES AND EQUIPMENT

5500.10	Uniform Expenses	16,830	11,558	16,830	11,976	14,065	(2,765)	-16.43%
5500.15	Minor Tools and Equipment	10,000	7,221	10,000	7,402	10,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	5,500	1,433	5,500	818	1,500	(4,000)	-72.73%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,671,636	631,068	1,136,520	847,300	1,066,167	(70,352)	-6.19%
5500.35	Maintenance Supplies/Hardware	20,000	13,924	20,000	26,008	20,000	-	0.00%
5500.40	Safety Supplies	10,000	8,455	11,000	7,326	10,000	(1,000)	-9.09%
5500.45	Fuel and Lubricants	60,500	63,141	76,221	57,282	85,330	9,109	11.95%
5500.50	Seed/Erosion Control Supplies	12,000	1,924	12,000	1,432	11,000	(1,000)	-8.33%
5500.55	Backflow Prevention Supplies	500	429	500	767	500	-	0.00%
Total Supplies and Equipment:		1,806,966	739,153	1,288,571	960,311	1,218,563	(70,008)	-5.43%

MONITORING EXPENSES

5600.10	Lab Supplies	42,000	41,585	43,000	54,076	45,028	2,028	4.72%
5600.20	Lab Tools and Equipment	9,950	8,324	4,350	2,500	1,000	(3,350)	-77.01%
5600.30	Lab Testing	31,280	19,368	31,280	4,246	14,620	(16,660)	-53.26%
Total Monitoring Expenses:		83,230	69,277	78,630	60,822	60,648	(17,982)	-22.87%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10	FY 2009/10	FY 2010/11	FY 2010/11	FY 2011/12	Change from		Percent Change FY 2010/11 Budget
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2010/11 Budget	FY 2010/11 Budget	
<u>REPAIRS AND MAINTENANCE</u>									
5700.10	Equipment Repairs and Maintenance	123,700	131,244	129,400	119,566	130,000	600		0.46%
5700.20	Vehicle Repairs and Maintenance	15,000	13,269	15,000	9,684	15,000	-		0.00%
5700.30	Building Maintenance	48,586	44,145	51,218	42,066	52,965	1,747		3.41%
5700.40	Landscape Maintenance	11,880	9,864	11,940	9,236	12,060	120		1.01%
Total Repairs and Maintenance:		199,166	198,522	207,558	180,552	210,025	2,467		1.19%
<u>PROFESSIONAL SERVICES</u>									
5400.10	Professional Services	96,850	88,854	91,050	37,106	95,450	4,400		4.83%
5400.20	Legal Services	185,000	151,034	160,000	46,686	90,000	(70,000)		-43.75%
5400.30	Engineering Services	11,000	516	10,000	-	7,500	(2,500)		-25.00%
5400.40	Permits	20,100	13,874	21,700	20,532	21,700	-		0.00%
5400.50	Non-Contractual Services	3,250	2,414	2,980	2,448	3,884	904		30.34%
5400.60	Accounting Services	45,000	32,413	22,000	20,000	22,000	-		0.00%
Total Professional Services:		361,200	289,105	307,730	126,772	240,534	(67,196)		-21.84%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10	FY 2009/10	FY 2010/11	FY 2010/11	FY 2011/12	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2010/11	Budget	
<u>GENERAL AND ADMINISTRATIVE</u>									
5300.10	Meetings and Travel	46,500	50,850	48,500	42,404	48,500	-	0.00%	
5300.20	Mileage Reimbursement	1,150	1,066	1,150	618	1,650	500	43.48%	
5300.30	Dues and Memberships	169,627	160,052	175,488	171,161	133,335	(42,153)	-24.02%	
5300.40	Publications	3,530	3,275	3,780	3,300	3,530	(250)	-6.61%	
5300.50	Training	15,000	12,393	15,000	10,892	15,000	-	0.00%	
5300.60	Advertising	4,000	461	3,500	2,498	3,850	350	10.00%	
5300.70	Printing and Binding	3,000	3,992	4,600	2,912	4,000	(600)	-13.04%	
5300.80	Postage	8,000	5,336	7,500	5,092	6,850	(650)	-8.67%	
Total General and Administrative:		250,807	237,425	259,518	238,877	216,715	(42,803)	-16.49%	
<u>UTILITIES</u>									
5800.20	Natural Gas	6,970	7,054	7,245	4,982	7,245	-	0.00%	
5800.30	Electric-Fixed	177,245	130,011	128,590	167,836	148,018	19,428	15.11%	
5800.35	Electric-Variable	497,304	101,204	335,775	220,696	239,439	(96,336)	-28.69%	
5800.40	Water	4,000	4,404	4,410	4,310	4,400	40	1.00%	
5800.50	Telephone	20,810	15,700	18,820	15,220	17,720	(1,100)	-5.84%	
5800.60	Waste Disposal	9,500	7,953	9,680	8,056	9,345	(335)	-3.46%	
Total Utilities:		714,379	264,184	502,520	419,108	424,217	(78,303)	-15.58%	

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10	FY 2009/10	FY 2010/11	FY 2010/11	FY 2011/12	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2010/11	Budget	
<u>OTHER EXPENSES</u>									
5900.10	Insurance	132,495	127,324	133,388	117,132	139,511	6,123	6,123	4.59%
5900.30	Non-Capitalized Projects	29,628	29,222	28,589	27,018	122,503	93,914	93,914	328.50%
5900.40	Equipment Rental	38,740	29,098	33,252	26,392	31,852	(1,400)	(1,400)	-4.21%
5900.50	Non-Capitalized Equipment	22,500	10,529	17,500	5,000	14,500	(3,000)	(3,000)	-17.14%
5900.60	Computer Expenses	130,514	117,899	145,727	162,050	166,100	20,373	20,373	13.98%
5900.70	Appropriated Contingency	145,837	-	134,681	-	108,539	(26,142)	(26,142)	-19.41%
Total Other Expenses:		499,715	314,072	493,137	337,592	583,005	89,868	89,868	18.22%
Turnout Expenses		26,457	21,566	22,071	26,457	26,974	4,903	4,903	22.22%
TOTAL OPERATING EXPENSES		\$ 7,464,165	\$ 5,575,356	\$ 6,890,793	\$ 5,615,455	\$ 6,868,067	\$ (22,725)	\$ (22,725)	-0.33%

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2011/12 Budget

Project Participant	Administration Department				Water Treatment Plant Department Fixed Costs						Turnout Costs
	Table A		Administration Expenses		Table A	Percentage	WTP Fixed	WTP and Capital Retreatment	Exchange Fixed and Capital Adjustments	Total Fixed WTP Costs	
	Table A	Percentage	Administration Expenses	Table A							
Shandon	-	-	\$ -	-	100	0.23%	\$ 6,106	-	-	6,106	-
Chorro Valley	-	-	-	-	2,338	5.32%	142,757	-	-	142,757	8,609
Lopez	-	-	-	-	2,392	5.45%	146,054	-	-	146,054	2,262
Guadalupe	550	1.41%	17,104	-	550	1.25%	33,583	21,377	-	54,960	1,915
Santa Maria	16,200	41.46%	503,785	-	16,200	36.90%	989,162	629,651	-	1,618,813	2,577
Golden State Water Co.	500	1.28%	15,549	-	500	1.14%	30,530	19,434	-	49,963	4,131
VAFB	5,500	14.07%	171,038	-	5,500	12.53%	335,827	213,770	-	549,597	2,000
Buellton	578	1.48%	17,975	-	578	1.32%	35,292	22,465	-	57,758	2,289
Santa Ynez (Solvang)	1,500	3.84%	46,647	-	1,500	3.42%	91,589	58,301	-	149,890	1,691
Santa Ynez	500	1.28%	15,549	-	500	1.14%	30,530	119,323	348,720	498,572	1,691
Goleta	4,500	11.52%	139,940	-	4,500	10.25%	274,767	(346,497)	(125,854)	(197,584)	1,500
Morehart Land	200	0.51%	6,220	-	200	0.46%	12,212	(19,393)	-	(7,181)	-
La Cumbre	1,000	2.56%	31,098	-	1,000	2.28%	61,059	(96,965)	-	(35,905)	-
Raytheon (SBRC)	50	0.13%	1,555	-	50	0.11%	3,053	(4,848)	-	(1,795)	-
Santa Barbara	3,000	7.68%	93,294	-	3,000	6.83%	183,178	(231,474)	(83,236)	(131,532)	-
Montecito	3,000	7.68%	93,294	-	3,000	6.83%	183,178	(231,474)	(83,236)	(131,532)	-
Carpinteria	2,000	5.12%	62,196	-	2,000	4.55%	122,119	(153,670)	(56,396)	(87,947)	-
TOTAL:	39,078	100.00%	\$ 1,215,242		43,908	100.00%	\$ 2,680,997	\$ -	(2)	\$ 2,680,994	\$ 26,974

Project Participant	Distribution Department Fixed Costs										Total Fixed Operating & CIP Costs	
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II	Total Fixed Distribution Costs			
									Reach 33B	Reach 34		
Shandon	1,190	-	-	-	-	-	-	-	1,190	-	1,190	7,296
Chorro Valley	27,826	-	-	-	-	-	-	-	27,826	-	27,826	179,192
Lopez	28,469	13,472	-	-	-	-	-	-	41,941	-	41,941	190,257
Guadalupe	6,546	3,098	-	-	-	-	-	-	10,998	-	10,998	84,977
Santa Maria	192,807	91,241	1,355	24,964	-	-	-	-	348,917	-	348,917	2,474,092
Golden State Water Co.	5,951	2,816	1,232	770	-	-	-	-	10,769	-	10,769	80,412
VAFB	65,459	30,977	13,548	8,475	18,191	64,983	-	-	201,633	-	201,633	924,268
Buellton	6,879	3,255	1,424	891	1,912	6,829	12,323	-	33,513	-	33,513	111,534
Santa Ynez (Solvang)	17,853	8,448	3,695	2,311	4,961	17,723	31,981	-	86,972	-	86,972	285,200
Santa Ynez	5,951	2,816	1,232	770	1,654	5,908	10,660	-	28,991	-	28,991	544,612
Goleta	53,558	25,345	11,085	6,934	14,883	53,168	95,943	220,853	481,769	-	481,769	424,125
Morehart Land	2,380	1,126	493	308	661	2,363	4,264	9,816	21,412	-	21,412	20,450
La Cumbre	11,902	5,632	2,463	1,541	3,307	11,815	21,321	49,078	107,060	-	107,060	102,252
Raytheon (SBRC)	595	282	123	77	165	591	1,066	2,454	5,353	-	5,353	5,113
Santa Barbara	35,705	16,896	7,390	4,623	9,922	35,445	63,962	147,235	321,179	-	321,179	282,941
Montecito	35,705	16,896	7,390	4,623	9,922	35,445	63,962	147,235	321,179	-	321,179	282,941
Carpinteria	23,803	11,264	4,926	3,082	6,615	23,630	42,642	98,157	214,119	-	214,119	189,368
TOTAL:	522,579	233,565	96,259	59,371	72,193	257,898	348,126	674,829	2,264,820	\$	\$ 6,188,030	

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2011/12 Budget

Project Participant	Distribution Department Variable Costs		Water Treatment Plant Variable Costs				Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING & CIP COSTS
	Santa Ynez II		WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs		
Shandon	\$ -		\$ -				\$ 7,296	
Chorro Valley	-		81,166			81,166	260,359	1,215,242
Lopez	-		72,815			72,815	263,073	2,452,197
Guadalupe	-		21,004	1,639		22,644	107,621	1,895,022
Santa Maria	-		475,634	37,122		512,756	2,986,848	5,562,461
Golden State Water Co.	-		17,880	1,395		19,275	99,687	
VAFB	-		210,043	16,393		226,436	1,150,704	
Buellton	-		20,727	1,618		22,344	133,879	1,136,901
Santa Ynez (Solvang)	-		47,390	3,699		51,088	336,288	168,706
Santa Ynez	-		24,302	8,860	89,232	122,395	667,007	1,305,607
Goleta	34		32,114	50	(32,171)	(7)	424,152	
Morehart Land	16,797		7,638	(7,042)	0	596	37,844	625,572
La Cumbre	41,916		19,060	(17,573)	0	1,488	145,656	
S.B. Research	4,199		1,909	(1,760)	0	149	4,348	
Santa Barbara	15		21,351	(70)	(21,277)	4	20	
Montecito	105,760		69,436	(44,402)	(21,277)	3,757	109,517	
Carpinteria	(15)		14,338	70	(14,416)	(7)	392,458	
TOTAL:	\$ 168,706	\$ 1,136,809	\$ 0	\$ 92	\$ 188,346	\$ 1,305,607	\$ 7,493,637	

Summary of Total Costs	
Fixed O&M Costs	
Administration	\$ 1,215,242
Water Treatment Plant	2,452,197
Distribution	1,895,022
Total Fixed O&M Costs	5,562,461
Variable O&M Costs	
Water Treatment Plant	1,136,901
Distribution	168,706
Total Variable O&M Costs	1,305,607
Capital Improvement Projects	625,572
Total O&M and CIP Costs:	\$ 7,493,639





CCWA Operations and Supervisory Staff

Administration Department

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

Highlights

Department Information

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

Budget Information

- | | |
|---------------------------------------|-------------|
| • Total FY 2011/12 O&M Budget | \$1,215,242 |
| • O&M Budget decrease over FY 2010/11 | \$ (49,302) |
| • Percentage decrease over FY 2010/11 | (3.90)% |

Significant Accomplishments During FY 2010/11

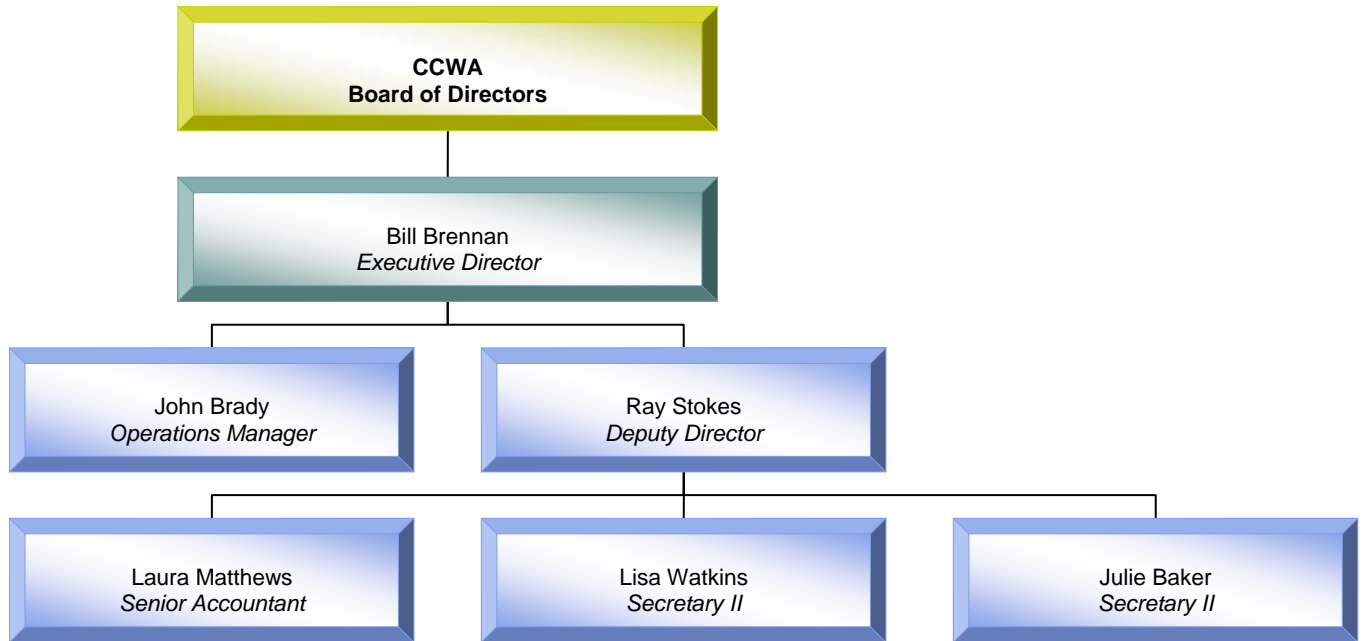
- Through the audit of the DWR Statement of Charges, CCWA staff identified \$1.8 million in errors in the 2011 Transportation Minimum cost component and was successful in getting DWR to correct the amount for the rebill of the 2011 Statement of Charges. Additionally, significant errors were found in the overhead allocation factors, which DWR has agreed to correct in the 2012 Statement of Charges.
- Convinced DWR to decrease the Coastal Branch Extension charges by about \$3 million in the 2010 Statement of Charges for an error in which DWR is charging approximately \$10 million more in debt service to the Coastal Branch Extension than the actual costs of construction for those facilities. DWR continues to research this issue and hopes to finalize the correction in the 2012 Statement of Charges.

Significant Goals for FY 2010/11

- Work with DWR to correct the overhead allocation percentages for the years 2006 through 2011 and include the adjustment in the 2012 Statement of Charges. This correction has the potential to be a significant cost reduction to CCWA.
- Continue working with DWR and San Luis Obispo County to create capacity for water exchange programs.
- Investigate exchange, groundwater banking and storage opportunities in Santa Barbara County, the Central Valley and elsewhere in California.

Central Coast Water Authority
Administration Department
Fiscal Year 2011/12 Budget

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



EXECUTIVE DIRECTOR

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

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

Central Coast Water Authority
Administration Department
Fiscal Year 2011/12 Budget

DEPUTY DIRECTOR

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

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

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

ENGINEERING

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



Installation of drain line

Central Coast Water Authority
Administration Department
Fiscal Year 2011/12 Budget

2010 ACCOMPLISHMENTS AND 2011 GOALS

The following pages list all of the Authority's 2010 goals and their status (i.e., "Accomplishments") and the Authority's 2011 goals. The 2010 accomplishments and 2011 goals that are the responsibility of the Water Treatment Plant and Distribution Departments are repeated in the Water Treatment Plant and Distribution Department sections of this budget. Also included is a table of performance indicators ("Service Efforts and Accomplishments") for the Administration Department.

Administration and Accounting

Goal Audit the entire Statement of Charges from DWR to CCWA for calendar years 2010 and 2011 to determine that the amounts included in the Statement of Charges are correct and appropriate. This will be an on-going process throughout the year.

Status 2010 audit complete. Identified \$1.8 million error in the 2011 Transportation Minimum cost component and was successful in getting DWR to correct the amount for the rebill of the 2011 Statement of Charges. Additionally, significant errors were found in the overhead allocation factors. DWR has agreed to correct these factors in the 2012 SOC, which should result in a significant decrease in the 2012 Transportation Minimum costs to CCWA.

Goal Continue to explore why DWR is not charging either capital or operating costs for Reach 33A to San Luis Obispo County. DWR has not charged the county for the Reach 33A costs since 1997 and the operating costs from 1997 through the year 2009 amount to approximately \$10.6 million paid by CCWA. If appropriate, request DWR revise the allocation factors and seek reimbursement for the \$10.6 million paid by CCWA.

Status Researched the historical documents and concluded that the Reach 33A allocations by DWR are correct.

Goal Evaluate the audit report on the 2010 Statement of Charges from Ernst & Young and determine if CCWA is receiving any value from the audit. If it is determined CCWA is not receiving value from the audit, terminate the contract, and rely solely on CCWA staff to perform the audit function on the annual Statement of Charges. [2/10]

Status Ceased participation in the Ernst & Young audit and CCWA staff is auditing the SOC.

Goal Continue to pursue elimination of the San Joaquin Valley Drainage program at DWR in conjunction with the other State Water Contractors. DWR is reviewing the program and anticipates the review to be complete in January 2010. After the review, determine if it is in the best interest of the Contractors and CCWA to begin litigation to eliminate the program.

Status On-going. Currently, attempting to obtain elimination of this program through negotiations with DWR on extension of the Contract.

Central Coast Water Authority
Administration Department
Fiscal Year 2011/12 Budget

Goal Attempt to obtain resolution on why DWR is charging approximately \$10 million more in debt service costs to CCWA for the Coastal Branch Extension than the total construction costs financed. This process was begun in calendar year 2009 and DWR is researching the issue. If it is determined the amounts are incorrect, request that DWR adjust the billings to CCWA to reflect the lower debt service amounts. [3/10]

Status DWR agrees the additional costs are an error and is committed to resolving the issue this year. DWR agreed to decrease the FY 2010/11 payments by \$2.7 million because of this error.

Goal Work with the other SWC representatives to extend the State Water Contracts beyond 2035 to be able to finance potentially large capital expenditures over a longer period of time. These efforts are currently underway with the goal of an administrative extension through the issuance of long-term bonds by the end of calendar year 2010.

Status Currently in negotiations with DWR. On-going.

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

Status Ongoing

Goal Continue investigation of alternative health care plans for CCWA staff. [6/10]

Status Moved to 2011 goals.

Goal Complete all required actions to reacquire 12,214 acre-feet of Santa Barbara County suspended SWP water. [9/10]

Status In progress. Moved to 2011 goals. County still reluctant to either accept CCWA offers or to propose alternative conditions.

Goal Continue working with DWR and San Luis Obispo County to reinstate a dry year water transfer program for 2010. [2/10]

Status Exchange program approved by DWR and SWC. CEQA completed. DWR agreement ready for signature

Goal Investigate groundwater banking and storage opportunities in Santa Barbara County, the Central Valley, and elsewhere in California. [12/10]

Status Ongoing

Goal Continue work on Accounting Department and Administration Department policies and procedures manual chapters on Administrative, Project Participant Invoices, and Budget Preparation. [12/10]

Status In progress.

Central Coast Water Authority
Administration Department
Fiscal Year 2011/12 Budget

Goal Prepare the FY 2010/11 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the “Distinguished Budget Presentation” award. [7/10]

Status Submitted to GFOA

Goal Prepare a Comprehensive Annual Financial Report for FY 2009/10 in conformance with GFOA and submit it to GFOA for the “Excellence in Financial Reporting” award. [12/10]

Status Submitted to GFOA

Contracts

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

Status DWR finalized revised Monterey EIR. Environmental interests initiated three separate law suits.

DWR Coordination

Goal Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance. [11/10]

Status Full interior inspections of the water treatment plant and at previous repair locations within the pipeline have been completed, as planned

Goal Cooperate with and assist DWR in developing and implementing the long term repair of the discharge lines at the Las Perillas Pumping Plant. In addition, cooperate with and assist DWR with the inspection of the discharge lines at the Badger Hill Pumping Plant. [12/10]

Status Staff cooperated with DWR during the short term repair of the Las Perillas Pumping Plant Discharge lines during the first quarter of 2010. CCWA staff visited the plant to observe the short term repair work. CCWA staff also provided engineering comments to DWR in December 2009 and again in July 2010, as part of the winter shutdown planning process. Other efforts are ongoing.

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

Status Ongoing.

Central Coast Water Authority
Administration Department
Fiscal Year 2011/12 Budget

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

Status Ongoing.

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

Status Ongoing.

Post 2010 Goals

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

Status Continued work on Santa Barbara County reacquisition of Table A and capacity for water exchange with San Luis Obispo County

Goal Identify and implement mechanisms to offset shortages due to drought.

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

Central Coast Water Authority
Administration Department
Fiscal Year 2011/12 Budget

2011 Goals

Administration and Accounting

Audit the entire Statement of Charges from DWR to CCWA for calendar years 2011 and 2012 to determine that the amounts included in the Statement of Charges are correct and appropriate. This will be an on-going process throughout the year.

Work with DWR to correct the overhead allocation percentages for the years 2006 through 2011 and include the adjustment in the 2012 Statement of Charges. These percentages have not been updated since 2006, and DWR has been using the same allocation percentages each year since 2006. As a result, DWR is allocating approximately 9% of statewide overhead costs in Reach 33A alone, which is far in excess of the correct overhead allocation percentage. This has the potential to be a significant cost reduction to CCWA.

In conjunction with DWR, finalize the adjustments to the Coastal Branch Extension debt service allocations due to prior allocation errors in which DWR has allocated approximately \$10 million more in debt service costs to CCWA for the Coastal Branch Extension than the total construction costs financed. DWR agrees that the allocation is incorrect, but has yet to present a final resolution. [Ongoing]

Work with the other SWC representatives to extend the State Water Contracts beyond 2035 to be able to finance potentially large capital expenditures over a longer period of time.

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

Evaluate and prepare a presentation to the CCWA Personnel Committee and Board of Directors recommending a change from the current ACWA health insurance plan to the PERS health insurance program. Preliminary calculations indicate CCWA could save between \$80K to \$115K per year due to the change [2/11]

Completely revise the CCWA website with the assistance of the newly hired website consultant [1/11]

Complete all required actions and gauge project participant interest in the reacquisition of 12,214 acre-feet of Santa Barbara County suspended SWP water. [11/11]

Continue working with DWR and San Luis Obispo County to create capacity for water exchange programs for. [12/11]

Investigate exchange, groundwater banking and storage opportunities in Santa Barbara County, the Central Valley, and elsewhere in California. [12/11]

Devise alternate storage mechanisms to reduce the risk of losing 2010 carryover water currently in San Luis Reservoir (2/11)

Continue work on Accounting Department and Administration Department policies and procedures manual chapters on Administrative, Project Participant Invoices, and Budget Preparation. [12/11]

Central Coast Water Authority
Administration Department
Fiscal Year 2011/12 Budget

Prepare the FY 2011/12 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the “Distinguished Budget Presentation” award. [7/11]

Prepare a Comprehensive Annual Financial Report for FY 2010/11 in conformance with GFOA and submit it to GFOA for the “Excellence in Financial Reporting” award. [12/11]

Contracts

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

Work with State Water Contractors to bring a new suite of amendments forward for discussion and incorporation into the Contract. [Ongoing]

DWR Coordination

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

Continue to participate within DWR’s Municipal Water Quality Investigation Program. In addition, assist the DWR MWQI program with development of the five year update of the Delta Sanitary Survey. [throughout 2011]

Cooperate with and assist DWR in developing and implementing the long term repair of the discharge lines at the Las Perillas Pumping Plant. In addition, cooperate with and assist DWR with the inspection of the discharge lines at the Badger Hill Pumping Plant. [12/11]

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

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

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

Post 2011 Goals

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

Identify and implement mechanisms to offset shortages due to drought.

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

Central Coast Water Authority
Administration Department
Fiscal Year 2011/12 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

The Administration Department operating expense budget for FY 2011/12 is decreasing by \$49,302 or 3.90% when compared to the FY 2010/11 Budget. The total FY 2011/12 budget is \$1,215,242 compared to the FY 2010/11 budget of \$1,264,544. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$52,000 due to the following:

- Administration Department FY 2011/12 salary pool allocation of \$21,657 based on a salary pool percentage of 4.34%.
- PERS retirement expense increase of \$8,700 for higher salary amount for FY 2011/12 and a slightly higher PERS contribution rate.
- Health insurance increase of about \$7,000 for an anticipated 10% increase in premiums on January 1, 2012.

Professional Services The professional services budget is decreasing by \$61,000 due to a \$70,000 decrease in the legal services budget due to the exclusion of funds for potential legal action regarding the DWR Statement of Charges which was included in the prior year budget amounts.

General and Administrative The General and Administrative expenses are decreasing by about \$47,000 due to a decrease in dues for the State Water Contractors (SWC). This decrease is attributed to surplus funds available in the SWC budget for the prior year which is available to offset the FY 2011/12 dues amount.

Central Coast Water Authority
Personnel Services Summary
Administration Department
 Fiscal Year 2011/12 Budget

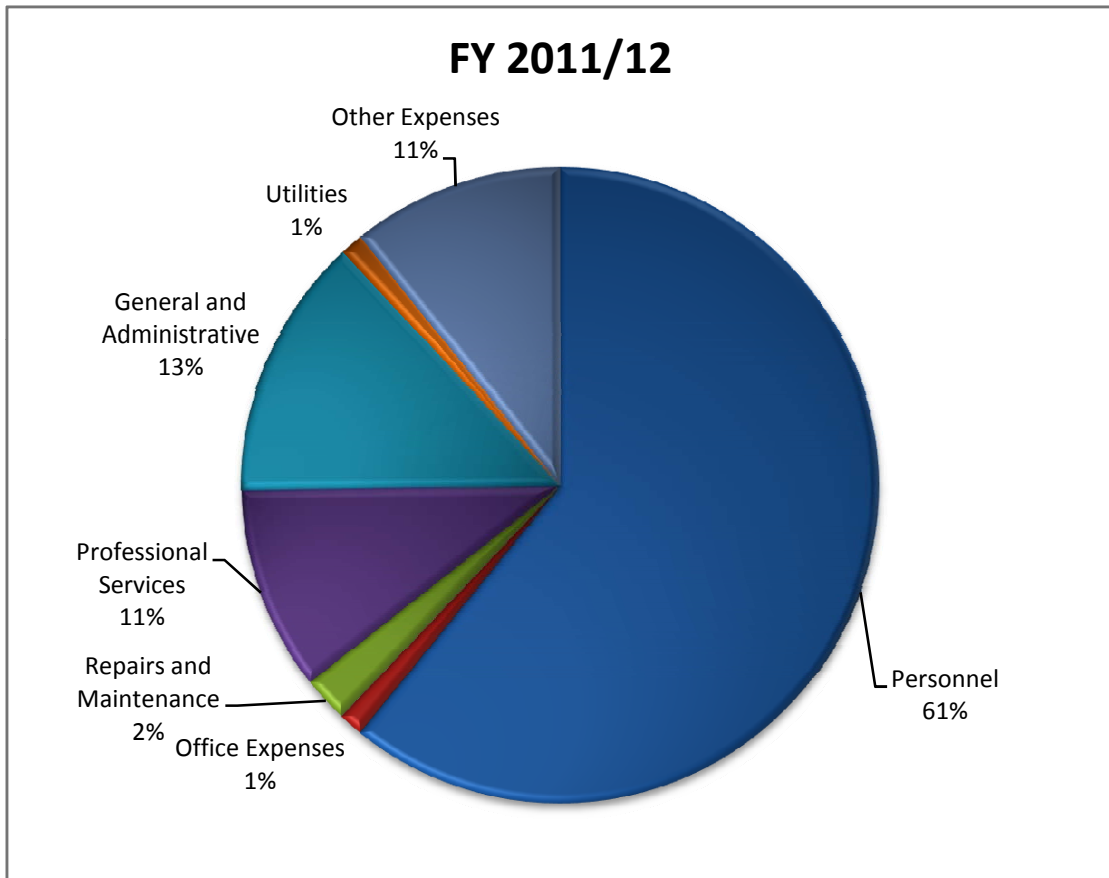
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2009/10	Number Auth. FY 2010/11	Number Requested FY 2011/12	Change Over FY 2009/10	Change Over FY 2010/11
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager ⁽¹⁾	0.25	0.25	0.25	-	-
Senior Accountant	1.00	1.00	1.00	-	-
Secretary II	1.75	1.75	1.75	-	-
TOTAL:	4.50	4.50	4.50	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2010/11 Total Annual Salary	Allocation to Admin Department
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 203,683	\$ 101,843
Deputy Director	1	N/A	N/A	N/A	\$ 179,416	\$ 179,416
Operations Manager ⁽¹⁾	1	25	\$ 9,184	\$ 11,204	\$ 123,949	\$ 30,987
Senior Accountant	1	18	\$ 6,361	\$ 7,761	\$ 82,388	\$ 82,388
Secretary II	2	11	\$ 4,447	\$ 5,425	\$ 104,178	\$ 109,617
FY 2011/12 Salary Pool						\$ 21,657
TOTAL:						\$ 525,908

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

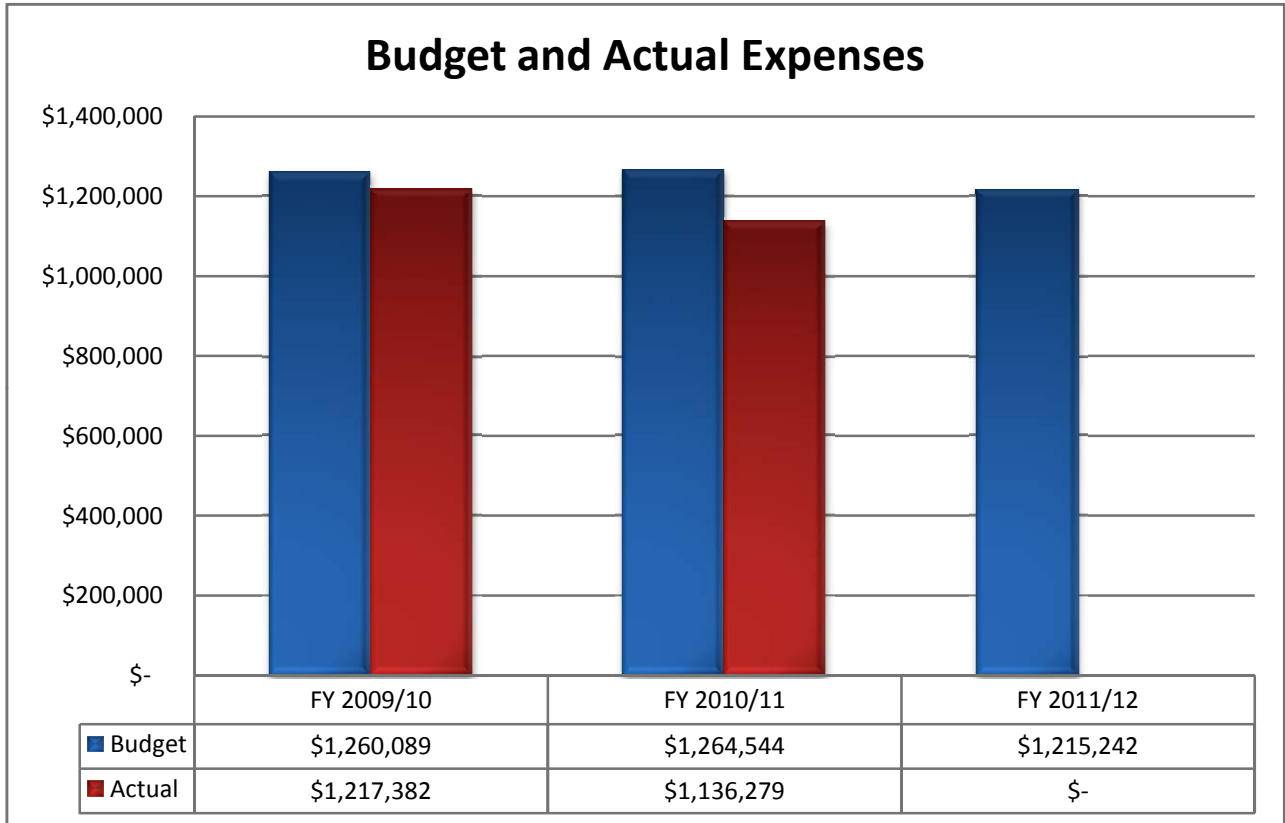
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2011/12 Budget

Item	FY 2011/12 Budget
Personnel	\$ 739,012
Office Expenses	15,100
Repairs and Maintenance	28,375
Professional Services	126,224
General and Administrative	162,115
Utilities	14,084
Other Expenses	130,332
TOTAL:	<u><u>\$ 1,215,242</u></u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2011/12 Budget

Item	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget
Personnel	\$ 660,899	\$ 693,452	\$ 686,617	\$ 703,474	\$ 739,012
Office Expenses	16,000	10,809	15,040	14,668	15,100
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	26,266	25,591	27,608	27,704	28,375
Professional Services	235,630	199,471	187,460	73,138	126,224
General and Administration	189,957	193,258	209,368	202,222	162,115
Utilities	15,080	11,680	15,458	11,542	14,084
Other Expenses	116,257	83,121	122,993	103,531	130,332
TOTAL:	\$ 1,260,089	\$ 1,217,382	\$ 1,264,544	\$ 1,136,279	\$ 1,215,242



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10	FY 2009/10	FY 2010/11	FY 2010/11	FY 2011/12	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2010/11	Budget	
<u>PERSONNEL EXPENSES</u>									
5000.10	Full-Time Regular Wages	\$ 475,834	\$ 496,201	\$ 498,791	\$ 503,661	\$ 525,908	\$	27,117	5.44%
1300.60	Capitalized Wages and Overtime	-	-	-	6,757	-	-	-	N/A
5000.20	Overtime	2,000	5,049	2,000	6,757	4,000	2,000	2,000	100.00%
5000.40	Standby Pay	-	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	92,407	98,882	97,035	99,162	105,755	8,720	8,720	8.99%
5100.15	Medicare Taxes	6,929	8,240	7,261	8,221	7,753	491	491	6.76%
5100.20	Health Insurance	34,809	38,679	39,707	37,816	47,162	7,455	7,455	18.78%
5100.25	Workers' Compensation	4,104	4,937	4,856	3,593	4,967	111	111	2.29%
5100.30	Vehicle Expenses	18,000	18,069	18,000	18,000	18,000	-	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	-	-	-	-	4,750	4,750	4,750	N/A
5100.40	Cafeteria Plan Benefits	12,946	9,576	6,100	9,181	6,192	92	92	1.50%
5100.45	Dental/Vision Plan	9,066	9,442	7,953	5,126	9,643	1,691	1,691	21.26%
5100.50	Long-Term Disability	1,956	1,945	2,053	1,820	2,022	(32)	(32)	-1.54%
5100.55	Life Insurance	1,399	1,516	1,411	1,516	1,411	-	-	0.00%
5100.60	Employee Physicals	-	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	-	-	7,128	-	-	-	N/A
5100.80	Employee Incentive Programs	1,200	524	1,200	738	1,200	-	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	-	0.00%
5100.86	Non-Capitalized Projects Overhead	-	392	-	755	-	-	-	N/A
Total Personnel Expenses:		660,899	693,452	686,617	703,474	739,012		52,395	7.63%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/10 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	9,000	5,502	8,040	9,494	9,600	1,560	19.40%
5200.30	Miscellaneous Office Expenses	7,000	5,307	7,000	5,174	5,500	(1,500)	-21.43%
Total Office Expenses:		16,000	10,809	15,040	14,668	15,100	60	0.40%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	-	-	-	-	-	-	N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-	N/A
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	-	-	-	-	-	-	N/A
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	-	-	-	-	-	-	N/A
5500.40	Safety Supplies	-	-	-	-	-	-	N/A
5500.45	Fuel and Lubricants	-	-	-	-	-	-	N/A
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		-	-	-	-	-	-	N/A
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10	FY 2009/10	FY 2010/11	FY 2010/11	FY 2011/12	Change from		Percent Change	
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2010/11	Budget		
<u>REPAIRS AND MAINTENANCE</u>										
5700.10	Equipment Repairs and Maintenance	3,700	4,019	4,400	6,442	5,000	600		13.64%	
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-		N/A	
5700.30	Building Maintenance	19,686	19,181	20,268	18,836	20,315	47		0.23%	
5700.40	Landscape Maintenance	2,880	2,391	2,940	2,426	3,060	120		4.08%	
	Total Repairs and Maintenance:	26,266	25,591	27,608	27,704	28,375	767		2.78%	
<u>PROFESSIONAL SERVICES</u>										
5400.10	Professional Services	3,200	14,150	3,400	6,976	10,900	7,500		220.59%	
5400.20	Legal Services	185,000	150,494	160,000	43,714	90,000	(70,000)		-43.75%	
5400.30	Engineering Services	-	-	-	-	-	-		N/A	
5400.40	Permits	-	-	-	-	-	-		N/A	
5400.50	Non-Contractual Services	2,430	2,414	2,060	2,448	3,324	1,264		61.36%	
5400.60	Accounting Services	45,000	32,413	22,000	20,000	22,000	-		0.00%	
	Total Professional Services:	235,630	199,471	187,460	73,138	126,224	(61,236)		-32.67%	
<u>GENERAL AND ADMINISTRATIVE</u>										
5300.10	Meeting and Travel	29,500	32,906	29,500	28,594	29,500	-		0.00%	
5300.20	Mileage Reimbursement	500	845	500	618	1,000	500		100.00%	
5300.30	Dues and Memberships	146,427	148,100	163,988	160,000	117,635	(46,353)		-28.27%	
5300.40	Publications	2,530	2,297	2,780	2,412	2,530	(250)		-8.99%	
5300.50	Training	3,000	2,047	3,000	4,656	3,000	-		0.00%	
5300.60	Advertising	500	-	500	856	850	350		70.00%	
5300.70	Printing and Binding	3,000	3,992	4,600	2,912	4,000	(600)		-13.04%	
5300.80	Postage	4,500	3,071	4,500	2,174	3,600	(900)		-20.00%	
	Total General and Administrative:	189,957	193,258	209,368	202,222	162,115	(47,253)		-22.57%	

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
UTILITIES								
5800.20	Natural Gas	420	329	420	180	420	-	0.00%
5800.30	Electric-Fixed	7,200	5,991	8,478	7,044	8,244	(234)	-2.76%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	1,200	838	960	828	900	(60)	-6.25%
5800.50	Telephone	3,660	2,007	2,820	1,840	2,220	(600)	-21.28%
5800.60	Waste Disposal	2,600	2,515	2,780	1,650	2,300	(480)	-17.27%
Total Utilities:		15,080	11,680	15,458	11,542	14,084	(1,374)	-8.89%
OTHER EXPENSES								
5900.10	Insurance	20,729	19,135	20,135	18,549	21,009	874	4.34%
5900.30	Non-Capitalized Projects	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	6,740	6,368	6,752	6,386	6,752	-	0.00%
5900.50	Non-Capitalized Equipment	2,500	2,187	2,500	-	2,500	-	0.00%
5900.60	Computer Expenses	61,580	55,431	68,811	78,596	76,243	7,432	10.80%
5900.70	Appropriated Contingency	24,708	-	24,795	-	23,828	(967)	-3.90%
Total Other Expenses:		116,257	83,121	122,993	103,531	130,332	7,339	5.97%
TOTAL OPERATING EXPENSES		\$ 1,260,089	\$ 1,217,382	\$ 1,264,544	\$ 1,136,279	\$ 1,215,242	\$ (49,302)	-3.90%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$21,657 for the FY 2011/12 salary pool.

FY 11/12 Requested Budget	525,908
FY 10/11 Estimated Actual	503,661
Increase (Decrease)	22,247

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

Description: Overtime expenses for non-exempt Administration employees.

FY 11/12 Requested Budget	4,000
FY 10/11 Estimated Actual	6,757
Increase (Decrease)	(2,757)

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

Description: Not funded.

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	7,128
Increase (Decrease)	(7,128)

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

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 20.109% contribution rate for FY 2011/12

FY 11/12 Requested Budget	105,755
FY 10/11 Estimated Actual	99,162
Increase (Decrease)	6,593

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

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

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

FY 11/12 Requested Budget	7,753
FY 10/11 Estimated Actual	8,221
Increase (Decrease)	(468)

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

Description: Funds for the employer provided portion of medical insurance coverage for Administration employees. Budget amount is based on actual medical insurance election for the Administration Department. Includes an increase for 2012 estimated at 5%.
Family: \$ 20,644
Emp+1: \$ 16,860
Emp: \$ 7,514

FY 11/12 Requested Budget	47,162
FY 10/11 Estimated Actual	37,816
Increase (Decrease)	9,346

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

Description: Funds for Workers' Compensation insurance for the Administration Department. Based on an X-Mod rate of 100%. Based on a 5% premium increase over FY 2010/11.

FY 11/12 Requested Budget	4,967
FY 10/11 Estimated Actual	3,593
Increase (Decrease)	1,374

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

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

FY 11/12 Requested Budget	18,000
FY 10/11 Estimated Actual	18,000
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5100.35 **ACCOUNT TITLE:** Retiree Medical Future Liability Deposit

Description: Estimates \$1,000 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

FY 11/12 Requested Budget	4,750
FY 10/11 Estimated Actual	-
Increase (Decrease)	4,750

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 11/12 Requested Budget	6,192
FY 10/11 Estimated Actual	9,181
Increase (Decrease)	(2,989)

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

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,030 per year per family for dental and vision expenses. Budgeted amount is \$2,030 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 11/12 Requested Budget	9,643
FY 10/11 Estimated Actual	5,126
Increase (Decrease)	4,517

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

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.42 per \$100 of salary.

FY 11/12 Requested Budget	2,022
FY 10/11 Estimated Actual	1,820
Increase (Decrease)	202

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 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 11/12 Requested Budget	1,411
FY 10/11 Estimated Actual	1,516
Increase (Decrease)	(105)

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

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

FY 11/12 Requested Budget	250
FY 10/11 Estimated Actual	-
Increase (Decrease)	250

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

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

FY 11/12 Requested Budget	1,200
FY 10/11 Estimated Actual	738
Increase (Decrease)	462

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

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

Description: Funds for Office supplies for the Administration Department. Based on \$800 per month in office supply expenses.

FY 11/12 Requested Budget	9,600
FY 10/11 Estimated Actual	9,494
Increase (Decrease)	106

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

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

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards, kitchen supplies and monthly bank fees \$125.

FY 11/12 Requested Budget	5,500
FY 10/11 Estimated Actual	5,174
Increase (Decrease)	326

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

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

FY 11/12 Requested Budget	29,500
FY 10/11 Estimated Actual	28,594
Increase (Decrease)	906

\$	2,500	ACWA Conferences
\$	24,000	SWC Meetings (\$2,000 per month)
\$	3,000	Other miscellaneous meetings
\$	29,500	TOTAL

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

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

FY 11/12 Requested Budget	1,000
FY 10/11 Estimated Actual	618
Increase (Decrease)	382

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

Description: Funds for professional dues.

FY 11/12 Requested Budget	117,635
FY 10/11 Estimated Actual	160,000
Increase (Decrease)	(42,365)

\$	77,500	SWC Bay Delta Charges
\$	14,000	SWPCA JPA & SFCWA JPA Dues
\$	5,000	MWQI Charges for 2011 Calendar Year
\$	15,385	ACWA
\$	500	SWPCA Delta Specific Project Committee
\$	2,250	Support various water education programs
\$	-	Prop 84 Fee
\$	3,000	Employee Professional Dues and Misc.
\$	117,635	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

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

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

FY 11/12 Requested Budget	2,530
FY 10/11 Estimated Actual	2,412
Increase (Decrease)	118

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

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

FY 11/12 Requested Budget	3,000
FY 10/11 Estimated Actual	4,656
Increase (Decrease)	(1,656)

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 11/12 Requested Budget	850
FY 10/11 Estimated Actual	856
Increase (Decrease)	(6)

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 11/12 Requested Budget	4,000
FY 10/11 Estimated Actual	2,912
Increase (Decrease)	1,088

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

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

Description: Funds for all postal and mail expenses.
 \$ 3,000 Postage meter expenses (\$250 per month)
 \$ 600 Overnight and shipping svcs (\$50 per month)
 \$ 3,600 TOTAL

FY 11/12 Requested Budget	3,600
FY 10/11 Estimated Actual	2,174
Increase (Decrease)	1,426

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

Description: Funds for miscellaneous consultants and other services.
 \$ 7,500 Website & Database Consultants
 \$ 2,400 Administration office alarm system
 \$ 1,000 Other services
 \$ 10,900 TOTAL

FY 11/12 Requested Budget	10,900
FY 10/11 Estimated Actual	6,976
Increase (Decrease)	3,924

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

Description: Funds for CCWA legal services.
 \$ 85,000 Brownstein Hyatt Farber General Counsel
 5,000 Sheppard Mullin Personnel Counsel
 \$ 90,000 TOTAL

FY 11/12 Requested Budget	90,000
FY 10/11 Estimated Actual	43,714
Increase (Decrease)	46,286

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

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

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

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

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

FY 11/12 Requested Budget	3,324	\$	1,164	IRC 125 Plan administraton fees (\$97 per mo)
FY 10/11 Estimated Actual	2,448	\$	1,160	Employee Assistance Program
Increase (Decrease)	876	\$	1,000	Other miscellaneous
		\$	3,324	TOTAL

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

Description: Funds for the annual audit of the FY 2010/11 Financial Statements.

FY 11/12 Requested Budget	22,000
FY 10/11 Estimated Actual	20,000
Increase (Decrease)	2,000

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

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

FY 11/12 Requested Budget	5,000	\$	4,000	Copier maintenance agreement
FY 10/11 Estimated Actual	6,442	\$	1,000	Other misc. equipment repairs
Increase (Decrease)	(1,442)	\$	5,000	TOTAL

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

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

FY 11/12 Requested Budget	20,315	\$	575	Monthly Pest Control
FY 10/11 Estimated Actual	18,836	\$	14,250	Janitorial services and supplies
Increase (Decrease)	1,479	\$	4,000	Building repairs (includes \$2,000 for HVAC)
		\$	1,490	HVAC quarterly maintenance
		\$	20,315	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

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

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

FY 11/12 Requested Budget	3,060
FY 10/11 Estimated Actual	2,426
Increase (Decrease)	634

\$	2,280	Gardener (\$190 per month)
\$	480	Irrigation Water (\$40 per month)
\$	300	Miscellaneous
\$	3,060	TOTAL

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

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

FY 11/12 Requested Budget	420
FY 10/11 Estimated Actual	510
Increase (Decrease)	(90)

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

Description: Funds for electrical service to the Administration building (\$687.00 per month).

FY 11/12 Requested Budget	8,244
FY 10/11 Estimated Actual	7,044
Increase (Decrease)	1,200

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

Description: Funds for water and sewer service for the Administration building (\$75 per month).

FY 11/12 Requested Budget	900
FY 10/11 Estimated Actual	828
Increase (Decrease)	72

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

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

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

FY 11/12 Requested Budget	2,220	\$	60	Long distance (\$5 per month)
FY 10/11 Estimated Actual	1,840	\$	1,260	Local long distance (\$105 per month)
Increase (Decrease)	380	\$	900	Cell phone airtime (\$75 per month)
		\$	2,220	TOTAL

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

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

FY 11/12 Requested Budget	2,300	\$	2,100	Waste Disposal service (\$175 per month)
FY 10/11 Estimated Actual	1,650	\$	200	Hazardous Waste Disposal
Increase (Decrease)	650	\$	2,300	TOTAL

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

Description: Funds for insurance related expenses.

FY 11/12 Requested Budget	21,009	\$	1,472	Property and auto insurance based on allocation provided by JPIA
FY 10/11 Estimated Actual	18,549	\$	15,967	General Liability and E&O apportioned by payroll percentages
Increase (Decrease)	2,460	\$	3,570	Employee fidelity bond
		\$	21,009	TOTAL

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

Description: Funds for rental of equipment.

FY 11/12 Requested Budget	6,752	\$	1,740	Postage meter (\$435 per quarter)
FY 10/11 Estimated Actual	6,386	\$	4,512	Copier lease (\$376 per month)
Increase (Decrease)	366	\$	500	Other
		\$	6,752	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2011/12 BUDGET**

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

Description: Funds for the purchase of non-capitalized equipment purchases. These equipment purchases are generally under \$10,000 in cost with an estimated useful life under 5 years.

FY 11/12 Requested Budget	2,500
FY 10/11 Estimated Actual	-
Increase (Decrease)	2,500

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

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

FY 11/12 Requested Budget	76,243
FY 10/11 Estimated Actual	78,596
Increase (Decrease)	(2,353)

\$	57,946	<u>CompuVision, Annual Service Agreements and Software Subscriptions</u>
\$	18,297	<u>Software and other computer services</u>
\$	76,243	<u>TOTAL</u>

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

Description: 2.0% of operating expenses

FY 11/12 Requested Budget	23,828
FY 10/11 Estimated Actual	-
Increase (Decrease)	23,828





Winter, Polonio Pass Water Treatment Plant

Water Treatment Plant Department

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

Highlights

Department Information

- Number of employees 14
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2011/12 requested water deliveries 32,747 acre-feet

Budget Information

- Total FY 2011/12 O&M Budget \$ 3,589,097
- O&M Budget decrease over FY 2010/11 \$ (5,224)
 - Fixed cost increase over FY 2010/11 \$ 90,332
 - Variable cost decrease over FY 2010/11 \$ (95,556)
- Percentage decrease (0.15%)
- Fixed O&M Expenses \$ 2,452,197
- Variable O&M Expenses \$ 1,136,901
- FY 2011/12 budgeted chemical cost \$ 31.85 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 38.87
 - Variable \$ 2.71
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 136.00
 - Variable \$ 34.72

Significant Accomplishments During FY 2010/11

- WTP staff reduced the outside vendor costs associated with the Treatment Plant HVAC Controls Project by approximately 50% through directly purchasing the equipment and installing the system themselves, rather than hire a contractor.
- WTP staff successfully evaluated a new cationic polymer product. CCWA staff estimated that \$5,000 to \$15,000 is saved on an annual basis, depending on raw water quality and quantity of water treated.

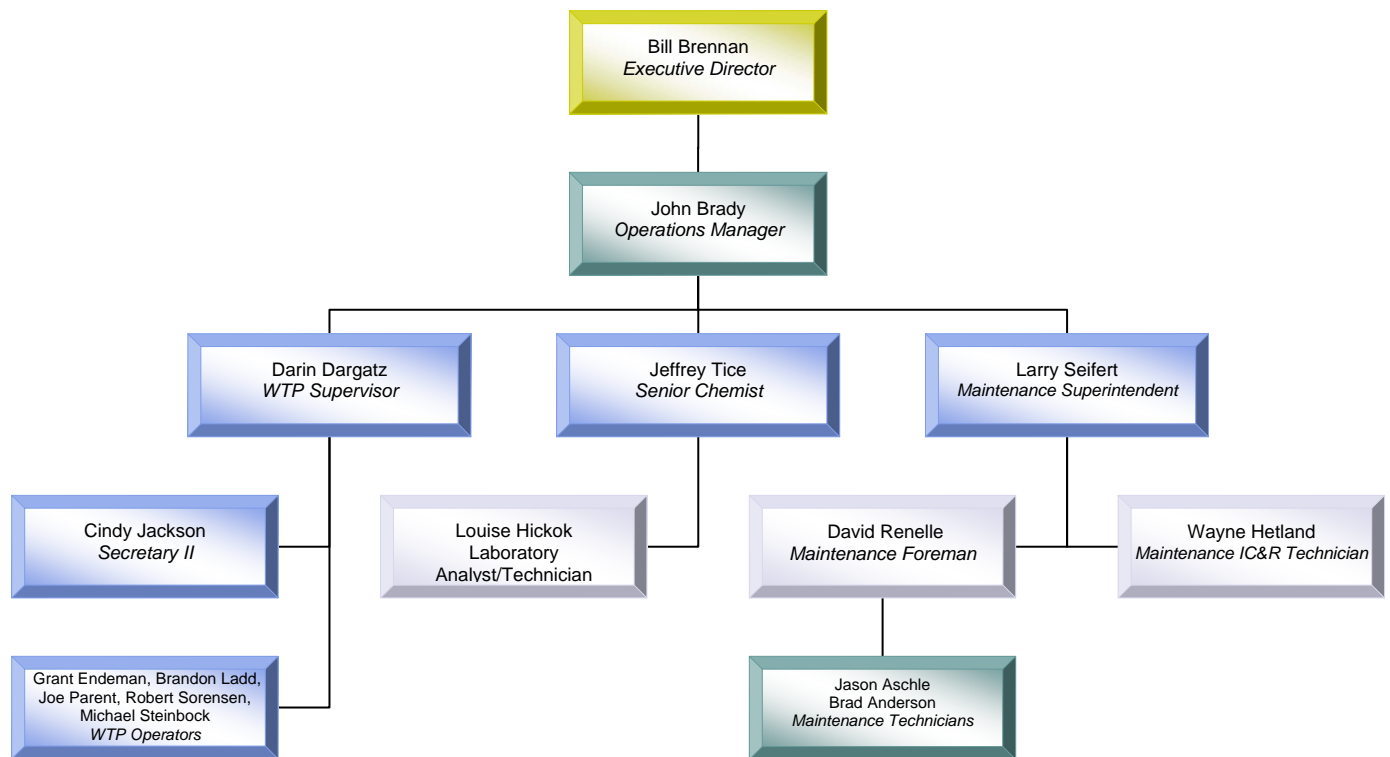
Significant Goals for FY 2011/12

- Manage the Supervisory Control and Data Acquisition (SCADA) System software installation and integration at the WTP.
- Continue to work with DWR staff in managing the sediment accumulation issue in DWR's raw water pumping plant forebay and canals.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2011/12 Budget

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

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



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

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

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

Central Coast Water Authority
Water Treatment Plant Department
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Pilot Filter

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

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

The following pages list the 2010 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2011 goals for the Water Treatment Plant Department.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2011/12 Budget

2010 ACCOMPLISHMENTS AND 2011 GOALS

- Goal** Implement the MIB study, which is designed to enhance understanding of why MIB increases along the length of the raw water pipeline. [09/10]
- Status** There have been no occurrences of MIB this year. Consequently, the study has not been completed. Budget is in place to complete the study for FY 10/11 and will be requested for consideration in the FY 11/12 budget
- Goal** Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [throughout 2010]
- Status** Ongoing.
- Goal** Initiate monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. [throughout 2010]
- Status** Samples from each filter have been collected and the effective particle size analysis has been completed. Annual sampling and analysis will continue
- Goal** Demolish existing Sodium Bisulfite Storage and Dosing System at the Santa Ynez Pumping Plant and construct new replacement system, according to the final engineered drawings. [06/10]
- Status** The new system installation is complete and in service. The old tanks and tanks stands have been sold off to a recycler. This project is complete.
- Goal** Coordinate the installation of a gate and security camera at the Santa Ynez Pumping Plant. [12/10]
- Status** This project did not receive funding for FY 09/10.
- Goal** Conduct internal pipeline inspection to look at previous repairs in Reach B and C as part of the annual system shutdown. [11/10]
- Status** CCWA staff completed these inspections.
- Goal** Repair the waste wash water 42-inch pipeline from the filters to the equalization basins at the WTP. [11/10]
- Status** CCWA staff completed these repairs
- Goal** Identify and pursue all possible cost saving and quality enhancing opportunities with initial emphasis on taste and odor control, communications, electrical usage, overtime

Central Coast Water Authority
Water Treatment Plant Department
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requirements, and re-vegetation and erosion control. [Ongoing]

Status Enhanced budget monitoring procedures, effective monitoring and control of spending kept the treatment plant and pipeline operations on budget for FY 10/11.

CCWA staff successfully evaluated a new cationic polymer product. CCWA staff estimated that \$5,000 to \$15,000 is saved on an annual basis, depending on raw water quality and quantity of water treated.

CCWA staff reduced the outside vendor costs associated with the Treatment Plant HVAC Controls Project by approximately 50% through directly purchasing the equipment and installing the system by CCWA staff.

In response to the leak at Sta. 1908+00, CCWA staff coordinated the quick repair and also took the opportunity to conduct an internal inspection of a historic repair location near the leak site. This action eliminated the need to inspect this section of pipe during the winter shutdown.

During winter shutdown, CCWA staff conducted an internal inspection of the pipeline beneath the Granite Gravel Mine in Buellton. As part of the encroachment permit requirements, Granite Construction was responsible for paying all reasonable inspection costs. Granite Construction was invoiced for all CCWA labor and outside vendor costs.

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

Status Through designing, permitting and operating the Tank 5 chlorination system, staff was able to operate the pipeline at historically low flow rates for an extended amount of time without any nitrification incidents.

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

Status CCWA staff assisted Guadalupe Staff in determining the appropriate pipeline flushing methods for the Guadalupe pipeline.

Goal Continue to refine the Nitrification Response Plan through additional laboratory studies and through analysis of operating and water quality monitoring data. [Ongoing]

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Status Ongoing. CCWA staff found that chloramines residuals must be above 1.5 mg/l to help prevent the onset of nitrification. Accordingly, all pipeline chlorine analyzers have been configured to alarm when chloramines residuals fall below 1.5 mg/l.

2011 Goals

Implement the MIB study to enhance understanding of why MIB increases along the length of the raw water pipeline. [09/11]

Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [throughout 2011]

Continue monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. [throughout 2011]

Initiate off-peak pumping during the PG&E Summer Season at the Santa Ynez Pumping Plant. [05/11 - 11/11]

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

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

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

Continue to refine the Nitrification Response Plan through additional laboratory studies and through analysis of operating and water quality monitoring data. [Ongoing]

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2011/12 Budget

WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

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

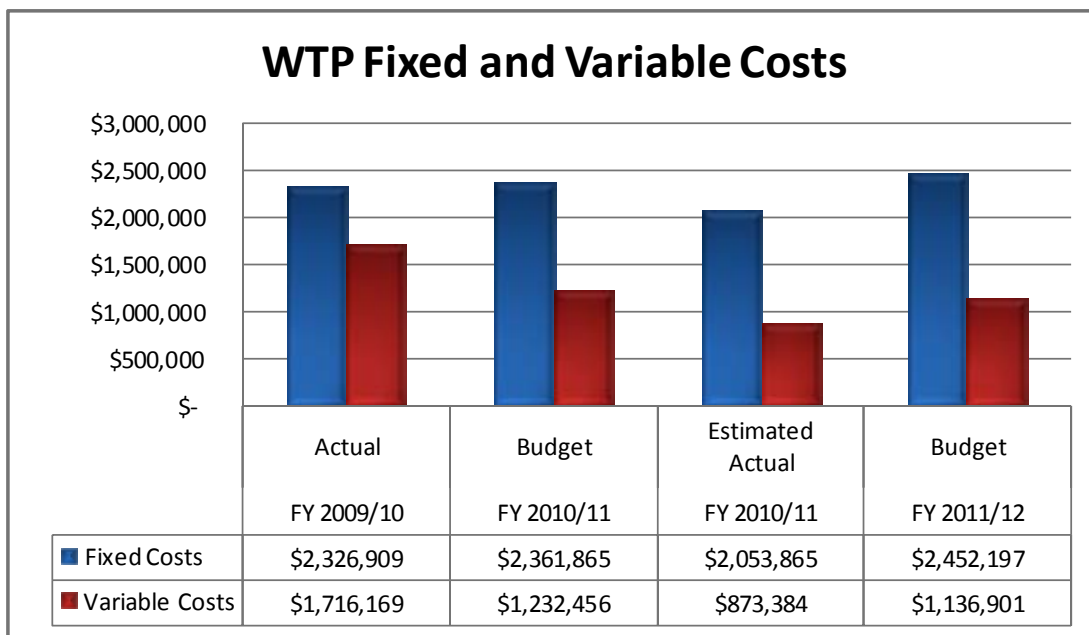
Fixed O&M Costs are costs of the treatment plant that do not vary with the amount of water processed at the treatment plant. These include personnel costs, professional services, general and administrative costs.

For FY 2011/12, the Water Treatment Plant fixed O&M costs total \$2,452,197 or \$90,332 more than the FY 2010/11 budget.

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

For FY 2011/12, the Water Treatment Plant variable O&M costs total \$1,136,901, or \$95,556 less than the FY 2010/11 budget. The FY 2011/12 variable O&M budget is comprised of \$1,066,167 for chemical expenses and \$70,733 for electrical costs based on treatment and delivery of 32,747 acre-feet of water for the year.

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



Central Coast Water Authority
Water Treatment Plant Department
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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 Table A allocation.

Fiscal Year 2011/12 Operating Expense Budget

The FY 2011/12 water treatment plant operating expense budget is \$3,589,097 which is \$5,224 less than the previous year's budget of \$3,594,322, a 0.15% decrease.

The personnel expense section of the Water Treatment Plant budget represents approximately 48% of the budget. Supplies and equipment comprise 33% with other expenses making up the balance of the budget. The variable O&M expenses are included in the supplies and equipment and utilities section of the budget. The chart on page 144 shows the allocation of the various components of the water treatment plant operating expense budget.

Personnel Expenses Total personnel expenses are increasing by about \$45,000 when compared to the FY 2010/11 budget for the following reasons.

- An increase in full-time regular wages for the FY 2011/12 salary pool allocation of \$47,120, partially offset by a decrease in salaries for personnel changes in certain positions.
- Health insurance expense decrease of approximately \$14,000 due to the change in health insurance providers from ACWA to PERS health plans, partially offset by an increase of about \$14,000 for deposits for the future liability of the retiree health benefit.
- PERS retirement expense increase of about \$12,000 for an increase in the employee annual salaries.

Supplies and Equipment Total supplies and equipment expenses for FY 2011/12 are about \$75,000 lower than the previous year primarily due to a decrease in chemical expenses due to reduced water delivery requests.

Other Expenses Other expenses are increasing by approximately \$38,000 due to an increase in non-capitalized projects, non-capitalized equipment, equipment rental and appropriated contingency amounts, partially offset by a decrease in the appropriated contingency account. This decrease is due to a policy change so that the appropriated contingency is not calculated on the variable chemical or electrical costs.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2011/12 Budget

Non-Capitalized Projects

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

The following table is a summary of the FY 2011/12 Water Treatment Plant Non-Capitalized Projects.

<i>Non-Capitalized Projects-Reach Specific</i>		
Project Description	Financial Reach	Amount ⁽¹⁾
Filter Control Equipment (Phase 3 of 3)	WTP	\$ 9,775
Epoxy Coating of Initial Flash	WTP	4,095
Inlet Turbidimeter	WTP	5,342
Consultant to PSM Peer Review	WTP	12,600
Pavement Crack Repairs-Chem Loading	WTP	26,250
TOTAL:		\$ 58,062

(1) Excludes CCWA labor and overhead costs.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2011/12 Budget

Description:	Replacement of Filter Control Equipment
Department:	Water Treatment Plant
Expanded Description	Each filter at the water treatment plant is equipped with a water level sensor and a head-loss sensor with associated controls. This equipment was originally installed during the initial plant construction and will reach the end of its expected useful life. This is the third phase of a three phase replacement program. All filter controls will be replaced within three years.
Estimated Charge - Materials	\$8,600
Sales Tax	\$710
Contingency (5%)	\$465
Subtotal without CCWA Labor	\$9,775
Labor and overhead	\$3,200
Total Cost	\$12,975
Operating Budget Impact:	The head-loss sensor has a set point which triggers a critical alarm through the plant's supervisor controls and data acquisition system. Replacement of these filter controls in a planned manner saves the costs associated with responding to a break-down condition. Further, planned replacement allows appropriate scheduling of filter shutdown so that they can occur during periods of low flows and thus minimizing impact to the water delivery operation.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2011/12 Budget

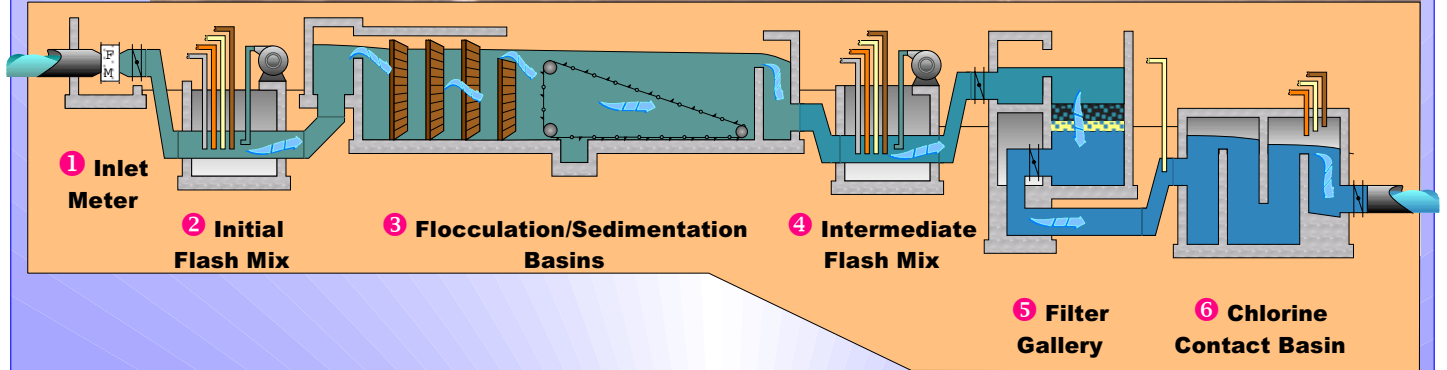
Description:	Epoxy Coating of Interior Piping downstream of Initial Flash Mix
Department:	Water Treatment Plant
Expanded Description	Routine interior inspections of the Water Treatment Plant have identified several areas of deterioration in the interior mortar lining of the plant's piping system. These areas have been monitored closely and, at some locations, the extent of deterioration has continued to expand. One area in particular has reached a point where repair and protection is required. This area is located immediately downstream of the initial flash mix system. This project will include surface preparation and application of an epoxy coating. The others areas of observed deterioration will continue to be monitored during the annual inspections of the plant.
Estimated Charge - Contractor	\$3,900
Contingency (5%)	\$195
Subtotal without CCWA Labor	\$4,095
Total Cost	\$4,095
Operating Budget Impact:	The application of an epoxy coating of the interior pipe located downstream of the initial flash mix will abate the expanding area of deterioration of the interior mortar lining. The mortar lining serves as the sole form of cathodic protection for the interior of the plant's piping system. If the mortar is lost, corrosion of the steel shell of the pipe will proceed, which will ultimately lead to a leak in the pipe. The application of an epoxy coating will prevent the corrosion process and result in avoided costs of an emergency repair of a corroded leaking pipe.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2011/12 Budget

Description:	Inlet Turbimeter
Department:	Water Treatment Plant
Expanded Description	One existing inlet turbidimeter will be replaced. This instrument is an important process monitoring tool and is utilized by the Treatment Plant operators to detect potential changes in raw water chemistry. The existing unit has been in place well past its anticipated service life and replacement parts are no longer available.
Estimated Charge - Materials	\$4,700
Sales Tax	\$388
Contingency (5%)	\$254
Subtotal without CCWA Labor	\$5,342
Labor and overhead	\$1,000
Total Cost	\$6,342
Operating Budget Impact:	The inlet turbidimeter is an important process monitoring instrument and is used to monitor for changes in raw water chemistry. Replacement of the existing inlet turbidimeter will ensure that water is reliably treated to meet applicable drinking water standards. Failure of an existing inlet turbidimeter may require additional labor to respond to undetected changes in raw water chemistry, which can increase operational costs.

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2011/12 Budget

Description:	Pavement Crack Repairs-Chemical Loading Area and Access Road
Department:	Water Treatment Plant
Expanded Description	The chemical loading area and main access road of the Water Treatment Plant is subject to heavy traffic loading from bulk chemical transport vehicles and other plant vehicles. CCWA staff has been routinely monitoring the condition of the asphalt pavement at these locations. Over the last three years, new cracks have been prorogating and existing cracks have been growing in length and expanding in width. Consequently, to prevent more wide spread damage to the existing asphalt, the cracks need to be filled and sealed.
Estimated Charge - Contractor	\$25,000
Contingency (5%)	<u>\$1,250</u>
Subtotal without CCWA Labor	\$26,250
Total Cost	\$26,250
Operating Budget Impact:	The cracks within the asphalt pavement of the chemical loading area and access road have continued to propagate and expand over the last three years. If left unrepaired, the cracks will further expand in width and length and may lead to more wide-spread damage, which would require a more expensive repair. Through filling and sealing the existing cracks, the service life of the existing asphalt will be extended and a more expensive repair will be avoided.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2011/12 Budget

Regional Water Treatment Plant Allocation

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

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

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

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

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

The following tables show the calculation of the FY 2011/12 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2011/12 Budget

Project Participant	Allocated Table A ⁽¹⁾			Unadjusted Fixed & Capital			Adjusted Fixed & Capital ⁽⁴⁾			Fixed & Capital Retirement Charge ⁽⁵⁾		
	Table A Amount	Exchange Deliveries	Allocated Table A Percentage	WTP Operating Costs ⁽²⁾	Imputed WTP Debt Service Costs ⁽³⁾	Total Unadjusted Fixed & Cap.	Capital Retirement Adjustment	Fixed O&M Retirement Adjustment	Total Adjusted Fixed & Capital	Allocated Table A % SB County	Fixed & Capital Retirement Charge of Allocated Table A Amount	Cost Per AF
Guadalupe	550		1.25%	\$ 33,581	\$ 41,123	\$ 74,704	\$ 52,888	\$ 43,190	\$ 96,078	1.41%	\$ 21,377	\$ 38.87
Santa Maria	16,200		36.89%	989,103	1,211,268	2,200,371	1,557,793	1,272,147	2,829,940	41.45%	629,651	38.87
Golden State Water	500		1.14%	30,528	37,385	67,913	48,080	39,264	87,344	1.28%	19,434	38.87
VAFB	5,500		12.53%	335,807	411,233	747,040	528,880	431,902	960,782	14.07%	213,770	38.87
Buellton	578		1.32%	35,290	43,217	78,507	55,581	45,389	100,969	1.48%	22,465	38.87
Santa Ynez (Solvang)	1,500		3.42%	91,584	112,154	203,738	144,240	117,791	262,032	3.84%	58,301	38.87
Santa Ynez	500	2,570	6.99%	187,441	37,385	224,826	295,211	241,080	536,291	7.86%	119,323	38.87
Goleta	4,500	(927)	8.14%	218,179	336,463	554,642	343,622	280,614	624,236	9.14%	138,890	38.87
Morehart	200		0.46%	12,211	14,954	27,165	19,232	15,706	34,938	0.51%	7,773	38.87
La Cumbre	1,000		2.28%	61,056	74,770	135,825	96,160	78,528	174,688	2.56%	38,867	38.87
Raytheon	50		0.11%	3,053	3,738	6,791	4,808	3,926	8,734	0.13%	1,943	38.87
Santa Barbara	3,000	(613)	5.44%	145,752	224,309	370,061	229,553	187,461	417,014	6.11%	92,784	38.87
Montecito	3,000	(613)	5.44%	145,752	224,309	370,061	229,553	187,461	417,014	6.11%	92,784	38.87
Carpinteria	2,000	(415)	3.61%	96,761	149,539	246,300	152,395	124,451	276,845	4.06%	61,597	38.87
SB County Subtotal:	39,078	(0)	89.00%	2,386,097	2,921,848	5,307,945	3,757,998	3,068,908	6,826,906	100.00%	1,518,960	
SLO County	4,830	-	11.00%	294,899	361,137	656,037	0	-	-		-	
TOTAL:	43,908	43,911	100.00%	\$ 2,680,997	\$ 3,282,985	\$ 5,963,982	\$ 3,757,998	\$ 3,068,908	\$ 6,826,906	100.00%	1,518,960	

Fixed & Capital Retirement Allocation Factor
 Total South Coast Table A 11,183
 Total SB County Table A 39,078
 Subtotal: 50,261
South Coast Retreated % 1.29

Total Adjusted Fixed & Capital Costs (SB County) \$ 6,826,906
 Total Unadjusted Fixed & Capital Costs (SB County) 5,307,945
Fixed & Capital WTP Allocation Amount \$ 1,518,960

Project Participant	South Coast Fixed & Capital Retirement Credits ⁽⁶⁾		
	South Coast Allocated Table A	South Coast Fixed & Cap. Credit	Credit/AF On Allocated Table A
Guadalupe			
Santa Maria			
Golden State Water			
VAFB			
Buellton			
Santa Ynez (Solvang)			
Santa Ynez	3,573	(485,388)	(135.83)
Goleta	200	(27,166)	(135.83)
Morehart	1,000	(135,832)	(135.83)
La Cumbre	50	(6,792)	(135.83)
Raytheon	2,387	(324,258)	(135.83)
Santa Barbara	2,387	(324,258)	(135.83)
Montecito	1,585	(215,267)	(135.83)
Carpinteria	11,183	(1,518,960)	
SB County Subtotal:	0	-	
SLO County	11,183	(1,518,960)	
TOTAL:			

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

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

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
 FY 2011/12 Budget
 Page 2

Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs			South Coast Variable Retirement Credits				TOTAL		
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Variable Retirement Adjustment	Retirement Variable Allocation	Retirement Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retirement Credits	Fixed, Capital & Variable Credits
Guadalupe	605		605	\$ 21,004	22,644	1,639	2.71					\$ 23,016	
Santa Maria	13,700		13,700	475,634	512,756	37,122	2.71					666,773	
Golden State Water	515		515	17,880	19,275	1,395	2.71					20,829	
VAFB	6,050		6,050	210,043	226,436	16,393	2.71					230,164	
Buellton	597		597	20,727	22,344	1,618	2.71					24,083	
Santa Ynez (Solvang)	1,365		1,365	47,390	51,088	3,699	2.71					62,000	
Santa Ynez	700	2,570	3,270	113,527	122,388	8,860	2.71	(2)	-0.07%	\$ 54	(34.72)	128,183	(485,333)
Goleta	925	(927)	(2)	(54)	(58)	(4)	2.71					8,370	(34,804)
Morehart	220		220	7,638	8,234	596	2.71	220	9.96%	(7,638)	(34.72)	40,355	(154,892)
La Cumbre	549		549	19,060	20,548	1,488	2.71	549	24.85%	(19,060)	(34.72)	2,092	(6,701)
Raytheon	55		55	1,909	2,059	149	2.71	55	2.49%	(1,909)	(34.72)	92,790	(324,335)
Santa Barbara	615	(613)	2	76	82	6	2.71	2	0.10%	(76)	(34.72)	96,543	(372,419)
Montecito	2,000	(613)	1,387	48,161	51,919	3,759	2.71	1,387	62.78%	(48,161)	(34.72)	61,591	(215,190)
Carpinteria	413	(415)	(2)	(76)	(82)	(6)	2.71	(2)	-0.10%	76	(34.72)	1,595,674	(1,595,674)
SB County Subtotal:	28,309	2	28,312	982,919	1,059,633	76,714	2.71	2,210	100.00%	(76,714)			
SLO County	4,435		4,435	153,982	-	-		0	0.00%	-			
TOTAL:	32,744	4	32,747	\$ 1,136,901	\$ 1,059,633	\$ 76,714		2,210	100.00%	\$ (76,714)		\$ 1,595,674	\$ (1,595,674)

Variable Retirement Allocation Factor

Total South Coast Deliveries	2,210
Total SB County Deliveries	28,312
Subtotal:	<u>30,521</u>

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2011/12 Budget

Santa Ynez Exchange Agreement

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

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

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

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

The benefits of exchange are:

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

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

The following tables show the FY 2011/12 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
 FY 2011/12 Budget

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Debt Service Per AF	WTP Capital Exchange Adjustments	
Guadalupe	550		1.25%	\$ 33,583	\$ 61	-	\$ 41,123	\$ 75	-	-
Santa Maria	16,200		36.90%	989,162	61	-	1,211,268	75	-	-
Golden State Water	500		1.14%	30,530	61	-	37,385	75	-	-
VAFB	5,500		12.53%	335,827	61	-	411,233	75	-	-
Buellton	578		1.32%	35,292	61	-	43,217	75	-	-
Santa Ynez (Solvang)	1,500		3.42%	91,589	61	-	112,154	75	-	-
Santa Ynez	500	2,570	1.14%	30,530	61	156,923	37,385	75	192,158	349,081
Goleta	4,500	(927)	10.25%	274,767	61	(56,575)	336,463	75	(69,279)	(125,854)
Morehart	200	-	0.46%	12,212	61	-	14,954	75	-	-
La Cumbre	1,000	-	2.28%	61,059	61	-	74,770	75	-	-
Raytheon	50	-	0.11%	3,053	61	-	3,738	75	-	-
Santa Barbara	3,000	(613)	6.83%	183,178	61	(37,417)	224,309	75	(45,819)	(83,236)
Montecito	3,000	(613)	6.83%	183,178	61	(37,417)	224,309	75	(45,819)	(83,236)
Carpinteria	2,000	(415)	4.55%	122,119	61	(25,352)	149,539	75	(31,044)	(56,396)
SB County Subtotal:	39,078	(0)	89.00%	2,386,080	61	161	2,921,848	75	-	(2)
SLO County	4,830	-	11.00%	294,917			361,137			
TOTAL:	43,908	0	100.00%	\$ 2,680,997	\$	161	\$ 3,282,985	\$		(2)

Project Participant	WTP Requested Water Deliveries			WTP Variable Exchange Modifications			Total Exchange Modifications		
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	WTP Variable Costs Per Acre-Foot	Variable Exchange Modifications	TOTAL EXCHANGE MODIFICATIONS	Cost (Credit) Per Acre-Foot	
Guadalupe	605		605	\$ 21,006	\$ 34.72	-	-	-	
Santa Maria	13,700		13,700	475,673	34.72	-	-	-	
Golden State Water	515		515	17,881	34.72	-	-	-	
VAFB	6,050		6,050	210,060	34.72	-	-	-	
Buellton	597		597	20,728	34.72	-	-	-	
Santa Ynez (Solvang)	1,365		1,365	47,394	34.72	-	-	-	
Santa Ynez	700	2,570	3,270	24,304	34.72	89,232	438,313	\$ 171	
Goleta	925	(927)	(2)	32,117	34.72	(32,171)	(168,025)	\$ (171)	
Morehart	220	-	220	7,639	34.72	-	-	-	
La Cumbre	549	-	549	19,062	34.72	-	-	-	
Raytheon	55	-	55	1,910	34.72	-	-	-	
Santa Barbara	615	(613)	2	21,353	34.72	(21,277)	(104,513)	\$ (171)	
Montecito	2,000	(613)	1,387	69,441	34.72	(21,277)	(104,513)	\$ (171)	
Carpinteria	413	(415)	(2)	14,340	34.72	(14,416)	(70,812)	\$ (171)	
SB County Subtotal:	28,309	(0)	28,312	982,907		(3)			
SLO County	4,435		4,435	153,982		-			
TOTAL:	32,744	0	32,747	\$ 1,136,888	\$	(3)	\$	-	

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2011/12 Budget

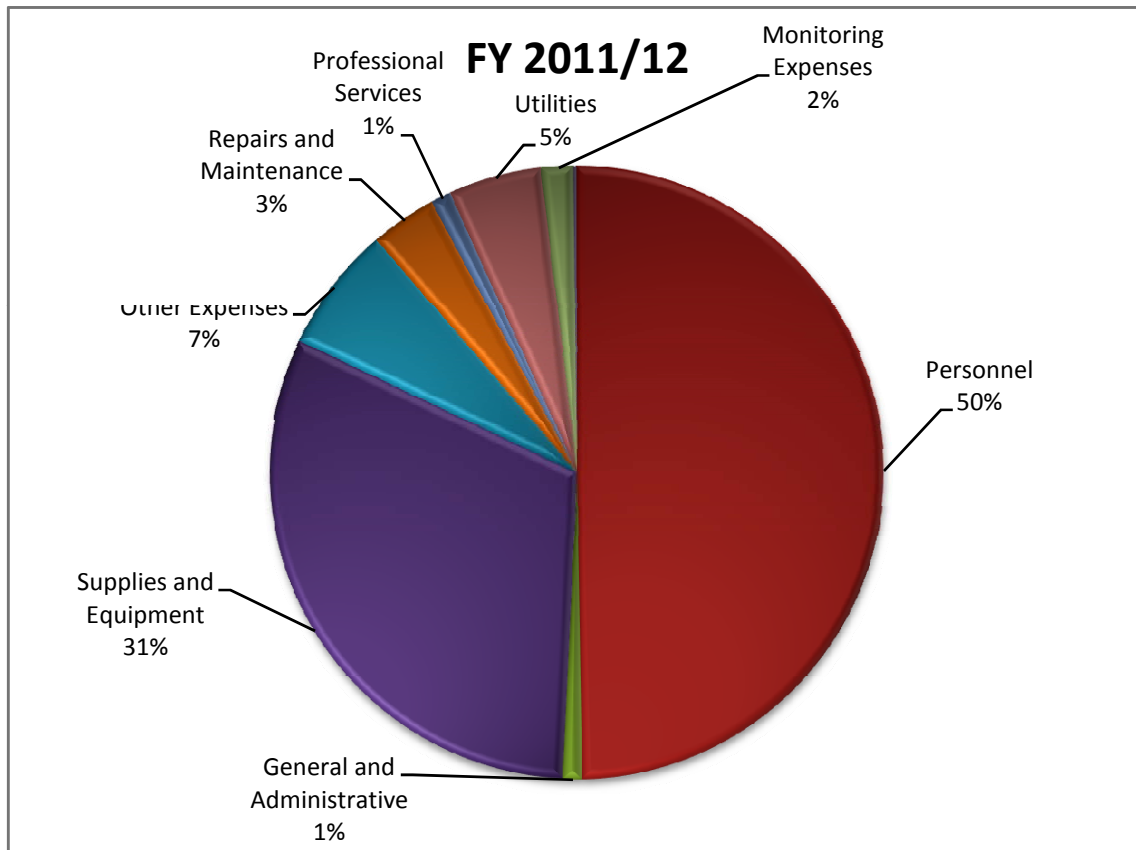
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2009/10	Number Auth. FY 2010/11	Number Requested FY 2011/12	Change Over FY 2009/10	Change Over FY 2010/11
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Operations Manager ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽³⁾	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Regulatory Specialist ⁽⁴⁾	0.25	0.25	0.25	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	0.80	0.80	0.80	-	-
WTP Operators	5.00	5.00	5.00	-	-
Lab Analyst II	0.75	-	-	(0.75)	-
Laboratory Analyst	-	1.00	1.00	1.00	-
Secretary II	0.75	0.75	0.75	-	-
TOTAL:	13.75	14.00	14.00	0.25	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2010/11 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 203,683	\$ 50,921
Operations Manager ⁽²⁾	1	25	\$ 9,184	\$ 11,204	\$ 123,949	\$ 43,382
WTP Supervisor	1	20	\$ 7,065	\$ 8,619	\$ 94,387	\$ 94,387
Maintenance Superintendent ⁽³⁾	1	20	\$ 7,065	\$ 8,619	\$ 101,634	\$ 60,980
Maintenance Foreman	1	16	\$ 5,727	\$ 6,987	\$ 82,388	\$ 82,388
Regulatory Specialist ⁽⁴⁾	1	18	\$ 6,361	\$ 7,761	\$ 91,516	\$ 22,879
Senior Chemist	1	18	\$ 6,361	\$ 7,761	\$ 76,336	\$ 76,336
Maintenance Technicians	2	14	\$ 5,155	\$ 6,289	\$ 130,000	\$ 130,000
Maintenance/IC&R Technician	1	15	\$ 5,434	\$ 6,629	\$ 73,610	\$ 58,888
WTP Operators	5	14	\$ 5,155	\$ 6,289	\$ 355,115	\$ 355,115
Laboratory Analyst	1	13	\$ 4,892	\$ 5,968	\$ 64,403	\$ 64,403
Secretary II	1	11	\$ 4,447	\$ 5,425	\$ 45,605	\$ 45,605
FY 2011/12 Salary Pool						\$ 47,120
TOTAL:						\$ 1,132,404

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

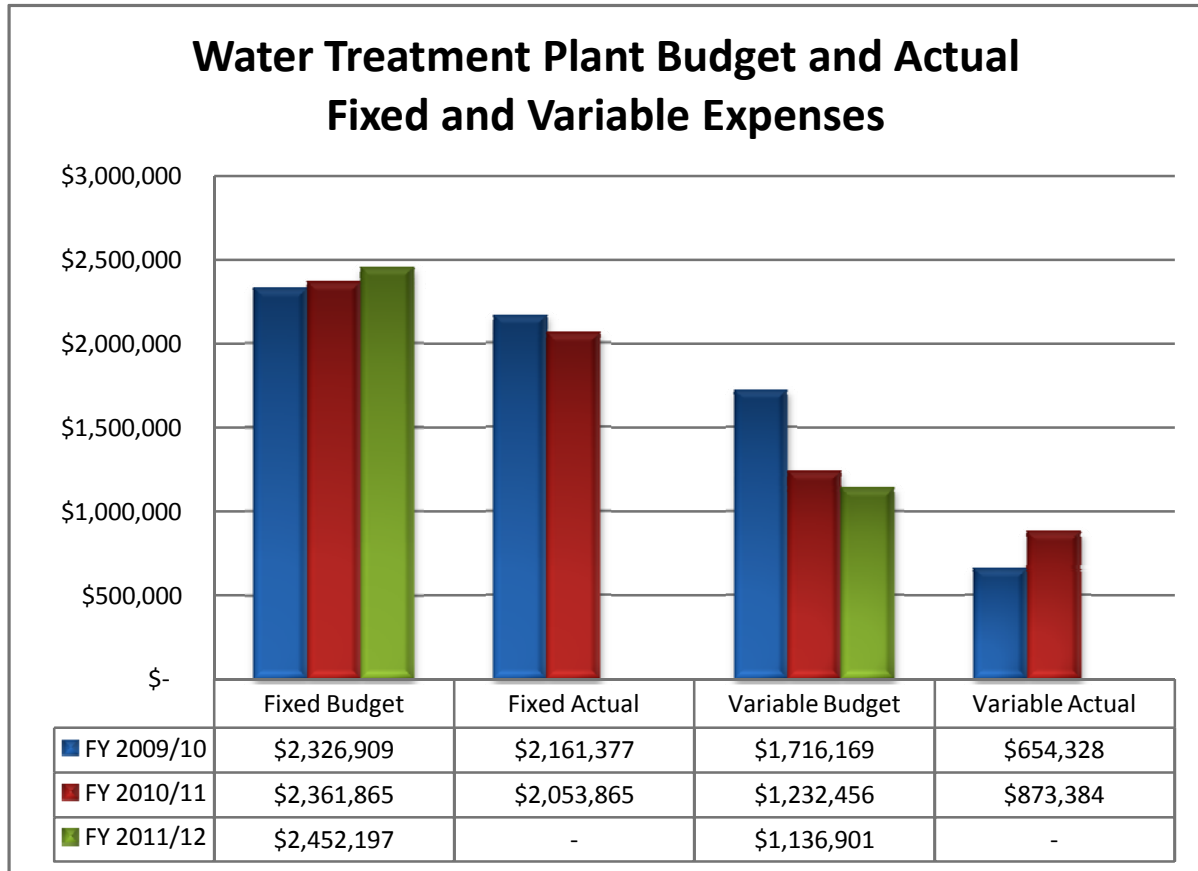
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2011/12 Budget

Item	FY 2011/12 Budget
Personnel	\$ 1,785,244
Office Expenses	5,020
Supplies and Equipment	1,123,617
Monitoring Expenses	60,648
Repairs and Maintenance	125,450
Professional Services	37,960
General and Administrative	36,350
Utilities	175,957
Other Expenses	238,850
TOTAL:	\$ 3,589,097



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2011/12 Budget

Item	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget
Personnel	\$1,631,504	\$1,615,884	\$1,739,870	\$1,549,424	\$1,785,244
Office Expenses	5,760	2,989	5,760	3,096	5,020
Supplies and Equipment	1,727,401	673,554	1,198,735	893,478	1,123,617
Monitoring Expenses	83,230	69,277	78,630	60,822	60,648
Repairs and Maintenance	124,120	127,298	124,750	107,112	125,450
Professional Services	35,510	20,381	36,060	27,612	37,960
General and Administrative	39,050	28,545	32,150	25,035	36,350
Utilities	169,053	131,338	177,838	144,406	175,957
Other Expenses	227,450	146,439	200,529	116,264	238,850
Total:	\$4,043,078	\$2,815,705	\$3,594,322	\$2,927,249	\$3,589,097



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10	FY 2009/10	FY 2010/11	FY 2010/11	FY 2011/12	Change from		Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2010/11	Budget	
PERSONNEL EXPENSES									
5000.10	Full-Time Regular Wages	\$ 1,034,401	\$ 1,014,144	\$ 1,106,837	\$ 953,308	\$ 1,132,404	\$	\$ 25,567	2.31%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	-	N/A
5000.20	Overtime	51,720	43,475	55,342	61,150	56,620	1,278	1,278	2.31%
5000.40	Standby Pay	19,768	26,122	20,411	24,664	22,104	1,694	1,694	8.30%
5000.50	Shift Differential Pay	11,500	13,810	13,500	11,994	13,500	-	-	0.00%
5100.10	PERS Retirement	198,765	198,372	213,138	187,770	225,347	12,208	12,208	5.73%
5100.15	Medicare Taxes	16,202	15,882	17,343	15,012	17,964	620	620	3.58%
5100.20	Health Insurance	210,746	210,265	223,903	212,984	209,057	(14,846)	(14,846)	-6.63%
5100.25	Workers' Compensation	38,744	43,507	46,379	30,994	45,851	(529)	(529)	-1.14%
5100.30	Vehicle Expenses	-	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	-	-	-	-	14,250	14,250	14,250	N/A
5100.40	Cafeteria Plan Benefits	10,169	8,843	6,593	7,852	6,192	(401)	(401)	-6.09%
5100.45	Dental/Vision Plan	27,198	29,602	23,858	31,190	28,930	5,072	5,072	21.26%
5100.50	Long-Term Disability	4,224	4,402	4,458	4,266	4,515	57	57	1.28%
5100.55	Life Insurance	4,015	5,185	4,057	5,640	4,460	403	403	9.94%
5100.60	Employee Physicals	450	110	450	-	450	-	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	1,927	2,600	2,600	2,600	-	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	-	0.00%
1300.60	Capitalized Employee Benefits	-	238	-	-	-	-	-	N/A
Total Personnel Expenses:		1,631,504	1,615,884	1,739,870	1,549,424	1,785,244	45,374	45,374	2.61%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	3,240	1,322	3,240	1,204	2,500	(740)	-22.84%
5200.30	Miscellaneous Office Expenses	2,520	1,667	2,520	1,892	2,520	-	0.00%
	Total Office Expenses:	5,760	2,989	5,760	3,096	5,020	(740)	-12.85%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	10,265	5,876	10,265	6,536	7,500	(2,765)	-26.94%
5500.15	Minor Tools and Equipment	5,000	4,163	5,000	4,186	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	4,500	759	4,500	318	500	(4,000)	-88.89%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,671,636	631,068	1,136,520	847,300	1,066,167	(70,352)	-6.19%
5500.35	Maintenance Supplies/Hardware	10,000	7,487	10,000	12,520	10,000	-	0.00%
5500.40	Safety Supplies	5,000	4,214	6,000	4,310	5,000	(1,000)	-16.67%
5500.45	Fuel and Lubricants	21,000	19,613	26,450	18,308	26,450	-	0.00%
5500.50	Seed/Erosion Control Supplies	-	374	-	-	3,000	3,000	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
	Total Supplies and Equipment:	1,727,401	673,554	1,198,735	893,478	1,123,617	(75,117)	-6.27%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	42,000	41,585	43,000	54,076	45,028	2,028	4.72%
5600.20	Lab Tools and Equipment	9,950	8,324	4,350	2,500	1,000	(3,350)	-77.01%
5600.30	Lab Testing	31,280	19,368	31,280	4,246	14,620	(16,660)	-53.26%
	Total Monitoring Expenses:	83,230	69,277	78,630	60,822	60,648	(17,982)	-22.87%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
<i>REPAIRS AND MAINTENANCE</i>								
5700.10	Equipment Repairs and Maintenance	90,000	97,496	90,000	79,910	90,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	5,000	3,924	5,000	3,630	5,000	-	0.00%
5700.30	Building Maintenance	24,120	21,855	24,750	19,612	25,450	700	2.83%
5700.40	Landscape Maintenance	5,000	4,023	5,000	3,960	5,000	-	0.00%
	Total Repairs and Maintenance:	124,120	127,298	124,750	107,112	125,450	700	0.56%
<i>PROFESSIONAL SERVICES</i>								
5400.10	Professional Services	13,400	9,497	13,400	13,806	15,300	1,900	14.18%
5400.20	Legal Services	-	-	-	-	-	-	N/A
5400.30	Engineering Services	5,000	-	5,000	-	5,000	-	0.00%
5400.40	Permits	16,700	10,884	17,100	13,806	17,100	-	0.00%
5400.50	Non-Contractual Services	410	-	560	-	560	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
	Total Professional Services:	35,510	20,381	36,060	27,612	37,960	1,900	5.27%
<i>GENERAL AND ADMINISTRATIVE</i>								
5300.10	Meeting and Travel	10,000	9,039	10,000	6,824	10,000	-	0.00%
5300.20	Mileage Reimbursement	650	221	650	-	650	-	0.00%
5300.30	Dues and Memberships	16,400	11,048	10,000	9,579	14,200	4,200	42.00%
5300.40	Publications	500	527	500	388	500	-	0.00%
5300.50	Training	7,000	5,108	7,000	3,856	7,000	-	0.00%
5300.60	Advertising	1,500	461	1,500	1,642	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	3,000	2,141	2,500	2,746	2,500	-	0.00%
	Total General and Administrative:	39,050	28,545	32,150	25,035	36,350	4,200	13.06%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	6,000	5,588	6,000	4,282	6,000	-	0.00%
5800.30	Electric-Fixed	106,120	93,040	63,901	104,336	87,579	23,678	37.05%
5800.35	Electric-Variable	44,533	23,260	95,937	26,084	70,733	(25,204)	-26.27%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	8,400	6,800	8,000	6,674	7,500	(500)	-6.25%
5800.60	Waste Disposal	4,000	2,650	4,000	3,030	4,145	145	3.63%
Total Utilities:		169,053	131,338	177,838	144,406	175,957	(1,881)	-1.06%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	68,098	65,935	69,115	59,634	72,046	2,931	4.24%
5900.30	Non-Capitalized Projects	20,808	29,222	5,824	4,174	58,062	52,239	897.02%
5900.40	Equipment Rental	15,000	17,247	11,500	10,000	13,100	1,600	13.91%
5900.50	Non-Capitalized Equipment	10,000	3,383	5,000	-	5,000	-	0.00%
5900.60	Computer Expenses	34,267	30,652	38,613	42,456	42,560	3,947	10.22%
5900.70	Appropriated Contingency	79,276	-	70,477	-	48,082	(22,395)	-31.78%
Total Other Expenses:		227,450	146,439	200,529	116,264	238,850	38,322	19.11%
TOTAL OPERATING EXPENSES		\$ 4,043,078	\$ 2,815,705	\$ 3,594,322	\$ 2,927,249	\$ 3,589,097	\$ (5,224)	-0.15%

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$47,120 for the FY 2011/12 salary pool.

FY 11/12 Requested Budget	1,132,404
FY 10/11 Estimated Actual	953,308
Increase (Decrease)	179,096

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 11/12 Requested Budget	56,620
FY 10/11 Estimated Actual	61,150
Increase (Decrease)	(4,530)

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

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

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Water Treatment Plant Department.

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

\$ -
\$ - TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 11/12 Requested Budget	22,104
FY 10/11 Estimated Actual	24,664
Increase (Decrease)	(2,560)

Description: Funds for stand-by pay for one employee assigned to stand-by duty on a 24-hour basis. Based on \$1.78 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$2.23 per hour for Instrumentation and Control employee stand-by pay (1/3 to WTP and 2/3 to Distribution)

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

FY 11/12 Requested Budget	13,500
FY 10/11 Estimated Actual	11,994
Increase (Decrease)	1,506

Description: Funds for shift employee pay.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 11/12 Requested Budget	225,347
FY 10/11 Estimated Actual	187,770
Increase (Decrease)	37,577

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 20.109% contribution rate for FY 2011/12

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 11/12 Requested Budget	17,964
FY 10/11 Estimated Actual	15,012
Increase (Decrease)	2,952

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 11/12 Requested Budget	209,057
FY 10/11 Estimated Actual	212,984
Increase (Decrease)	(3,927)

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2012.
Family: \$ 20,644
Emp+1: \$ 16,860
Emp: \$ 7,514

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

FY 11/12 Requested Budget	45,851
FY 10/11 Estimated Actual	30,994
Increase (Decrease)	14,857

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 100%. Based on a 5% premium increase over FY 2010/11.

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

FY 11/12 Requested Budget	14,250
FY 10/11 Estimated Actual	-
Increase (Decrease)	14,250

Description: Estimates \$1,000 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

FY 11/12 Requested Budget	6,192
FY 10/11 Estimated Actual	7,852
Increase (Decrease)	(1,660)

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.

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

FY 11/12 Requested Budget	28,930
FY 10/11 Estimated Actual	31,190
Increase (Decrease)	(2,260)

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,030 per year per family for dental and vision expenses. Budgeted amount is \$2,030 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

FY 11/12 Requested Budget	4,515
FY 10/11 Estimated Actual	4,266
Increase (Decrease)	249

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.42 per \$100 of salary.

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

FY 11/12 Requested Budget	4,460
FY 10/11 Estimated Actual	5,640
Increase (Decrease)	(1,180)

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

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

FY 11/12 Requested Budget	450
FY 10/11 Estimated Actual	-
Increase (Decrease)	450

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

\$ 450 3 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 11/12 Requested Budget	1,000
FY 10/11 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

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

FY 11/12 Requested Budget	2,600
FY 10/11 Estimated Actual	2,600
Increase (Decrease)	-

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the WTP. Based on \$208 per month in office supply expenses.

FY 11/12 Requested Budget	2,500
FY 10/11 Estimated Actual	1,204
Increase (Decrease)	1,296

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 11/12 Requested Budget	2,520
FY 10/11 Estimated Actual	1,892
Increase (Decrease)	628

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

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

FY 11/12 Requested Budget	10,000
FY 10/11 Estimated Actual	6,824
Increase (Decrease)	3,176

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 11/12 Requested Budget	650
FY 10/11 Estimated Actual	-
Increase (Decrease)	650

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 11/12 Requested Budget	14,200
FY 10/11 Estimated Actual	9,579
Increase (Decrease)	4,621

AWWA dues	\$	200
WRF dues		10,000
Certification		800
CA Urban Water Conservation		
Council Fee	\$	3,200
	\$	14,200

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 11/12 Requested Budget	500
FY 10/11 Estimated Actual	388
Increase (Decrease)	112

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 11/12 Requested Budget	7,000
FY 10/11 Estimated Actual	3,856
Increase (Decrease)	3,144

\$	7,000	\$500 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 11/12 Requested Budget	1,500
FY 10/11 Estimated Actual	1,642
Increase (Decrease)	(142)

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 11/12 Requested Budget	2,500
FY 10/11 Estimated Actual	2,746
Increase (Decrease)	(246)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services
Description: Outside professional services including:
 \$ 1,000 Cathodic protection
 2,000 Fire system/extinguisher inspection
 5,400 Security
 2,200 Crane inspection
 700 Oil analysis
 500 Miscellaneous
 2,000 Emergency generator/forklift service
 1,500 Equipment Calibration
 \$ 15,300 TOTAL

FY 11/12 Requested Budget	15,300
FY 10/11 Estimated Actual	13,806
Increase (Decrease)	1,494

ACCOUNT NUMBER: 5400.20

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

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

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

FY 11/12 Requested Budget	5,000
FY 10/11 Estimated Actual	-
Increase (Decrease)	5,000

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits
Description: Funds for all required permits for the WTP including the California Department of Health.
 \$ 12,000 Drinking Water Program
 2,000 DHS Lab Accreditation
 1,400 Emergency Generator Permit
 1,700 Hazardous Materials Fees
 \$ 17,100 TOTAL

FY 11/12 Requested Budget	17,100
FY 10/11 Estimated Actual	13,806
Increase (Decrease)	3,294

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 11/12 Requested Budget	560
FY 10/11 Estimated Actual	-
Increase (Decrease)	560

\$ 560 Employee Assistance Program

\$ 560 TOTAL

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 11/12 Requested Budget	7,500
FY 10/11 Estimated Actual	6,536
Increase (Decrease)	964

\$ 4,600 Uniform Service (\$395 per month)

1,350 Blue jean pants (\$150/yr employee allowance)

1,550 Boots (\$175/yr employee allowance)

- Misc. uniform requirements (jackets, etc.)

\$ 7,500 TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 11/12 Requested Budget	5,000
FY 10/11 Estimated Actual	4,186
Increase (Decrease)	814

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

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

FY 11/12 Requested Budget	500
FY 10/11 Estimated Actual	318
Increase (Decrease)	182

\$ 500 Herbicide

\$ 500 TOTAL

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

FY 11/12 Requested Budget	1,066,167
FY 10/11 Estimated Actual	847,300
Increase (Decrease)	218,867

(1) WTP Plant: \$31.85 per acre foot and 32,747 acre feet of requests
 (2) Santa Ynez Pumping Station: \$4.32/af for 2,210 AF pumped water
 (3) Tank 5 and 7 Chlorination at \$1.88/af for 7,252 AF

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 11/12 Requested Budget	10,000
FY 10/11 Estimated Actual	12,520
Increase (Decrease)	(2,520)

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 11/12 Requested Budget	5,000
FY 10/11 Estimated Actual	4,310
Increase (Decrease)	690

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 11/12 Requested Budget	3,000
FY 10/11 Estimated Actual	-
Increase (Decrease)	3,000

\$	3,000	Erosion maintenance
\$	3,000	TOTAL

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 11/12 Requested Budget	26,450
FY 10/11 Estimated Actual	-
Increase (Decrease)	26,450

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 11/12 Requested Budget	45,028
FY 10/11 Estimated Actual	54,076
Increase (Decrease)	(9,048)

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 11/12 Requested Budget	1,000
FY 10/11 Estimated Actual	2,500
Increase (Decrease)	(1,500)

\$	1,000	Hach DR850
\$	1,000	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 11/12 Requested Budget	14,620
FY 10/11 Estimated Actual	4,246
Increase (Decrease)	10,374

\$	3,600	MIB Monitoring & Study
	5,500	Annual Compliance Monitoring
	480	Monthly Compliance Monitoring
	3,440	Stage 1 DBP
	1,600	Cryptosporidium
\$	14,620	TOTAL

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of WTP equipment including pumps, motors, valves, instrumentation, equipment, etc.

FY 11/12 Requested Budget	90,000
FY 10/11 Estimated Actual	79,910
Increase (Decrease)	10,090

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 11/12 Requested Budget	5,000
FY 10/11 Estimated Actual	3,630
Increase (Decrease)	1,370

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 11/12 Requested Budget	25,450
FY 10/11 Estimated Actual	19,612
Increase (Decrease)	5,838

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	14,350	Janitorial service
	3,000	HVAC
	3,900	Janitorial Supplies
\$	25,450	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the WTP facility landscape. Includes weed abatement for sludge lagoons and leachfield.

FY 11/12 Requested Budget	5,000
FY 10/11 Estimated Actual	3,960
Increase (Decrease)	1,040

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service to the WTP.

FY 11/12 Requested Budget	6,000
FY 10/11 Estimated Actual	4,282
Increase (Decrease)	1,718

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 11/12 Requested Budget	87,579
FY 10/11 Estimated Actual	104,336
Increase (Decrease)	(16,757)

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP. Variable electrical costs estimated at \$2.16 per acre-foot at 35,424 AF.

FY 11/12 Requested Budget	70,733
FY 10/11 Estimated Actual	26,084
Increase (Decrease)	44,649

\$2.16	\$/AF
32,747	AF
\$ 70,733	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 11/12 Requested Budget	7,500
FY 10/11 Estimated Actual	6,674
Increase (Decrease)	826

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 11/12 Requested Budget	4,145
FY 10/11 Estimated Actual	3,030
Increase (Decrease)	1,115

\$	2,415	Garbage
	630	Bulk Dumpster
	1,000	Waste Oil/Solvent
	100	Light Bulbs
\$	4,145	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 11/12 Requested Budget	72,046
FY 10/11 Estimated Actual	59,634
Increase (Decrease)	12,412

\$	37,665	Property and auto coverage based on the apportionment provided by JPIA.
\$	34,381	General liability and E&O based on salary proportions.
\$	72,046	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects around the WTP which are not eligible for capitalization because the facilities are not owned by CCWA or do not meet the capitalization criteria.

See the detailed description of the WTP Non-Capitalized Projects in this section of the Budget.

FY 11/12 Requested Budget	58,062
FY 10/11 Estimated Actual	4,174
Increase (Decrease)	53,888

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

\$	3,900	Copier lease
	7,200	Motorize equipment
	2,000	Lagoon cleaning
\$	13,100	TOTAL

FY 11/12 Requested Budget	13,100
FY 10/11 Estimated Actual	10,000
Increase (Decrease)	3,100

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized equipment. These equipment purchases are generally under \$10,000 in cost with an estimated useful life under 5 years.

FY 11/12 Requested Budget	5,000
FY 10/11 Estimated Actual	-
Increase (Decrease)	5,000

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

\$	33,263	CompuVision, Annual Service Agreements and Software Subscriptions
\$	9,297	Software, New Computers and other computer services.
\$	42,560	TOTAL

FY 11/12 Requested Budget	42,560
FY 10/11 Estimated Actual	42,456
Increase (Decrease)	104

**CENTRAL COAST WATER AUTHORITY
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ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget excluding
chemical and variable electric costs.

FY 11/12 Requested Budget	48,082
FY 10/11 Estimated Actual	-
Increase (Decrease)	48,082





Distribution Technician Jim Thompson

Distribution Department

The Distribution Department is responsible for the daily operations and maintenance of the 130 miles of pipeline, five storage tanks, ten turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access and cathodic protection structures.

Highlights

Department Information

- Number of employees 10
- Authority pipeline (in miles) 42
- Coastal Branch Phase II pipeline (in miles) 101
- Number of water storage tanks 7
- Number of turnouts 10

Budget Information

- Total FY 2011/12 O&M Budget \$ 2,063,728
- O&M Budget increase over FY 2010/11 \$ 29,349
 - Fixed cost increase over FY 2010/11 \$ 102,933
 - Variable cost decrease over FY 2010/11 \$ (71,132)
- Percentage increase 1.44%
- Fixed O&M expenses \$ 1,895,022
- Variable O&M expenses \$ 168,706
- FY 2011/12 budgeted electrical cost \$76.35 per acre-foot

Significant Accomplishments During FY 2010/11

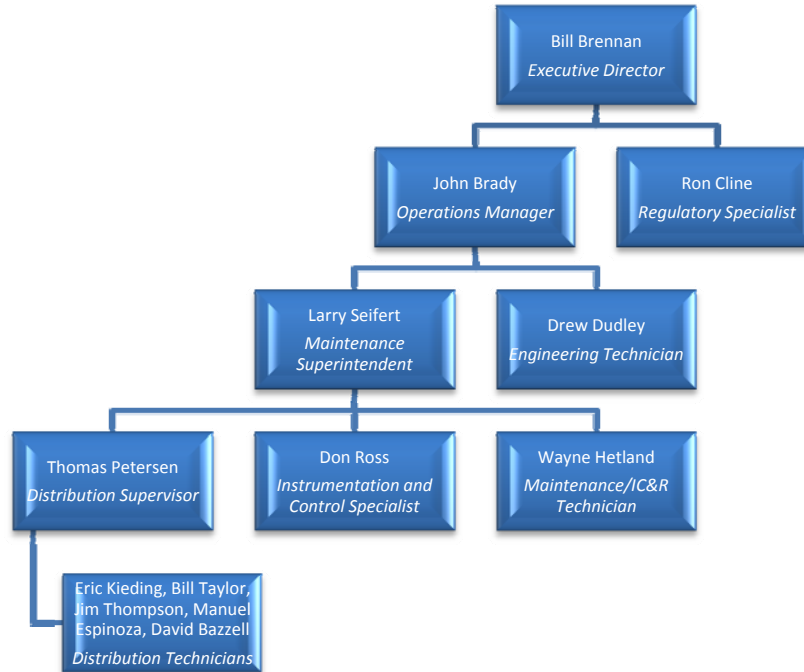
- CCWA staff completed work on the Geographical Information System (GIS) covering the pipeline from the WTP to the Santa Ynez Pumping Plant. The GIS file was utilized in the SLO County Flow capacity study, which provided a significant savings in cost to both SLO County and CCWA.
- Distribution staff quickly and efficiently responded to a leak at Station 1908+00, located downstream of the Santa Ynez Pumping Plant. Staff also took the opportunity to conduct an internal inspection of the pipeline to check a historic repair location near the leak site.

Significant Goals for FY 2011/12

- Manage the Supervisory Control and Data Acquisition (SCADA) System software installation and integration for the distribution system.
- Manage two pipeline concrete encasement projects to ensure the pipeline is adequately protected. The two projects are: (1) Caltrans traffic roundabout at Highway 246 and La Purisima and (2) Willow road extension, near Thompson Road.

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



The Distribution Department is comprised of the field Distribution Technicians, IT/Instrumentation and Control Specialist, and Maintenance IC&R Technician.

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, dechloramination and re-disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 130 miles of pipeline and operate and maintain five storage tanks, nine turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

The IT/Instrumentation and Control Specialist and Maintenance/Instrumentation and Control Technician report to the Maintenance Superintendent and maintain all distribution electrical, electronic, fiber optic and instrumentation systems. They also assist the Maintenance Superintendent in maintaining plant electrical, electronic and fiber optic systems.

The Distribution Maintenance and Instrumentation and Control staff are supported by the Maintenance Superintendent and Operations Manager, who provide long term planning and establish priorities.

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

The following pages list the 2010 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2011 goals for the Distribution Department.

2010 ACCOMPLISHMENTS AND 2011 GOALS

Engineering

Goal Complete the installation of the first phase of the CCWA Geographical Information System (GIS) project within Santa Barbara County. In addition, develop the scope of work for the second phase of the GIS project within San Luis Obispo County. Utilize the Garmin GPS to lock in coordinates of vaults and other CCWA facilities to incorporate into the GIS. [06/10]

Status The first and second phases of the Geographical Information System (GIS) Project are complete. The CCWA System GIS file was utilized in the SLO County Flow Capacity Study, which provided a significant savings in cost to both SLO County and CCWA. The GIS is currently fully functional and in use.

Goal Finalize the encroachment permit program to include (1) an annual mailer to property owners informing them of the CCWA encroachment program as well as CCWA contact information, (2) modify the CCWA website to include an encroachment permit program link, which will provide permit application materials and general information [04/10]

Status The draft encroachment permit program document has been prepared.

Goal Refine the existing concrete condition monitoring program at the Water Treatment Plant to include physical monitoring of hardness and other in-situ non-destructive physical monitoring techniques. [11/10]

Status CCWA staff reviewed available in-situ nondestructive physical monitoring techniques and will purchase appropriate equipment by end of FY 10/11.

Goal Refine the existing internal inspection program of the water treatment plant with standardized forms, measurements, inspection procedures, and storing inspection data for future use. [11/10]

Status CCWA staff developed standardized inspection and measurement methods and utilized the new methods during the 2010 winter

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shutdown. The standardized forms and data storage protocols are currently under development and will be complete by end of first quarter 2011.

Goal Assess the administrative controls approach in mitigating the side slope leakage of Lagoons A and B to determine if they were effective. Currently, this approach has been in place for one year. [06/10]

Status Water continues to surface in the southeast corner of Lagoon C. Further, biologic surveys conducted prior to sludge removal from Lagoon C identified red-legged frogs in the vicinity. Currently, staff is working on a French-drain interceptor concept to control seepage. This design will be presented as a project for consideration in the FY 11/12 budget.

Goal Research the feasibility of leasing treatment equipment to address potential future Methylisoborneol (MIB)/geosmin events. In addition, research the feasibility of installing new equipment at the treatment plant to address future MIB/geosmin events. [04/10]

Status This research has been completed and a proposal was submitted to the Board for consideration in the FY 10/11 budget cycle. The proposal was approved and CCWA staff subsequently developed a specific implementation plan for the deployment of the PAC system

Goal Coordinate with CalTrans as they begin work on the Highway 246 Traffic Roundabout & the Hwy 246 widening Project by coordinating the design and construction of the encasement of the impacted section of pipeline. [04/10 for design 12/10 for construction]

Status CCWA staff and CalTrans negotiated a Utility Agreement where CalTrans agreed to pay CCWA in advance for design services and construction of the proposed pipeline encasement on Highway 246/La Purisima Traffic Roundabout. CCWA staff will solicit competitive bids for design services and construction services. Total project cost is estimated at \$400,000.

Goal Coordinate the preparation of a Request for Qualification for the services of a competent SCADA System Integrator Professional. The specific services to be procured will include assistance with planning and implementing CCWA's SCADA System upgrade. The current SCADA program will lose manufacturer support in 2012. [04/10]

Status The project to hire a competent SCADA System Integrator was approved by the Board in the FY 10/11 budget. CCWA staff has prepared a draft Request for Qualifications (RFQ). This RFQ will be issued in first quarter 2011.

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- Goal** Continue with coordinating the evaluation and selection of the repair strategy for the river erosion damage to the pipeline in Reach SYII. In addition, support the Regulatory Specialist in securing the applicable environmental permits for the project. [throughout 2010]
- Status** The Technical Memorandum has been completed, along with the environmental surveys that will support the permitting efforts in the next phase of the project.
- Goal** Continue to participate on the Steering Committee of the Proposition 84 Cooperating Partners Group and pursue grant funding for the Suspended Table A Reacquisition and SYII Pipeline Repair Projects. [throughout 2010]
- Status** The SYII Pipeline Repair Project was selected as one of the projects to be included in the Santa Barbara County Region's Implementation Grant Application. CCWA Staff worked with the Prop 84 consultant to prepare the Implementation Grant Application
- Goal** Finalize the distribution water quality monitoring plan. [04/10]
- Status** CCWA staff continued work on preparing the plan. The final plan will be completed in first quarter 2011. The finalized updated plan will be an attachment to the annual report and submitted by April 1, 2011, as required by Department of Public Health.
- Goal** Continue development of five- and twenty-year Capital Improvement programs. [12/10]
- Status** Long range horizon projects have been identified for the 3 to 5 year time frame. Work continues for longer range projects
- Goal** Migrate CCWA as-built drawings to one consistent electronic format. [12/09]
- Status** All record drawings for the Coastal Branch and all DWR Microstation drawings were converted to AutoCAD format. This item is complete.

Environmental and Safety

- Goal** Review & Update all Safety Procedures. [throughout 2010]
- Status** On schedule
- Goal** Monitor/maintain Right of Way (ROW) Oaks and Mitigation Properties. [throughout 2010]
- Status** On schedule

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Goal Work with Environmental consultant on regulatory permits for the SYII pipeline repair project. [throughout 2010]

Status Waiting for project funding

Goal Coordinate with Project Manager to repair erosion concerns on R.O.W. Includes both potential and actual sites. [on-going]

Status All 2010 sites repaired

Goal Complete Habitat Conservation Plan (HCP) with Executive Director. [9/10]

Status Service to complete by December 2010

Goal Complete all environmental permitting for repairs to exposed section of pipe in upper Santa Ynez River - Reach SYII. Work with Engineering. [10/09]

Status On schedule

Operations and Maintenance

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

Status There have been no occurrences of MIB this year. Consequently, the study has not been completed. Budget is in place to complete the study for FY 10/11 and will be requested for consideration in the FY 11/12 budget

Goal Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [throughout 2010]

Status On going.

Goal Initiate monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. [throughout 2010]

Status Samples from each filter have been collected and the effective particle size analysis has been completed. Annual sampling and analysis will continue

Goal Demolish existing Sodium Bisulfite Storage and Dosing System at the Santa Ynez Pumping Plant and construct new replacement system, according to the final engineered drawings. [06/10]

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Status The new system installation is complete and in service. The old tanks and tanks stands have been sold off to a recycler. This project is complete.

Goal Coordinate the installation of a gate and security camera at the Santa Ynez Pumping Plant. [12/10]

Status This project did not receive funding for FY 09/10.

Goal Conduct internal pipeline inspection to look at previous repairs in Reach B and C as part of the annual system shutdown. [11/10]

Status CCWA staff completed these inspections.

Goal Repair the waste wash water 42-inch pipeline from the filters to the equalization basins at the WTP. [11/10]

Status CCWA staff completed these repairs

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

Status Enhanced budget monitoring procedures, effective monitoring and control of spending kept the treatment plant and pipeline operations on budget for FY 10/11.

CCWA staff successfully evaluated a new cationic polymer product. CCWA staff estimated that \$5,000 to \$15,000 is saved on an annual basis, depending on raw water quality and quantity of water treated.

CCWA staff reduced the outside vender costs associated with the Treatment Plant HVAC Controls Project by approximately 50% through directly purchasing the equipment and installing the system by CCWA staff.

In response to the leak at Sta. 1908+00, CCWA staff coordinated the quick repair and also took the opportunity to conduct an internal inspection of a historic repair location near the leak site. This action eliminated the need to inspect this section of pipe during the winter shutdown.

During winter shutdown, CCWA staff conducted an internal inspection of the pipeline beneath the Granite Gravel Mine in Buellton. As part of the encroachment permit requirements, Granite Construction was responsible for paying all reasonable

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inspection costs. Granite Construction was invoiced for all CCWA labor and outside vendor costs.

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

Status Through designing, permitting and operating the Tank 5 chlorination system, staff was able to operate the pipeline at historically low flow rates for an extended amount of time without any nitrification incidents.

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

Status CCWA staff assisted Guadalupe Staff in determining the appropriate pipeline flushing methods for the Guadalupe pipeline

Goal Continue to refine the Nitrification Response Plan through additional laboratory studies and through analysis of operating and water quality monitoring data. [Ongoing]

Status On going. CCWA staff found that chloramines residuals must be above 1.5 mg/l to help prevent the onset of nitrification. Accordingly, all pipeline chlorine analyzers have been configured to alarm when chloramines residuals fall below 1.5 mg/l.

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2011 GOALS

Engineering

Prepare and submit the CCWA 2010 Urban Water Management Plan [04/11]

Implement Phase III of the CCWA Geographical Information System (GIS) project. [06/11]

Continue to work with San Luis Obispo County in developing and finalizing the flow capacity study of the DWR Coastal Branch pipeline.[06/11]

Conduct pump efficiency testing at the Santa Ynez Pumping Plant, with particular focus on the effect of utilizing the variable frequency drive. [4/11]

Finalize the encroachment permit program to include (1) an annual mailer to property owners informing them of the CCWA encroachment program as well as CCWA contact information, (2) modify the CCWA website to include an encroachment permit program link, which will provide permit application materials and general information [09/11]

Implement and refine the existing internal inspection program of the water treatment plant with standardized forms, measurements, inspection procedures, and storing inspection data for future use. [04/11]

Develop plan to address the side slope leakage from Lagoons A and B into Lagoon C at the Water Treatment Plant and submit a proposed project for consideration in the FY 11/12 Budget. [07/11]

Through a Utility Agreement with CalTrans, initiate the design and construction of a pipeline encasement project at the Highway 246 Traffic Roundabout location. The project will be 100% funded by CalTrans and must be completed prior to October 2011. [04/11 for design 10/11 for construction]

Issue the Request for Qualification for the services of a SCADA System Integrator Professional and award contract to the most qualified consultant. The current SCADA program will lose manufacturer support in 2012. [01/11]

If Prop 84 grant funding is awarded to CCWA and if authorized by the CCWA Board of Directors, implement the selected repair strategy for the river erosion damage to the pipeline in Reach SYII [throughout 2011]

Continue to participate on the Steering Committee of the Proposition 84 Cooperating Partners Group and pursue grant funding for the SYII Pipeline Repair Projects. [throughout 2011]

Develop and implement an enhance pipeline integrity monitoring program for the pipeline in Reach SYII. The enhanced program will include annual hydrostatic leak testing, reconciliation of flow meters at start and end of pipeline reach, annual right-of-way inspections and annual measurements at the cathodic test stations. [throughout 2011]

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Finalize the distribution water quality monitoring plan and submit to Department of Public Health (DPH). [04/11]

Continue development of five- and twenty-year Capital Improvement programs. [12/11]

Environmental and Safety

Review & Update all Safety Procedures. [throughout 2011]

Monitor/Maintain R.O.W. Oaks and Mitigation Properties. [throughout 2011]

Work as needed on SYII pipeline repair project. [throughout 2011]

Monitor erosion concerns on pipeline and at WTP. Repair as needed. [throughout 2011]

Move Habitat Conservation Plan (HCP) through final regulatory approval. [7/11]

Meet new regulatory changes to Cal/OSHA's Hazard Communication standard. (Switch from MSDS to GHS) [throughout 2011]

Operations and Maintenance

Implement the MIB study to enhance understanding of why MIB increases along the length of the raw water pipeline. [09/11]

Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [throughout 2011]

Continue monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. [throughout 2011]

Initiate off-peak pumping during the PG&E Summer Season at the Santa Ynez Pumping Plant. [05/11 - 11/11]

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

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

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

Continue to refine the Nitrification Response Plan through additional laboratory studies and through analysis of operating and water quality monitoring data. [Ongoing]

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DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

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

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

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

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The following is a list of the various financial reaches including the facilities and/or landmarks located in each reach.

DWR REACHES

- Reach 33B Tank 1 through the Chorro Valley turnout
- Reach 34 Chorro Valley turnout through the Lopez turnout
- Reach 35 Lopez turnout through the Guadalupe turnout
- Reach 36 Deleted
- Reach 37 Guadalupe turnout to Southern Pacific Railroad crossing near Casmalia
- Reach 38 Southern Pacific Railroad crossing near Casmalia through Tank 5

CCWA (Authority) REACHES

- Mission Hills Tank 5 to La Purisima Road
- Santa Ynez I La Purisima Road to the Santa Ynez Pumping Facility
- Santa Ynez II Santa Ynez Pumping Facility to Lake Cachuma

The table and map on page 192 shows the participation by project participant, by financial reach and the corresponding percentage share of the operating costs for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

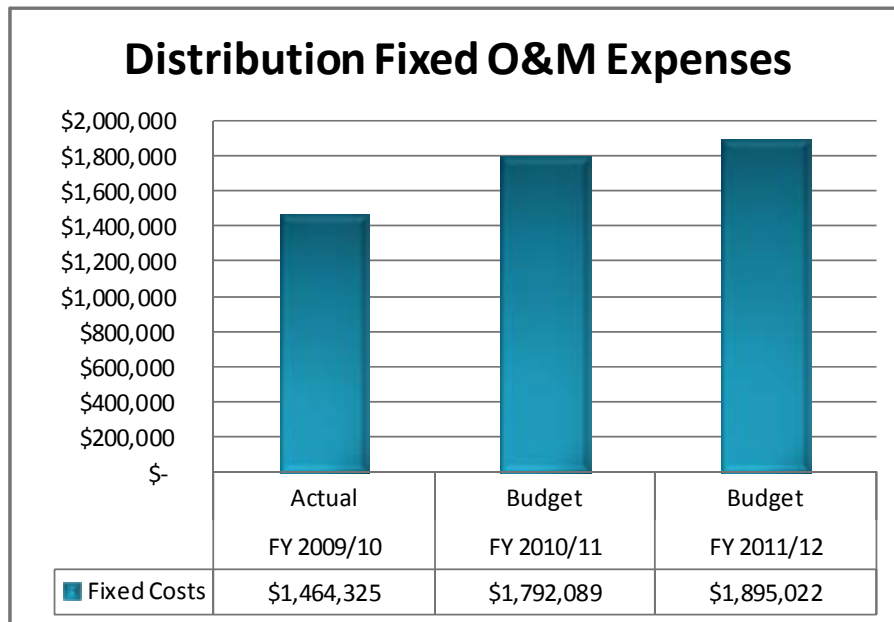
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2009/10 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

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Distribution Department Financial Reach Allocation			
Financial Reach	FY 2011/12 Allocation Percentage	FY 2010/11 Allocation Percentage	Increase (Decrease)
Reach 33B	26.86%	29.24%	-2.38%
Reach 34	12.00%	11.46%	0.54%
Reach 35	4.95%	5.49%	-0.54%
Reach 37	3.05%	3.05%	0.00%
Reach 38	3.71%	3.65%	0.06%
Mission Hills II	13.25%	10.20%	3.06%
Santa Ynez I	17.89%	15.69%	2.20%
Santa Ynez II	18.28%	21.21%	-2.93%
TOTAL:	100.00%	100.00%	0.00%

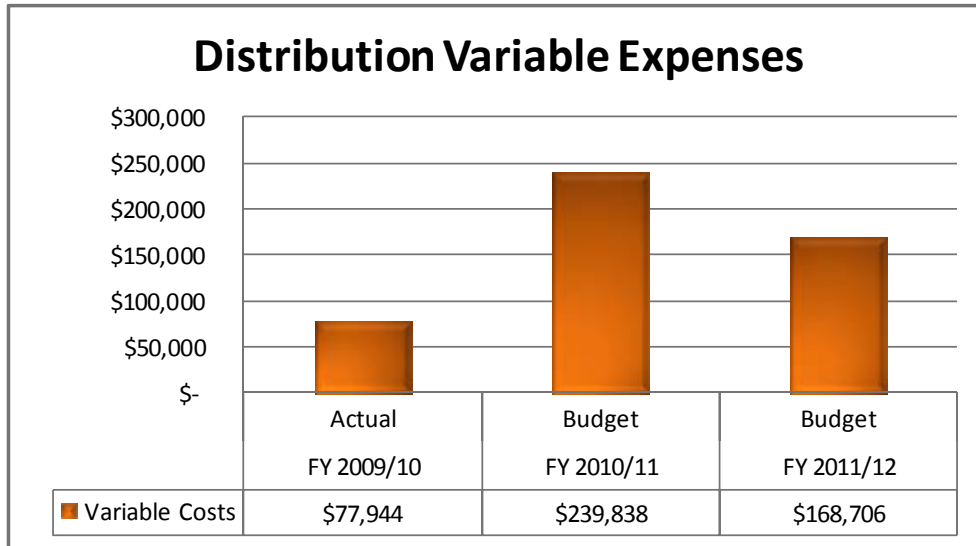
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

Fixed O&M Costs are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and repair and maintenance costs. The following graph shows the three-year trend for the Distribution Department Fixed O&M expenses. As the graph shows, the FY 2011/12 fixed O&M costs are \$102,933 higher than the prior year budget amount.



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Variable O&M Costs are all costs that vary with the amount of water processed. The Distribution Department variable expenses are solely electrical costs to pump the South Coast project participant water into Lake Cachuma. The following graph shows the three-year trend for the Distribution Department variable O&M costs. As the graph shows, the FY 2011/12 variable O&M costs are \$71,132 lower than the prior year budget amounts.



The following table shows the allocation of the Distribution Department variable O&M costs (electrical costs) for the Fiscal Year 2011/12 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$76.35/AF
Goleta	-	\$ -
Morehart	220	16,797
La Cumbre	549	41,916
Raytheon	55	4,199
Santa Barbara	-	-
Montecito	1,385	105,656
Carpinteria	-	-
Total South Coast:	2,208	\$ 168,706
(1) Excludes water deliveries exchanged with Santa Ynez ID#1.		

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Fiscal Year 2011/12 Operating Expense Budget

The Fiscal Year 2011/12 Distribution Department operating expense budget is \$2,063,728, which is \$29,349 higher than the previous year's budget of \$2,031,927, an increase of 1.44%. The personnel expense section of the Distribution Department budget represents approximately 61% of the budget. Utilities comprise 17%, with other expenses making up the balance of the budget. The chart on page 193 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 \$60,000 attributed to the following:

- Salary pool for FY 2011/12 of \$35,617.
- Health insurance expense increase of approximately \$2,400 representing changes in employee dependents partially mitigated by lower costs associated with changing medical insurance providers from ACWA to PERS.
- \$10,000 increase in costs associated with pre-funding the estimated future liability for retiree health benefits under the PERS program.
- PERS retirement expense increase of about \$12,000 for higher salaries and a slightly higher PERS rate.

Utility Expenses Utility expenses are decreasing by about \$75,000 attributed to significantly lower requests for deliveries to Lake Cachuma by the South Coast project participants. The estimated electrical cost per acre-foot of delivering water into Lake Cachuma is \$76.35/AF compared to \$58.03/AF the prior year.

Other Expenses Other expenses are increasing by approximately \$44,000 due to an increase in non-capitalized project expenses and computer expenses (see the discussion on non-capitalized projects later in this section of the Budget), partially offset by small decreases in equipment rental and non-capitalized equipment accounts.

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Turnout Expenses Turnout expenses include funds for utility expenses at each turnout, equipment repairs and maintenance, and non-capitalized projects.

The following table shows the FY 2011/12 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES								
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Non-Capital Projects	TOTAL	
Guadalupe	\$ 415	\$ 1,000	\$ -	\$ 500	\$ 1,915	\$ -	\$ 1,915	
Santa Maria	577	1,500	-	500	2,577		2,577	
Golden State Water Co.	631	3,000	-	500	4,131		4,131	
Vandenberg Air Force Base	-	1,500	-	500	2,000		2,000	
Buellton	289	1,500	-	500	2,289		2,289	
Santa Ynez (Solvang)	191	1,000	-	500	1,691		1,691	
Santa Ynez	-	1,000	-	500	1,500		1,500	
Chorro Valley	-	1,500	900	500	2,900	5,709	8,609	
Lopez	262	1,500	-	500	2,262		2,262	
TOTAL:	\$ 2,365	\$ 13,500	\$ 900	\$ 4,500	\$ 21,265	\$ 5,709	\$ 26,974	

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, since CCWA does not own the DWR portion of the Coastal Branch Extension, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the distribution system which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2011/12.

Non-Capitalized Projects-Reach Specific			
Project Description	Financial Reach	Amount	
Tank inspections and cleaning	ALL	\$	24,675
Ethernet radios at Bradbury	SYII		6,280
Santa Ynez Pump Station roof repair	SYII		5,250
Pavement maintenance-Buellton office	ALL		6,825
Phase II Geographical Information System	ALL		21,410
TOTAL NON-CAPITALIZED PROJECTS		\$	64,440

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Description:	Tank Inspections - Phase 1
Department:	Distribution - All Reaches
Expanded Description	The American Water Works Association recommends that distribution tanks be inspected once every five years. It has been five years since the last tank inspection. CCWA staff recommends implementing the tank inspection program in three phases. This project will include inspection of Tank 5 A and 5B and related tank cleaning, if required.
Estimated Charge - Contractor	\$23,500
Contingency (5%)	\$1,175
Subtotal without CCWA Labor	\$24,675
Labor and overhead	\$3,000
Total Cost	\$27,675
Operating Budget Impact:	Tank inspections and cleaning are an important element of distribution system maintenance. Tanks that are not routinely inspected and cleaned can create biological contamination issues, including nitrification. Proper inspection and cleaning can prevent the added costs to responding to biological contamination or nitrification events. Phasing the tank inspection program, over a three year period will also reduce the annual cost of the program to more manageable levels.

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Description:	Bradbury Dam Ethernet Radio Upgrade
Department:	Distribution - SYII
Expanded Description	The existing radio telemetry at the Bradbury Dam connection is outdated and has been in service well past their anticipated service life. Replacement parts are no longer available and the communication speed is very slow. The project will replace these components with currently available Ethernet radio, which will speed up communications and improve serviceability.
Estimated Charge - Materials	\$5,500
Sales Tax	\$481
Contingency (5%)	\$299
Subtotal without CCWA Labor	\$6,280
Labor and overhead	\$2,200
Total Cost	\$8,480
Operating Budget Impact:	<p>The existing radio telemetry has been in service well past its anticipated service life. In addition, no replacement parts are currently available for repair. An unplanned loss of functionality of these instruments will result in additional repair costs above the cost of routine maintenance of new instrumentation. Further repair may not be possible if new parts are required.</p> <p>Due to the conditions of two exposed sections of the pipeline within the Santa Ynez River, pipeline breakage is a potential issue that must be monitored closely. Consequently, highly reliable communication between Bradbury Dam and the CCWA SCADA system is necessary.</p>

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Description:	Santa Ynez Pumping Plant Roof Repair
Department:	Distribution - SYII
Expanded Description	The Santa Ynez Pumping Plant roof leaking during winter storm and requires repair.
Estimated Charge - Contractor	\$5,000
Contingency (5%)	<u>\$250</u>
Subtotal without CCWA Labor	\$5,250
Total Cost	\$5,250
Operating Budget Impact:	During rain storms, CCWA staff must go to the pumping plant to determine if any of the equipment within the building must be protected from water infiltrating into the building. If the leak is not repaired, the leak will likely expand is size, which would be more expensive to repair.

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Description:	Pavement Crack Repairs-Administrative Office Parking Lot
Department:	Administration-ALL
Expanded Description	The CCWA Administrative Office parking lot is subject to heavy traffic from delivery vehicles and other daily vehicles associated with the administrative office. CCWA staff has been routinely monitoring the condition of the asphalt pavement at this location. Over the last three years, new cracks have been propagating and existing cracks have been growing in length and expanding in width. Consequently, to prevent more wide spread damage to the existing asphalt, the cracks need to be filled and sealed.
Estimated Charge - Contractor	\$6,500
Contingency (5%)	\$325
Subtotal without CCWA Labor	\$6,825
Total Cost	\$6,825
Operating Budget Impact:	The cracks within the asphalt pavement of the CCWA Administrative Office parking lot have continued to prorogate and expand over the last three years. If left unrepaired, the cracks will further expand in width and length and may lead to more wide-spread damage, which would require a more expensive repair. Through filling and sealing the existing cracks, the service life of the existing asphalt will be extended and a more expensive repair will be avoided.

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Description:	Process Safety Management Plan Review
Department:	Water Treatment Plant-ALL
Expanded Description	The Process Management Plan (PSM) covers the handling of acutely hazardous materials, which at the WTP deals with gaseous chlorine. As a proactive measure to ensure Cal/OSHA compliance, an outside consultant would be brought in-house and review our current plan.
Estimated Charge - Contractor	\$12,000
Sales Tax	\$0
Contingency (5%)	<u>\$600</u>
Subtotal without CCWA Labor	\$12,600
Operating Budget Impact:	The PSM program can be inspected by Cal/OSHA without notice. The inspection is handled by engineers trained in the PSM processes. A peer review would improve the success of our safety program and help prevent injury accidents, chemical releases and possible fines for non-compliance.

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Description:	Phase II Implementation of Geographical Information Systems
Department:	Distribution - All Reaches
Expanded Description	Phase I & II of the Geographical Information System (GIS) for the State Water Project Pipeline (SWPP) has been developed from the Polonio Pass Water Treatment Plant (PPWTP) in San Luis Obispo County to the Santa Ynez Pumping Plant and downstream to the pre-existing ID#1 pipeline connection. The system has organized the pipeline as-built drawings, engineering documents, easement agreements, State Operating Facilities, encroachment permits & property owner information into one database. The database will continue to be populated and developed with pertinent information. The GIS phase III project will take the same GIS modeling principles as the phase I & II projects and apply it to the pre-existing ID#1 pipeline connection and continue on to the Bradbury Dam outlet works.
Estimated Charge - Material	\$18,750
Estimated Charge - Contractor	\$0
Sales Tax	\$1,641
Contingency (5%)	<u>\$1,020</u>
Subtotal without CCWA Labor	\$21,410
Labor and overhead	\$24,000
Total Cost	\$45,410
Operating Budget Impact:	Currently, the various sources of information for the pipeline are stored in either paper or electronic format and cross references are not always clear. Through organizing all of the pipeline data into a GIS database, the retrieval and storage of information for the pipeline will become more efficient and useful. This will reduce labor costs related to researching engineering records and will also ensure that completed works and studies for a particular reach of the pipeline are stored in a manner where they can be found and utilized in the future. GIS files have been shared with Underground Service Alert (USA) to tighten up CCWA's notification parameters to ensure the highest amount of protection of the SWPP, currently the existing ID#1 pipeline has no alignment

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to provide to USA. With the implementation of the phase III GIS project, these issues will be addressed. In addition, phase III will establish an alignment, locate cathodic testing stations and air vacuum/air release valves on the SYII section of the pre-existing ID#1 pipeline that have not been mapped in an electronic format. With the full implementation of the GIS system, the record research time will be significantly reduced and help to better manage the facilities of the SWPP; which has already been experienced within the Phase I & II GIS study area.

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Description:	Chorro Turnout Flow and Pressure Transmitter Replacement
Department:	Chorro Turnout
Expanded Description	The existing flow meter and pressure transmitters have been in place well past their anticipated service life and replacement parts are no longer available. The project will replace these components with currently available instrumentation.
Estimated Charge - Materials	\$5,000
Sales Tax	\$438
Contingency (5%)	<u>\$272</u>
Subtotal without CCWA Labor	\$5,709
Labor and overhead	\$1,600
Total Cost	\$7,309
Operating Budget Impact:	<p>The flow and pressure instrumentation at the Chorro Turnout have been in service well past their anticipated service life. In addition, no replacement parts are currently available for repair. An unplanned loss of functionality of these instruments will result in additional repair costs above the cost of routine maintenance of new instrumentation. Further repair may not be possible if new parts are required.</p> <p>The pressure transmitter is a vital safety measure for the Chorro Valley Pipeline. Due to the significant drop in elevation from the turnout to the end user, the pressure must be controlled to avoid over-pressurization of the pipeline in the lower elevations. The pressure transmitter will assist operators in monitoring for this condition. Over-pressurization could lead to a catastrophic break in the pipeline, which would present a significant safety issue to the public and require an expensive repair.</p>

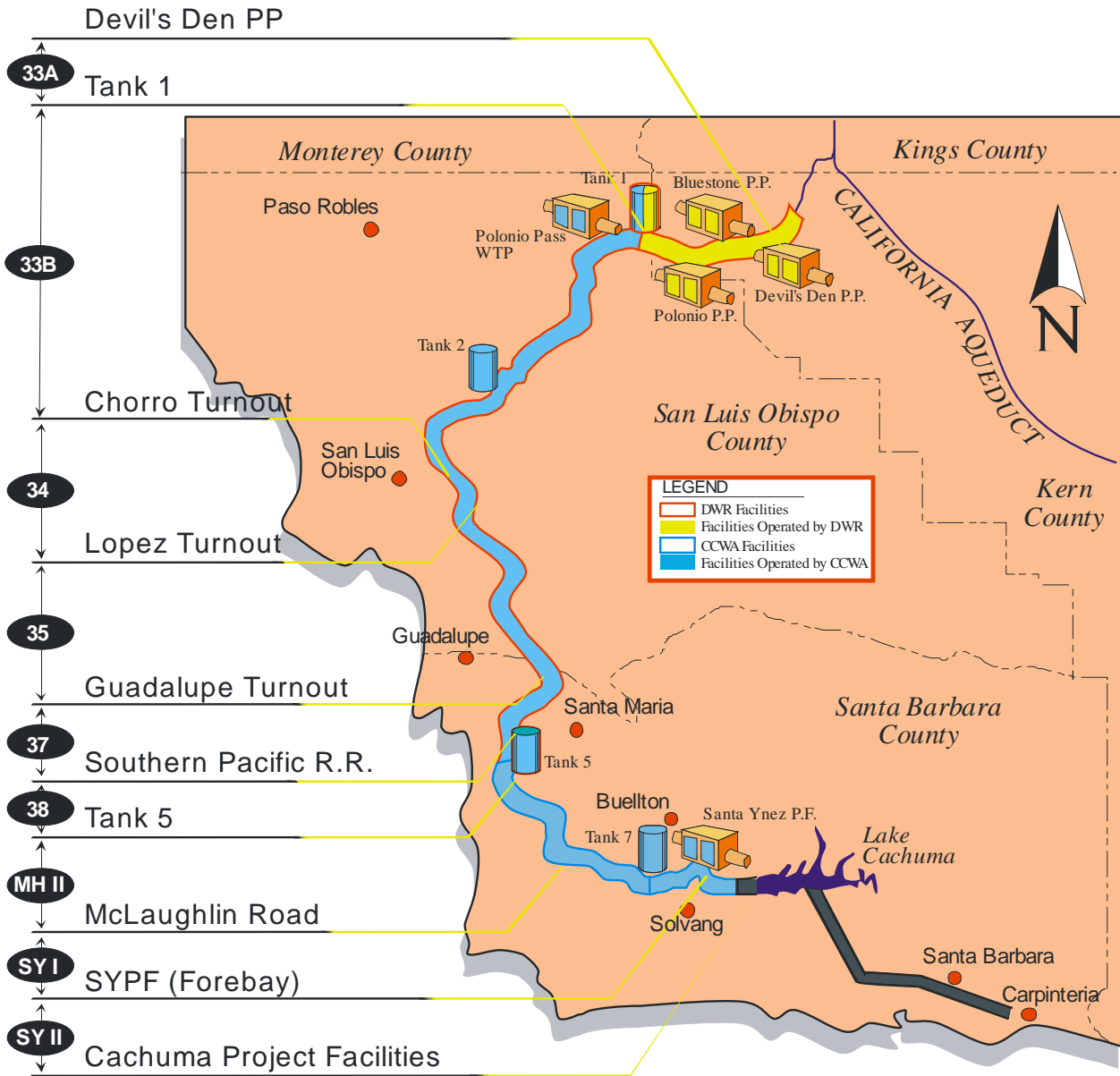
Central Coast Water Authority
Personnel Services Summary
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PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2009/10	Number Auth. FY 2010/11	Number Requested FY 2011/12	Change Over FY 2009/10	Change Over FY 2010/11
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Operations Manager ⁽²⁾	0.40	0.40	0.40	-	-
Regulatory Specialist ⁽³⁾	0.75	0.75	0.75	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽⁴⁾	0.40	0.40	0.40	-	-
Maintenance/IC&R Technician	0.20	0.20	0.20	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.00	10.00	10.00	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2010/11 Total Annual Salary	Allocation to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A		N/A	\$ 203,683	\$ 50,921
Operations Manager ⁽²⁾	1	25	\$ 9,184	\$ 11,204	\$ 123,949	\$ 49,580
Regulatory Specialist ⁽³⁾	1	18	\$ 6,361	\$ 7,761	\$ 91,516	\$ 68,637
Distribution Supervisor	1	18	\$ 6,361	\$ 7,761	\$ 87,170	\$ 87,170
Engineering Technician	1	16	\$ 5,727	\$ 6,987	\$ 64,852	\$ 64,852
Instrumentation & Control Specialist	1	18	\$ 6,361	\$ 7,761	\$ 91,516	\$ 91,516
Maintenance Superintendent ⁽⁴⁾	1	20	\$ 7,065	\$ 8,619	\$ 101,634	\$ 40,654
Maintenance/IC&R Technician	1	15	\$ 5,434	\$ 6,629	\$ 73,610	\$ 14,722
Distribution Technicians	5	14	\$ 5,155	\$ 6,289	\$ 352,295	\$ 352,295
FY 2011/12 Salary Pool						\$ 35,617
TOTAL:						\$ 855,963

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

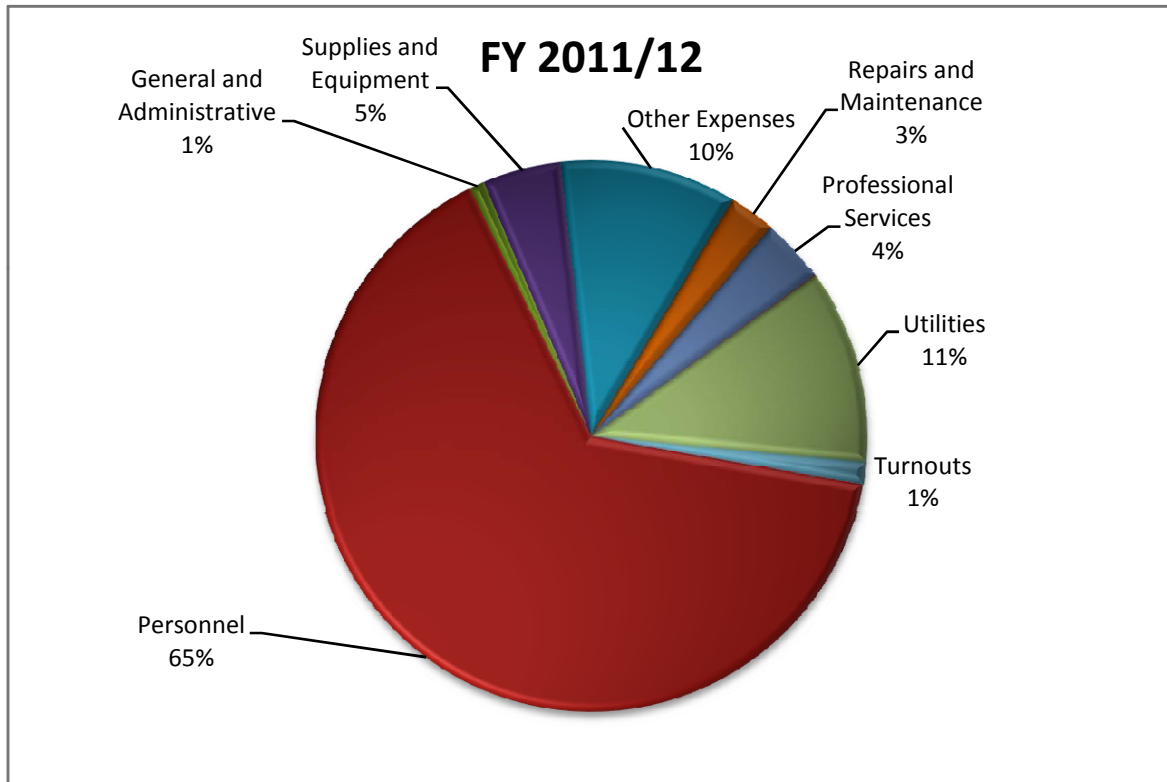
COASTAL BRANCH FINANCIAL REACHES



Purveyor	CONTRACT ENTITLEMENT IN 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					
Golden State Water	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	200
LaCumbre	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Raytheon	50	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	3,000
Montecito	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Carpinteria	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL	43,908 AF	41,470 AF	39,078 AF	38,528 AF	21,828 AF	21,828 AF	16,328 AF	13,750 AF	

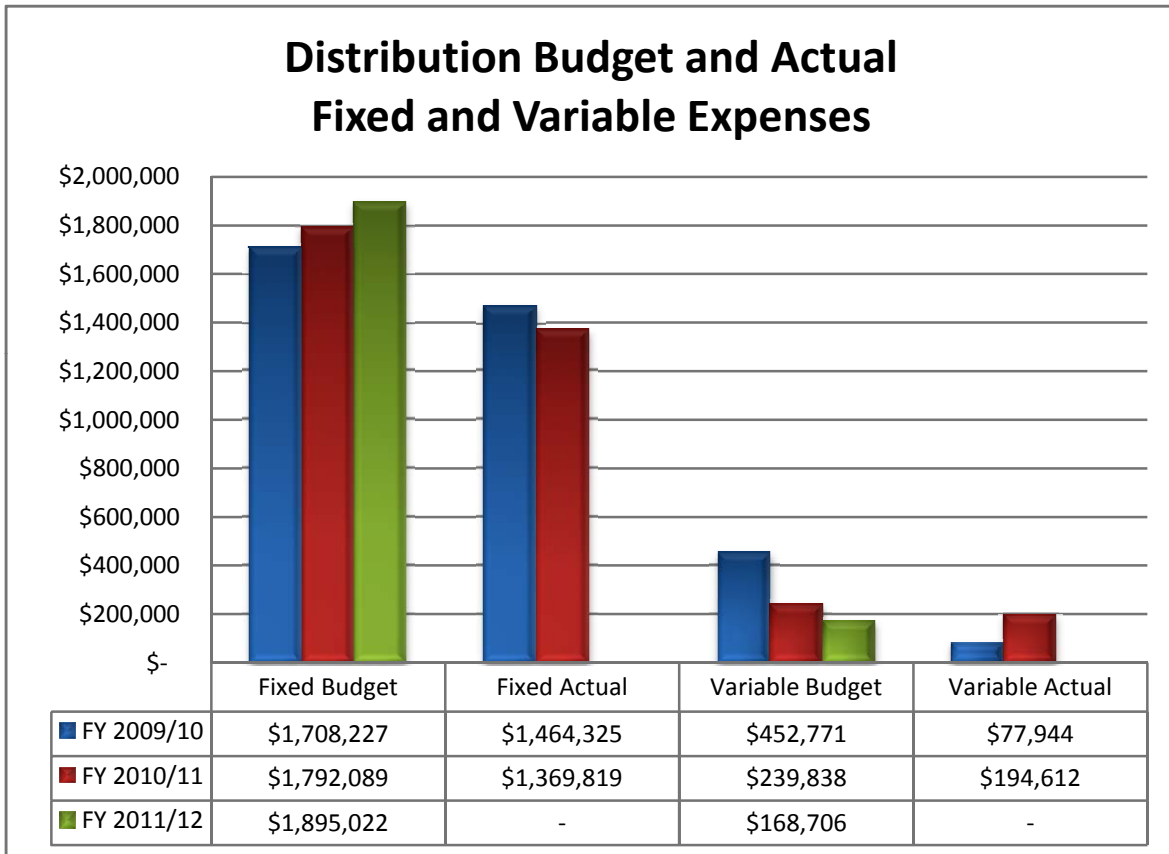
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2011/12 Budget

Item	FY 2011/12 Budget
Personnel	\$ 1,341,210
Office Expenses	1,800
Supplies and Equipment	94,945
Monitoring Expenses	-
Repairs and Maintenance	56,200
Professional Services	76,350
General and Administrative	18,250
Utilities	234,176
Other Expenses	213,822
Turnouts	26,974
TOTAL:	\$ 2,063,728



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2011/12 Budget

Item	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget
Personnel	\$ 1,205,282	\$ 1,117,842	\$ 1,280,971	\$ 1,005,701	\$ 1,341,210
Office Expenses	2,800	1,076	2,800	1,105	1,800
Supplies and Equipment	79,565	65,599	89,836	66,833	94,945
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	48,780	45,633	55,200	45,736	56,200
Professional Services	90,060	69,253	84,210	26,022	76,350
General and Administrative	21,800	15,622	18,000	11,620	18,250
Utilities	530,246	121,166	309,224	263,160	234,176
Other Expenses	156,008	84,512	169,615	117,797	213,822
Turnouts	26,457	21,566	22,071	26,457	26,974
TOTAL:	\$ 2,160,998	\$ 1,542,269	\$ 2,031,927	\$ 1,564,431	\$ 2,063,728



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
PERSONNEL EXPENSES								
5000.10	Full-Time Regular Wages	\$ 775,762	\$ 721,459	\$ 820,353	\$ 639,856	\$ 855,963	\$ 35,610	4.34%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	50,788	49,488	53,018	40,884	54,798	1,781	3.36%
5000.40	Standby Pay	24,557	19,463	25,492	18,588	28,090	2,599	10.19%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	144,155	136,848	152,879	114,354	164,852	11,973	7.83%
5100.15	Medicare Taxes	12,341	10,946	13,033	9,156	13,758	725	5.56%
5100.20	Health Insurance	129,190	106,776	145,967	115,004	148,367	2,400	1.64%
5100.25	Workers' Compensation	28,038	23,385	33,638	20,842	34,021	383	1.14%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	-	-	-	-	10,000	10,000	N/A
5100.40	Cafeteria Plan Benefits	10,405	10,184	8,697	2,428	-	(8,697)	-100.00%
5100.45	Dental/Vision Plan	19,086	14,028	16,743	23,736	20,302	3,559	21.26%
5100.50	Long-Term Disability	3,340	2,962	3,536	2,602	3,443	(93)	-2.64%
5100.55	Life Insurance	3,520	3,505	3,566	3,290	3,566	-	0.00%
5100.60	Employee Physicals	500	-	450	140	450	-	0.00%
5100.65	Temporary Services	-	0,100	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	1,438	2,600	2,316	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	9,260	-	12,505	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
Total Personnel Expenses:		1,205,282	1,117,842	1,280,971	1,005,701	1,341,210	60,239	4.70%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
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OFFICE EXPENSES

5200.20	Office Supplies	1,800	746	1,800	734	1,200	(600)	-33.33%
5200.30	Miscellaneous Office Expenses	1,000	330	1,000	371	600	(400)	-40.00%
Total Office Expenses:		2,800	1,076	2,800	1,105	1,800	(1,000)	-35.71%

SUPPLIES AND EQUIPMENT

5500.10	Uniform Expenses	6,565	5,682	6,565	5,440	6,565	-	0.00%
5500.15	Minor Tools and Equipment	5,000	3,058	5,000	3,216	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	674	1,000	500	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	6,437	10,000	13,488	10,000	-	0.00%
5500.40	Safety Supplies	5,000	4,241	5,000	3,016	5,000	-	0.00%
5500.45	Fuel and Lubricants	39,500	43,528	49,771	38,974	58,880	9,109	18.30%
5500.50	Seed/Erosion Control Supplies	12,000	1,550	12,000	1,432	8,000	(4,000)	-33.33%
5500.55	Backflow Prevention Supplies	500	429	500	707	500	-	U.UU%
Total Supplies and Equipment:		79,565	65,599	89,836	66,833	94,945	5,109	5.69%

MONITORING EXPENSES

5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	N/A

Central Coast Water Authority

Distribution Department Operating Expenses

Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
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REPAIRS AND MAINTENANCE

5700.10	Equipment Repairs and Maintenance	30,000	29,729	35,000	33,214	35,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	10,000	9,345	10,000	6,054	10,000	-	0.00%
5700.30	Building Maintenance	4,780	3,109	6,200	3,618	7,200	1,000	16.13%
5700.40	Landscape Maintenance	4,000	3,450	4,000	2,850	4,000	-	0.00%
Total Repairs and Maintenance:		48,780	45,633	55,200	45,736	56,200	1,000	1.81%

PROFESSIONAL SERVICES

5400.10	Professional Services	80,250	65,207	74,250	16,324	69,250	(5,000)	-6.73%
5400.20	Legal Services	-	540	-	2,972	-	-	N/A
5400.30	Engineering Services	6,000	516	5,000	-	2,500	(2,500)	-50.00%
5400.40	Permits	3,400	2,990	4,600	6,726	4,600	-	0.00%
5400.50	Non-Contractual Services	410	-	360	-	-	(360)	-100.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		90,060	69,253	84,210	26,022	76,350	(7,860)	-9.33%

GENERAL AND ADMINISTRATIVE

5300.10	Meeting and Travel	7,000	8,905	9,000	6,986	9,000	-	0.00%
5300.20	Mileage Reimbursement	-	-	-	-	-	-	N/A
5300.30	Dues and Memberships	6,800	904	1,500	1,582	1,500	-	0.00%
5300.40	Publications	500	451	500	500	500	-	0.00%
5300.50	Training	5,000	5,238	5,000	2,380	5,000	-	0.00%
5300.60	Advertising	2,000	-	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	172	-	-	N/A
5300.80	Postage	500	124	500	-	750	250	50.00%
Total General and Administrative:		21,800	15,622	18,000	11,620	18,250	250	1.39%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2011/12 Administration/O&M Budget

Account Number	Account Name	FY 2009/10 Budget	FY 2009/10 Actual	FY 2010/11 Budget	FY 2010/11 Estimated Actual	FY 2011/12 Budget	Change from FY 2010/11 Budget	Percent Change FY 2010/11 Budget
UTILITIES								
5800.20	Natural Gas	550	1,137	825	520	825	-	0.00%
5800.30	Electric Fixed	63,925	30,980	56,211	56,456	52,195	(4,016)	-7.14%
5800.31	Electric-Variable	452,771	77,944	239,838	194,612	168,706	(71,132)	-29.66%
5800.40	Water	1,350	1,424	1,450	1,490	1,550	100	6.90%
5800.50	Telephone	8,750	6,893	8,000	6,706	8,000	-	0.00%
5800.60	Waste Disposal	2,900	2,788	2,900	3,376	2,900	-	0.00%
Total Utilities:		530,246	121,166	309,224	263,160	234,176	(75,048)	-24.27%

OTHER EXPENSES

5900.10	Insurance	43,668	42,254	44,138	38,949	46,456	2,319	5.25%
5900.30	Non-Capitalized Projects	8,820	-	22,765	22,844	64,440	41,675	183.06%
5900.40	Equipment Rental	17,000	5,483	15,000	10,006	12,000	(3,000)	-20.00%
5900.50	Non-Capitalized Equipment	10,000	4,959	10,000	5,000	7,000	(3,000)	-30.00%
5900.60	Computer Expenses	34,667	31,816	38,303	40,998	47,297	8,994	23.48%
5900.70	Appropriated Contingency	41,854	-	39,409	-	36,628	(2,781)	-7.06%
Total Other Expenses:		156,008	84,512	169,615	117,797	213,822	44,207	26.00%
Turnouts		26,457	21,566	22,071	26,457	26,974	4,903	22.22%
TOTAL OPERATING EXPENSES		\$ 2,160,998	\$ 1,542,269	\$ 2,031,927	\$ 1,564,431	\$ 2,063,728	29,349	1.44%

CENTRAL COAST WATER AUTHORITY DISTRIBUTION FY 2011/12 BUDGET

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$35,617 for FY 2011/12 salary pool.

FY 11/12 Requested Budget	855,963
FY 10/11 Estimated Actual	639,856
Increase (Decrease)	216,107

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 11/12 Requested Budget	54,798
FY 10/11 Estimated Actual	40,884
Increase (Decrease)	13,914

Overtime is set at 5.0% of salaries plus one hour per day to monitor SCADA system.

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

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

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Distribution Dept.

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 11/12 Requested Budget	28,090
FY 10/11 Estimated Actual	18,588
Increase (Decrease)	9,502

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by duty on a 24-hour basis. Based on \$1.72 per hour (5% of average hourly rate). 2/3 of Instrumentation Employee standby pay allocated to Distribution Department and 1/3 allocated to the Water Treatment Plant Department.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 11/12 Requested Budget	164,852
FY 10/11 Estimated Actual	114,354
Increase (Decrease)	50,498

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 20.109% contribution rate for FY 2011/12 based on the 2% @ 55 formula.

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 11/12 Requested Budget	13,758
FY 10/11 Estimated Actual	9,156
Increase (Decrease)	4,602

Description: Funds for the employer portion of Medicare taxes for the Distribution Department. Amount is equal to 1.45% of all wages.

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 11/12 Requested Budget	148,367
FY 10/11 Estimated Actual	115,004
Increase (Decrease)	33,363

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: \$ 20,644
Emp+1: \$ 16,860
Emp: \$ 7,514

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Distribution department. Based on an X-Mod rate of 100%. Based on a 5% premium increase over FY 2010/11.

FY 11/12 Requested Budget	34,021
FY 10/11 Estimated Actual	20,842
Increase (Decrease)	13,179

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

Description: Estimates \$1,000 per employee to fund the estimated future liability for the retiree medical component of the PERS health plan and the minimum contribution per month.

FY 11/12 Requested Budget	10,000
FY 10/11 Estimated Actual	-
Increase (Decrease)	10,000

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	2,428
Increase (Decrease)	(2,428)

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,030 per year per family for dental and vision expenses. Budgeted amount is \$2,030 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 11/12 Requested Budget	20,302
FY 10/11 Estimated Actual	23,736
Increase (Decrease)	(3,434)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.42 per \$100 of salary.

FY 11/12 Requested Budget	3,443
FY 10/11 Estimated Actual	2,602
Increase (Decrease)	841

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 11/12 Requested Budget	3,566
FY 10/11 Estimated Actual	3,290
Increase (Decrease)	276

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 11/12 Requested Budget	450
FY 10/11 Estimated Actual	140
Increase (Decrease)	310

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 11/12 Requested Budget	1,000
FY 10/11 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

FY 11/12 Requested Budget	2,600
FY 10/11 Estimated Actual	2,316
Increase (Decrease)	284

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

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 11/12 Requested Budget	1,200
FY 10/11 Estimated Actual	734
Increase (Decrease)	466

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 11/12 Requested Budget	600
FY 10/11 Estimated Actual	371
Increase (Decrease)	229

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for Distribution Department employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and the Operations Manager/Engineer as well as travel expenses for winter maintenance.

FY 11/12 Requested Budget	9,000
FY 10/11 Estimated Actual	6,986
Increase (Decrease)	2,014

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

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

FY 11/12 Requested Budget	1,500
FY 10/11 Estimated Actual	1,582
Increase (Decrease)	(82)

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 11/12 Requested Budget	500
FY 10/11 Estimated Actual	500
Increase (Decrease)	-

CENTRAL COAST WATER AUTHORITY DISTRIBUTION FY 2011/12 BUDGET

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 11/12 Requested Budget	5,000
FY 10/11 Estimated Actual	2,380
Increase (Decrease)	2,620

\$ 5,000 - \$500 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 11/12 Requested Budget	1,500
FY 10/11 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 11/12 Requested Budget	750
FY 10/11 Estimated Actual	172
Increase (Decrease)	578

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$ 55,000 Environmental Services
10,000 Cathodic protection
1,500 Emergency generator service
1,000 Oil analysis
750 Fire extinguisher inspections
1,000 Crane inspections

FY 11/12 Requested Budget	69,250
FY 10/11 Estimated Actual	16,324
Increase (Decrease)	52,926

\$ 69,250 TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	2,972
Increase (Decrease)	(2,972)

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 11/12 Requested Budget	2,500
FY 10/11 Estimated Actual	-
Increase (Decrease)	2,500

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 11/12 Requested Budget	4,600
FY 10/11 Estimated Actual	6,726
Increase (Decrease)	(2,126)

1,500	Low Threat Discharge Permit
2,100	Diesel Permit
1,000	SYPP, Tank 7 and 5 Business Plan
\$ 4,600	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services. Not funded this year.

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 11/12 Requested Budget	6,565
FY 10/11 Estimated Actual	5,440
Increase (Decrease)	1,125

\$	3,240	Uniform Service (\$270 month)
\$	1,350	Blue jean pants (\$150/year employee allowance)
\$	1,575	Boots (\$175/year employee allowance)
\$	400	Misc. uniform requirements (jackets, etc.)
\$	6,565	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 11/12 Requested Budget	5,000
FY 10/11 Estimated Actual	3,216
Increase (Decrease)	1,784

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station and the Buellton office.

FY 11/12 Requested Budget	1,000
FY 10/11 Estimated Actual	500
Increase (Decrease)	500

CENTRAL COAST WATER AUTHORITY DISTRIBUTION FY 2011/12 BUDGET

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 11/12 Requested Budget	-
FY 10/11 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

Description: Funds for the purchase of disposable tools, pipe and pipefittings, wood, steel and other metals, hardware, nuts and bolts, and other hardware materials.

FY 11/12 Requested Budget	10,000
FY 10/11 Estimated Actual	13,488
Increase (Decrease)	(3,488)

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

Description: Purchases of minor safety supplies including first aid kit purchases and non-capitalized safety equipment purchases.

FY 11/12 Requested Budget	5,000
FY 10/11 Estimated Actual	3,016
Increase (Decrease)	1,984

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 11/12 Requested Budget	58,880
FY 10/11 Estimated Actual	38,974
Increase (Decrease)	19,906

\$	51,935	Vehicles
\$	1,737	Emergency Generator Sets
\$	3,472	Lubricants
\$	1,737	Miscellaneous
\$	58,880	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 11/12 Requested Budget	8,000
FY 10/11 Estimated Actual	1,432
Increase (Decrease)	6,568

\$	1,000	Seed
	1,000	Plants and materials
	6,000	Erosion control
\$	8,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 11/12 Requested Budget	500
FY 10/11 Estimated Actual	767
Increase (Decrease)	(267)

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 11/12 Requested Budget	35,000
FY 10/11 Estimated Actual	33,214
Increase (Decrease)	1,786

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 11/12 Requested Budget	10,000
FY 10/11 Estimated Actual	6,054
Increase (Decrease)	3,946

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 11/12 Requested Budget	7,200
FY 10/11 Estimated Actual	3,618
Increase (Decrease)	3,582

\$	3,500	Janitorial Service
	1,700	Pest Control
	2,000	HVAC, includes quarterly inspection
\$	7,200	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 11/12 Requested Budget	4,000
FY 10/11 Estimated Actual	2,850
Increase (Decrease)	1,150

\$	3,300	SYPF (\$275 month avg)
\$	700	SYPF spring mowing
\$	4,000	TOTAL

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

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

FY 11/12 Requested Budget	825
FY 10/11 Estimated Actual	520
Increase (Decrease)	305

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 11/12 Requested Budget	52,195
FY 10/11 Estimated Actual	56,456
Increase (Decrease)	(4,261)

\$	14,933	Suite B & C	\$1,244 month
	615	2 Iso vaults	\$51 month
	2,484	2 Tanks	\$207 month
	2,099	11 Rectifiers	\$175 month
	1,565	EDV	\$130 month
	30,499	SYPF	\$2,542 month
\$	52,195	TOTAL	

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 11/12 Requested Budget	168,706
FY 10/11 Estimated Actual	194,612
Increase (Decrease)	(25,906)

Acre feet pumped	2,210
Cost per acre foot	\$76.35
TOTAL	\$168,706

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 11/12 Requested Budget	1,550
FY 10/11 Estimated Actual	1,490
Increase (Decrease)	60

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 11/12 Requested Budget	8,000
FY 10/11 Estimated Actual	6,706
Increase (Decrease)	1,294

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 11/12 Requested Budget	2,900
FY 10/11 Estimated Actual	3,376
Increase (Decrease)	(476)

\$	2,500	Trash service
	400	Hazardous waste removal
\$	2,900	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 11/12 Requested Budget	46,456
FY 10/11 Estimated Actual	38,949
Increase (Decrease)	7,507

\$	20,469	Property and Auto Insurance as apportioned by JPIA.
\$	25,988	General liability and E&O insurance pro rated by salary percentages.
\$	46,456	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

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

FY 11/12 Requested Budget	64,440
FY 10/11 Estimated Actual	22,844
Increase (Decrease)	41,596

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

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

FY 11/12 Requested Budget	12,000
FY 10/11 Estimated Actual	10,006
Increase (Decrease)	1,994

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

Description: Funds for the purchase of non-capitalized equipment purchases. These equipment purchases are generally under \$10,000 in cost with an estimated useful life under 5 years.

FY 11/12 Requested Budget	7,000
FY 10/11 Estimated Actual	5,000
Increase (Decrease)	2,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2011/12 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 11/12 Requested Budget	47,297
FY 10/11 Estimated Actual	40,998
Increase (Decrease)	6,299

\$ 32,601	CompuVision, Annual Service Agreements, and Software Subscriptions
\$ 14,696	Software, New Computers, DSL Allowance and other computer services.
\$ 47,297	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget excluding
variable electric costs.

FY 11/12 Requested Budget	36,628
FY 10/11 Estimated Actual	-
Increase (Decrease)	36,628



Santa Ynez River Pipeline Exposure

Capital Improvements

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.



Central Coast Water Authority
Capital Improvements
 Fiscal Year 2011/12 Budget

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2011/12 is \$625,572.

Capitalization Criteria

The Authority capitalizes project expenditures and fixed asset purchases for those projects and assets that (1) are greater than \$10,000 and (2) have an estimated useful life longer than five years, with the exception of computer related equipment which is amortized over three years.

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. For FY 2010/11, no projects are anticipated to be carried over to FY 2011/12.

Funding of Capital Improvements Expenditures

The FY 2011/12 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2011/12 capital improvements by department and financial reach.

FY 2011/12 Capital Improvements					
Capital Improvements	Specific	Water Treatment			Total
	Financial Reach	Administration	Plant	Distribution	
SCADA Software & Integration	WTP & ALL		89,250	89,250	178,500
CalMaster Meter Verification Tool Kit	WTP		16,481		16,481
Chlorine Emergency Cylinder Shut-Off	WTP		54,558		54,558
Chlorine Scrubber Caustic Tank Liner	WTP		21,000		21,000
Chemical PVC to HDPE Piping	WTP		16,481		16,481
Sulfuric Acid Pipe Upgrade	WTP		31,030		31,030
SYII Detailed Design, Permitting	SYII			307,522	307,522
Total:		\$ -	\$ 228,800	\$ 396,772	\$ 625,572

Central Coast Water Authority
Capital Improvements
Fiscal Year 2011/12 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 II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities, which traverse the Santa Ynez Mountains.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2011/12 Budget

Description:	Supervisory Control and Data Acquisition System Upgrade
Department:	Distribution-All Reaches (50%) Water Treatment Plant (50%)
Expanded Description	The existing Supervisory Control and Data Acquisition (SCADA) software package used by CCWA is FactoryLink. This software program was acquired by Siemens Automation Inc in 2007. Following the acquisition, Siemens advised all FactoryLink users that the software program will not be supported past March 2012. As part of the preparation for the loss of support and the eventual obsolescence of FactoryLink, the services of an automation consultant was procured in Fiscal Year 2010/2011 to develop specifications, venter qualifications, bid documents and a quality control/quality assurance plan for the installation and integration of a new SCADA software package. The project proposed for Fiscal Year 2011/2012 will be to competitively solicit bids for new SCADA software, any associated hardware upgrades and integrations services for the CCWA System. CCWA staff will assist with the software installation and integration of the new SCADA software.
Estimated Charge - Contractor	\$170,000
Contingency (5%)	<u>\$8,500</u>
Subtotal without CCWA Labor	\$178,500
Labor and overhead	\$46,000
Total Cost	\$224,500
Operating Budget Impact:	The SCADA system is an important tool in the monitoring and control of the various treatment and conveyance facilities in the CCWA system. Without a functional SCADA System, operators would be required to visit each facility to conduct monitoring duties and make operational adjustments as required. The saving in labor costs is quite significant. If operated in manual mode, the treatment plant would require a three person team to conduct backwash, as opposed to using one single operator while using SCADA. If operated in manual mode, the distribution system would require a three person team to operate the pipeline following flow adjustments, as opposed to using a single operator while using SCADA.

Central Coast Water Authority

Capital Improvements

Fiscal Year 2011/12 Budget

Description:	CalMaster Meter Verification Tool Kit
Department:	Water Treatment Plant
Expanded Description	There are numerous flow meters within the Water Treatment Plant that are utilized to measure flow in various process streams (chemical feed rates and backwash flow). Many of the meters are electro-magnetic meters (Magmeters) and they require verification of their original calibration on an annual basis and following meter repairs. The CalMaster Meter Verification Tool Kit allows in-situ verification of factory calibration as well as functionality of certain meter components. Due to the number of meters within the Water Treatment Plant and the high rental cost, this project includes the purchase of the CalMaster Meter Verification Tool Kit for use by trained CCWA staff.
Estimated Charge - Materials	\$14,500
Sales Tax	\$1,196
Contingency (5%)	<u>\$785</u>
Subtotal without CCWA Labor	\$16,481
Total Cost	\$16,481
Operating Budget Impact:	Flow meters must provide accurate readings to allow reliable control functions within the various process streams within the Treatment Plant. Consequently, the original calibration must be verified on an annual basis and following any repair. Rental for the CalMaster Meter Verification Tool Kit is currently approximately \$3500 per week. CCWA typically rents the CalMaster Tool Kit for at least two weeks per year in order to calibrate important meters on an annual basis. CCWA staff will be scheduled to work exclusively on mag-meter calibration verification work during the rental period. Although the CalMaster Tool Kit is rented for two weeks per year, not all meters can be calibrated within the two week timeframe. In addition, meters that have been repaired will not have calibration verified until the CalMaster Tool kit is rented again. Through owning the equipment, CCWA staff will be able to verify calibration and functionality throughout the year, without the constraint of grouping calibration tasks into one two week rental

Central Coast Water Authority
Capital Improvements
Fiscal Year 2011/12 Budget

	<p>period per year. The impact on the operating budget will be the elimination of the CalMaster Tool Kit rental fee in subsequent years, which will save approximately \$7,000 per year or more.</p>
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Central Coast Water Authority

Capital Improvements

Fiscal Year 2011/12 Budget

Description:	Chlorine Cylinder Emergency Shut-off System
Department:	Water Treatment Plant
Expanded Description	Chlorine gas is utilized at the Water Treatment Plant for water disinfection and treatment. The chlorine is delivered to the Treatment Plant in one-ton cylinders that are provided by the chemical supplier. As each cylinder is placed into service, an emergency cylinder shut-off system is attached. This emergency shut-off system is owned by CCWA and can be remotely actuated to shut off the chlorine cylinder in the event of a leak. Several years ago, chlorine suppliers began to change the kind of valves that are provided with each one-ton cylinders to remedy a design flaw in the previous valves. The new chlorine cylinder valves are not compatible with the CCWA owned emergency shut-off system. As an interim measure, the current CCWA chlorine supplier has been providing one-ton cylinders that are equipped with the older version valve, which allowed the continued use of CCWA's emergency shut-off system. This project will be to purchase a new emergency shut-off system that will be compatible with the new valve design on chlorine cylinders.
Estimated Charge - Material	\$48,000
Sales Tax	\$3,960
Contingency (5%)	<u>\$2,598</u>
Subtotal without CCWA Labor	\$54,558
Total Cost	\$54,558
Operating Budget Impact:	Chlorine gas is an acutely toxic gas. Several engineered controls have been in place at the Water Treatment Plant to ensure that any leak in the chlorine storage and delivery system can be controlled to protect the health and safety of plant personnel and the public. The chlorine cylinder emergency shut-off system is an important component of the over-all engineered chlorine gas leak prevention and control system. The purchase of the new chlorine cylinder shut-off system will improve the success of our safety program and help prevent injury accidents, chemical releases and possible fines for non-compliance

Central Coast Water Authority

Capital Improvements

Fiscal Year 2011/12 Budget

Description:	Chlorine Scrubber Caustic Tank Liner Repair
Department:	Water Treatment Plant
Expanded Description	A contractor was retained to conduct an interior inspection of the chlorine scrubber unit at the Water Treatment Plant. The results of the inspection revealed there was deterioration of the fiberglass coating. This condition will lead to permeation of the fiberglass substrate of the caustic tank wall of the scrubber unit. The inspector recommended that the caustic tank be relined no later than winter shutdown 2011 in order to prevent tank failure. This project is to reline the caustic tank component of the chlorine scrubber unit, as recommended by the tank inspector.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	\$21,000
Total Cost	\$21,000
Operating Budget Impact:	Chlorine gas is an acutely toxic gas. Several engineered controls have been in place at the Water Treatment Plant to ensure that any leak in the chlorine storage and delivery system can be controlled to protect the health and safety of plant personnel and the public. The chlorine scrubber system is an important component of the over-all engineered chlorine gas leak prevention and control system. By relining the caustic tank component of the scrubber system will prevent a shutdown of the chlorine scrubber system and also avoid a release of caustic solution. Implementing this repair will ensure that the scrubber will continue to work in a reliable manner, improve the success of our safety program and help prevent injury accidents, chemical releases and possible fines for non-compliance

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2011/12 Budget

Description:	Chemical Tank Piping Replacement
Department:	Water Treatment Plant
Expanded Description	This is the second phase of a multi-phase project. The piping associated with the plant's chemical tanks is constructed of PVC components and have been in continuous service for over ten years, which exceeds the recommended service life. This project will replace PVC piping components with HDPE piping materials. The HDPE material has a longer service life and the joints and fittings are fused, as opposed to the PVC glued joints and fittings. An HDPE fused joint is less likely to leak as compared to a PVC glued joint. The high priority piping targeted for replacement includes the caustic recirculation lines between the caustic storage tanks and chlorine scrubber. Other sections of piping targeted for replacement include fill and vent lines for the aqua-ammonia, caustic and alum tanks.
Estimated Charge - Material	\$14,500
Sales Tax	\$1,196
Contingency (5%)	\$785
Subtotal without CCWA Labor	\$16,481
Labor and overhead	\$3,000
Total Cost	\$19,481
Operating Budget Impact:	This project is a normally scheduled replacement project, which is triggered by the piping materials exceeding the recommended service life. Through replacing the piping materials before failure, the labor and costs associated with responding to a chemical release is avoided.

Description:	Sulfuric Acid Storage and Delivery System Repair
Department:	Water Treatment Plant
Expanded Description	Sulfuric acid is utilized at the Water Treatment Plant for water treatment. This chemical has its own storage and dosing system that is separated from the other chemicals used within the plant. The storage system consists of a concrete containment structure that houses an above ground storage tank, and the sulfuric acid dosing pumps and associated piping. The piping

Central Coast Water Authority

Capital Improvements

Fiscal Year 2011/12 Budget

	and epoxy coating of the containment area floor have been in place since original construction. Over the last three years, numerous repairs were required in leaking components of the sulfuric acid piping system. In addition, the epoxy coating of the containment area floor has degraded, which has exposed concrete to the effects of sulfuric acid. This project will (1) repair the containment area floor and apply an epoxy coating, (2) replace old piping materials and improve piping and dosing pump alignment. These measures are designed to minimize future leaks of sulfuric acid and improve access to system components for routine maintenance.
Estimated Charge - Material	\$27,300
Sales Tax	\$2,252
Contingency (5%)	\$1,478
Subtotal without CCWA Labor	\$31,030
Labor and overhead	\$3,500
Total Cost	\$34,530
Operating Budget Impact:	Sulfuric Acid is a highly corrosive acid. Several engineered controls have been in place at the Water Treatment Plant to ensure that any leak in the sulfuric acid storage and delivery system can be controlled to protect the health and safety of plant personnel. Replacement of the old piping materials will eliminate the on-going response to fixing leaks. In addition, by reducing the potential of sulfuric acid leakage, the damage to the concrete floor of the containment area will be minimized and thus avoiding the repair costs of a more wide-spread damage. Finally, the application of a new epoxy coating to the containment floor will allow repair and further reduce the spread of concrete deterioration. These measures will improve the success of our safety program and help prevent injury accidents, chemical releases and possible fines for non-compliance

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2011/12 Budget

Description:	Design and Environmental Permitting for Erosion Repair of the Santa Ynez II Pipeline
Department:	Distribution - SYII
Expanded Description	There are two areas where significant erosion has exposed the pipeline along the Santa Ynez II Reach. The pipeline is exposed at the San Lucas Creek crossing and the second area is located on property owned by the Bureau of Reclamation, near Cachuma Village. In Fiscal Year 2009/2010, an engineering firm was retained to identify an appropriate repair option. The recommended repair option was to lower the exposed pipe sections and to encase them in reinforced concrete. The cost estimate for preliminary design, environmental surveys, legal review, detailed design, environmental permitting and construction for this repair option is \$677,500. This includes approximately \$48,550 of costs already incurred. In an effort to reduce costs to CCWA participants, a Proposition 84 Grant Application was prepared and submitted to the Department of Water Resources (DWR) in December 2010 to request \$321,428 to assist with funding the project. A condition of the grant award will be that CCWA participants for Reach SYII fund the balance of the project costs. Preliminary results of grant awards from DWR are expected in April 2011, with grant funding awards scheduled for July 1, 2011.
Subtotal without CCWA Labor	\$307,522
Financial Reach	Santa Ynez II
Operating Budget Impact:	There is the potential of pipeline break due to continued erosion and high flow events in the Santa Ynez River as well as San Lucas Creek. If there is a pipeline failure, deliveries to the South Coast will not be possible. In addition, the cost to repair a pipeline failure within the riverbed setting will be expensive and can only be implemented during certain times of the year due to environmental restrictions.



Overlooking Buellton

CCWA Bond Debt

The CCWA Bond Debt section of the FY 2011/12 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, and the project participant debt payment schedule.

Highlights

2006A Revenue Bond Principal and Interest Due **\$ 11,537,326**

- FY 2011/12 Principal Payment \$ 6,960,000
- FY 2011/12 Interest Payments \$ 4,577,326

- Bond Trustee Expenses \$ 2,000

Bond Payment Funding Sources **\$ 11,580,226**

- Fixed Assessments from Project Participants \$ 11,506,417
- Debt Service Account Interest Credits \$ 32,908

2006 Revenue Bond Information

- Principal Payment Date October 1st
- Interest Payment Dates October 1st and April 1st
- Outstanding Principal Balance (6-30-11) \$ 97,980,000
- True Interest Cost (TIC) 4.24%
- Final maturity date October 1, 2021

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2011/12 Budget

Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain of the Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2011/12 Budget

Series 2006 A Refunding Revenue Bonds

On September 28, 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996 A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% and were issued to reduce the Authority's total debt service payments over the next 15 years by \$4.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments to the Authority with respect to the project. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated September 28, 2006 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "2006A Revenue Bond Debt Service Schedule" in this section*).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2011/12 Budget

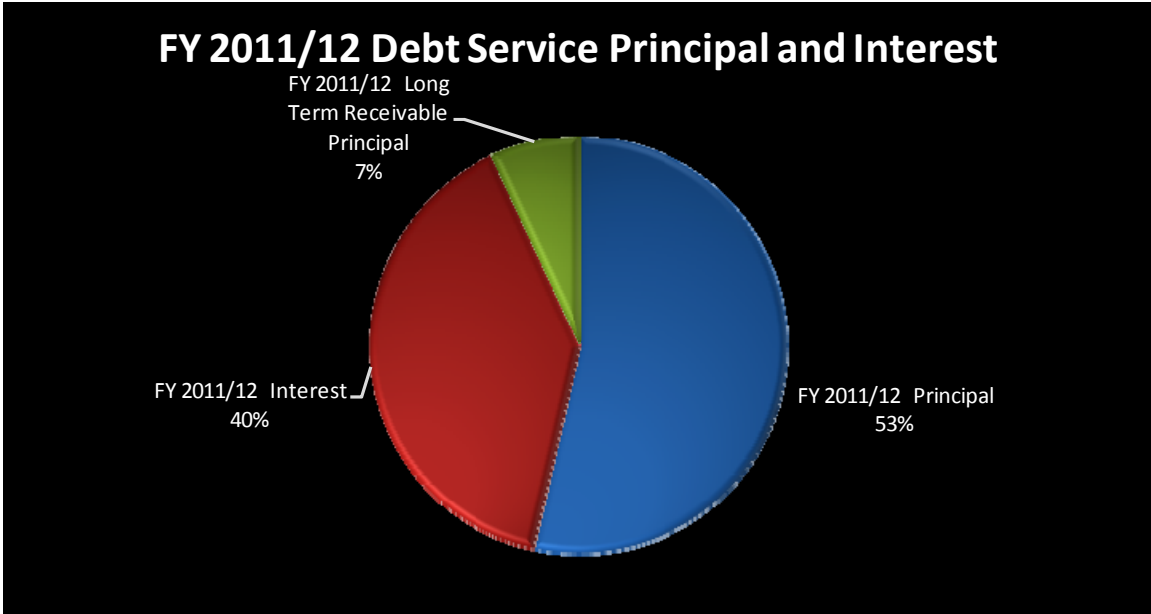
Fiscal Year 2011/12 Debt Service Budget

For FY 2011/12, total 2006A principal payments are \$6,960,000 and total interest due is \$4,577,326, totaling \$11,537,325. Additionally, Bond Trustee fees in the amount of \$2,000 are included in the debt service assessment.

The following are adjustments to the CCWA 2006A revenue bond debt service payments:

- Debt Service Account Interest Income Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the debt service payment dates on the bonds. Total estimated investment income is \$32,908.

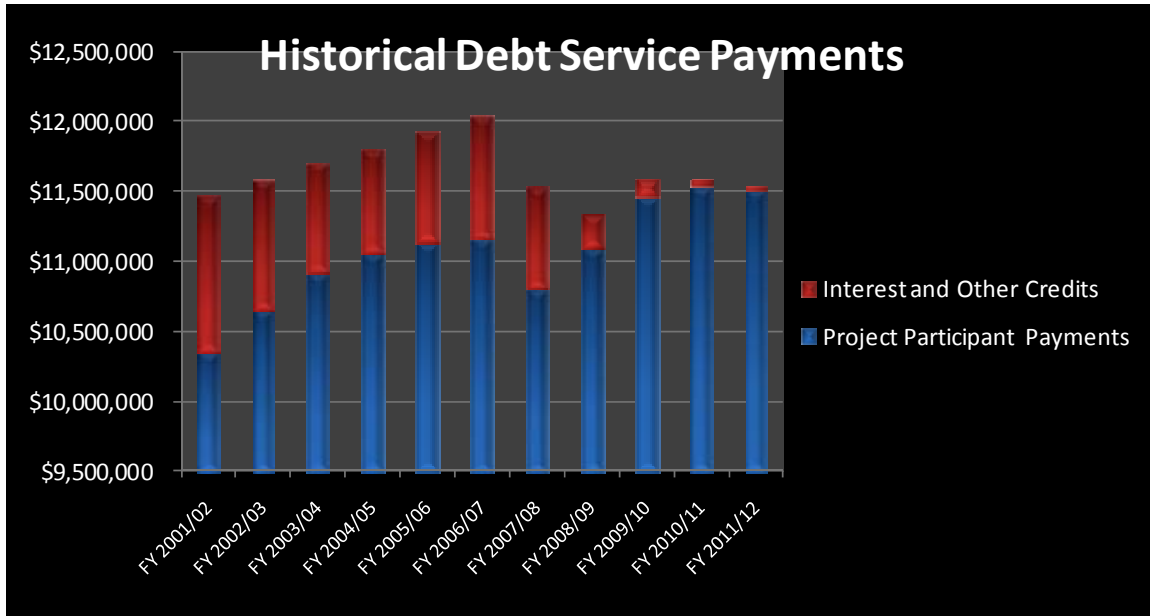
The following chart shows the total principal and interest payments for the 2006A revenue bonds for FY 2011/12.



Central Coast Water Authority
CCWA Bond Debt
 Fiscal Year 2011/12 Budget

Historical CCWA Revenue Bond Debt Service Payments

The following graph shows the composition of the source of funds for payment of the CCWA revenue bond debt service payments for the past 10 years.



Project Participant Financing of Local Facilities

When the Authority’s facilities were constructed and financed with the original 1992 Revenue bond proceeds, certain financing participants elected to finance local facilities and costs with proceeds from the CCWA revenue bond issue. Since CCWA does not own these facilities, the financed costs are shown as a long-term receivable on the CCWA financial statements.

A portion of each principal payment paid by the financing participants who financed local facilities reduces the long-term receivable balance of the local facilities, and repayment of the long-term receivable is in direct proportion to the annual payment of principal on the outstanding CCWA 2006A revenue bonds.

The following table shows the original long-term receivable balance, payments against the long-term receivable prior to FY 2011/12 and the portion of the FY 2011/12 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.

Central Coast Water Authority

CCWA Bond Debt

Fiscal Year 2011/12 Budget

Bond Principal Payment Allocated to Financed Local Facilities				
Financing Participant	Original Financed Local Facilities	Principal Payments Prior to FY 2011/12	FY 2011/12 Bond Principal Allocated to Local Facilities	Long Term Receivable Balance
Avila Beach	\$ 41,348	\$ (16,126)	\$ (1,792)	\$ 23,430
California Men's Colony	915,568	(352,201)	(40,019)	523,348
County of SLO	976,433	(375,634)	(42,678)	558,121
Cuesta College	457,835	(176,121)	(20,012)	261,703
Morro Bay	7,036,800	(2,727,275)	(306,127)	4,003,398
Oceano	281,692	(109,861)	(12,206)	159,625
Pismo Beach	465,088	(181,386)	(20,153)	263,549
Shandon	33,276	(12,978)	(1,442)	18,856
Guadalupe	1,201,137	(468,447)	(52,047)	680,643
Buellton	195,505	(76,248)	(8,471)	110,786
Santa Ynez (Solvang)	479,456	(128,401)	(22,597)	328,457
Santa Ynez	159,819	(51,788)	(10,014)	98,017
Goleta	2,969,066	(1,157,946)	(128,653)	1,682,468
Morehart Land	12,390	(4,052)	(592)	7,746
La Cumbre	61,948	(20,257)	(2,962)	38,730
Raytheon	18,052	(7,040)	(782)	10,229
Santa Barbara	648,172	(252,789)	(28,086)	367,297
Montecito	934,625	(305,621)	(44,681)	584,323
Carpinteria	929,035	(362,327)	(40,256)	526,452
TOTAL:	\$ 17,817,245	\$ (6,786,497)	\$ (783,568)	\$ 10,247,179

Central Coast Water Authority
CCWA Bond Debt
 Fiscal Year 2011/12 Budget

Central Coast Water Authority
2006 Revenue Bond Series A Debt Service Payments
 Fiscal Year 2011/12 Budget

Financing Participant	Allocation Percentage	FY 2011/12 Series A (10/1/11)		FY 2011/12 Series A (10/1/11)		FY 2011/12 Series A (4/1/12)		Trustee Expenses	Debt Service Account Interest & Credits ⁽¹⁾	FY 2011/12 Total Payments
		Principal Payment	Interest Payment	Interest Payment	Interest Payment	Interest Payment	Interest Payment			
Avila Beach	0.11449%	\$ 7,968	\$ 2,720	\$ 2,521	\$ 2	\$ (39)	\$ 13,172			
California Men's Colony	1.00140%	69,697	23,790	22,047	21	(341)	115,215			
County of SLO	1.06675%	74,246	25,342	23,486	22	(363)	122,734			
Cuesta College	0.50074%	34,851	11,896	11,025	10	(171)	57,611			
Morro Bay	6.46135%	449,710	153,500	142,257	134	(2,200)	743,400			
Oceano	0.83707%	58,260	19,886	18,430	17	(285)	96,308			
Pismo Beach	1.38347%	96,290	32,867	30,459	29	(471)	159,174			
Shandon	0.11336%	7,890	2,693	2,496	2	(37)	13,043			
Guadalupe	1.42469%	99,159	33,846	31,367	30	(480)	163,922			
Buellton	2.52375%	175,653	59,956	55,565	52	(826)	290,400			
Santa Ynez (Solvang)	7.75040%	539,428	184,123	170,638	139	(2,498)	891,830			
Santa Ynez	2.91069%	202,584	69,148	64,084	52	(938)	334,930			
Goleta	24.42782%	1,700,176	580,322	537,818	508	(7,994)	2,810,830			
Morehart Land	1.12175%	78,074	26,649	24,697	21	(365)	129,076			
La Cumbre	5.37046%	373,784	127,584	118,240	101	(1,747)	617,962			
Raytheon	0.23482%	16,343	5,578	5,170	5	(72)	27,024			
Santa Barbara	15.01654%	1,045,151	356,742	330,614	312	(4,914)	1,727,905			
Montecito	17.65001%	1,228,441	419,305	388,594	332	(5,908)	2,030,763			
Carpinteria	10.09044%	702,295	239,715	222,157	210	(3,259)	1,161,117			
TOTAL:	100.00000%	\$ 6,960,000	\$ 2,375,663	\$ 2,201,663	\$ 2,000	\$ (32,908)	\$ 11,506,416			

(1) Represents interest on the financing participant debt service payments for FY 2010/11.

Central Coast Water Authority
CCWA Bond Debt
 Fiscal Year 2011/12 Budget

Central Coast Water Authority
Series 2006A Revenue Bond Debt Service Schedule
Dated September 28, 2006

Debt Service Date	Interest Rate	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Year Debt Service (Cash)
4/1/2007			2,927,860	123,190,000	2,927,860
10/1/2007	4.000%	5,895,000	2,879,863	117,295,000	
4/1/2008			2,761,963	117,295,000	11,536,825
10/1/2008	4.000%	6,190,000	2,761,963	111,105,000	
4/1/2009			2,638,163	111,105,000	11,590,125
10/1/2009	4.000%	6,430,000	2,638,163	104,675,000	
4/1/2010			2,509,563	104,675,000	11,577,725
10/1/2010	4.000%	6,695,000	2,509,563	97,980,000	
4/1/2011			2,375,663	97,980,000	11,580,225
10/1/2011	5.000%	6,960,000	2,375,663	91,020,000	
4/1/2012			2,201,663	91,020,000	11,537,325
					FY 2011/12
10/1/2012	4.00% - 4.50%	7,335,000	2,201,663	90,645,000	
4/1/2013			2,045,800	90,645,000	11,582,463
10/1/2013	5.000%	7,625,000	2,045,800	83,020,000	
4/1/2014			1,855,175	83,020,000	11,525,975
10/1/2014	5.000%	8,010,000	1,855,175	75,010,000	
4/1/2015			1,654,925	75,010,000	11,520,100
10/1/2015	5.000%	8,405,000	1,654,925	66,605,000	
4/1/2016			1,444,800	66,605,000	11,504,725
10/1/2016	5.000%	8,825,000	1,444,800	57,780,000	
4/1/2017			1,224,175	57,780,000	11,493,975
10/1/2017	4.000%	9,265,000	1,224,175	48,515,000	
4/1/2018			1,038,875	48,515,000	11,528,050
10/1/2018	5.000%	9,640,000	1,038,875	38,875,000	
4/1/2019			797,875	38,875,000	11,476,750
10/1/2019	5.000%	10,125,000	797,875	28,750,000	
4/1/2020			544,750	28,750,000	11,467,625
10/1/2020	5.000%	10,630,000	544,750	18,120,000	
4/1/2021			279,000	18,120,000	11,453,750
10/1/2021	5.000%	11,160,000	279,000	6,960,000	11,439,000
\$ 123,190,000			\$ 52,552,498		\$ 175,742,498





Replacing SYPS Outlet Vault Lid

Reserves and Cash Management

The Reserves and Cash Management section of the FY 2011/12 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

FY 2011/12 Total Reserve Balances

\$10,052,743

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 8,052,743

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2011/12 Budget

This section of the Budget discusses the two cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

Operations and Maintenance Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2011/12 Budget

Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgments. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

Operations and Maintenance Reserve Fund

Project Participant	Table A Amount	% of Table A	Operating Reserve
City of Buellton	578	1.48%	\$ 29,582
Carpinteria Valley Water District	2,000	5.12%	102,359
Goleta Water District	4,500	11.52%	230,309
City of Guadalupe	550	1.41%	28,149
La Cumbre Mutual Water Company	1,000	2.56%	51,180
Montecito Water District	3,000	7.68%	153,539
Morehart Land Company	200	0.51%	10,236
City of Santa Barbara	3,000	7.68%	153,539
Raytheon Systems Company	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
Golden State Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
TOTAL	39,078	100.00%	\$ 2,000,000

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2011/12 Budget

Rate Coverage Reserve Fund

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

- Purpose:** The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).
- Contributions:** Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor, which has elected to participate in the Rate Fund, shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor’s Contract Payments with respect to that year. A participating Contractor’s initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund’s creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty-days (60) of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor’s obligations until the subsequent July 1. For example to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund’s creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.
- Withdrawal:** A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2011/12 Budget

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

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

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of December 31, 2010. Participation in the fund for FY 2011/12 is not yet known. Prior to June 30, 2011, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2011/12.

FY 2010/11 Rate Coverage Reserve Fund

Project Participant	FY 2010/11 Deposit
City of Buellton	\$ 258,486
Carpinteria Valley Water District	816,286
City of Guadalupe	167,825
La Cumbre Mutual Water Company	391,224
Montecito Water District	1,088,026
City of Santa Maria	4,291,133
Santa Ynez, RWCD, I.D. #1 (Solvang)	606,317
Santa Ynez, RWCD, I.D. #1	418,153
County of San Luis Obispo (Shandon)	15,209
Oceano Community Services District	83
TOTAL:	\$ 8,052,743

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2011/12 Budget

Cash Management

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

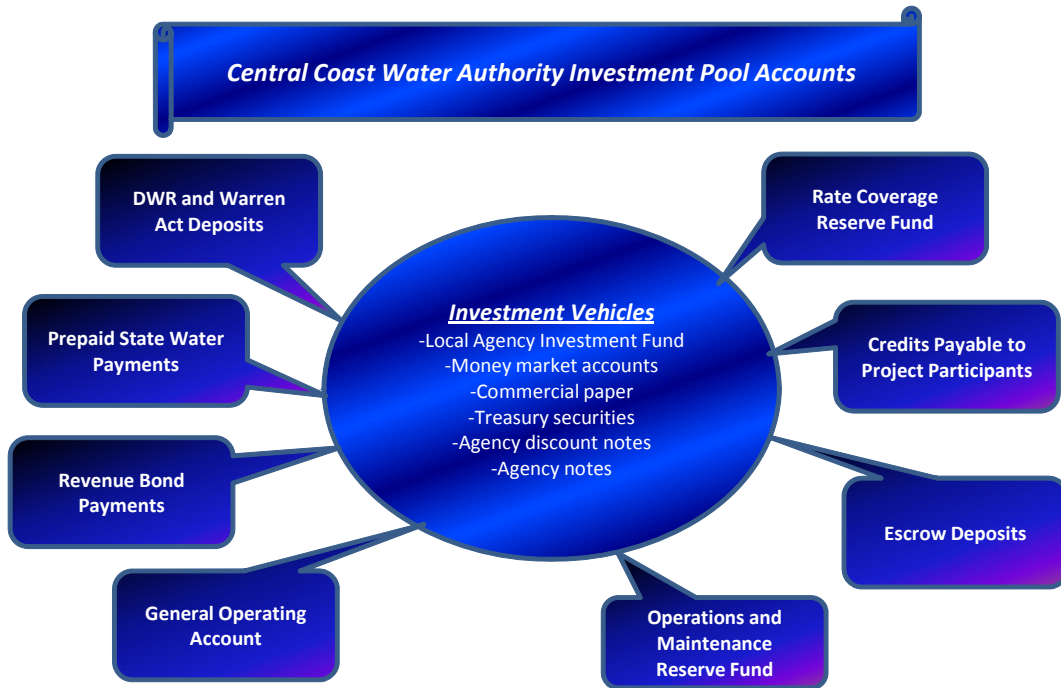
CCWA Investment Pool

All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy found in the Appendix to this document. All cash and investments other than those funds held by the Authority’s Revenue bond trustee are allocated and invested in an investment pool which is comprised of the various “types” of payments paid by the Authority’s project participants further broken down by individual project participants within each account.

Each account within the CCWA investment pool receives investment income based on the account’s proportional share of the average daily balance for the month.

The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2011/12 Budget



Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2011/12 Budget

represent annual debt service payments on the outstanding revenue bonds [refer to the “CCWA Bond Debt” section of this budget].

- DWR and Warren Act Deposits – funds paid by the CCWA project participants for both fixed and variable DWR payments and payments to the US Bureau of Reclamation for Warren Act charges for delivery of State Water into Lake Cachuma [refer to the “DWR” section of this budget].
- Escrow Deposits – deposits received from certain “non-public agency” project participants as required under their individual water supply agreements. The deposits are approximately equal to one year’s State water payment.
- Credits payable to Project Participants– credits from many sources but primarily for O&M credits and interest income credits for under-expended O&M costs from the prior fiscal year.





Pipe Inspection

Four Year Financial Plan

The Four Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant through FY 2014/15. Additionally, this section includes each project participants' requested water deliveries for five years on a fiscal year and calendar year basis.



Central Coast Water Authority
Four Year Financial Plan
 Fiscal Year 2011/12 Budget

The Four Year Financial Plan shows the allocated share of the Authority’s costs to each project participant for four consecutive fiscal years beginning with the current budget year.

The Four Year Financial Plan is prepared to provide each project participant an estimate of future costs for the Authority. Specifically, these projections are used by the Authority’s project participants to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet the coverage covenant contained in the Water Supply Agreements (*please refer to the “Budget Foreword” section of this document for additional information regarding the Water Supply Agreements and the coverage covenant*).

The Four Year Financial Plan consists of two pages for each project participant. The first page shows the requested water deliveries on a multi-year basis. The next two sections show allocation of the Authority’s fixed and variable charges, including modifications for the Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement, if applicable (*see the Water Treatment Plant section to this document for additional information on the Regional Water Treatment Plant and Santa Ynez Exchange Agreements*). The last section shows the allocation of the DWR fixed and variable costs and a summary of projected total costs, by cost type, on a multi-year basis.

The second page of the Four Year Financial Plan shows an estimate of the payments due, by invoice date, for the cost projections shown on the first page of the Four Year Financial Plan.

Basis of Future Cost Estimates

The following is a list of the assumptions used in preparing the future cost estimates in the Four-Year Financial Plan.

	<i>Calendar Years</i>			
	2012	2013	2014	2015
CCWA Fixed & Variable O&M Inflation Factor	3%	3%	3%	3%
Delta Water Charge cost per acre-foot	\$ 47	\$ 54	\$ 62	\$ 72
Transportation Minimum Costs (millions)	\$ 5.00	\$ 5.25	\$ 5.50	\$ 5.80
Off-Aqueduct Charges (millions)	\$ 1.80	\$ 1.00	\$ 0.02	\$ 0.01
Variable OMP&R cost per acre-foot	\$ 130	\$ 135	\$ 140	\$ 145
Rate Management Credits (millions)	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80

Central Coast Water Authority
Water Request Projections
 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 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	2011	2012	2013	2014	2015
Shandon	-	-	-	-	-	-	-	-	-
Chorro Valley	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338
Lopez	2,097	2,109	2,061	2,190	2,097	2,097	2,067	2,108	2,126
Guadalupe	605	605	605	605	605	605	605	605	605
Santa Maria	13,700	15,400	17,820	17,820	13,700	13,700	17,820	17,820	17,820
Golden State Water Co.	515	550	550	550	520	550	550	550	550
VAFB	6,050	6,050	6,050	6,050	5,950	6,050	6,050	6,050	6,050
Buellton	597	636	636	636	546	636	636	636	636
Santa Ynez (Solvang)	1,365	1,500	1,500	1,500	1,230	1,500	1,500	1,500	1,500
Santa Ynez	700	700	700	700	700	700	700	700	700
Goleta	925	925	925	925	925	925	925	925	925
Morehart Land	220	220	220	220	325	220	220	220	220
La Cumbre	549	1,100	1,100	1,100	1,109	810	1,100	1,100	1,100
Raytheon	55	55	55	55	55	55	55	55	55
Santa Barbara	615	654	615	615	615	654	615	615	615
Montecito	2,000	3,300	3,300	3,300	2,000	3,300	3,300	3,300	3,300
Carpinteria	413	413	413	413	413	413	413	413	413
TOTAL:	32,746	36,555	38,888	39,017	33,128	34,553	38,894	38,935	38,953

Central Coast Water Authority
Total Charges-All Participants
 Four Year Financial Plan Charges

Table A Including Drought Buffer				43,908
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	32,747	(0)	32,747	
FY 2012/13	36,555	0	36,555	
FY 2013/14	38,888	-	38,888	
FY 2014/15	39,017	-	39,017	

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 2011/12	\$ 6,188,033	\$ 1,518,960	\$ (1,518,960)	\$ -	\$ 197	\$ 161	\$ 359	\$ 10,816,490	\$ 17,004,881
FY 2012/13	6,056,926	1,478,142	(1,478,142)	-	90	69	159	11,537,325	17,594,410
FY 2013/14	6,238,634	1,497,230	(1,497,230)	-	-	-	-	11,582,463	17,821,096
FY 2014/15	6,425,793	1,517,069	(1,517,069)	-	-	-	-	11,525,975	17,951,768

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

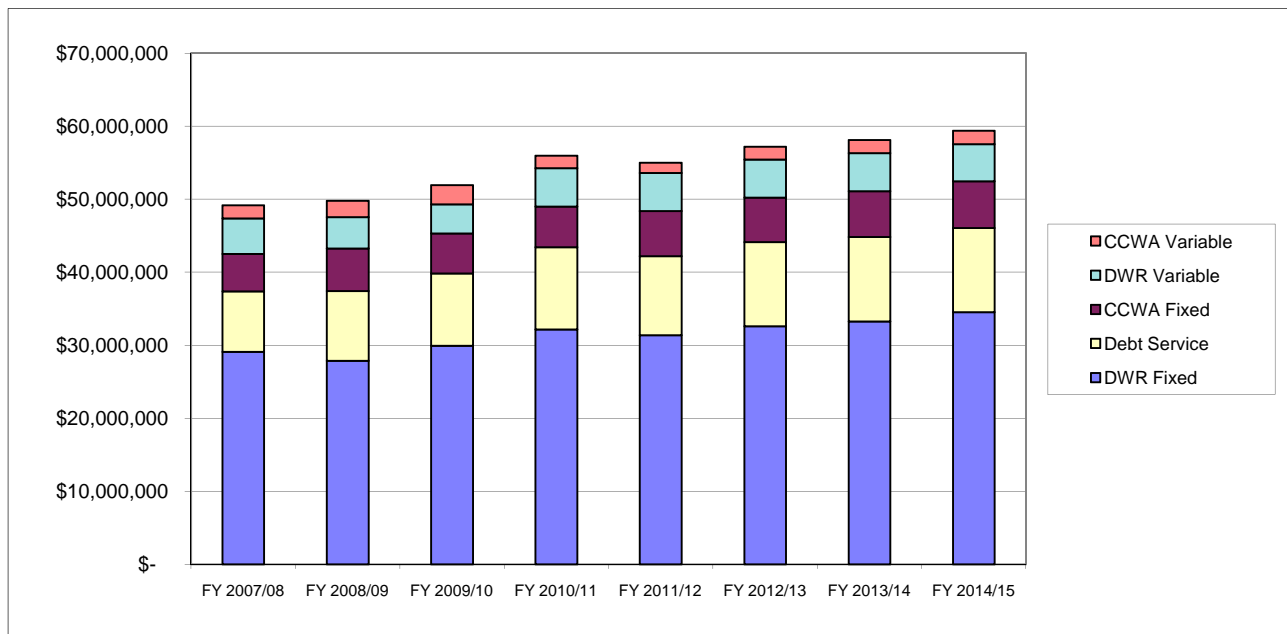
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 1,305,550	\$ 277,066	\$ 76,714	\$ (76,714)	\$ -	\$ 92	\$ (148,907)	\$ -	\$ 1,433,801
FY 2012/13	1,540,440	386,686	136,606	(136,606)	-	40	(149,106)	-	1,778,059
FY 2013/14	1,571,720	384,424	139,302	(139,302)	-	-	(149,060)	-	1,807,084
FY 2014/15	1,623,428	384,424	143,481	(143,481)	-	-	(149,060)	-	1,858,792

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2011/12	\$ 31,366,677	\$ 5,209,517	\$ 36,576,194	\$ 6,188,391	\$ 1,433,801	\$ 10,816,490	\$ 31,366,677	\$ 5,209,517	\$ 55,014,482
FY 2012/13	32,611,698	5,231,378	37,843,076	6,057,085	1,778,059	11,537,325	32,611,698	5,231,378	57,215,545
FY 2013/14	33,263,073	5,229,970	38,493,043	6,238,634	1,807,084	11,582,463	33,263,073	5,229,970	58,121,223
FY 2014/15	34,522,219	5,052,921	39,575,139	6,425,793	1,858,792	11,525,975	34,522,219	5,052,921	59,385,699

(3) Net of DWR account interest income.



Central Coast Water Authority
Total Charges - Santa Barbara County Project Participants
 Four Year Financial Plan Charges

Table A Including Drought Buffer				39,078
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	28,309	(0)	28,309	
FY 2012/13	32,108	0	32,108	
FY 2013/14	34,489	-	34,489	
FY 2014/15	34,489	-	34,489	

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 2011/12	\$ 5,647,764	\$ 1,518,960	\$ (1,518,960)	\$ -	\$ 197	\$ 161	\$ 359	\$ 9,740,800	\$ 15,388,923
FY 2012/13	5,668,878	1,478,142	(1,478,142)	-	90	69	159	10,212,998	15,882,035
FY 2013/14	5,838,944	1,497,230	(1,497,230)	-	-	-	-	10,252,955	16,091,899
FY 2014/15	6,014,113	1,517,069	(1,517,069)	-	-	-	-	10,202,951	16,217,064

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

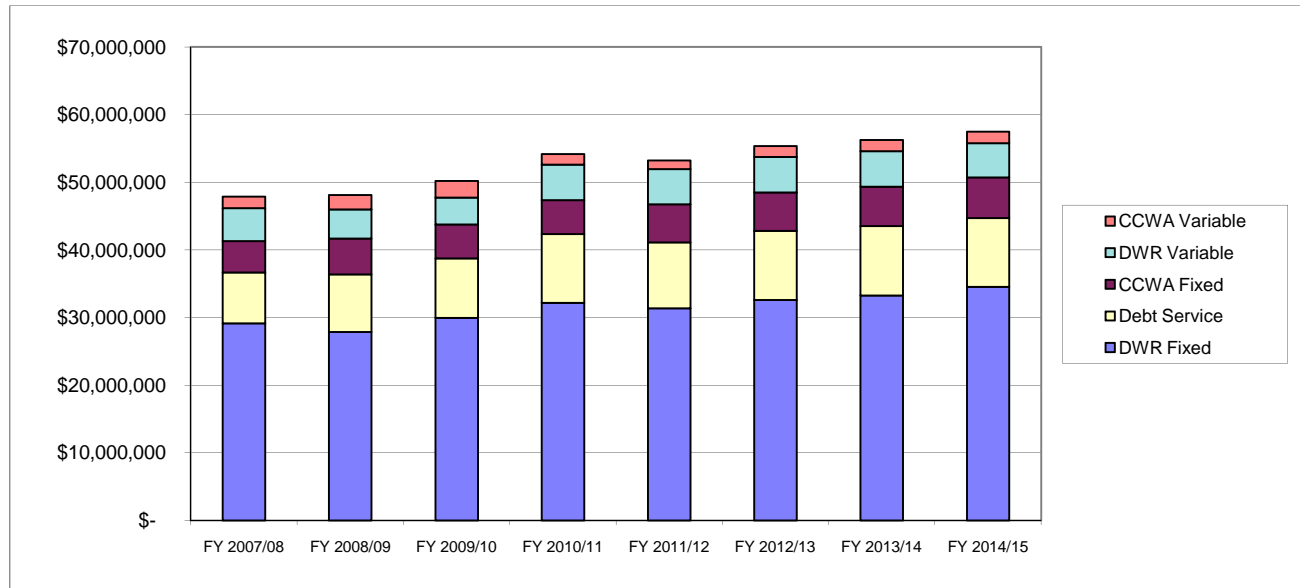
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 1,151,563	\$ 277,066	\$ 76,714	\$ (76,714)	\$ -	\$ 92	\$ (148,907)	\$ -	\$ 1,279,814
FY 2012/13	1,392,234	386,686	136,606	(136,606)	-	40	(149,106)	-	1,629,854
FY 2013/14	1,420,714	384,424	139,302	(139,302)	-	-	(149,060)	-	1,656,078
FY 2014/15	1,463,335	384,424	143,481	(143,481)	-	-	(149,060)	-	1,698,699

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 2011/12	\$ 31,366,677	\$ 5,209,517	\$ 36,576,194	\$ 5,648,123	\$ 1,279,814	\$ 9,740,800	\$ 31,366,677	\$ 5,209,517	\$ 53,244,931
FY 2012/13	32,611,698	5,231,378	37,843,076	5,669,037	1,629,854	10,212,998	32,611,698	5,231,378	55,354,965
FY 2013/14	33,263,073	5,229,970	38,493,043	5,838,944	1,656,078	10,252,955	33,263,073	5,229,970	56,241,019
FY 2014/15	34,522,219	5,052,921	39,575,139	6,014,113	1,698,699	10,202,951	34,522,219	5,052,921	57,490,902

(3) Net of DWR account interest income.





Central Coast Water Authority
Shandon
 Four Year Financial Plan Charges

Table A Including Drought Buffer				100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	-	-	-	
FY 2012/13	-	-	-	
FY 2013/14	-	-	-	
FY 2014/15	-	-	-	

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 2011/12	\$ 7,296							\$ 12,326	\$ 19,622
FY 2012/13	7,515							13,078	20,593
FY 2013/14	7,740							13,129	20,870
FY 2014/15	7,973							13,065	21,038

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

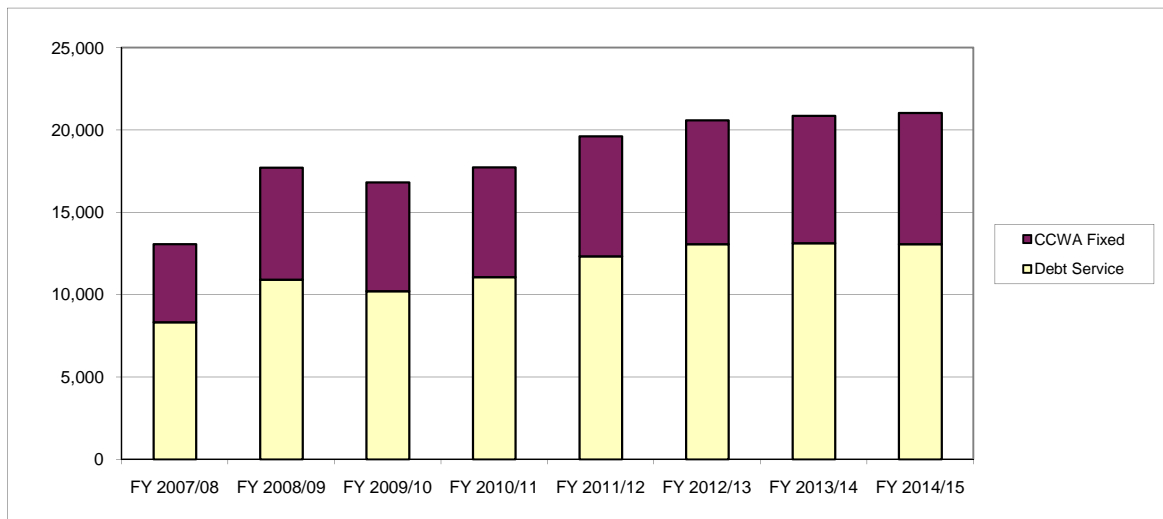
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$0								\$ -
FY 2012/13	-								-
FY 2013/14	-								-
FY 2014/15	-								-

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	<u>Total State Water Charges</u>					
				CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2011/12			\$ -	\$ 7,296	\$ -	\$ 12,326	\$ -	\$ -	\$ 19,622
FY 2012/13			-	7,515	-	13,078	-	-	20,593
FY 2013/14			-	7,740	-	13,129	-	-	20,870
FY 2014/15			-	7,973	-	13,065	-	-	21,038

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Shandon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ -	0
June 1, 2011	\$ 19,622	n/a
July 1, 2011	\$ -	0
October 1, 2011	\$ -	0
January 1, 2012	\$ -	0
April 1, 2012	\$ -	0
June 1, 2012	\$ 20,593	n/a
July 1, 2012	\$ -	0
October 1, 2012	\$ -	0
January 1, 2013	\$ -	0
April 1, 2013	\$ -	0
June 1, 2013	\$ 20,870	n/a
July 1, 2013	\$ -	0
October 1, 2013	\$ -	0
January 1, 2014	\$ -	0
April 1, 2014	\$ -	0
June 1, 2014	\$ 21,038	n/a
July 1, 2014	\$ -	0
October 1, 2014	\$ -	0
January 1, 2015	\$ -	0

Central Coast Water Authority
Chorro Valley Turnout
 Four Year Financial Plan Charges

Table A Including Drought Buffer			2,338
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2011/12	2,338	-	2,338
FY 2012/13	2,338	-	2,338
FY 2013/14	2,338	-	2,338
FY 2014/15	2,338	-	2,338

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 2011/12	\$ 179,192							\$ 986,783	\$ 1,165,975
FY 2012/13	184,568							1,041,848	1,226,417
FY 2013/14	190,105							1,045,924	1,236,030
FY 2014/15	195,808							1,040,823	1,236,632

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

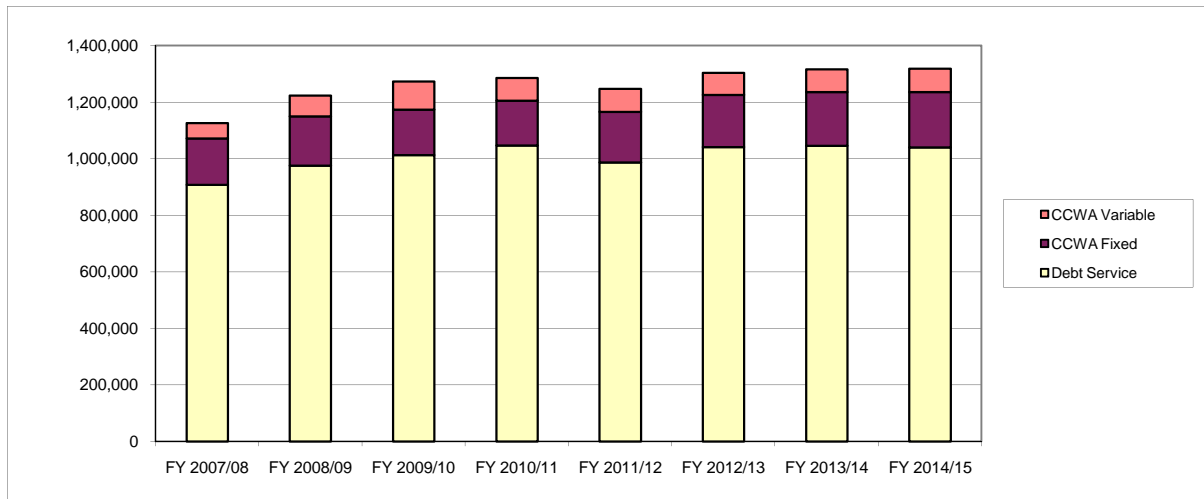
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 81,169							\$ 81,169	
FY 2012/13	77,919							77,919	
FY 2013/14	80,254							80,254	
FY 2014/15	82,662							82,662	

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 2011/12			\$ -	\$ 179,192	\$ 81,169	\$ 986,783	\$ -	\$ -	\$ 1,247,144
FY 2012/13			-	184,568	77,919	1,041,848	-	-	1,304,336
FY 2013/14			-	190,105	80,254	1,045,924	-	-	1,316,284
FY 2014/15			-	195,808	82,662	1,040,823	-	-	1,319,294

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Chorro Valley

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 25,318	729
June 1, 2011	\$ 1,165,975	n/a
July 1, 2011	\$ 18,543	534
October 1, 2011	\$ 14,655	422
January 1, 2012	\$ 22,653	652
April 1, 2012	\$ 24,304	729
June 1, 2012	\$ 1,226,417	n/a
July 1, 2012	\$ 17,801	534
October 1, 2012	\$ 14,068	422
January 1, 2013	\$ 21,746	652
April 1, 2013	\$ 25,033	729
June 1, 2013	\$ 1,236,030	n/a
July 1, 2013	\$ 18,334	534
October 1, 2013	\$ 14,490	422
January 1, 2014	\$ 22,398	652
April 1, 2014	\$ 25,783	729
June 1, 2014	\$ 1,236,632	n/a
July 1, 2014	\$ 18,885	534
October 1, 2014	\$ 14,924	422
January 1, 2015	\$ 23,069	652

Central Coast Water Authority
Lopez Turnout
 Four Year Financial Plan Charges

Table A Including Drought Buffer				2,392
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	2,097	-	2,097	
FY 2012/13	2,109	-	2,109	
FY 2013/14	2,061	-	2,061	
FY 2014/15	2,190	-	2,190	

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 2011/12	\$ 190,257							\$ 240,104	\$ 430,361
FY 2012/13	195,965							269,400	465,365
FY 2013/14	201,844							270,454	472,298
FY 2014/15	207,899							269,135	477,034

- (1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

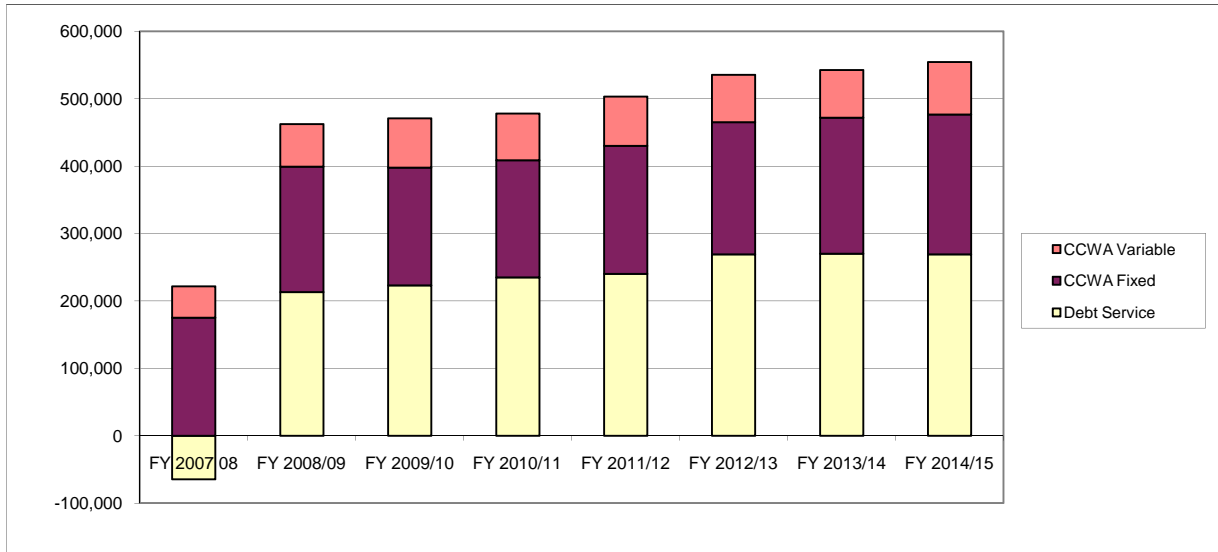
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 72,818								\$ 72,818
FY 2012/13	70,286								70,286
FY 2013/14	70,752								70,752
FY 2014/15	77,431								77,431

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 2011/12			-	\$ 190,257	\$ 72,818	\$ 240,104	-	-	\$ 503,179
FY 2012/13			-	195,965	70,286	269,400	-	-	535,651
FY 2013/14			-	201,844	70,752	270,454	-	-	543,050
FY 2014/15			-	207,899	77,431	269,135	-	-	554,466

- (2) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Lopez

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 21,543	621
June 1, 2011	\$ 430,361	n/a
July 1, 2011	\$ 17,333	499
October 1, 2011	\$ 14,054	405
January 1, 2012	\$ 19,887	573
April 1, 2012	\$ 20,682	621
June 1, 2012	\$ 465,365	n/a
July 1, 2012	\$ 16,641	499
October 1, 2012	\$ 14,823	445
January 1, 2013	\$ 18,139	544
April 1, 2013	\$ 19,609	571
June 1, 2013	\$ 472,298	n/a
July 1, 2013	\$ 17,412	507
October 1, 2013	\$ 13,999	408
January 1, 2014	\$ 19,732	575
April 1, 2014	\$ 22,047	624
June 1, 2014	\$ 477,034	n/a
July 1, 2014	\$ 17,760	502
October 1, 2014	\$ 15,444	437
January 1, 2015	\$ 22,180	627

Central Coast Water Authority
City of Guadalupe
 Four Year Financial Plan Charges

Table A Including Drought Buffer				605
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	605	-	605	
FY 2012/13	605	-	605	
FY 2013/14	605	-	605	
FY 2014/15	605	-	605	

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 2011/12	\$ 63,600	\$ 21,377	\$ -	\$ 21,377	\$ -	\$ -	\$ -	\$ 145,644	\$ 230,621
FY 2012/13	65,508	20,803	-	20,803	-	-	-	164,371	250,683
FY 2013/14	67,473	21,073	-	21,073	-	-	-	165,014	253,560
FY 2014/15	69,497	21,352	-	21,352	-	-	-	164,210	255,059

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

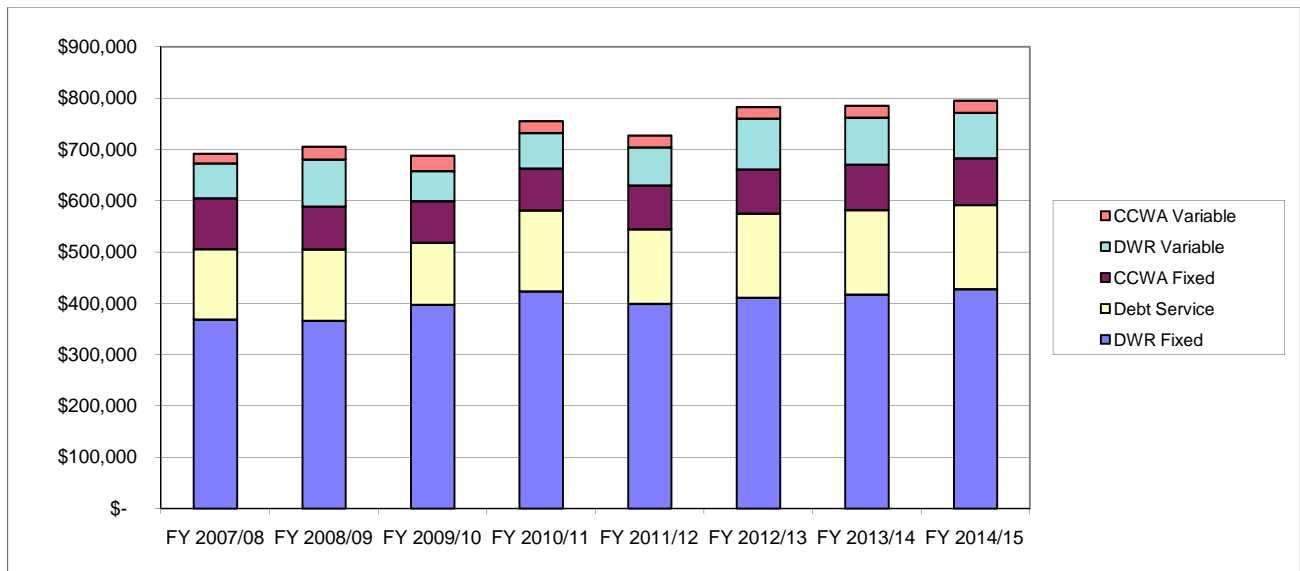
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 21,005	\$ -	\$ 1,639	\$ -	\$ 1,639	\$ -	\$ -	\$ -	\$ 22,644
FY 2012/13	20,164	-	2,574	-	2,574	-	-	-	22,738
FY 2013/14	20,768	-	2,444	-	2,444	-	-	-	23,212
FY 2014/15	21,391	-	2,517	-	2,517	-	-	-	23,908

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 2011/12	\$ 398,973	\$ 74,583	\$ 473,556	\$ 84,977	\$ 22,644	\$ 145,644	\$ 398,973	\$ 74,583	\$ 726,821
FY 2012/13	410,595	98,596	509,191	86,311	22,738	164,371	410,595	98,596	782,611
FY 2013/14	416,966	91,519	508,485	88,546	23,212	165,014	416,966	91,519	785,258
FY 2014/15	427,726	88,680	516,406	90,849	23,908	164,210	427,726	88,680	795,373

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

City of Guadalupe

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 23,870	171
June 1, 2011	\$ 629,593	n/a
July 1, 2011	\$ 18,146	130
October 1, 2011	\$ 24,164	150
January 1, 2012	\$ 31,048	154
April 1, 2012	\$ 35,301	171
June 1, 2012	\$ 661,277	n/a
July 1, 2012	\$ 26,837	130
October 1, 2012	\$ 29,209	150
January 1, 2013	\$ 29,988	154
April 1, 2013	\$ 33,432	171
June 1, 2013	\$ 670,526	n/a
July 1, 2013	\$ 25,416	130
October 1, 2013	\$ 27,574	150
January 1, 2014	\$ 28,309	154
April 1, 2014	\$ 31,631	171
June 1, 2014	\$ 682,785	n/a
July 1, 2014	\$ 24,047	130
October 1, 2014	\$ 28,081	150
January 1, 2015	\$ 28,830	154

Central Coast Water Authority
City of Santa Maria
 Four Year Financial Plan Charges

Table A Including Drought Buffer			17,820
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2011/12	13,700	-	13,700
FY 2012/13	15,400	-	15,400
FY 2013/14	17,820	-	17,820
FY 2014/15	17,820	-	17,820

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Prepayments and Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2011/12	\$ 1,844,441	\$ 629,651	\$ -	\$ 629,651	\$ -	\$ -	\$ -	\$ (296,374)	\$ 2,177,718
FY 2012/13	1,899,774	612,753	-	612,753	-	-	-	-	2,512,528
FY 2013/14	1,956,768	620,685	-	620,685	-	-	-	-	2,577,453
FY 2014/15	2,015,471	628,909	-	628,909	-	-	-	-	2,644,380

(1) Includes capital improvement projects.

CCWA Variable O&M Charges

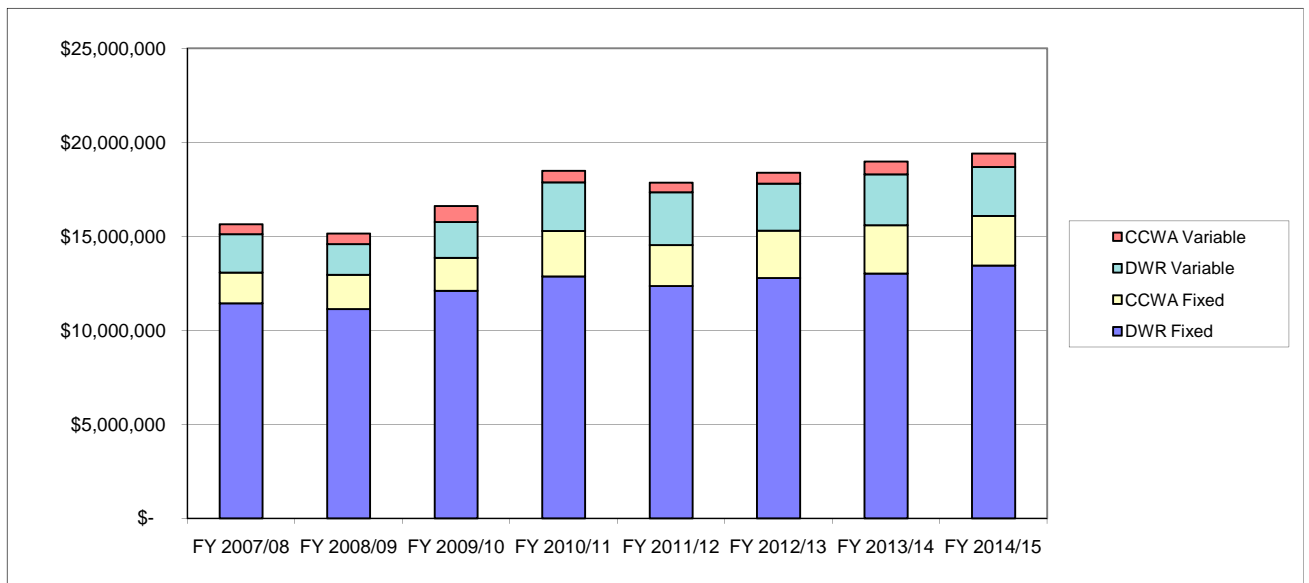
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 475,649	\$ -	\$ 37,122	\$ -	\$ 37,122	\$ -	\$ -	\$ -	\$ 512,771
FY 2012/13	513,267	-	65,518	-	65,518	-	-	-	578,786
FY 2013/14	611,721	-	71,976	-	71,976	-	-	-	683,697
FY 2014/15	630,073	-	74,135	-	74,135	-	-	-	704,208

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2011/12	\$ 12,359,873	\$ 2,814,959	\$ 15,174,832	\$ 2,474,092	\$ 512,771	\$ (296,374)	\$ 12,359,873	\$ 2,814,959	\$ 17,865,321
FY 2012/13	12,793,830	2,503,134	15,296,964	2,512,528	578,786	0	12,793,830	2,503,134	18,388,278
FY 2013/14	13,023,921	2,703,300	15,727,220	2,577,453	683,697	0	13,023,921	2,703,300	18,988,370
FY 2014/15	13,447,865	2,610,576	16,058,442	2,644,380	704,208	0	13,447,865	2,610,576	19,407,029

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Maria

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 1,311,599	4,200
June 1, 2011	\$ 14,537,591	n/a
July 1, 2011	\$ 621,545	2,900
October 1, 2011	\$ 570,513	2,700
January 1, 2012	\$ 824,074	3,900
April 1, 2012	\$ 867,031	4,200
June 1, 2012	\$ 15,306,358	n/a
July 1, 2012	\$ 598,664	2,900
October 1, 2012	\$ 739,958	3,800
January 1, 2013	\$ 876,266	4,500
April 1, 2013	\$ 1,006,872	5,150
June 1, 2013	\$ 15,601,373	n/a
July 1, 2013	\$ 854,375	4,370
October 1, 2013	\$ 698,536	3,800
January 1, 2014	\$ 827,213	4,500
April 1, 2014	\$ 952,627	5,150
June 1, 2014	\$ 16,092,245	n/a
July 1, 2014	\$ 808,346	4,370
October 1, 2014	\$ 711,383	3,800
January 1, 2015	\$ 842,428	4,500

Central Coast Water Authority
Golden State Water Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				550
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	515	-	515	
FY 2012/13	550	-	550	
FY 2013/14	550	-	550	
FY 2014/15	550	-	550	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2011/12	\$ 60,979	\$ 19,434	\$ -	\$ 19,434	\$ -	\$ -	\$ -	\$ (7,378)	\$ 73,034
FY 2012/13	62,808	18,912	-	18,912	-	-	-	-	81,720
FY 2013/14	64,692	19,157	-	19,157	-	-	-	-	83,849
FY 2014/15	66,633	19,411	-	19,411	-	-	-	-	86,044

(1) Includes capital improvement projects.

CCWA Variable O&M Charges

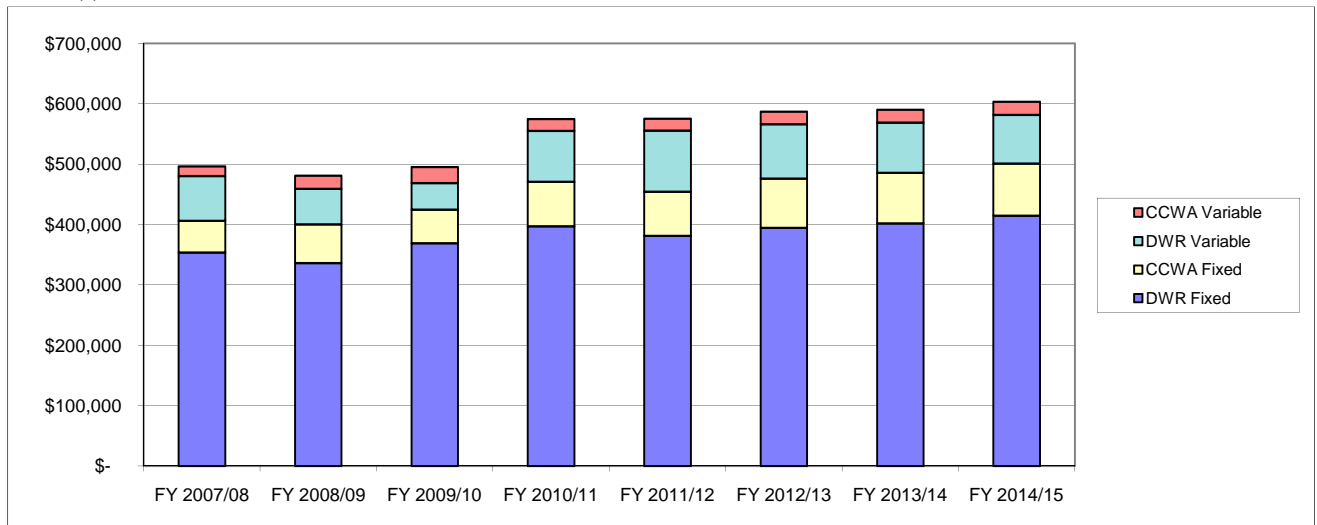
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 17,880	\$ -	\$ 1,395	\$ -	\$ 1,395	\$ -	\$ -	\$ -	\$ 19,276
FY 2012/13	18,331	-	2,340	-	2,340	-	-	-	20,671
FY 2013/14	18,880	-	2,221	-	2,221	-	-	-	21,102
FY 2014/15	19,447	-	2,288	-	2,288	-	-	-	21,735

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 2011/12	\$ 381,496	\$ 101,500	\$ 482,995	\$ 80,412	\$ 19,276	\$ (7,378)	\$ 381,496	\$ 101,500	\$ 575,305
FY 2012/13	394,871	89,906	484,778	81,720	20,671	0	394,871	89,906	587,169
FY 2013/14	401,973	83,472	485,445	83,849	21,102	0	401,973	83,472	590,396
FY 2014/15	415,058	80,566	495,624	86,044	21,735	0	415,058	80,566	603,402

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Golden State Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 41,657	158
June 1, 2011	\$ 454,529	n/a
July 1, 2011	\$ 23,272	104
October 1, 2011	\$ 26,489	120
January 1, 2012	\$ 29,358	133
April 1, 2012	\$ 32,410	157
June 1, 2012	\$ 476,591	n/a
July 1, 2012	\$ 28,901	140
October 1, 2012	\$ 23,367	120
January 1, 2013	\$ 25,899	133
April 1, 2013	\$ 30,695	157
June 1, 2013	\$ 485,822	n/a
July 1, 2013	\$ 27,371	140
October 1, 2013	\$ 22,059	120
January 1, 2014	\$ 24,449	133
April 1, 2014	\$ 29,041	157
June 1, 2014	\$ 501,101	n/a
July 1, 2014	\$ 25,897	140
October 1, 2014	\$ 22,465	120
January 1, 2015	\$ 24,898	133

Central Coast Water Authority
Vandenberg Air Force Base
 Four Year Financial Plan Charges

Table A Including Drought Buffer				6,050
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	6,050	-	6,050	
FY 2012/13	6,050	-	6,050	
FY 2013/14	6,050	-	6,050	
FY 2014/15	6,050	-	6,050	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			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 2011/12	\$ 710,497	\$ 213,770	\$ -	\$ 213,770	\$ -	\$ -	\$ -	\$ (152,314)	\$ 771,954
FY 2012/13	731,812	208,033	-	208,033	-	-	-	-	939,846
FY 2013/14	753,767	210,726	-	210,726	-	-	-	-	964,493
FY 2014/15	776,380	213,519	-	213,519	-	-	-	-	989,898

(1) Includes capital improvement projects.

CCWA Variable O&M Charges

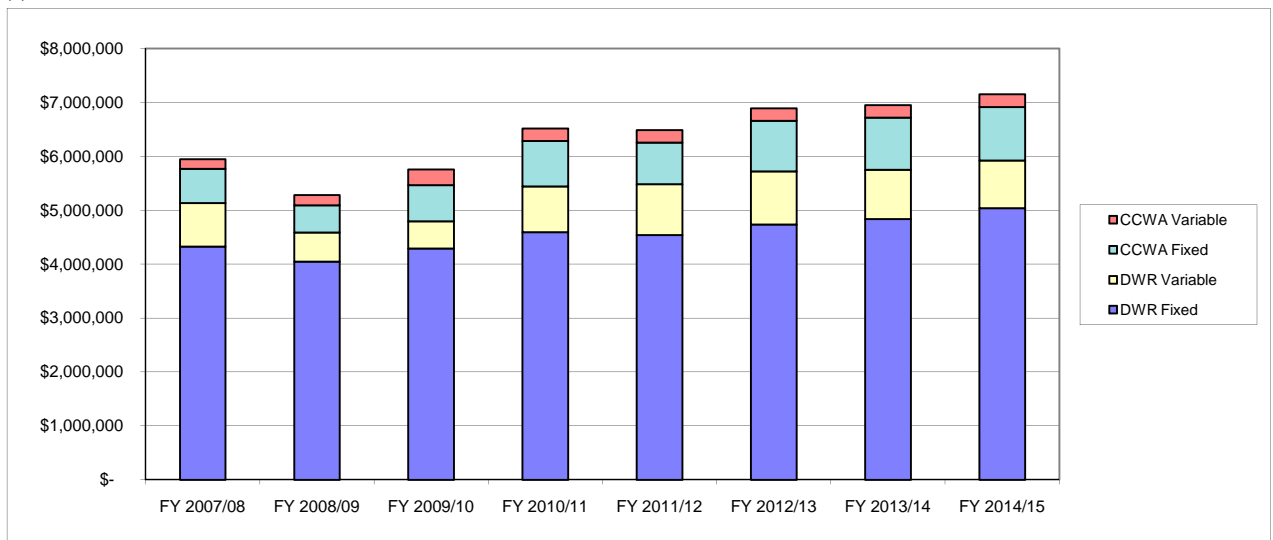
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 210,049	\$ -	\$ 16,393	\$ -	\$ 16,393	\$ -	\$ -	\$ -	\$ 226,443
FY 2012/13	201,641	-	25,739	-	25,739	-	-	-	227,380
FY 2013/14	207,683	-	24,436	-	24,436	-	-	-	232,119
FY 2014/15	213,914	-	25,169	-	25,169	-	-	-	239,083

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	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2011/12	\$ 4,537,441	\$ 948,550	\$ 5,485,991	\$ 924,268	\$ 226,443	\$ (152,314)	\$ 4,537,441	\$ 948,550	\$ 6,484,387
FY 2012/13	4,733,254	987,657	5,720,910	939,846	227,380	0	4,733,254	987,657	6,888,136
FY 2013/14	4,834,988	916,886	5,751,874	964,493	232,119	0	4,834,988	916,886	6,948,487
FY 2014/15	5,038,504	886,479	5,924,983	989,898	239,083	0	5,038,504	886,479	7,153,964

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Vandenberg Air Force Base

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 258,834	1,655
June 1, 2011	\$ 5,309,395	n/a
July 1, 2011	\$ 283,843	1,500
October 1, 2011	\$ 316,704	1,450
January 1, 2012	\$ 315,612	1,445
April 1, 2012	\$ 341,651	1,655
June 1, 2012	\$ 5,673,100	n/a
July 1, 2012	\$ 309,654	1,500
October 1, 2012	\$ 282,352	1,450
January 1, 2013	\$ 281,379	1,445
April 1, 2013	\$ 323,568	1,655
June 1, 2013	\$ 5,799,481	n/a
July 1, 2013	\$ 293,264	1,500
October 1, 2013	\$ 266,546	1,450
January 1, 2014	\$ 265,627	1,445
April 1, 2014	\$ 306,136	1,655
June 1, 2014	\$ 6,028,402	n/a
July 1, 2014	\$ 277,464	1,500
October 1, 2014	\$ 271,449	1,450
January 1, 2015	\$ 270,513	1,445

Central Coast Water Authority
City of Buellton
 Four Year Financial Plan Charges

Table A Including Drought Buffer				636
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	597	-	597	
FY 2012/13	636	-	636	
FY 2013/14	636	-	636	
FY 2014/15	636	-	636	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2011/12	\$ 89,069	\$ 22,465	\$ -	\$ 22,465	\$ -	\$ -	\$ -	\$ 273,526	\$ 385,060
FY 2012/13	91,741	21,862	-	21,862	-	-	-	291,173	404,777
FY 2013/14	94,493	22,145	-	22,145	-	-	-	292,313	408,951
FY 2014/15	97,328	22,439	-	22,439	-	-	-	290,887	410,654

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

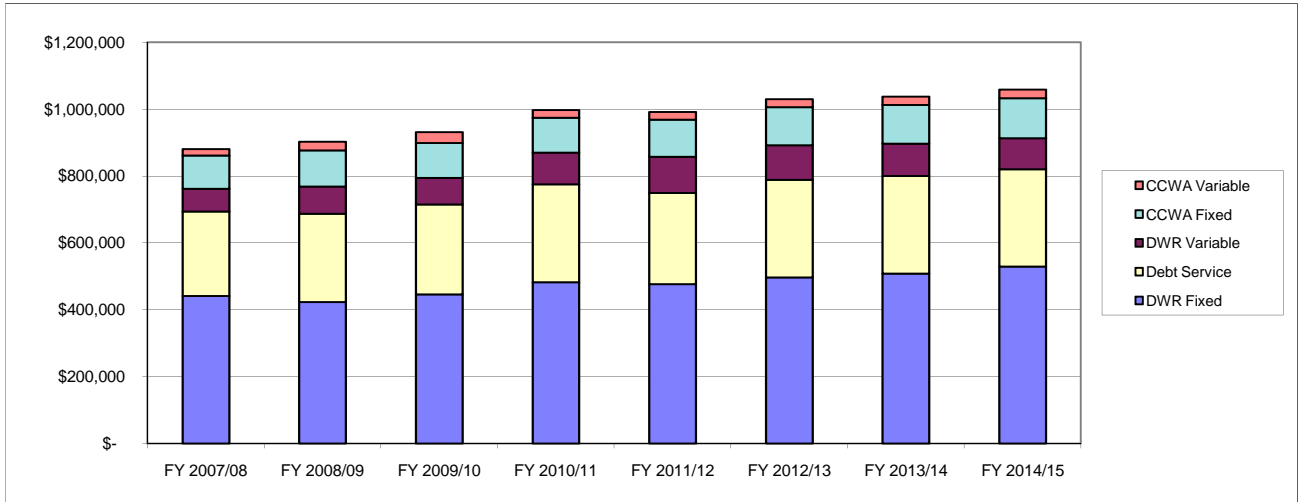
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 20,727	\$ -	\$ 1,618	\$ -	\$ 1,618	\$ -	\$ -	\$ -	\$ 22,345
FY 2012/13	21,197	-	2,706	-	2,706	-	-	-	23,903
FY 2013/14	21,832	-	2,569	-	2,569	-	-	-	24,401
FY 2014/15	22,487	-	2,646	-	2,646	-	-	-	25,133

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2011/12	\$ 476,472	\$ 107,691	\$ 584,164	\$ 111,534	\$ 22,345	\$ 273,526	\$ 476,472	\$ 107,691
FY 2012/13	497,432	103,760	601,192	113,604	23,903	291,173	497,432	103,760	1,029,872
FY 2013/14	508,123	96,320	604,444	116,639	24,401	292,313	508,123	96,320	1,037,796
FY 2014/15	529,511	93,203	622,714	119,767	25,133	290,887	529,511	93,203	1,058,501

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

City of Buellton

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 37,701	172
June 1, 2011	\$ 861,532	n/a
July 1, 2011	\$ 25,239	115
October 1, 2011	\$ 32,466	150
January 1, 2012	\$ 34,631	160
April 1, 2012	\$ 37,571	182
June 1, 2012	\$ 902,209	n/a
July 1, 2012	\$ 29,727	144
October 1, 2012	\$ 29,209	150
January 1, 2013	\$ 31,156	160
April 1, 2013	\$ 35,583	182
June 1, 2013	\$ 917,075	n/a
July 1, 2013	\$ 28,153	144
October 1, 2013	\$ 27,574	150
January 1, 2014	\$ 29,412	160
April 1, 2014	\$ 33,666	182
June 1, 2014	\$ 940,165	n/a
July 1, 2014	\$ 26,637	144
October 1, 2014	\$ 28,081	150
January 1, 2015	\$ 29,953	160

Central Coast Water Authority
Santa Ynez Improvement District No. 1 (City of Solvang)
 Four Year Financial Plan Charges

Table A Including Drought Buffer			1,500
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2011/12	1,365	-	1,365
FY 2012/13	1,500	-	1,500
FY 2013/14	1,500	-	1,500
FY 2014/15	1,500	-	1,500

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2011/12	\$ 226,899	\$ 58,301	\$ -	\$ 58,301	\$ -	\$ -	\$ -	\$ 876,442	\$ 1,161,642
FY 2012/13	233,706	56,736	-	56,736	-	-	-	894,189	1,184,631
FY 2013/14	240,717	57,471	-	57,471	-	-	-	897,687	1,195,875
FY 2014/15	247,938	58,232	-	58,232	-	-	-	893,309	1,199,480

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

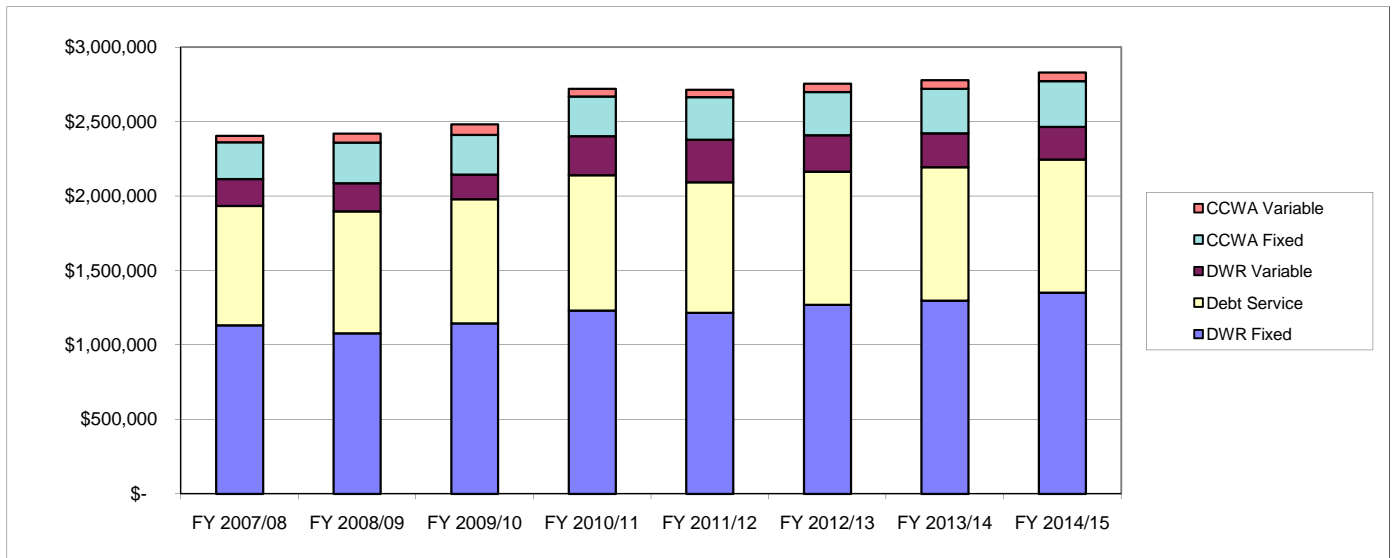
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 47,391	\$ -	\$ 3,699	\$ -	\$ 3,699	\$ -	\$ -	\$ -	\$ 51,090
FY 2012/13	49,994	-	6,382	-	6,382	-	-	-	56,375
FY 2013/14	51,492	-	6,059	-	6,059	-	-	-	57,550
FY 2014/15	53,036	-	6,240	-	6,240	-	-	-	59,277

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>		<u>Total State Water Charges</u>						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2011/12	\$ 1,215,995	\$ 286,694	\$ 1,502,689	\$ 285,200	\$51,090	\$876,442	\$ 1,215,995	\$ 286,694	\$ 2,715,421
FY 2012/13	1,270,380	245,023	1,515,403	290,442	56,375	894,189	1,270,380	245,023	2,756,410
FY 2013/14	1,297,763	227,476	1,525,239	298,188	57,550	897,687	1,297,763	227,476	2,778,664
FY 2014/15	1,352,957	219,760	1,572,716	306,171	59,277	893,309	1,352,957	219,760	2,831,473

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary
 Santa Ynez River Water Conservation District, ID#1
(City of Solvang)

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 124,501	360
June 1, 2011	\$ 2,377,637	n/a
July 1, 2011	\$ 64,303	300
October 1, 2011	\$ 69,735	330
January 1, 2012	\$ 79,245	375
April 1, 2012	\$ 85,671	415
June 1, 2012	\$ 2,455,011	n/a
July 1, 2012	\$ 78,446	380
October 1, 2012	\$ 64,260	330
January 1, 2013	\$ 73,022	375
April 1, 2013	\$ 81,136	415
June 1, 2013	\$ 2,493,637	n/a
July 1, 2013	\$ 74,293	380
October 1, 2013	\$ 60,662	330
January 1, 2014	\$ 68,934	375
April 1, 2014	\$ 76,765	415
June 1, 2014	\$ 2,552,437	n/a
July 1, 2014	\$ 70,291	380
October 1, 2014	\$ 61,778	330
January 1, 2015	\$ 70,202	375

Central Coast Water Authority
Santa Ynez Improvement District No. 1
 Four Year Financial Plan Charges

Table A Including Drought Buffer				700
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	700	2,570	3,270	
FY 2012/13	700	2,570	3,270	
FY 2013/14	700	2,570	3,270	
FY 2014/15	700	2,570	3,270	

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 2011/12	\$ 76,569	\$ 119,323	\$ -	\$ 119,323	\$ 192,158	\$ 156,923	\$ 349,081	\$ 216,896	\$ 761,869
FY 2012/13	78,866	116,121	-	116,121	192,158	147,590	339,748	335,816	870,550
FY 2013/14	81,232	117,624	-	117,624	192,158	152,017	344,175	337,130	880,161
FY 2014/15	83,669	119,182	-	119,182	192,158	156,578	348,736	335,485	887,073

(1) Includes capital improvement projects

(2) Net of CCWA credits

CCWA Variable O&M Charges

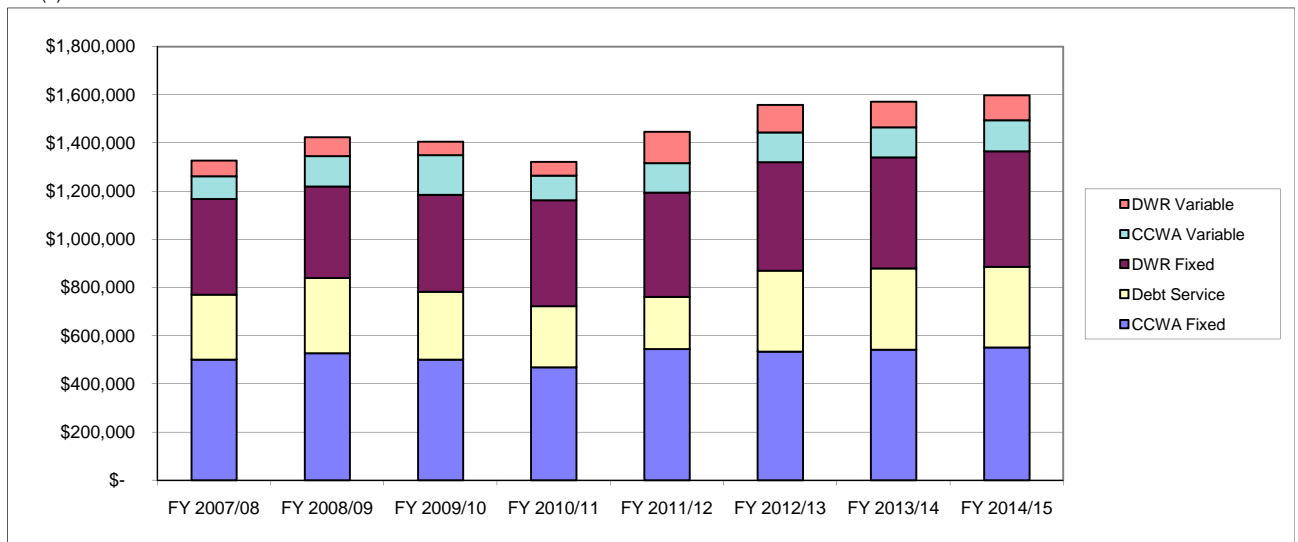
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 24,303	\$ -	\$ 8,860	\$ -	\$ 8,860	\$ 89,232	\$ -	\$ -	\$ 122,396
FY 2012/13	23,330	-	13,912	-	13,912	85,656	-	-	122,898
FY 2013/14	24,029	-	13,208	-	13,208	88,222	-	-	125,460
FY 2014/15	24,750	-	13,604	-	13,604	90,869	-	-	129,223

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2011/12	\$ 432,583	\$ 130,605	\$ 563,188	\$ 544,973	\$ 122,396	\$216,896	\$ 432,583	\$ 130,605	\$ 1,447,452
FY 2012/13	450,803	114,567	565,369	534,735	122,898	335,816	450,803	114,567	1,558,818
FY 2013/14	460,415	106,378	566,793	543,031	125,460	337,130	460,415	106,378	1,572,413
FY 2014/15	479,227	102,512	581,739	551,587	129,223	335,485	479,227	102,512	1,598,035

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Santa Ynez River Water Conservation District, ID#1

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2011	\$ 109,732	270	1,210
June 1, 2011	\$ 1,194,452	n/a	n/a
July 1, 2011	\$ 34,122	120	251
October 1, 2011	\$ 28,887	100	225
January 1, 2012	\$ 80,260	210	884
April 1, 2012	\$ 103,453	270	1,210
June 1, 2012	\$ 1,321,353	n/a	n/a
July 1, 2012	\$ 32,265	120	251
October 1, 2012	\$ 26,474	100	225
January 1, 2013	\$ 75,273	210	884
April 1, 2013	\$ 101,497	270	1,210
June 1, 2013	\$ 1,340,576	n/a	n/a
July 1, 2013	\$ 31,110	120	251
October 1, 2013	\$ 25,530	100	225
January 1, 2014	\$ 73,700	210	884
April 1, 2014	\$ 100,114	270	1,210
June 1, 2014	\$ 1,366,299	n/a	n/a
July 1, 2014	\$ 30,076	120	251
October 1, 2014	\$ 26,082	100	225
January 1, 2015	\$ 75,463	210	884

Central Coast Water Authority
Goleta Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				4,950
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	925	(925)	0	
FY 2012/13	925	(924)	1	
FY 2013/14	925	(925)	(0)	
FY 2014/15	925	(925)	(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 2011/12	\$ 896,476	\$ 138,890	\$ (485,388)	\$ (346,497)	\$ (69,279)	\$ (56,575)	\$ (125,854)	\$ 2,810,556	\$ 3,234,681
FY 2012/13	819,708	135,260	(472,743)	(337,484)	(69,087)	(53,063)	(122,151)	2,818,316	3,178,390
FY 2013/14	844,299	136,964	(478,739)	(341,774)	(69,177)	(54,726)	(123,903)	2,829,343	3,207,964
FY 2014/15	869,628	138,779	(485,082)	(346,303)	(69,177)	(56,368)	(125,545)	2,815,544	3,213,324

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

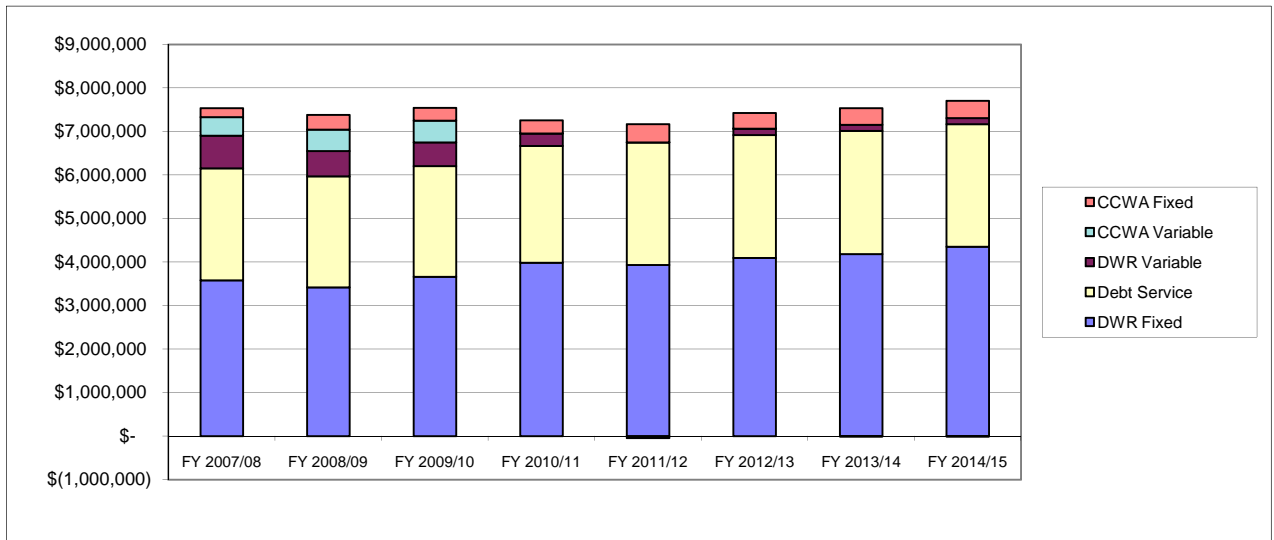
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2011/12	\$ 32,149	\$ 53,766	\$ (4)	\$ 54	\$ 50	\$ (32,171)	\$ (53,624)	\$ 169
FY 2012/13	30,886	53,650	4	(33)	(29)	(30,796)	(53,592)	119
FY 2013/14	31,742	53,650	(1)	7	6	(31,760)	(53,662)	(24)
FY 2014/15	32,694	53,650	(1)	7	6	(32,713)	(53,662)	(24)

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2011/12	\$ 3,936,853	\$ (40,316)	\$ 3,896,537	\$ 424,125	\$ 169	\$ 2,810,556	\$ 3,936,853	\$ (40,316)
FY 2012/13	4,100,061	151,516	4,251,577	360,073	119	2,818,316	4,100,061	151,516	7,430,086
FY 2013/14	4,187,354	140,695	4,328,048	378,622	(24)	2,829,343	4,187,354	140,695	7,535,989
FY 2014/15	4,357,524	135,439	4,492,963	397,780	(24)	2,815,544	4,357,524	135,439	7,706,263

(3) Net of DWR account interest income. Includes DWR fixed costs for the Goleta additional 2500 AF.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Goleta Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2011	\$ (112,506)	435	1
June 1, 2011	\$ 7,171,535	n/a	n/a
July 1, 2011	\$ 13,459	91	1
October 1, 2011	\$ 12,157	82	1
January 1, 2012	\$ 46,743	317	0
April 1, 2012	\$ 73,522	435	1
June 1, 2012	\$ 7,278,451	n/a	n/a
July 1, 2012	\$ 15,442	91	1
October 1, 2012	\$ 13,005	82	1
January 1, 2013	\$ 49,667	317	(1)
April 1, 2013	\$ 68,285	435	(1)
June 1, 2013	\$ 7,395,318	n/a	n/a
July 1, 2013	\$ 14,377	91	1
October 1, 2013	\$ 12,048	82	1
January 1, 2014	\$ 45,961	317	(1)
April 1, 2014	\$ 63,201	435	(1)
June 1, 2014	\$ 7,570,848	n/a	n/a
July 1, 2014	\$ 13,315	91	1
October 1, 2014	\$ 12,233	82	1
January 1, 2015	\$ 46,666	317	(1)

Central Coast Water Authority
Morehart Land Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				220
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	220	-	220	
FY 2012/13	220	-	220	
FY 2013/14	220	-	220	
FY 2014/15	220	-	220	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2011/12	\$ 39,843	\$ 7,773	\$ (27,166)	\$ (19,393)	\$ -	\$ -	\$ -	\$ 115,076	\$ 135,526
FY 2012/13	36,431	7,565	(26,440)	(18,875)	-	-	-	129,420	146,976
FY 2013/14	37,524	7,663	(26,784)	(19,121)	-	-	-	129,926	148,329
FY 2014/15	38,650	7,764	(27,139)	(19,375)	-	-	-	129,293	148,568

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

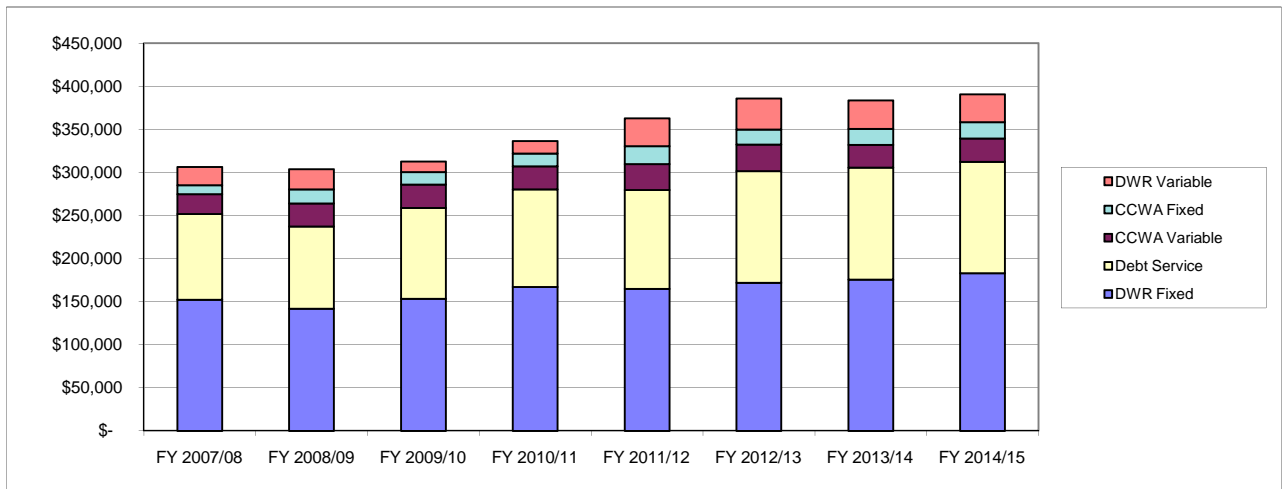
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 24,435	\$ 12,760	\$ 596	\$ (7,638)	\$ (7,042)	\$ -	\$ -	\$ -	\$ 30,153
FY 2012/13	24,633	12,760	936	(7,333)	(6,397)	-	-	-	30,996
FY 2013/14	20,389	12,760	889	(7,552)	(6,664)	-	-	-	26,485
FY 2014/15	21,001	12,760	915	(7,779)	(6,863)	-	-	-	26,897

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2012/13	172,118	35,848	207,966	17,557	30,996	129,420	172,118	35,848	385,938
FY 2013/14	175,818	33,274	209,092	18,403	26,485	129,926	175,818	33,274	383,907
FY 2014/15	183,218	32,248	215,467	19,275	26,897	129,293	183,218	32,248	390,932

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Morehart Land Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 14,350	59
June 1, 2011	\$ 300,327	n/a
July 1, 2011	\$ 15,121	50
October 1, 2011	\$ 17,964	60
January 1, 2012	\$ 15,269	51
April 1, 2012	\$ 18,275	59
June 1, 2012	\$ 319,095	n/a
July 1, 2012	\$ 15,487	50
October 1, 2012	\$ 17,882	60
January 1, 2013	\$ 15,200	51
April 1, 2013	\$ 16,374	59
June 1, 2013	\$ 324,147	n/a
July 1, 2013	\$ 13,877	50
October 1, 2013	\$ 15,951	60
January 1, 2014	\$ 13,558	51
April 1, 2014	\$ 15,795	59
June 1, 2014	\$ 331,786	n/a
July 1, 2014	\$ 13,386	50
October 1, 2014	\$ 16,197	60
January 1, 2015	\$ 13,767	51

Central Coast Water Authority
La Cumbre Mutual Water Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				1,100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	549	-	549	
FY 2012/13	1,100	-	1,100	
FY 2013/14	1,100	-	1,100	
FY 2014/15	1,100	-	1,100	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2011/12	\$ 199,217	\$ 38,867	\$ (135,832)	\$ (96,965)	\$ -	\$ -	\$ -	\$ 644,638	\$ 746,890
FY 2012/13	182,157	37,824	(132,199)	(94,375)	-	-	-	619,608	707,391
FY 2013/14	187,622	38,314	(133,920)	(95,607)	-	-	-	622,032	714,047
FY 2014/15	193,251	38,822	(135,695)	(96,873)	-	-	-	618,998	715,376

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

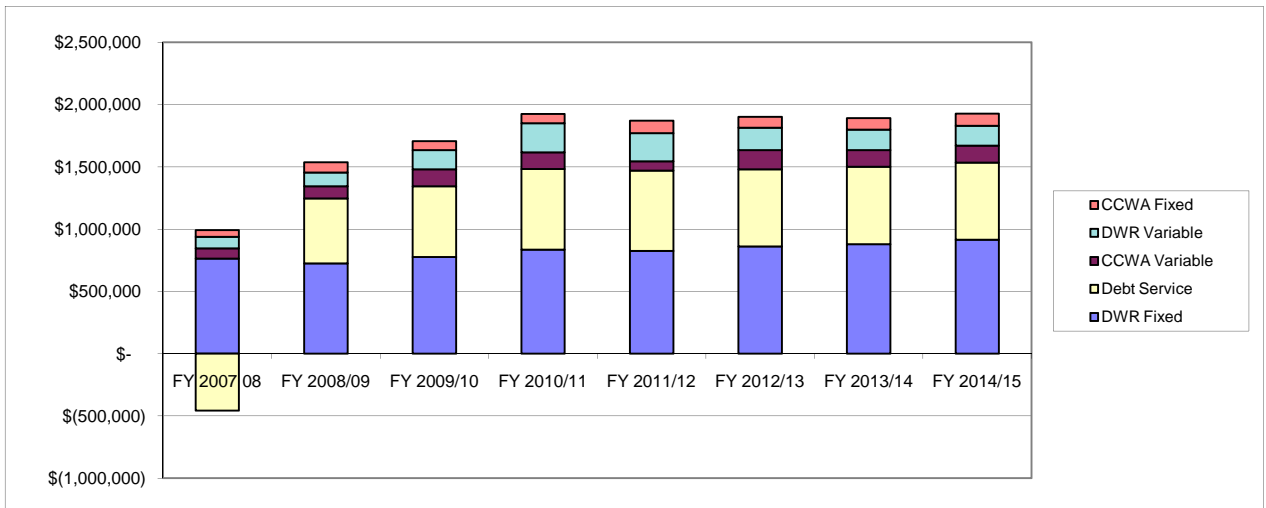
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 60,977	\$ 31,842	\$ 1,488	\$ (19,060)	\$ (17,573)	\$ -	\$ -	\$ -	\$ 75,246
FY 2012/13	123,167	63,800	4,680	(36,667)	(31,987)	-	-	-	154,980
FY 2013/14	101,945	63,800	4,443	(37,761)	(33,318)	-	-	-	132,427
FY 2014/15	105,003	63,800	4,576	(38,893)	(34,317)	-	-	-	134,486

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 2011/12	\$ 824,761	\$ 225,070	\$ 1,049,831	\$102,252	\$ 75,246	\$ 644,638	\$ 824,761	\$ 225,070	\$ 1,871,967
FY 2012/13	860,592	179,426	1,040,018	87,783	154,980	619,608	860,592	179,426	1,902,388
FY 2013/14	879,089	166,559	1,045,648	92,015	132,427	622,032	879,089	166,559	1,892,123
FY 2014/15	916,092	161,206	1,077,298	96,377	134,486	618,998	916,092	161,206	1,927,160

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

La Cumbre Mutual Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 171,769	150
June 1, 2011	\$ 1,571,651	n/a
July 1, 2011	\$ 48,609	150
October 1, 2011	\$ 31,783	99
January 1, 2012	\$ 48,155	150
April 1, 2012	\$ 96,020	310
June 1, 2012	\$ 1,567,982	n/a
July 1, 2012	\$ 77,746	251
October 1, 2012	\$ 80,469	270
January 1, 2013	\$ 80,171	269
April 1, 2013	\$ 86,035	310
June 1, 2013	\$ 1,593,136	n/a
July 1, 2013	\$ 69,660	251
October 1, 2013	\$ 71,779	270
January 1, 2014	\$ 71,513	269
April 1, 2014	\$ 82,993	310
June 1, 2014	\$ 1,631,467	n/a
July 1, 2014	\$ 67,197	251
October 1, 2014	\$ 72,886	270
January 1, 2015	\$ 72,616	269

Central Coast Water Authority
Raytheon
 Four Year Financial Plan Charges

Table A Including Drought Buffer				55
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	55	-	55	
FY 2012/13	55	-	55	
FY 2013/14	55	-	55	
FY 2014/15	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 2011/12	\$ 9,961	\$ 1,943	\$ (6,792)	\$ (4,848)	\$ -	\$ -	\$ -	\$ 28,635	\$ 33,748
FY 2012/13	9,108	1,891	(6,610)	(4,719)	-	-	-	27,092	31,481
FY 2013/14	9,381	1,916	(6,696)	(4,780)	-	-	-	27,198	31,798
FY 2014/15	9,663	1,941	(6,785)	(4,844)	-	-	-	27,065	31,884

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

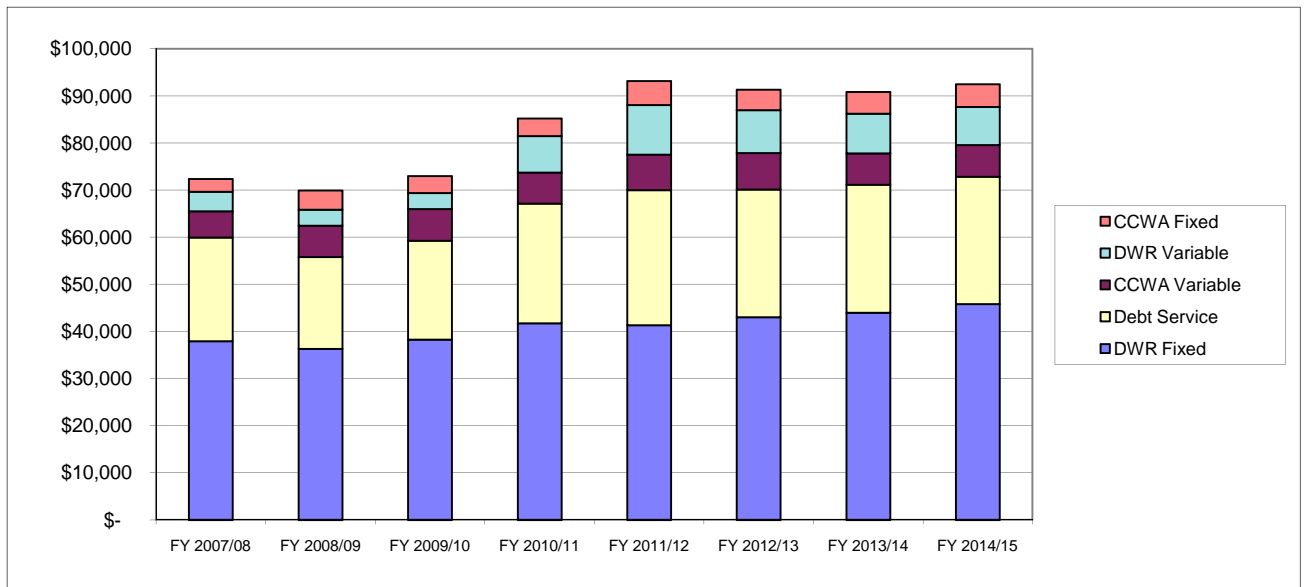
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2011/12	\$ 6,109	\$ 3,190	\$ 149	\$ (1,909)	\$ (1,760)	\$ -	\$ -	\$ -	\$ 7,538
FY 2012/13	6,158	3,190	234	(1,833)	(1,599)	-	-	-	7,749
FY 2013/14	5,097	3,190	222	(1,888)	(1,666)	-	-	-	6,621
FY 2014/15	5,250	3,190	229	(1,945)	(1,716)	-	-	-	6,724

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 2011/12	\$ 41,345	\$ 10,554	\$ 51,900	\$ 5,113	\$ 7,538	\$ 28,635	\$ 41,345	\$ 10,554	\$ 93,186	
FY 2012/13	43,030	9,088	52,117	4,389	7,749	27,092	43,030	9,088	91,347	
FY 2013/14	43,954	8,444	52,399	4,601	6,621	27,198	43,954	8,444	90,818	
FY 2014/15	45,805	8,038	53,843	4,819	6,724	27,065	45,805	8,038	92,451	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Raytheon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 7,966	23
June 1, 2011	\$ 75,093	n/a
July 1, 2011	\$ 4,771	15
October 1, 2011	\$ -	0
January 1, 2012	\$ 5,356	17
April 1, 2012	\$ 7,124	23
June 1, 2012	\$ 74,510	n/a
July 1, 2012	\$ 4,646	15
October 1, 2012	\$ -	0
January 1, 2013	\$ 5,067	17
April 1, 2013	\$ 6,383	23
June 1, 2013	\$ 75,753	n/a
July 1, 2013	\$ 4,163	15
October 1, 2013	\$ -	0
January 1, 2014	\$ 4,519	17
April 1, 2014	\$ 6,158	23
June 1, 2014	\$ 77,688	n/a
July 1, 2014	\$ 4,016	15
October 1, 2014	\$ -	0
January 1, 2015	\$ 4,589	17

Central Coast Water Authority
City of Santa Barbara
 Four Year Financial Plan Charges

Table A Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	615	(615)	0	
FY 2012/13	654	(617)	37	
FY 2013/14	615	(615)	0	
FY 2014/15	615	(615)	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 2011/12	\$ 597,651	\$ 92,784	\$ (324,258)	\$ (231,474)	\$ (45,819)	\$ (37,417)	\$ (83,236)	\$ 1,730,605	\$ 2,013,546
FY 2012/13	546,472	90,143	(315,056)	(224,914)	(46,118)	(35,422)	(81,539)	1,732,507	1,972,526
FY 2013/14	562,866	91,310	(319,159)	(227,849)	(46,118)	(36,484)	(82,602)	1,739,285	1,991,700
FY 2014/15	579,752	92,520	(323,388)	(230,869)	(46,118)	(37,579)	(83,697)	1,730,803	1,995,990

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

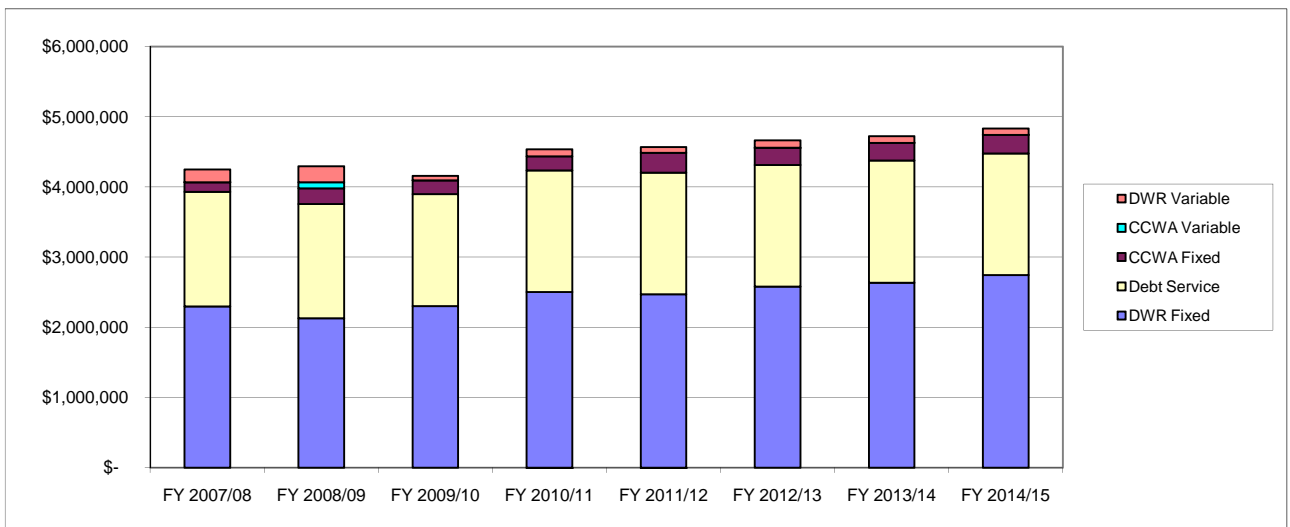
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2011/12	\$21,367	\$ 35,554	\$ 6	\$ (76)	\$ (70)	\$ (21,277)	\$ (35,658)	\$ (84)
FY 2012/13	24,723	37,932	158	(1,240)	(1,082)	(20,557)	(35,774)	5,241
FY 2013/14	21,123	35,670	(7)	62	55	(21,173)	(35,658)	16
FY 2014/15	21,757	35,670	(7)	64	56	(21,809)	(35,658)	16

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 2011/12	\$ 2,474,037	\$ 81,350	\$ 2,555,387	\$282,942	\$ (84)	\$ 1,730,605	\$ 2,474,037	\$ 81,350	\$ 4,568,850
FY 2012/13	2,581,775	107,326	2,689,101	240,019	5,241.13	1,732,507	2,581,775	107,326 34	4,666,868
FY 2013/14	2,637,266	93,546	2,730,813	252,414	16.00	1,739,285	2,637,266	93,546 29	4,722,528
FY 2014/15	2,748,275	90,048	2,838,323	265,187	16.13	1,730,803	2,748,275	90,047 82	4,834,328

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Barbara

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2011	\$ 34,674	290	(0)
June 1, 2011	\$ 4,487,584	n/a	n/a
July 1, 2011	\$ 8,603	60	(0)
October 1, 2011	\$ 7,562	53	(1)
January 1, 2012	\$ 30,428	212	(0)
April 1, 2012	\$ 48,911	290	(0)
June 1, 2012	\$ 4,554,301	n/a	n/a
July 1, 2012	\$ 22,177	99	39
October 1, 2012	\$ 8,188	53	(1)
January 1, 2013	\$ 33,292	212	(0)
April 1, 2013	\$ 45,575	290	(0)
June 1, 2013	\$ 4,628,966	n/a	n/a
July 1, 2013	\$ 9,431	60	(0)
October 1, 2013	\$ 7,718	53	(1)
January 1, 2014	\$ 30,839	212	(0)
April 1, 2014	\$ 42,187	290	(0)
June 1, 2014	\$ 4,744,264	n/a	n/a
July 1, 2014	\$ 8,730	60	(0)
October 1, 2014	\$ 7,836	53	(1)
January 1, 2015	\$ 31,311	212	(0)

Central Coast Water Authority
Montecito Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	2,000	(615)	1,385	
FY 2012/13	3,300	(617)	2,683	
FY 2013/14	3,300	(617)	2,683	
FY 2014/15	3,300	(617)	2,683	

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 2011/12	\$ 597,651	\$ 92,784	\$ (324,258)	\$ (231,474)	\$ (45,819)	\$ (37,417)	\$ (83,236)	\$ 2,026,134	\$ 2,309,075
FY 2012/13	546,472	90,143	(315,056)	(224,914)	(46,118)	(35,422)	(81,539)	2,036,339	2,276,358
FY 2013/14	562,866	91,310	(319,159)	(227,849)	(46,118)	(36,484)	(82,602)	2,044,306	2,296,720
FY 2014/15	579,752	92,520	(323,388)	(230,869)	(46,118)	(37,579)	(83,697)	2,034,336	2,299,523

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

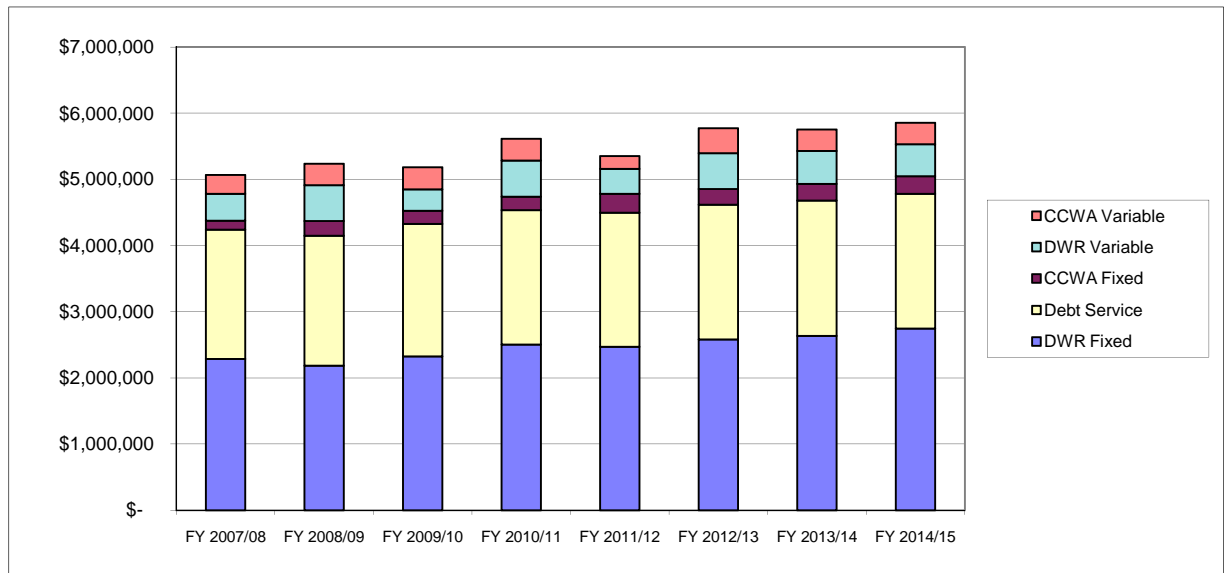
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2011/12	\$ 175,198	\$ 115,884	\$ 3,759	\$ (48,161)	\$ (44,402)	\$ (21,277)	\$ (35,658)	\$ 189,745
FY 2012/13	320,994	191,400	11,415	(89,440)	(78,024)	(20,557)	(35,774)	378,038
FY 2013/14	269,845	191,400	10,838	(92,108)	(81,271)	(21,173)	(35,774)	323,027
FY 2014/15	277,940	191,400	11,163	(94,872)	(83,709)	(21,809)	(35,774)	328,049

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 2011/12	\$ 2,472,708	\$ 380,675	\$ 2,853,384	\$282,941	\$ 189,745	\$ 2,026,134	\$ 2,472,708	\$ 380,675	\$ 5,352,203
FY 2012/13	2,581,775	537,891	3,119,666	240,019	378,038	2,036,339	2,581,775	537,891	5,774,062
FY 2013/14	2,637,266	499,291	3,136,557	252,414	323,027	2,044,306	2,637,266	499,291	5,756,304
FY 2014/15	2,748,275	483,692	3,231,967	265,187	328,049	2,034,336	2,748,275	483,692	5,859,538

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Montecito Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Requested SWP Delivery (acre-feet)
April 1, 2011	\$ 66,339	290	(0)
June 1, 2011	\$ 4,781,783	n/a	n/a
July 1, 2011	\$ 11,170	60	(0)
October 1, 2011	\$ 281,369	900	846
January 1, 2012	\$ 211,543	750	538
April 1, 2012	\$ 275,023	1,020	730
June 1, 2012	\$ 4,858,133	n/a	n/a
July 1, 2012	\$ 186,651	630	570
October 1, 2012	\$ 260,622	900	846
January 1, 2013	\$ 193,633	750	538
April 1, 2013	\$ 248,121	1,020	730
June 1, 2013	\$ 4,933,987	n/a	n/a
July 1, 2013	\$ 167,592	630	570
October 1, 2013	\$ 232,761	900	846
January 1, 2014	\$ 173,844	750	538
April 1, 2014	\$ 237,569	1,020	730
June 1, 2014	\$ 5,047,797	n/a	n/a
July 1, 2014	\$ 161,298	630	570
October 1, 2014	\$ 236,352	900	846
January 1, 2015	\$ 176,523	750	538

Central Coast Water Authority
Carpinteria Valley Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				2,200
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2011/12	413	(413)	(0)	
FY 2012/13	413	(413)	(0)	
FY 2013/14	413	(413)	(0)	
FY 2014/15	413	(413)	(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 2011/12	\$ 398,434	\$ 61,597	\$ (215,267)	\$ (153,670)	\$ (31,044)	\$ (25,352)	\$ (56,396)	\$ 1,165,192	\$ 1,353,560
FY 2012/13	364,315	60,095	(210,038)	(149,942)	(30,745)	(23,614)	(54,360)	1,164,167	1,324,179
FY 2013/14	375,244	60,873	(212,773)	(151,900)	(30,745)	(24,323)	(55,068)	1,168,721	1,336,998
FY 2014/15	386,501	61,680	(215,592)	(153,912)	(30,745)	(25,052)	(55,798)	1,163,021	1,339,813

(1) Includes capital improvement projects.
 (2) Net of CCWA charges.

CCWA Variable O&M Charges

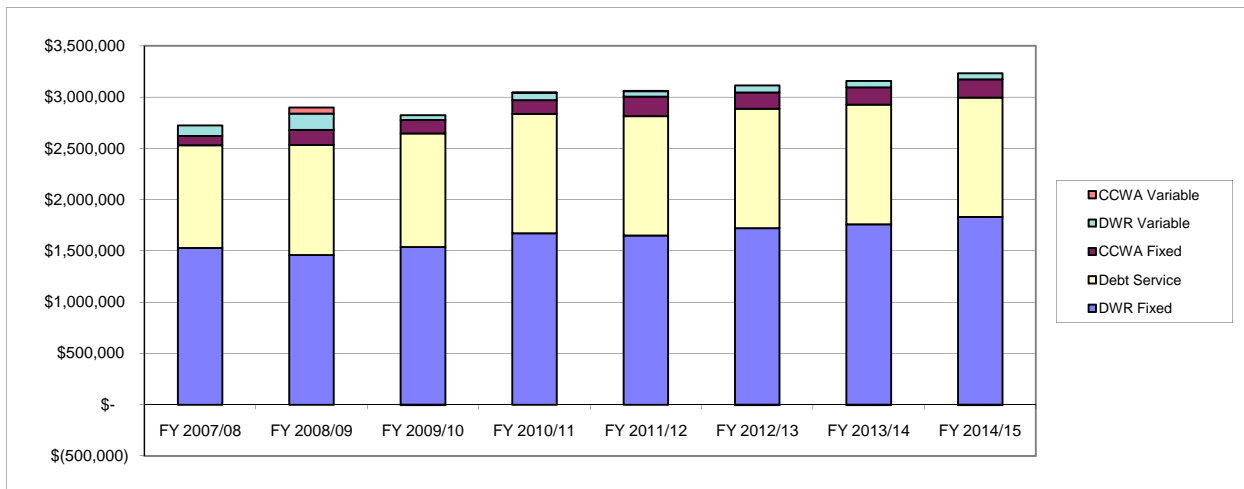
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2011/12	\$ 14,324	\$ 24,070	\$ (6)	\$ 76	\$ 70	\$ (14,416)	\$ (23,966)	\$ 82
FY 2012/13	13,749	23,954	8	(60)	(52)	(13,705)	(23,966)	(20)
FY 2013/14	14,166	23,954	7	(62)	(55)	(14,116)	(23,966)	(16)
FY 2014/15	14,591	23,954	7	(64)	(56)	(14,539)	(23,966)	(16)

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2011/12	\$ 1,649,338	\$ 55,051	\$ 1,704,389	\$ 188,368	\$ 82	\$ 1,165,192	\$ 1,649,338	\$ 55,051
FY 2012/13	1,721,183	67,640	1,788,823	160,012	(20)	1,164,167	1,721,183	67,640	3,112,983
FY 2013/14	1,758,178	62,808	1,820,986	168,276	(16)	1,168,721	1,758,178	62,808	3,157,967
FY 2014/15	1,832,183	60,473	1,892,657	176,791	(16)	1,163,021	1,832,183	60,473	3,232,453

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2011/12 Four Year Financial Plan
 Project Participant Payment Summary

Carpinteria Valley Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2011	\$ 23,571	194	0
June 1, 2011	\$ 3,002,898	n/a	n/a
July 1, 2011	\$ 5,746	40	(0)
October 1, 2011	\$ 5,367	37	1
January 1, 2012	\$ 20,449	142	1
April 1, 2012	\$ 32,753	194	0
June 1, 2012	\$ 3,045,362	n/a	n/a
July 1, 2012	\$ 6,756	40	(0)
October 1, 2012	\$ 5,803	37	1
January 1, 2013	\$ 22,308	142	1
April 1, 2013	\$ 30,482	194	0
June 1, 2013	\$ 3,095,175	n/a	n/a
July 1, 2013	\$ 6,287	40	(0)
October 1, 2013	\$ 5,373	37	1
January 1, 2014	\$ 20,650	142	1
April 1, 2014	\$ 28,215	194	0
June 1, 2014	\$ 3,171,996	n/a	n/a
July 1, 2014	\$ 5,820	40	(0)
October 1, 2014	\$ 5,456	37	1
January 1, 2015	\$ 20,967	142	1





Removing Sludge from DWR Forebay

Appendix

The Appendix to the FY 2011/12 Budget contains miscellaneous statistical information on the CCWA, the CCWA Investment Policy and a glossary of terms.



Central Coast Water Authority
Santa Barbara County Area Description
Fiscal Year 2011/12 Budget

Santa Barbara County is located on the Pacific coast of the southern portion of the State of California, just west of Ventura County. The estimated total population of the County as of January 2006 was 421,625 according to the California Department of Finance. The county seat is Santa Barbara and the largest city is Santa Maria.

For thousands of years, the area was home to the Chumash tribe of Native Americans, complex hunter-gathers who lived along the coast and in interior valleys leaving rock art in many locations including Painted Cave. European contact had devastating effects on the Chumash Indians, including a series of disease epidemics that drastically reduced Chumash population. The Chumash survived, however, and thousands of Chumash descendants still live in the Santa Barbara area or surrounding counties.

The County has a total area of 3,789 square miles and four of the Channel Islands – San Miguel Island, Anacapa Island, Santa Cruz Island and Santa Rosa Island – are in Santa Barbara County. They form the largest part of the Channel Islands National Park.

Santa Barbara County has a mountainous interior abutting a coastal plains area. The largest concentration of people is on this coastal plain, referred to as the south coast – the part of the county south of the Santa Ynez Mountains – which includes the cities of Santa Barbara, Goleta and Carpinteria, as well as the unincorporated areas of Hope Ranch, Mission Canyon, Montecito and Isla Vista. North of the mountains are the towns of Santa Ynez, Solvang, Buellton, Lompoc; the unincorporated towns of Los Olivos and Ballard; the unincorporated areas of Mission Hills and Vandenberg Village; and Vandenberg Air Force Base, where the Santa Ynez River flows out to the sea. North of the Santa Ynez Valley are the cities of Santa Maria and Guadalupe.

Viticulture in Santa Barbara County is traceable to missionary plantings in the Milpas Valley late in the 18th century. Since commercial viticulture rebounded in the 1960's, Santa Barbara County has been on the fast track to viticultural stardom.

Famous for ripe, yet elegant, Chardonnay and Pinot Noir, the County is also gaining a reputation for Rhone varietals including Syrah and Viognier. Santa Barbara wine grapes now command among the highest prices anywhere in the State.

Located on California's South Central Coast, the county is an oasis of rolling hills, ancient oak trees and cattle ranches. The County now claims more than 60 wineries and 21,000 acres of vine.

Central Coast Water Authority
Miscellaneous Statistical Information
 Fiscal Year 2011/12 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	28.50
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2011/12 Santa Barbara County requested deliveries	28,312 acre-feet
San Luis Obispo State water Table A	4,830 acre-feet
FY 2011/12 San Luis Obispo requested deliveries	4,435 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	340,000
San Luis Obispo County	<u>41,000</u>
TOTAL	381,000

CENTRAL COAST WATER AUTHORITY
STATEMENT OF INVESTMENT POLICY

I. PURPOSE:

This statement is intended to provide guidelines for the prudent investment of the Authority's cash balances, and outline the policies for maximizing the efficiency of the Authority's cash management system. The ultimate goal is to enhance the economic status of the Authority while protecting its assets.

II. SCOPE

It is intended that this policy cover all funds and investment activities under the direct authority of the Authority Board of Directors.

III. OBJECTIVES

- A. **Safety.** Safety of principal is the foremost objective of the Authority. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value.

- B. **Liquidity.** An adequate percentage of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet cash requirements.

- C. **Yield.** Yield shall become a consideration only after the basic requirements of safety and liquidity have been met.

- D. Market-Average Rate of Return. The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Authority's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict investments.
- E. Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.
- F. Prudence (Civil Code #2261). The standard of prudence to be used by investment officials shall be the "prudent investor" per Government Code section 53600.3 which states: "care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency". This "Prudent Investor Standard" shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.
- G. Public Trust. All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

IV. DELEGATION OF AUTHORITY:

- A. Investment Officer. Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

- B. Investment Oversight Committee. The Authority Finance Committee shall serve as the Investment Oversight Committee. The purpose of the Committee is to: (1) review the investment practices used by the Investment Officer for compliance with the investment policy and written procedures, (2) analysis of the quarterly Treasurer's report for adherence to established guidelines, and (3) advise Authority Board of Directors of any deviations from guidelines or any practices which are deemed to be imprudent for a public agency.

V. INTERNAL CONTROLS:

The Investment Officer shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by employees and officers of the Authority.

VI. REPORTING:

The Investment Officer shall submit monthly to the Board an investment report that summarizes all securities. For those securities with a maturity of more than 12 months, the type of investment, institution, date of maturity, investment amount, market value, and yield will also be provided. The Investment Officer shall also provide, on a quarterly basis, a statement of compliance of the portfolio with the Statement of Investment Policy and a statement of the Authority's ability to meet the expenditure requirements for the next six months.

VII. APPROVED INSTRUMENTS:

The Authority shall be governed by the California Government Code, Sections 53600 et seq. Where this policy specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Within the context of these limitations, the following investments are authorized, provided, however, that where there is no limitation on the term of the investment, no investment shall be made in any security which, at the time of the investment, has a term remaining to maturity in excess of 5 years, unless specifically exempted in Section X of this Investment Policy or the Board has granted express authority to make that investment no less than 3 months prior to the investment:

- (a) United States notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Obligations issued by government sponsored corporations such as the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), and the Federal National Mortgage Association (FNMA).

- (c) Commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investors Service, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars and have a rating of A-1+ by Standard & Poor's Corporation and P-1 by Moody's Investors Service and which matures not more than 270 days after the date of purchase. Purchases of commercial paper may not exceed 25 percent of the Authority's surplus money invested.

Commercial paper investments with one company may not exceed one-third (33 1/3%) of total commercial paper investments.

- (d) Time deposits. The Authority may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.
- (e) Local Agency Investment Fund. The Authority may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer up to the maximum permitted by State law.
- (f) Money market funds rated "AAAm" or AAAM-G" or better by Standard & Poor's Corporation.
- (g) Collateralized money market accounts. The Authority may invest in money market accounts at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.

VIII. DEPOSITORIES:

The Treasurer will establish selection criteria for pre-approval of institutions with which to do business. To qualify for selection, an institution must have an office in California. A written listing of approved institutions will be maintained by the Investment Officer.

IX. BROKER/DEALERS:

To provide for the optimum yield in the investment of the Authority's funds, the Authority's investment procedures shall be designed to encourage competitive bidding on transactions from approved brokers/dealers. In order to be approved by the Authority, the dealer must be a primary dealer reporting to the New York Federal Reserve, unless a comprehensive credit and capitalization analysis reveals that the firm is adequately financed to conduct public business; the dealer must be experienced in institutional trading practices and familiar with the California Government Code as related to investments; and other criteria as may be established in the investment procedures.

X. MATURITY RESTRICTIONS:

In addition to the 5 year limitation on investments specified in this policy, the average maturity of the Authority's combined portfolio shall not exceed 2 years without prior approval of the Board (for a specified period). Reserve Fund investments are exempt from this restriction; however, reserve fund investment maturities shall be limited to or prior to final maturity of the Authority's Bond Financing.

XI. RISK TOLERANCE

The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Investment Officer is expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Investment Officer shall periodically establish guidelines and strategies to control risks of default, market price changes, and illiquidity. In addition to these general policy considerations, the following specific policies will be strictly observed.

XII. SAFEKEEPING AND CUSTODY:

To protect against potential fraud and embezzlement, the assets of the Authority shall be secured through third-party custody and safekeeping procedures. The Investment Officer shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by the independent auditor and any irregularities noted should be reported promptly to the Treasurer and the Board.

XIII. PERFORMANCE EVALUATION AND OPERATIONS AUDIT:

The monthly investment reports submitted to the Board shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

XIV. ETHICS:

All persons authorized to place or approve investments shall report annually on Form 700 of the Fair Political Practices Commission all required economic interests for that year.

XV. UPDATE OF POLICY:

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.

Central Coast Water Authority

Glossary of Terms

Fiscal Year 2011/12 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 2011/12 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.

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,

Central Coast Water Authority
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deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

G

General Fund - The Authority's cash balance net of reserve balances.

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J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

Central Coast Water Authority

Glossary of Terms

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O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

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

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

Central Coast Water Authority

Glossary of Terms

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Reserves - A budgeted amount to be set aside in an account for future use.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Revenue Bond - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

Right of Way - A legal right of passage over another person's ground.

S

Santa Ynez Exchange Agreement - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

T

Table A Amount - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

Central Coast Water Authority

Glossary of Terms

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Table A Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

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

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Water Supply Agreement - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

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

THE STATE WATER PROJECT IN SANTA BARBARA COUNTY

Introduction

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

History of the State Water Project

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).

Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

The State Water Project in Santa Barbara County

The Early Years

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

The 1980's and 1990's

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report, needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.

The Central Coast Water Authority

Early Activities

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water (CCWA's Mission Statement and Objectives are contained in **Error! Reference source not found.**). Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Southern California Water Company, La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch

Phase II project, which extends from northwest Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

Project Financing, Development and Implementation

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000.)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. **Error! Reference source not found.** is a project map depicting the facilities constructed by the State, CCWA and various project participants. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past

Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the federal government to provide drinking water to South Coast and Santa Ynez Valley residents. The route of this 42-mile CCWA extension is shown in Figure 5.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings. CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

A Commitment to Environmental Protection

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's cultural experts could study the sites, report them to the state and federal agencies and then mitigate.

- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and curating 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County) and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

Water Supply Reliability

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 80% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out. In the meantime, the reliability of requested deliveries by CCWA project participants is much higher – virtually 100% – because their current total demand is significantly less than 39,078 acre feet per year.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.
- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and

has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.

- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

The Future

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives (Figure 3). CCWA has built both the organization and infrastructure that will support this vision well into the future.

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Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies
(and year of initial water delivery)**

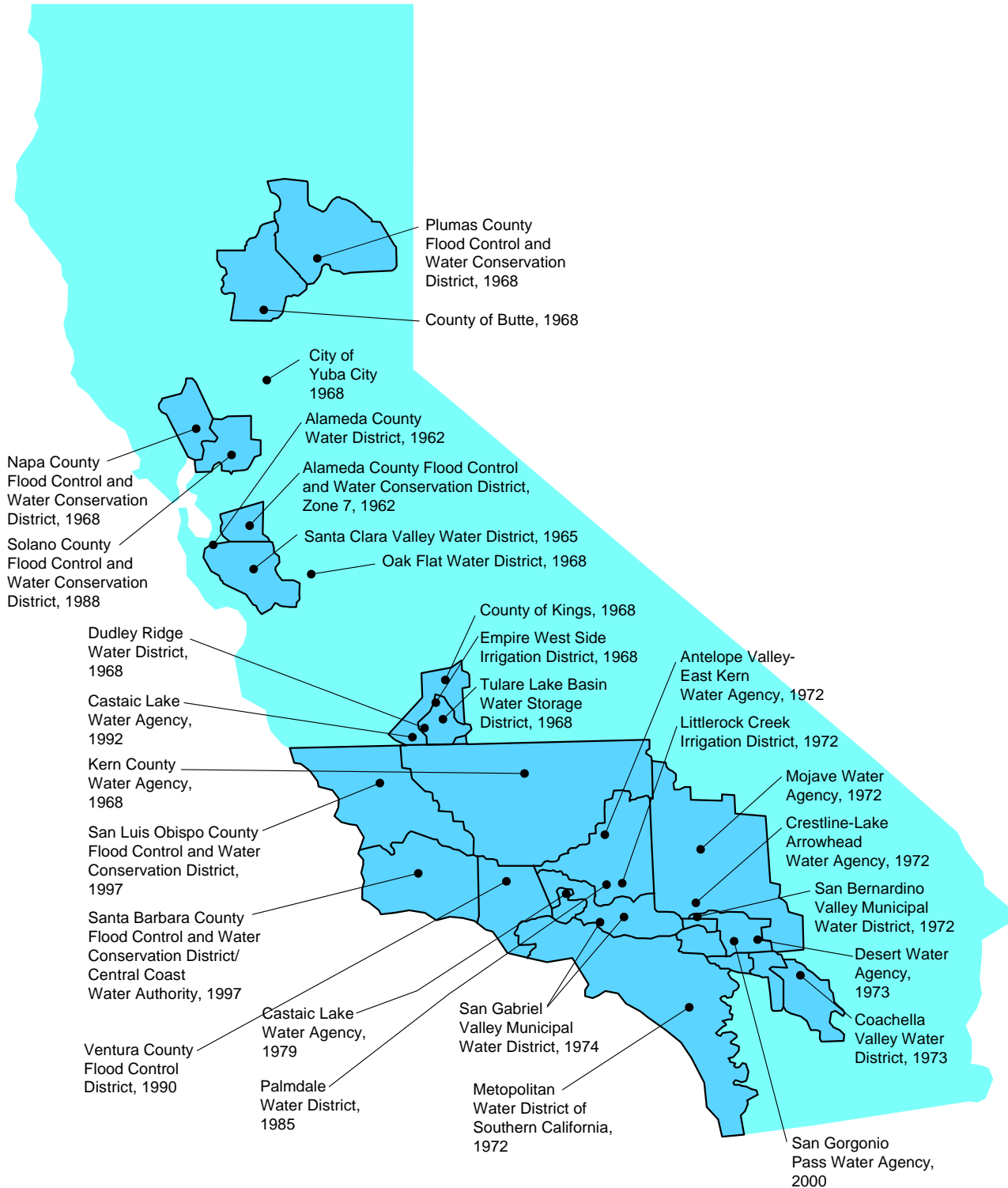


Table 1

COASTAL BRANCH PHASE II PROJECT DATA *

Tank Sites*	1	1	2	5	7
	raw water	treated water	treated water	treated water	treated water
# of tanks	3	2	2	2	1
total capacity (million gallons)	24.2	9.8	6.4	5	2.5

* Tank sites 3, 4 and 6 were eliminated during design of the facilities.

Polonio Pass Water Treatment Plant	43 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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Pipeline		
<u>Location (from/to)</u>	<u>Pipeline Diameter (inches)</u>	<u>Distance (miles)</u>
Devils Den Pumping Plant/Tank1	57	13.0
Tank1/Salinas River	48	33.0
Salinas River/Cuesta Tunnel	51	7.1
Cuesta Tunnel/Tank 5	42	47.5
Tank 5/Purisima Road	39	13.3
Purisima Road/Santa Ynez Pumping Facility	36	21.2
Santa Ynez P.F./Lake Cachuma	30	8.0
Total Pipeline >>>		143.1

Pump Plants	<u>Flow Rate (cfs)</u>	<u>Horsepower (each pump)</u>	<u># of Pumps</u>	<u>Lift (ft)</u>
Devils Den Pumping Plant (DWR)	100	1760	6	550
Bluestone Pumping Plant (DWR)	100	1760	6	550
Polonio Pass Pumping Plant (DWR)	100	1760	6	550
Santa Ynez Pumping Facility (CCWA)	22	300	5	250

Turnouts	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	California Cities Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Santa Barbara Research Center, La Cumbre Mutual Water Co.

* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.

