

Central Coast Water Authority

**fiscal year
2016/17 Budget**



A California Joint Powers Authority

Central Coast Water Authority

A CALIFORNIA JOINT POWERS AUTHORITY

Fiscal Year
2016/17 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, 2015

Jeffrey R. Egan

Executive Director

Central Coast Water Authority
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Assembly of Bypass Piping at Bradbury Dam

Budget Foreword

The Budget Foreword section of the FY 2016/17 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	7
• Number of turnouts	11
• Number of full-time equivalent Positions	30.25

Central Coast Water Authority
Reader's Guide
Fiscal Year 2016/17 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. **TEN YEAR FINANCIAL PLAN** The ten year financial plan section of the budget provides the ten 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 28, 2016

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

Submitted herewith is the Fiscal Year (FY) 2016/17 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 2016/17.

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 pursues 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 eighteen consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2016/17 Budget for consideration of the GFOA budget award.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2015/16:

Water Deliveries

Total deliveries during FY 2015/16 by CCWA to the Santa Barbara and San Luis Obispo County project participants are estimated to be 20,731 acre-feet compared to the actual FY 2014/15 deliveries of 18,823 acre-feet. The graph on the following page shows water deliveries for the last ten fiscal years.

Jack Boysen
Chairman

Richard Shaikewitz
Vice Chairman

Ray Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

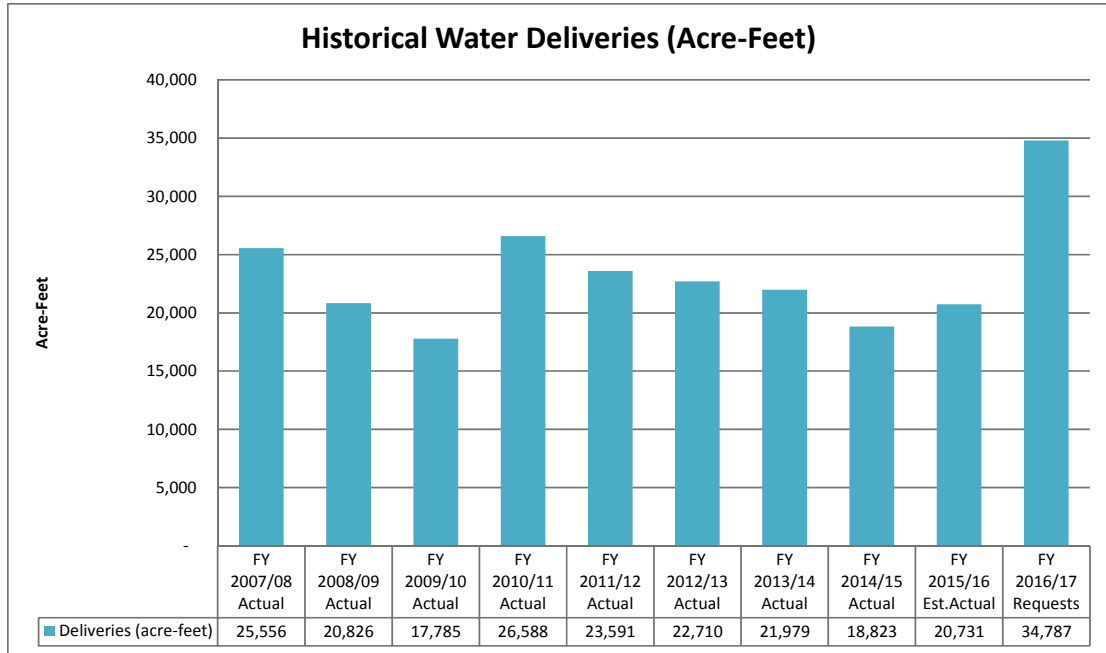
Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company



CCWA Supplemental Water Purchase Program

In response to the continued ongoing drought in California, the CCWA Board of Directors authorized the development of a Supplemental Water Purchase Program (SWPP) for those CCWA project participants that needed additional water supplies to help meet their demand not being met with other water supplies.

In calendar year 2015, CCWA entered into a number of different transactions to purchase 10,000 AF of water. In 2016, CCWA is pursuing an additional 10,000 AF of water for certain CCWA project participants. These purchases have been instrumental in allowing our project participants to meet their demand.

Below, is a summary of the total water purchased under the SWPP for calendar years 2014 and 2015.

Project Participant	Water Purchased 2014-2015 (AF)	Cost of Purchased Water
City of Santa Barbara	7,278	\$ 4,609,031
La Cumbre Mutual Water Co.	150	95,748
Montecito Water District	4,743	2,469,569
Goleta Water District	2,500	1,250,000
Santa Ynez ID#1 (Solvang)	978	716,520
Total:	15,648	\$ 9,140,868

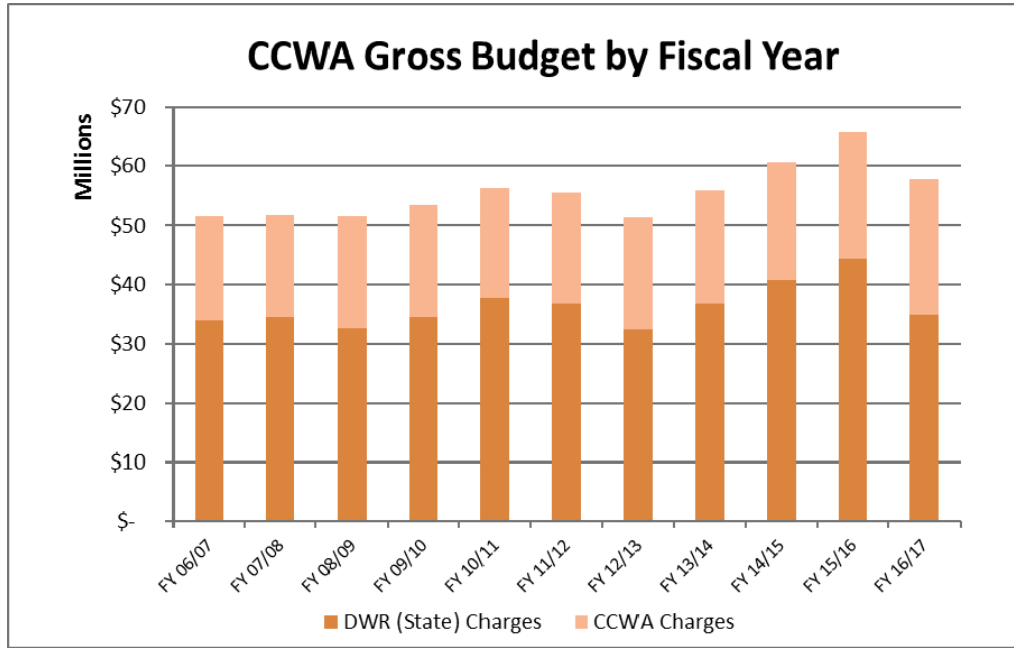
Sources	(AF/Year)
Antelope Valley East Kern WD	10,000
Mojave Water Agency	1,000
Biggs West Gridley Water District	2,942
Vandenberg Air Force Base	1,659
Other	47
TOTAL:	15,648

CCWA Credits

Actual CCWA operating expenses for FY 2015/16 are anticipated to be approximately \$1.5 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2016/17.

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 2006/07 to FY 2016/17.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2015/16 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2014/15 Comprehensive Annual Financial Report.

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2016 and 2017, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 34,251 and 34,730 acre-feet, respectively.

Department of Water Resources Activities and Related Costs

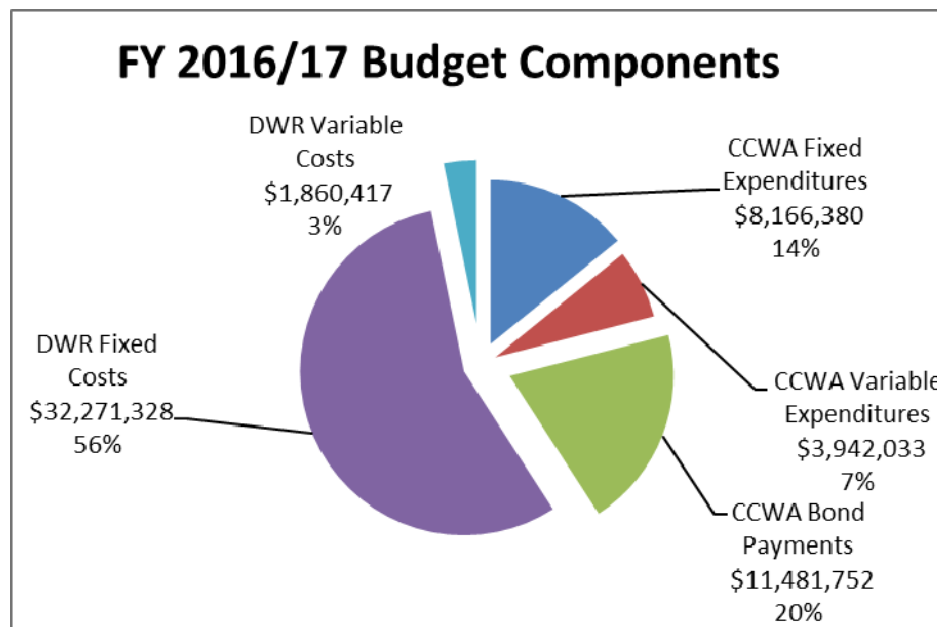
During FY 2016/17, CCWA staff will continue to work through the State Water Contractor (SWC) board and committees that interact with the Department of Water Resources (DWR) which impact CCWA and the California water agencies as a whole. There are many significant issues on which DWR and the SWC are working 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.

California Drought

The State of California is in the fifth year of drought which is creating extensive and multiple issues for individual water agencies such as CCWA. While CCWA has been successful in acquiring additional water supplies to meet the needs of our project participants, should the drought continue into 2017, there is no doubt that even more complex and severe challenges will be encountered. As a result, much of CCWA's staff efforts will involve the proactive efforts to respond to this prolonged drought.

FY 2015/16 BUDGET SUMMARY

The FY 2016/17 budget calls for total project participant payments of \$57.3 million compared to the FY 2015/16 budget of \$65.6 million, a \$8.3 million decrease. These amounts include \$0.4 million in CCWA credits for FY 2016/17 and \$0.1 million for FY 2015/16. The following graph shows the breakout of the various cost components in the CCWA FY 2016/17 Budget:



The following table compares the FY 2016/17 Budget and the FY 2015/16 Budget:

Budget Item	Final FY 2015/16 Budget	Final FY 2016/17 Budget	Increase (Decrease)
CCWA Expenses			
CCWA Operating Expenses - Fixed	\$ 6,513,938	\$ 6,815,580	\$ 301,642
CCWA Operating Expenses - Variable	2,663,553	3,942,033	\$ 1,278,480
Revenue Bond Debt Service Payments	11,493,045	11,481,752	(11,292)
Capital Improvement Projects	738,141	752,048	13,907
Total CCWA Expenses:	21,408,675	22,991,413	1,582,737
Pass-Through Expenses			
DWR Fixed Costs	37,687,864	32,271,328	(5,416,536)
DWR Variable Costs	5,859,050	1,860,417	(3,998,633)
Warren Act and Trust Fund Payments	712,072	598,753	(113,320)
Total Pass-Through Expenses:	44,258,987	34,730,498	(9,528,489)
Subtotal Gross Budget:	65,667,662	57,721,910	(7,945,752)
CCWA Credits	(104,480)	(418,781)	(314,301)
TOTAL:	\$ 65,563,182	\$ 57,303,129	\$ (8,260,052)

CCWA Operating Expense Budget

The FY 2016/17 CCWA operating expense budget total is \$10.8 million, which is \$1.6 million higher than the FY 2015/16 operating expense budget, a 17.22% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2016/17 and FY 2015/16.

	Final FY 2015/16 Budget	Preliminary FY 2016/17 Budget	Increase	Percentage Change
Fixed O&M	\$ 6,513,938	\$ 6,815,580	\$ 301,642	4.63%
Variable O&M	2,663,553	3,942,033	1,278,480	48.00%
Total:	\$ 9,177,490	\$ 10,757,612	\$ 1,580,122	17.22%

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 by about \$502,000 which includes the following changes from the prior year:

- The FY 2016/17 Budget includes a \$134,500 salary pool for employee salary increases based on a salary pool percentage of 5.03%. The salary pool percentage is comprised of a 3% merit component and a 2.03% change in the consumer price index. The total salaries and wages budget is increasing by about

\$205,000 largely due to the addition of a new position for a Finance Director with an estimated starting annual salary around \$130,000. Current employee salaries are increasing by approximately \$109,000.

- PERS retirement expenses are increasing by about \$185,000 due to the following: A \$125,000 additional annual payment towards paying down CCWA's unfunded accrued pension liability (approved by the Board of Directors on March 24, 2016), salary increases, the new Finance Director position, plus the change in the employer and employee contribution rate for the FY 2016/17 to 22.071% as compared to the prior year amount of 21.035%.
- Health insurance expenses and cafeteria plan benefits combined are increasing by about \$134,000 due to an increase in dental and vision claims along with a 15.03% increase in health insurance premiums, as opposed to the budgeted increase of 5% for calendar year 2016. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2017.
- The FY 2016/17 Budget includes \$46,500 for deposit into the California Employers' Retiree Benefit Trust Program (CERBT) which represents a \$2,580 increase in the estimated FY 2016/17 amount from the FY 2015/16 budgeted amount of \$43,920 for the annually required contribution for the CCWA retiree medical benefit.

Supplies and Equipment

Supplies and equipment are increasing by around \$770,000 due primarily to the increased cost of chemicals needed for drought related water quality changes.

Monitoring Expenses

Monitoring expenses are increasing by \$14,000 for lab supplies and lab testing as compared to last fiscal year due to drought related water quality monitoring along with new required testing.

Repairs and Maintenance

Repairs and maintenance costs are remaining essentially the same as prior fiscal year.

Professional Services

Professional Services are decreasing by \$114,000 primarily due to a decreased need for additional legal services and professional services.

Utilities

Utility expenses are increasing by about \$506,000 primarily due to an increase in the cost of electricity that is partially offset by a decrease in requested water deliveries into Lake Cachuma of 1,954 AF compared to the prior fiscal year.

CCWA Capital Improvement Projects

The FY 2016/17 Budget includes \$752,048 for capital improvements, a \$13,907 increase over the prior year amount. All capital improvement projects are funded on a current basis from project participant assessments.

Please refer to the “*Capital Improvements*” section of this FY 2016/17 Budget for additional information on the budgeted capital improvement projects.

CCWA 2006A Revenue Bond Debt Service

CCWA 2006A revenue bond debt service for FY 2016/17 totals \$11.5 million, which is \$11,292 less than the prior year amount.

Warren Act and Trust Fund Payments

The FY 2016/17 Budget includes \$598,753 for Warren Act and Trust Fund MOU payments based on \$58 per acre foot for 10,323 acre feet of water to be delivered to Lake Cachuma.

CCWA Credits

The FY 2015/16 budget includes the following credits:

CCWA O&M Credits	\$	386,120
O&M Reserve Fund Interest Income		5,199
Rate Coverage Reserve Fund Interest		26,236
Prepayments and Other Credits		1,226
	\$	<u>418,781</u>

DWR Charges

The FY 2016/17 DWR fixed charges total \$32.3 million, which is \$5.4 million less than the FY 2015/16 Budget. The DWR variable charges total \$1.9 million, which is \$4.0 million 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 successfully overcoming the challenges of the upcoming year.

Sincerely,


Ray Stokes
Executive Director

Project Map



LEGEND

- Coastal Branch, Phase II
- COWA 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 2016/17 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 28 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 (SLOFCWCD 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 2016/17 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 three Authority committees. They consist of the Finance Committee, Personnel Committee, and Operating 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 2016/17 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 2016/17 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 2016/17 Budget

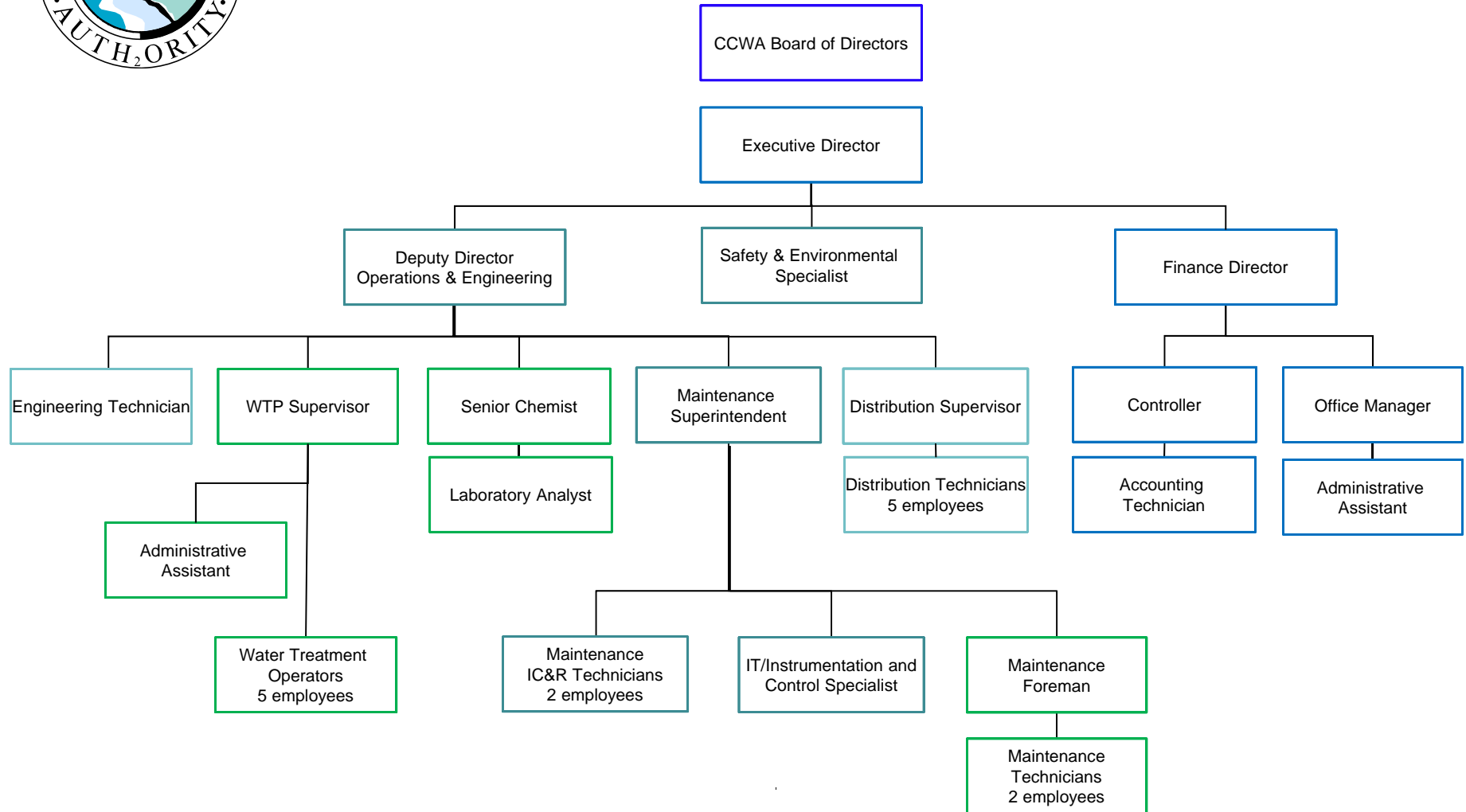
mountains to and through the County of San Luis Obispo to a terminus in northern Santa Barbara County. Its largest diameter is 57 inches between the Devils Den Pumping Plant and Tank 1 and its smallest diameter is 42 inches along the southerly-most 48 miles.

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 50 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 Public Health.



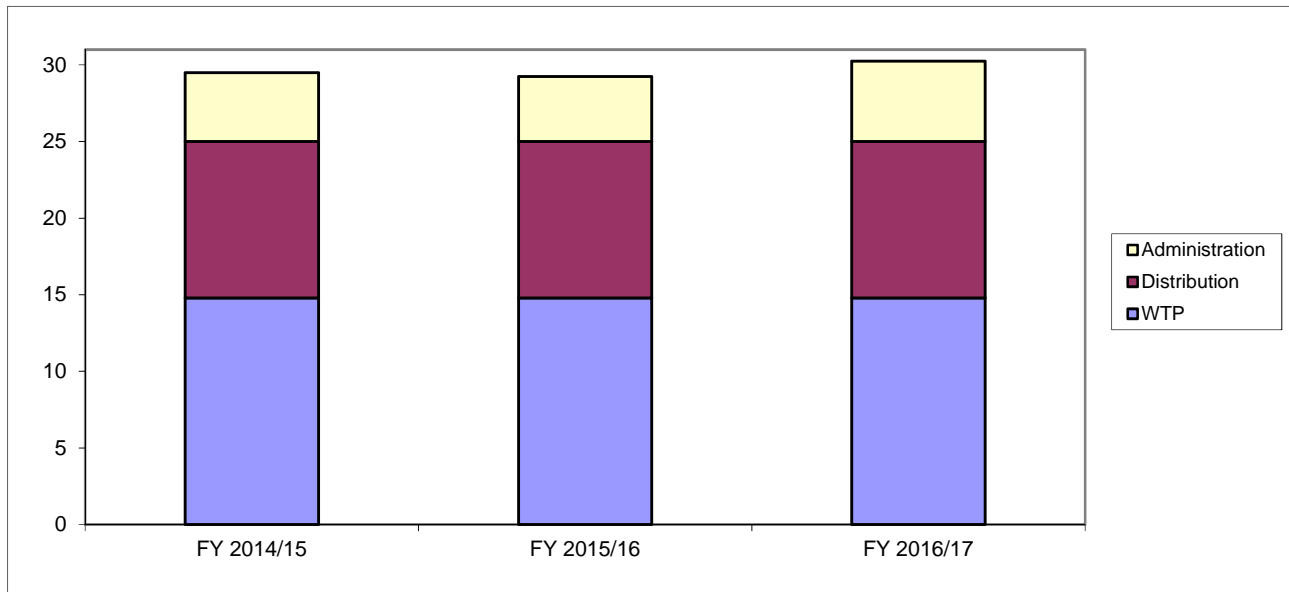
Central Coast Water Authority Organization Chart FY 2016/17



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2016/17 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2014/15	Authorized FY 2015/16	Requested FY 2016/17	Over FY 2014/15	Over FY 2015/16
Executive Director	1.00	1.00	1.00	-	-
Deputy Director of Operations	1.00	1.00	1.00	-	-
Finance Director	-	-	1.00	1.00	1.00
Regulatory Specialist	1.00	1.00	1.00	-	-
Controller	1.00	1.00	1.00	-	-
Office Manager	1.00	1.00	1.00	-	-
Administrative Assistant (1)	1.50	1.50	1.50	-	-
Accounting Technician	1.00	0.75	0.75	(0.25)	-
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Manager	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
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	2.00	2.00	2.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	29.50	29.25	30.25	0.75	1.00

(1) Secretary II title was changed to Administrative Assistant.



Central Coast Water Authority
Budget Process
Fiscal Year 2016/17 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.

Ten Year Financial Plan

The Ten 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 Ten 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.

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

Central Coast Water Authority
Budget Process
Fiscal Year 2016/17 Budget

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

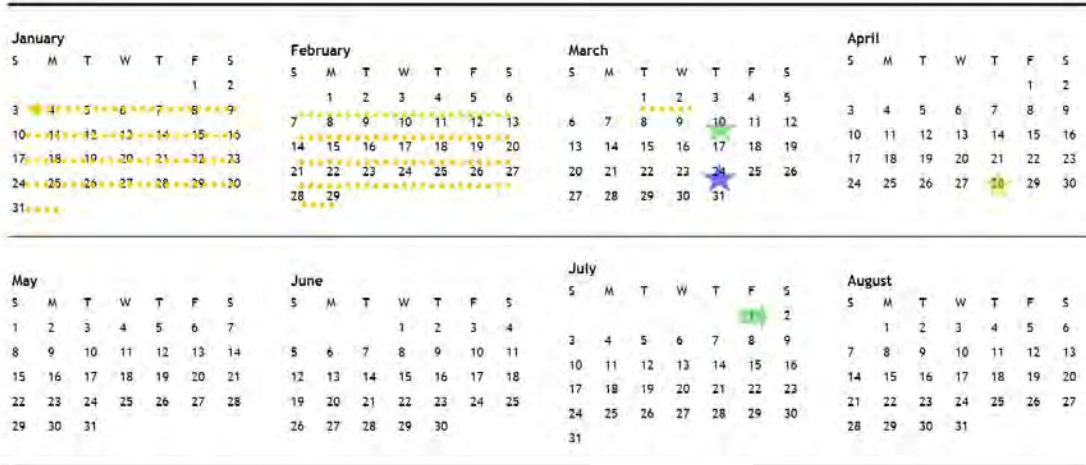
The budget may only be amended during the year by Board action. This process involves requests by staff to the Board for additional funding. The Board considers the requests of staff at regularly scheduled meetings and approves or rejects the requests by motion and majority vote.

CCWA Financial Schedule FY 2016/17

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

Central Coast Water Authority
 Budget Process
 Fiscal Year 2016/17 Budget

**CCWA Budget Planning Schedule
 FY 2016/17 Budget**



- | | |
|--|--------------------------------------|
| Receive DWR Statement of Charges (for following calendar year) | July 1, 2015 |
| Prepare Draft Budget | November 1, 2015 - February 26, 2016 |
| Submit Preliminary Budget to Operating Committee | March 10, 2016 |
| Submit Preliminary Budget to Finance Committee | March 10, 2016 |
| Submit Preliminary Budget to Board of Directors | March 24, 2016 |
| Board Approval of Final Budget | April 28, 2016 |
| Beginning of 2016/17 Budget Expenditure Cycle | July 1, 2016 |

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2016/17 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 sub-sections 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 2016/17 Budget

The Fiscal Year 2016/17 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.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2016/17 Budget

- 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.
- 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.
- Ten Year Financial Plan In conjunction with preparation of the fiscal year budget, the Authority will also prepare and make available a ten year financial plan which provides estimates of the total State water costs for the ten-year period.

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2016/17 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.

- Employee Benefits Funding Benchmark The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2016/17 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.

- 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.
- 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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2016/17 Budget

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.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2016/17 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.



Internal inspection of the pipeline below the Thompson Avenue Cavity and the Willow Road Encasement

Budget Summary

The Budget Summary section of the FY 2016/17 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document as well as cost per acre-foot amounts based on the FY 2016/17 Budget.

Highlights

Budget Summary

• FY 2016/17 Gross Budget	\$ 57,721,910
• FY 2015/16 Gross Budget	<u>\$ 65,667,662</u>
Decrease:	\$ [7,945,752]
• FY 2016/17 CCWA Credits	\$ 418,781
• FY 2015/16 CCWA Credits	<u>\$ 104,480</u>
Increase:	\$ 314,301
• FY 2016/17 Net Budget (After CCWA Credits)	\$ 57,303,129
• FY 2015/16 Net Budget (After CCWA Credits)	<u>\$ 65,563,182</u>
Decrease:	\$ [8,260,053]

Significant Budget Changes

- DWR Fixed cost decrease of \$5.4 million due to an over collection by DWR in the Transportation Minimum OMP&R costs for prior years
- DWR Variable cost decrease of \$4.0 million due to a reduction in actual deliveries in the prior calendar year as compared to requested deliveries creating an overcharge in the prior year DWR Variable OMP&R.
- CCWA Fixed O&M Expense budget increase of \$301,642
- CCWA Variable O&M Expense budget increase of \$1,278,480
- CCWA capital improvement projects budget increase of \$13,907
- Warren Act and Trust Fund budget decrease of \$113,320

Central Coast Water Authority
Budget Summary
Fiscal Year 2016/17 Budget

	FY 2014/15		FY 2015/16		Change from FY 2015/16 Budget	Change from FY 2015/16 Est. Actual
	Actual	Budget	Estimated Actual	FY 2016/17 Budget		
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
SOURCES OF CASH						
CCWA Operating Expenses ⁽¹⁾	9,100,035	9,177,490	9,177,490	10,757,612	1,580,122	1,580,122
Debt Service Payments	11,508,503	11,493,045	11,493,045	11,481,752	(11,292)	(11,292)
Capital Improvement Projects	-	738,141	738,141	752,048	13,907	13,907
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	164,327	-	100,000	-	-	(100,000)
CCWA Credits	-	(104,480)	(104,480)	(418,781)	(314,301)	(314,301)
Subtotal Revenues	20,772,864	21,304,195	21,404,195	22,572,632	1,268,436	1,168,436
<u>Pass-Through Expenses</u>						
DWR Fixed Costs	33,936,476	37,687,864	33,577,100	32,271,328	(5,416,536)	(1,305,772)
DWR Variable Costs	2,472,518	5,859,050	1,671,668	1,860,417	(3,998,633)	188,749
Warren Act Charges	840,540	712,072	314,316	598,753	(113,320)	284,437
Subtotal Pass-Through Expenses	37,249,534	44,258,987	35,563,083	34,730,498	(9,528,489)	(832,586)
TOTAL SOURCES OF CASH	58,022,398	65,563,182	56,967,278	57,303,129	(8,260,052)	335,851
USES OF CASH						
<u>CCWA Operating Expenses</u>						
Personnel	4,063,935	4,299,632	4,262,538	4,801,491	501,859	538,953
Office Expenses	14,559	19,150	21,171	19,700	550	(1,471)
Supplies and Equipment	1,199,146	1,712,687	1,052,642	2,485,483	772,796	1,432,841
Monitoring Expenses	89,243	100,391	86,160	113,784	13,393	27,624
Repairs and Maintenance	212,943	255,306	217,123	255,022	(284)	37,899
Professional Services	369,569	491,335	250,396	377,735	(113,600)	127,339
General and Administrative	205,666	246,099	236,333	271,169	25,069	34,836
Utilities	938,103	1,286,695	326,761	1,793,036	506,341	1,466,275
Other Expenses	683,601	766,195	840,454	640,193	(126,002)	(200,261)
Total Operating Expenses	7,776,764	9,177,490	7,293,577	10,757,612	1,580,122	3,464,035
<u>Other Expenditures</u>						
Warren Act Charges	840,540	712,072	314,316	598,753	(113,320)	284,437
Capital Improvement Projects ⁽¹⁾	314,087	738,141	738,141	752,048	13,907	13,907
CCWA Credits	-	(104,480)	(104,480)	(418,781)	(314,301)	(314,301)
2006 Revenue Bond Debt Service	11,508,503	11,493,045	11,493,045	11,481,752	(11,292)	(11,292)
Unexpended O&M Assessments	1,173,510	-	1,983,913	-	-	-
Total Other Expenditures	13,836,640	12,838,777	14,424,933	12,413,772	(425,005)	(27,249)
Total CCWA Expenditures	21,613,404	22,016,268	21,718,511	23,171,385	1,155,117	3,436,787
<u>DWR Charges</u>						
Fixed DWR Charges	33,936,476	37,687,864	33,577,100	32,271,328	(5,416,536)	(1,305,772)
Variable DWR Charges	2,472,518	5,859,050	1,671,668	1,860,417	(3,998,633)	188,749
Total DWR Charges	36,408,994	43,546,914	35,248,768	34,131,745	(9,415,169)	(1,117,023)
TOTAL USES OF CASH	58,022,398	65,563,182	56,967,278	57,303,129	(8,260,053)	2,319,764
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	-
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ (0)	\$ -	\$ -	\$ -		

(1) Includes carryover revenues from the prior year.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2016/17 Budget

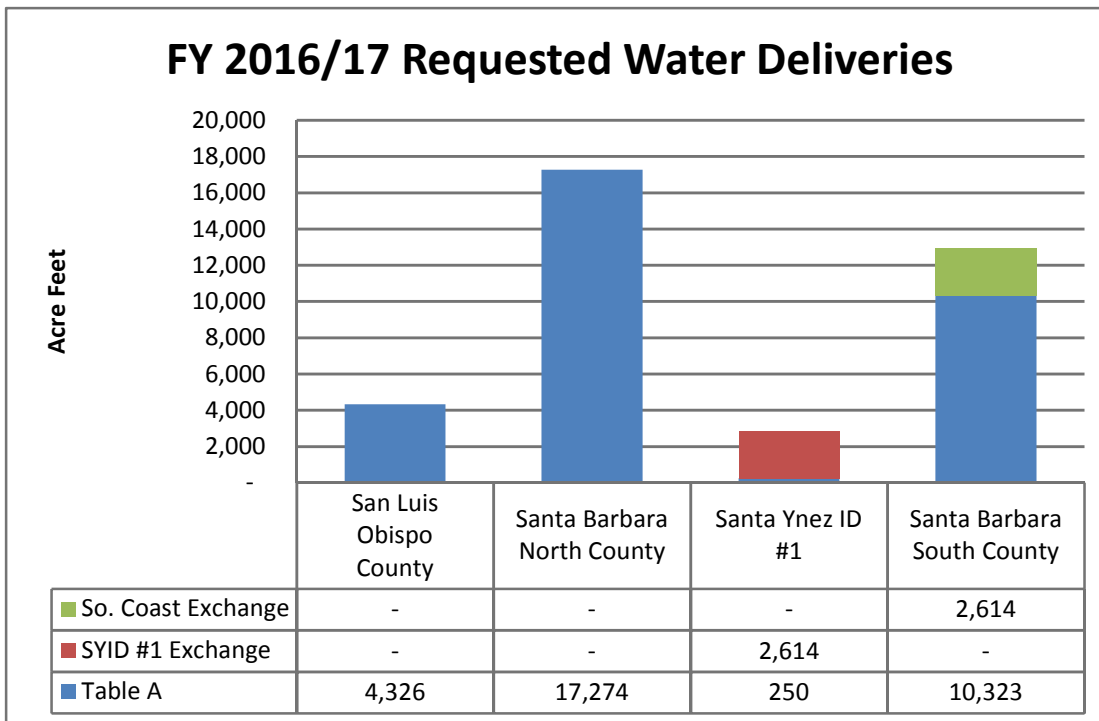
Project Participant	Unadjusted Fixed CCWA Operating Expense ⁽¹⁾	Unadjusted Variable CCWA Operating Expense	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Adjustment Variable	Regional WTP Allocation	Regional WTP Allocation Credit	Adjusted Charge	Warren Act Charges	2006A Revenue Bond Debt Service	Subtotal FY 2016/17 CCWA	Non-Annual Recurring Expenses	CCWA (Credits)/ Amount Due	Total FY 2016/17 CCWA
Guadalupe	80,835	17,604	-	-	\$30,354	-	\$128,793	-	163,580	\$292,373	-	(\$3,542)	\$ 288,831
Santa Maria	2,351,788	896,261	-	-	\$1,022,092	-	4,270,141	-	-	4,270,141	-	(85,149)	4,184,992
Golden State Water	76,714	33,680	-	-	\$33,585	-	143,979	-	-	143,979	-	(16,236)	127,744
Vandenberg AFB	892,352	175,455	-	-	\$303,346	-	1,371,153	-	-	1,371,153	-	-	1,371,153
Buellton	109,862	42,554	-	-	\$40,052	-	192,468	-	289,771	482,239	-	(21,885)	460,354
Santa Ynez (Solvang)	280,875	91,001	-	-	\$97,354	-	469,230	-	889,886	1,359,116	-	(19,300)	1,339,816
Santa Ynez	94,552	18,186	406,752	190,149	\$208,687	-	918,326	-	334,200	1,252,526	-	(244,767)	1,007,759
Goleta	1,049,396	751,916	(146,431)	(68,454)	\$238,248	(\$791,134)	1,033,541	189,240	2,804,754	4,027,536	-	24,318	4,051,853
Morehart Land	46,640	8,379	-	0	\$9,855	(\$34,031)	30,843	2,320	128,797	161,959	-	(21,771)	140,189
La Cumbre	233,199	198,484	-	0	\$67,702	(\$224,532)	274,854	54,957	616,613	946,424	-	(9,404)	937,020
Raytheon	11,660	18,536	-	0	\$4,399	(\$14,217)	20,378	5,132	26,964	52,473	-	(339)	52,134
Santa Barbara	699,597	536,968	(97,620)	(45,636)	\$163,033	(\$539,817)	716,525	136,042	1,724,208	2,576,775	-	(1,641)	2,575,134
Montecito	699,597	598,061	(97,620)	(45,636)	\$170,223	(\$561,032)	763,592	152,958	2,026,601	2,943,152	-	(4,325)	2,938,826
Carpinteria	466,398	240,266	(65,080)	(30,424)	\$94,835	(\$319,001)	386,995	58,102	1,158,438	1,603,535	-	664	1,604,199
Shandon	9,392	7,238	-	-	-	-	16,630	-	13,015	29,645	-	-	29,645
Chorro Valley	222,491	159,561	-	-	-	-	382,052	-	1,036,825	1,418,876	-	3,557	1,422,433
Lopez	242,278	147,883	-	-	-	-	390,160	-	268,101	658,262	-	(18,961)	639,301
TOTAL:	7,567,627	\$3,942,033	(0)	-	\$2,483,764	(\$2,483,764)	\$11,509,660	\$598,753	\$11,481,752	\$23,590,166	\$0	(418,781)	\$23,171,385

(1) Includes capital improvement projects.

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES						TOTAL DWR and CCWA
	Transportation Capital Through Reach 35	Transportation Capital Through Reach 37	Transportation Capital Through Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Interest Income	Total DWR Charges	
Guadalupe	\$ 273,607	\$ -	\$ -	\$ 46,965	\$ 22,674	\$ 43,916	\$ 387,162	\$ -	\$ 27,745	\$ 27,745	\$ (717)	\$ 414,190	\$ 703,021
Santa Maria	8,034,146	706,326	-	1,537,137	670,636	1,293,541	12,241,787	-	899,031	899,031	(24,563)	13,116,255	17,301,248
Golden State Water	248,389	21,800	-	25,169	20,715	39,925	355,997	-	54,435	54,435	(854)	409,578	537,322
Vandenberg AFB	2,728,486	239,802	393,221	781,018	227,595	439,164	4,809,285	-	179,439	179,439	-	4,988,724	6,359,878
Buellton	287,198	25,201	41,324	47,846	23,817	46,168	471,554	-	15,922	15,922	(1,041)	486,435	946,789
Santa Ynez (Solvang)	737,313	65,401	107,242	120,064	59,926	109,343	1,199,290	6,207	84,558	90,765	(2,435)	1,287,620	2,627,436
Santa Ynez	254,346	21,800	35,747	90,273	23,061	49,897	475,126	-	-	-	(937)	474,188	1,481,948
Goleta	2,228,195	196,202	321,726	631,893	184,291	363,350	3,925,657	9,787	-	9,787	(8,263)	3,927,182	7,979,035
Morehart Land	98,976	8,720	14,299	10,553	8,168	15,967	156,683	-	-	-	(379)	156,304	296,492
La Cumbre	496,778	43,600	71,495	67,965	41,430	79,849	801,117	2,111	79,455	81,567	(1,746)	880,937	1,817,957
Raytheon	25,218	2,180	3,575	2,971	2,189	3,992	40,124	-	7,288	7,288	(88)	47,325	99,459
Santa Barbara	1,488,437	130,801	214,484	479,063	124,123	239,541	2,676,449	4,731	264,709	269,441	(4,919)	2,940,970	5,516,104
Montecito	1,488,437	130,801	214,484	494,116	124,123	239,541	2,691,503	7,200	215,701	222,902	(4,579)	2,909,826	5,848,652
Carpinteria	991,660	87,201	142,990	297,362	82,220	159,699	1,761,130	2,096	-	2,096	(3,531)	1,759,694	3,363,893
Goleta 2500 AF	26,679	-	-	93,928	34,496	177,414	332,516	-	-	-	-	332,516	332,516
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	29,645
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,422,433
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	639,301
TOTAL:	\$ 19,407,865	\$ 1,679,835	\$ 1,560,588	\$ 4,726,321	\$ 1,649,465	\$ 3,301,306	\$ 32,325,380	\$ 32,133	\$ 1,828,284	\$ 1,860,417	\$ (54,052)	\$ 34,131,745	\$ 57,303,129

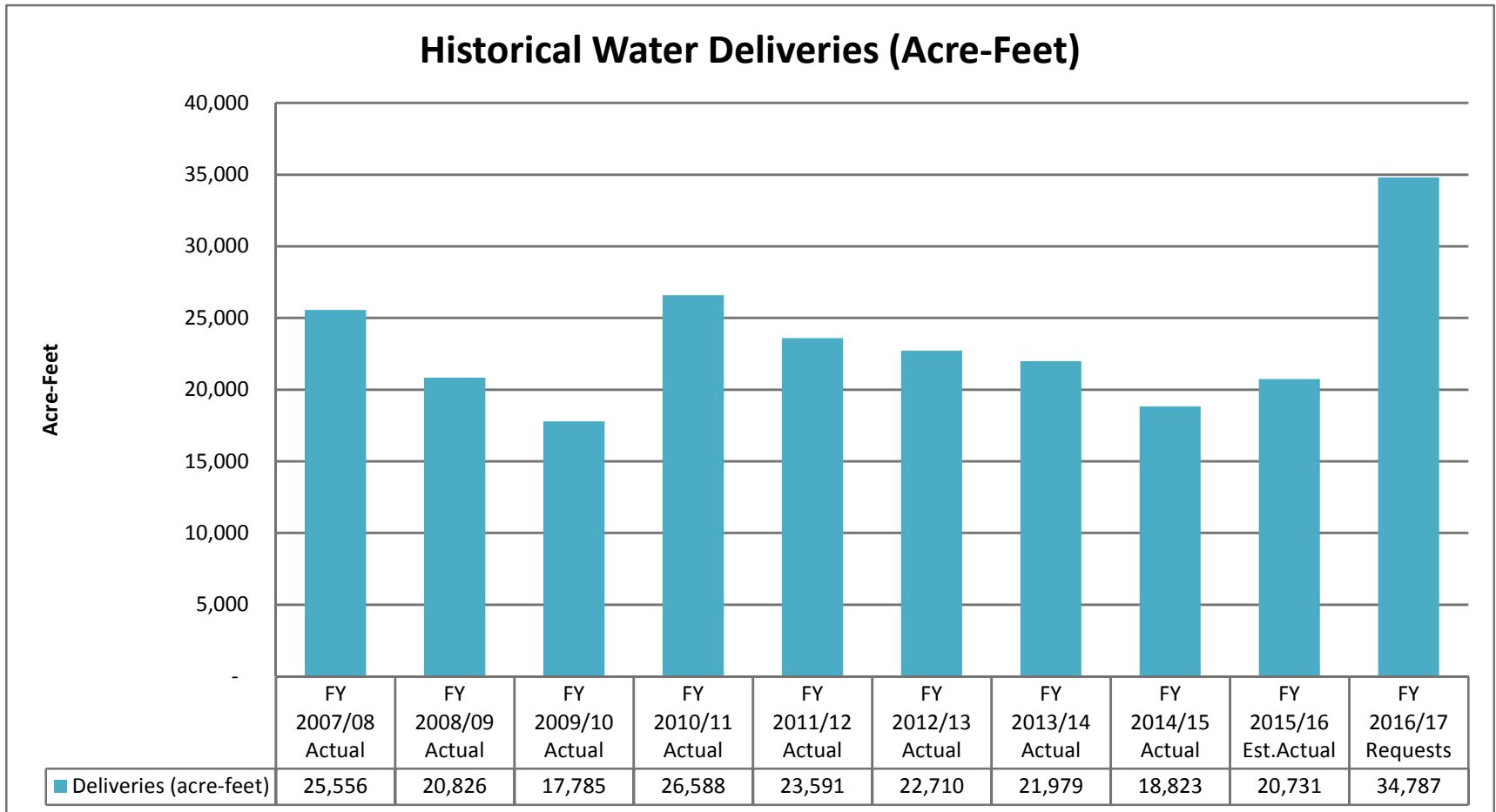
Central Coast Water Authority
FY 2016/17 Delivery Requests (Acre Feet)

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	100	-	100
Lopez	2,033	-	2,033
Chorro Valley	2,194	-	2,194
Guadalupe	242	-	242
Santa Maria	12,321	-	12,321
Golden State Water	463	-	463
VAFB	2,412	-	2,412
Buellton	585	-	585
Solvang	1,251	-	1,251
Santa Ynez	250	2,614	2,864
Goleta	4,204	(941)	3,263
Morehart	40	-	40
La Cumbre	948	-	948
Raytheon	88	-	88
Santa Barbara	2,973	(627)	2,346
Montecito	3,265	(627)	2,637
Carpinteria	1,420	(418)	1,002
TOTAL:	34,787	-	34,787



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
 Cost Per Acre-Foot Analysis
 Fiscal Year 2016/17 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 2016/17 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	\$ 654,928	\$ 1,190.78
Santa Maria	16,200	15,297,997	944.32
Golden State Water Co.	500	453,807	907.61
VAFB	5,500	5,950,790	1,081.96
Buellton	578	895,885	1,549.97
Santa Ynez (Solvang)	1,500	2,435,941	1,623.96
Santa Ynez ⁽¹⁾	500	1,057,652	1,883.48
Goleta	4,500	7,404,192	1,645.38
Morehart	200	311,884	1,559.42
La Cumbre	1,000	1,590,960	1,590.96
Raytheon	50	77,512	1,550.23
Santa Barbara	3,000	4,860,626	1,620.21
Montecito	3,000	5,201,337	1,733.78
Carpinteria	2,000	3,194,580	1,597.29
TOTAL:	39,078	\$ 49,388,091	

Central Coast Water Authority
Cost Per Acre-Foot Analysis
Fiscal Year 2016/17 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 2016/17 Budget

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

FY 2016/17 Table A Variable Cost Per Acre-Foot

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

Project Participant	Table A Amount	FY 2016/17 Requested Deliveries			Variable Cost Per Acre-Foot TABLE A DELIVERIES							Table A Variable Cost/AF
		Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA WTP Variable	CCWA SYPF Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	550	242	-	242	\$ 17,604		\$ 5,966		\$ 30,568		\$ 54,138	\$ 223.71
Santa Maria	16,200	12,321	-	12,321	896,261		303,742		1,556,337		2,756,341	223.71
Golden State Water Co.	500	463	-	463	33,680		11,414		58,484		103,578	223.71
VAFB	5,500	2,412	-	2,412	175,455		59,462		304,674		539,590	223.71
Buellton	578	585	-	585	42,554		14,422		73,895		130,871	223.71
Santa Ynez (Solvang)	1,500	1,251	-	1,251	91,001		30,840		158,021		279,862	223.71
Santa Ynez (1)	500	250	2,614	2,864	18,186		70,605		31,579		120,369	223.71
Goleta	4,500	4,204	(941)	3,263	305,795	446,120	80,435	(237,342)	531,007	189,240	1,315,256	345.70
Morehart	200	40	-	40	2,910	5,469	986	(2,910)	5,053	2,320	13,828	345.70
La Cumbre	1,000	948	-	948	68,927	129,558	23,359	(68,927)	119,689	54,957	327,564	345.70
Raytheon	50	88	-	88	6,437	12,099	2,181	(6,437)	11,178	5,132	30,591	345.70
Santa Barbara	3,000	2,973	(627)	2,346	216,258	320,710	57,824	(170,622)	375,527	136,042	935,739	345.70
Montecito	3,000	3,265	(627)	2,637	237,473	360,588	65,014	(191,838)	412,367	152,958	1,036,563	345.70
Carpinteria	2,000	1,420	(418)	1,002	103,295	136,972	24,696	(72,871)	179,369	58,102	429,562	345.70
TOTAL:	39,078	30,461	-	30,461	\$ 2,215,835	\$ 1,411,516	\$ 750,945	\$ (750,945)	\$ 3,847,747	\$ 598,753	\$ 8,073,851	

(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 2016/17 Budget

FY 2016/17 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	2,614	\$ 190,149	\$ 406,752	-	\$ 596,901	\$ 228.35
Goleta	(941)			\$ 118,868	118,868	126.32
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(627)			79,245	79,245	126.32
Montecito	(627)			79,245	79,245	126.32
Carpinteria	(418)			52,830	52,830	126.32
TOTAL:	-	\$ 190,149	\$ 406,752	\$ 330,189	\$ 927,090	

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.



Thompson Avenue, Nipomo - Void Repair

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2016/17 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 2016/17 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.

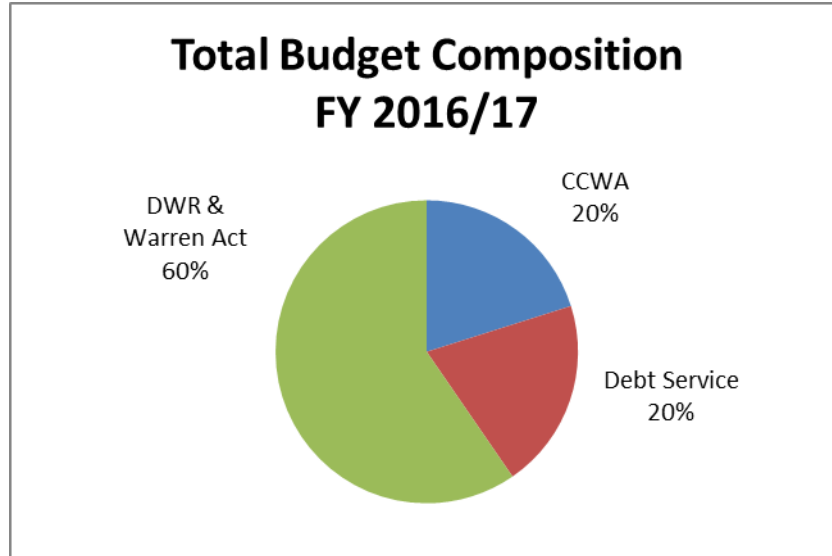
Revenues and Other Sources of Cash

Revenues	FY 2014/15 Actual	FY 2015/16 Estimated Actual	FY 2016/17 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 9,100,035	\$ 9,177,490	\$ 10,757,612
Debt Service Payments	11,508,503	11,493,045	11,481,752
Capital Improvement Projects (CIP)	-	738,141	752,048
Investment Income	164,327	100,000	-
Subtotal Revenues	20,772,864	21,508,675	22,991,412
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	33,952,585	33,577,100	32,325,380
DWR Variable Costs	2,472,518	1,671,668	1,860,417
DWR Account Interest	(16,109)	-	(54,052)
Warren Act Charges ⁽¹⁾	840,540	314,316	598,753
Subtotal Pass Through Expenses	37,249,534	35,563,083	34,730,498
Gross Budget Before Credits	58,022,398	57,071,758	57,721,910
Credits and Prepayments	-	(104,480)	(418,781)
TOTAL SOURCES OF CASH	\$ 58,022,398	\$ 56,967,278	\$ 57,303,129

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2016/17 Budget

Revenues and Other Sources of Cash



FY 2015/16 Actual Cash Receipts

The actual cash receipts for FY 2015/16 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 2014/15, (2) interest income for FY 2014/15, 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 2016/17 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 2016/17 OPERATING EXPENSES
AND CAPITAL IMPROVEMENT PROJECTS**

Project Participant	CCWA	CCWA	Regional	Regional	Exchange	Exchange	Adjusted
	Fixed Operating Expenses	Variable Operating Expenses	Regional WTP Allocation	WTP Allocation Credit	Agreement Adjustment Cap. and Fixed	Agreement Adjustment Variable	CCWA Operating Expenses
Guadalupe	\$ 80,835	\$ 17,604	\$ 30,354	\$ -	\$ -	\$ -	\$ 128,793
Santa Maria	2,351,788	896,261	1,022,092	-	-	-	4,270,141
Golden State Water Co.	76,714	33,680	33,585	-	-	-	143,979
Vandenberg AFB	892,352	175,455	303,346	-	-	-	1,371,153
Buellton	109,862	42,554	40,052	-	-	-	192,468
Santa Ynez (Solvang)	280,875	91,001	97,354	-	-	-	469,230
Santa Ynez	94,552	18,186	208,687	-	406,752	190,149	918,326
Goleta	1,049,396	751,916	238,248	(791,134)	(146,431)	(68,454)	1,033,541
Morehart Land	46,640	8,379	9,855	(34,031)	-	-	30,843
La Cumbre	233,199	198,484	67,702	(224,532)	-	-	274,854
Raytheon	11,660	18,536	4,399	(14,217)	-	-	20,378
Santa Barbara	699,597	536,968	163,033	(539,817)	(97,620)	(45,636)	716,525
Montecito	699,597	598,061	170,223	(561,032)	(97,620)	(45,636)	763,592
Carpinteria	466,398	240,266	94,835	(319,001)	(65,080)	(30,424)	386,995
Shandon	9,392	7,238	-	-	-	-	16,630
Chorro Valley	222,491	159,561	-	-	-	-	382,052
Lopez	242,278	147,883	-	-	-	-	390,160
TOTAL:	\$7,567,627	\$3,942,033	\$2,483,764	(\$2,483,764)	\$ -	\$ -	\$ 11,509,660

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2016/17, are **\$11,509,660**.

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 2016/17 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 2016/17, total net revenue for debt service payments will be \$10,488,219 or about \$59,000 less than the FY 2015/16 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 2016/17 Debt Service Payments ⁽¹⁾	Local Project Debt Service Payments ⁽²⁾	FY 2016/17 Net Debt Service Revenue
Avila Beach	\$ 13,145	\$ (2,272)	\$ 10,873
California Men's Colony	114,978	(50,742)	64,236
County of SLO	122,481	(54,114)	68,368
Cuesta College	57,493	(25,374)	32,119
Morro Bay	741,872	(388,156)	353,716
Oceano	96,110	(15,477)	80,633
Pismo Beach	158,846	(25,553)	133,293
Shandon	13,015	(1,828)	11,187
Guadalupe	163,580	(65,993)	97,587
Buellton	289,771	(10,741)	279,030
Santa Ynez (Solvang)	889,886	(28,652)	861,233
Santa Ynez	334,200	(12,697)	321,503
Goleta	2,804,754	(163,127)	2,641,628
Morehart Land	128,797	(751)	128,046
La Cumbre	616,613	(3,755)	612,858
Raytheon	26,964	(992)	25,972
Santa Barbara	1,724,208	(35,612)	1,688,596
Montecito	2,026,601	(56,654)	1,969,947
Carpinteria	1,158,438	(51,043)	1,107,395
TOTAL:	\$ 11,481,752	\$ (993,533)	\$ 10,488,219
(1) 2006A revenue bond principal and interest, minus FY 2015/16 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 2016/17 Budget

FY 2016/17 CCWA Credits

The following table shows a summary of the FY 2016/17 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	\$2,917	\$85	\$ 540		\$3,542
Santa Maria	68,433	2,508	14,208		85,149
Golden State Water Co.	16,159	77	-		16,236
Vandenberg AFB	-	-	-		-
Buellton	20,985	90	810		21,885
Santa Ynez (Solvang)	17,234	232	1,834		19,300
Santa Ynez	243,358	77	1,331		244,767
Goleta	(25,014)	697	-		(24,318)
Morehart Land	20,741	31	-	999	21,771
La Cumbre	8,066	155	1,183		9,404
Raytheon	104	8	-	227	339
Santa Barbara	1,176	464	-		1,641
Montecito	-	464	3,861		4,325
Carpinteria	(3,442)	310	2,469		(664)
Shandon					-
Oceano CSD					-
Avila Beach CSD					-
Pismo Beach					-
Avila Valley Water Co.					-
San Miguelito Water Co.					-
San Luis School					-
Chorro Valley	(3,557)				(3,557)
Lopez	18,961				18,961
TOTAL:	\$386,120	\$5,199	\$26,236	\$1,226	\$418,781

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.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2016/17 Budget

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.

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2016/17 Budget

Pass-Through Expenses

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

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

Warren Act Charges

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

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

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2016/17.

Project Participant	Total FY 2016/17 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	3,263	\$ 189,240
Morehart Land Co.	40	2,320
LaCumbre	948	54,957
Raytheon	88	5,132
Santa Barbara	2,346	136,042
Montecito	2,637	152,958
Carpinteria	1,002	58,102
TOTAL:	10,323	\$ 598,753

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2016/17 Budget

The following table represents the Fiscal Year 2016/17 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 2016/17 DWR Fixed Charges	FY 2016/17 DWR Variable Charges	FY 2016/17 Interest Income	FY 2016/17 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$387,162	\$27,745	(\$717)	\$ -	\$414,190
Santa Maria	12,241,787	899,031	(24,563)	-	13,116,255
Golden State Water Co.	355,997	54,435	(854)	-	409,578
Vandenberg AFB	4,809,285	179,439	-	-	4,988,724
Buellton	471,554	15,922	(1,041)	-	486,435
Santa Ynez (Solvang)	1,199,290	90,765	(2,435)	-	1,287,620
Santa Ynez	475,126	-	(937)	-	474,188
Goleta	4,258,173	9,787	(8,263)	189,240	4,448,938
Morehart Land	156,683	-	(379)	2,320	158,624
LaCumbre	801,117	81,567	(1,746)	54,957	935,894
Raytheon	40,124	7,288	(88)	5,132	52,457
Santa Barbara	2,676,449	269,441	(4,919)	136,042	3,077,013
Montecito	2,691,503	222,902	(4,579)	152,958	3,062,784
Carpinteria	1,761,130	2,096	(3,531)	58,102	1,817,797
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$32,325,380	\$1,860,417	(\$54,052)	\$598,753	\$34,730,498
(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 \$36/AF for 2016) and one-quarter the delta water rate (about \$18/ for 2016) 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 DWR variable costs and CCWA variable O&M costs (electrical and chemicals cost) 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 and CCWA variable O&M costs are constantly reconciled for differences between the requested water deliveries in the annual budget and the actual water delivered.

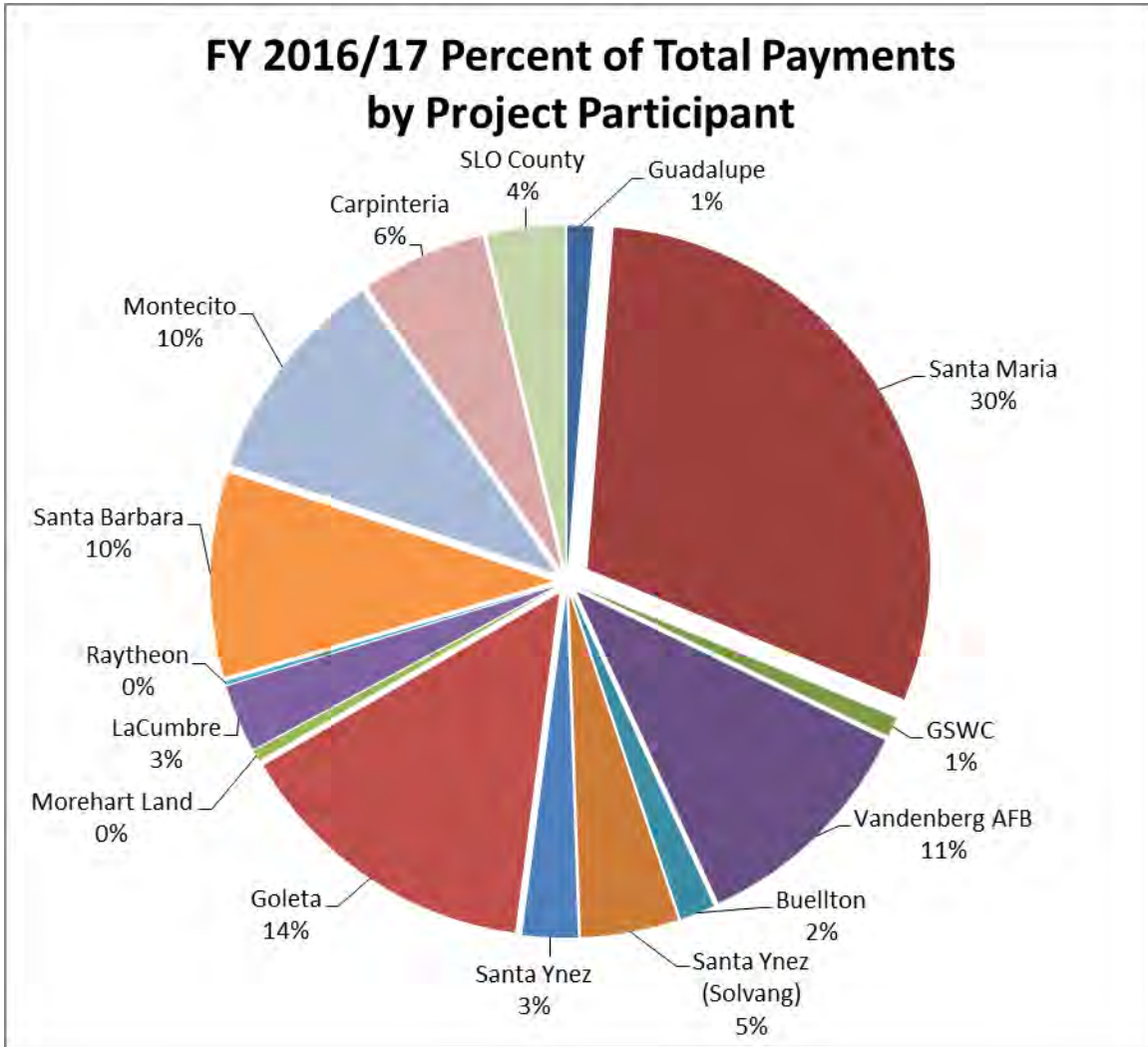
At the end of each fiscal year, a true-up and reconciliation of the entire fiscal year budget is performed. This reconciliation calculates the difference between the amounts billed to each project participant based on the budget and the actual costs incurred for the year. The result, either a credit 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 2016/17 for each project participant.

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Project Participant	FY 2016/17 Operating Expenses ⁽¹⁾	FY 2016/17 Debt Service Payments	FY 2016/17 DWR Costs	FY 2016/17 Warren Act Charges ⁽²⁾	FY 2016/17 CCWA Credits	FY 2016/17 Total Payments
Guadalupe	\$128,793	\$ 163,580	\$414,190	\$0	\$ (3,542)	\$703,021
Santa Maria	4,270,141	-	13,116,255	-	(85,149)	17,301,248
Golden State Water Co.	143,979	-	409,578	-	(16,236)	537,322
Vandenberg AFB	1,371,153	-	4,988,724	-	-	6,359,878
Buellton	192,468	289,771	486,435	-	(21,885)	946,789
Santa Ynez (Solvang)	469,230	889,886	1,287,620	-	(19,300)	2,627,436
Santa Ynez	918,326	334,200	474,188	-	(244,767)	1,481,948
Goleta	1,033,541	2,804,754	4,259,698	189,240	24,318	8,311,551
Morehart Land	30,843	128,797	156,304	2,320	(21,771)	296,492
La Cumbre	274,854	616,613	880,937	54,957	(9,404)	1,817,957
Raytheon	20,378	26,964	47,325	5,132	(339)	99,459
Santa Barbara	716,525	1,724,208	2,940,970	136,042	(1,641)	5,516,104
Montecito	763,592	2,026,601	2,909,826	152,958	(4,325)	5,848,652
Carpinteria	386,995	1,158,438	1,759,694	58,102	664	3,363,893
Shandon	16,630	13,015	N/A	-	-	29,645
Chorro Valley	382,052	1,036,825	N/A	-	3,557	1,422,433
Lopez	390,160	268,101	N/A	-	(18,961)	639,301
TOTAL:	\$11,509,660	\$11,481,752	\$34,131,745	\$598,753	\$ (418,781)	\$57,303,129
(1) Adjusted for Santa Ynez Exchange Agreement Modifications and Regional WTP Treatment Allocation.						
(2) Adjusted for Santa Ynez Exchange Agreement Modifications.						

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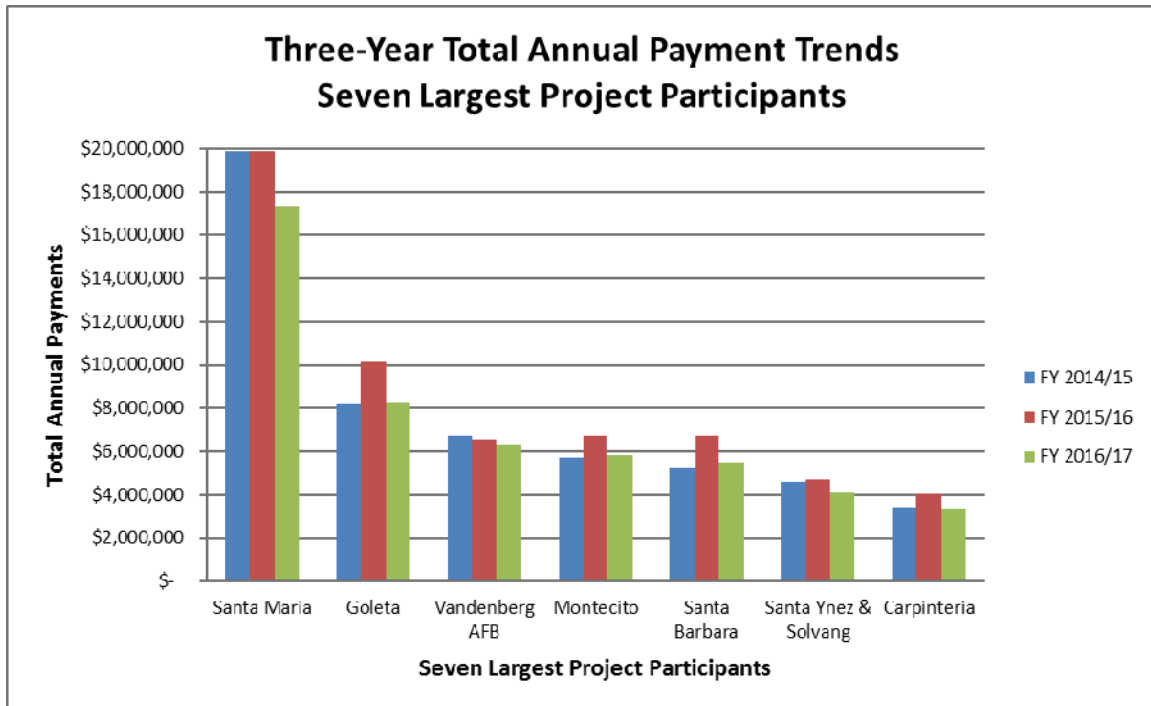
The following table shows the three-year trend in total payments due for each project participant and the corresponding increase or (decrease).

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Three-Year Total Payments History by Project Participant

Project Participant	Total Payments FY 2014/15	Total Payments FY 2015/16	Total Payments FY 2016/17	Change FY 2014/15 to FY 2015/16	Change FY 2015/16 to FY 2016/17
Guadalupe	\$ 737,342	\$ 748,672	\$703,021	\$ 11,330	(\$45,651)
Santa Maria	19,874,909	19,880,935	17,301,248	6,026	(2,579,687)
Golden State Water Co.	613,878	547,277	537,322	(66,601)	(9,955)
Vandenberg AFB	6,736,103	6,553,062	6,359,878	(183,041)	(193,184)
Buellton	1,060,264	1,075,811	946,789	15,547	(129,022)
Santa Ynez (Solvang)	2,936,311	2,979,459	2,627,436	43,148	(352,023)
Santa Ynez	1,690,299	1,731,905	1,481,948	41,606	(249,957)
Goleta	8,239,113	10,115,326	8,311,551	1,876,213	(1,803,775)
Morehart Land	364,059	345,634	296,492	(18,425)	(49,142)
La Cumbre	1,879,462	2,105,125	1,817,957	225,663	(287,168)
Raytheon	95,237	89,813	99,459	(5,424)	9,646
Santa Barbara	5,254,522	6,713,580	5,516,104	1,459,058	(1,197,476)
Montecito	5,696,476	6,704,114	5,848,652	1,007,638	(855,462)
Carpinteria	3,434,509	4,028,222	3,363,893	593,713	(664,329)
Shandon	21,601	21,623	29,645	22	8,022
Chorro Valley	1,300,587	1,362,297	1,422,433	61,710	60,136
Lopez	570,041	560,327	639,301	(9,714)	78,974
TOTAL:	\$60,504,714	\$ 65,563,182	\$57,303,129	\$ 5,058,468	(\$8,260,053)

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





Arc Flash Safety Gear in Use During Circuit Opening

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2016/17 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 2016/17 DWR charges.

Highlights

Total FY 2016/17 DWR Charges **\$ 34,131,745**

- DWR Fixed Charges \$ 32,325,380
- DWR Variable Charges \$ 1,860,417
- Interest credits \$ (54,052)

Fixed Charge Highlights

- Total fixed charge decrease over FY 2015/16 of \$5,405,852.
- DWR Fixed cost decrease of \$5.9 million due to an over collection by DWR in the Transportation Minimum OMP&R costs for prior years, along with a combined increase of \$0.5 million in all other fixed cost components.

Variable Charge Highlights

- DWR Variable cost decrease of \$4.0 million over FY 2015/16 due to a reduction in actual deliveries in the prior calendar year as compared to requested deliveries creating an overcharge in the prior year DWR Variable OMP&R.
- Estimated Variable OMP&R unit rate for 2016: \$121.00; 2017: \$150.00

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

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

DWR Billing Procedures

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

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

Summary of FY 2016/17 DWR Charges

The DWR charges for the first half of FY 2016/17 are based on the Revised 2016 Statement of Charges. The DWR charges for the second half of FY 2016/17 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 74 shows fixed and variable DWR costs for each project participant.

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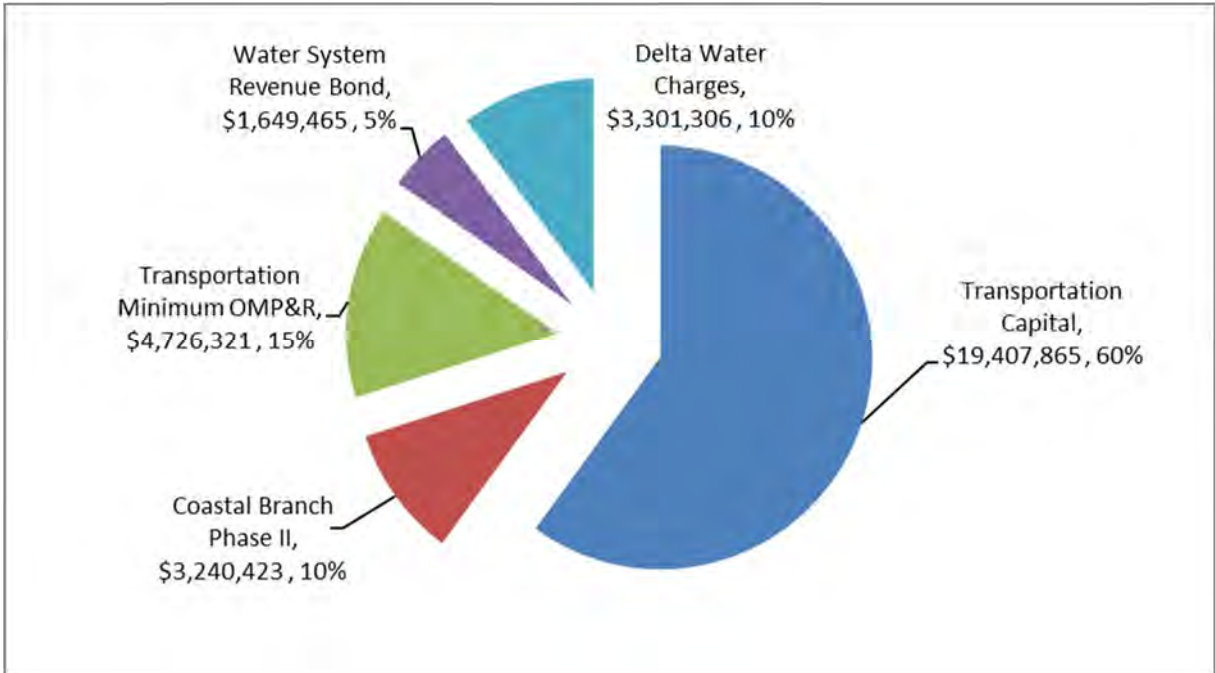
The following table provides a comparison of the FY 2014/15 through the FY 2016/17 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Est. Actual ⁽¹⁾	FY 2016/17 Budget	FY 2016/17 Budget to FY 2015/16 Budget Increase (Decrease)
Transportation Capital	\$ 18,776,943	\$ 19,155,010	\$ 18,789,609	\$ 19,407,865	\$ 252,855
Coastal Branch Phase II	3,319,521	3,528,826	3,513,733	3,240,423	(288,403)
Transportation Minimum OMP&R	9,811,159	10,589,967	6,689,814	4,726,321	(5,863,646)
Water System Revenue Bond	1,769,859	1,735,988	1,735,466	1,649,465	(86,523)
Delta Water Charges	2,246,795	2,721,440	2,848,478	3,301,306	579,866
Subtotal Fixed DWR Charges	<u>35,924,277</u>	<u>37,731,232</u>	<u>33,577,100</u>	<u>32,325,380</u>	<u>(5,405,852)</u>
Off-Aqueduct Charges	247,735	180,007	157,098	32,133	(147,874)
Variable OMP&R	2,725,804	5,679,043	1,514,570	1,828,284	(3,850,759)
Subtotal Variable DWR Charges	<u>2,973,539</u>	<u>5,859,050</u>	<u>1,671,668</u>	<u>1,860,417</u>	<u>(3,998,633)</u>
DWR Account Investment Income	(40,715)	(43,368)	-	(54,052)	(10,684)
Total DWR Charges	<u>\$ 38,857,101</u>	<u>\$ 43,546,914</u>	<u>\$ 35,248,768</u>	<u>\$ 34,131,745</u>	<u>\$ (9,415,169)</u>

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

DWR FIXED COSTS

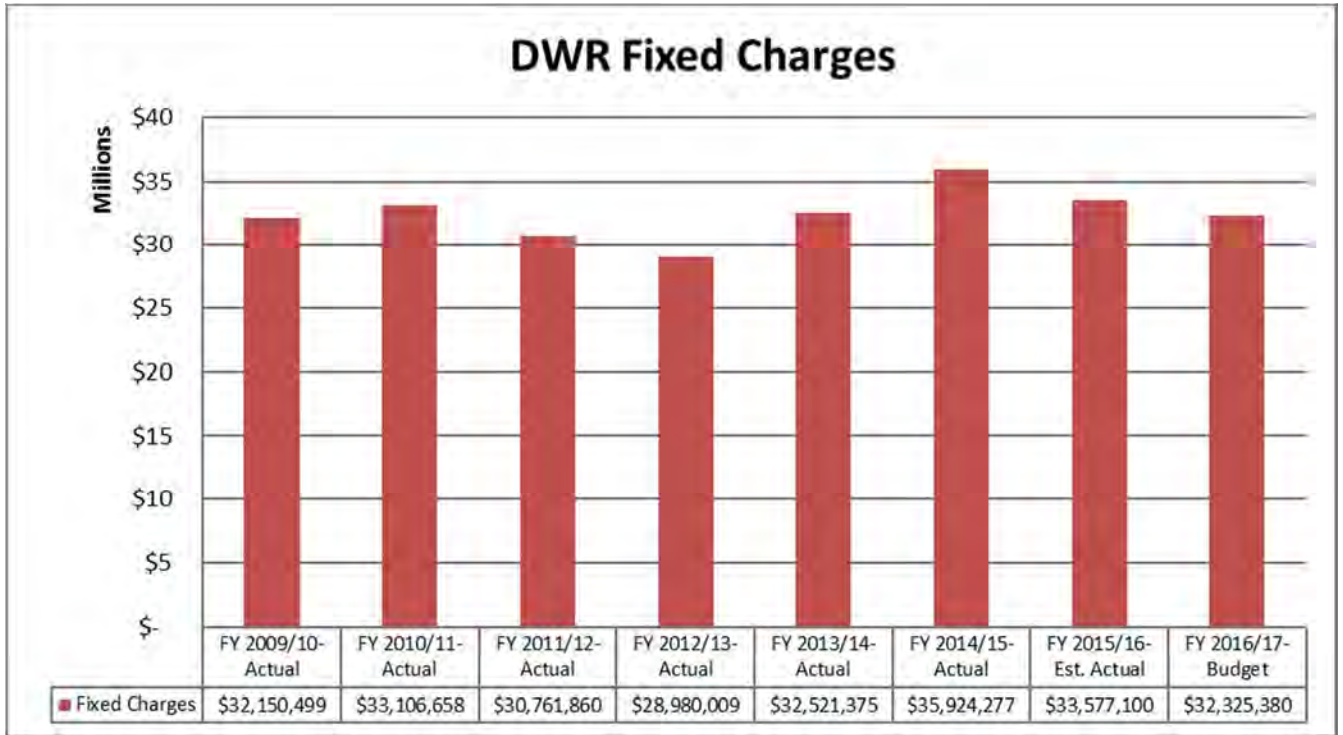
The DWR fixed costs are comprised of the following cost components:



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The FY 2016/17 DWR fixed charges total \$32,325,380, which is \$5,405,852 less than the FY 2015/16 Budget. The reasons for the cost component variances are described later in this section.

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 table shows the allocation of the FY 2016/17 Transportation Capital charges to each of the CCWA project participants:

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TRANSPORTATION CAPITAL CHARGES

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 2015/16 Amount Due (Credit)	FY 2016/17 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 321,246	\$ (27)	\$ (39,897)	\$ (10,813)	\$ 3,098	\$ 273,607
Santa Maria	16,200	41.46%	9,462,148	(781)	(1,175,157)	(318,495)	66,431	8,034,146
Golden State Water Co.	500	1.28%	292,042	(24)	(36,270)	(9,830)	2,472	248,389
VAFB	5,500	14.07%	3,212,458	(265)	(398,973)	(108,131)	23,397	2,728,486
Buellton	578	1.48%	337,600	(28)	(41,928)	(11,364)	2,918	287,198
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	868,103	(72)	(108,059)	(29,220)	6,561	737,313
Santa Ynez ⁽³⁾	500	1.28%	300,063	(24)	(37,022)	(10,100)	1,430	254,346
Goleta	4,500	11.52%	2,628,375	(217)	(326,433)	(88,471)	14,941	2,228,195
Morehart	200	0.51%	116,817	(10)	(14,508)	(3,932)	610	98,976
La Cumbre	1,000	2.56%	584,083	(48)	(72,541)	(19,660)	4,943	496,778
Raytheon	50	0.13%	29,204	(2)	(3,627)	(983)	626	25,218
Santa Barbara	3,000	7.68%	1,752,250	(145)	(217,622)	(58,980)	12,934	1,488,437
Montecito	3,000	7.68%	1,752,250	(145)	(217,622)	(58,980)	12,934	1,488,437
Carpinteria	2,000	5.12%	1,168,166	(96)	(145,081)	(39,320)	7,991	991,660
Subtotal:	39,078	100.00%	\$ 22,824,805	\$ (1,885)	\$ (2,834,741)	\$ (768,280)	\$ 161,287	\$ 19,381,186
Goleta Additional Table A	2,500	5.50%	30,309	-	(2,610)	(1,020)	-	26,679
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-
TOTAL:	45,486		\$ 22,855,114	\$ (1,885)	\$ (2,837,351)	\$ (769,300)	\$ 161,287	\$ 19,407,865

(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 2016/17 Transportation capital charges are increasing by \$252,855 due to the following:

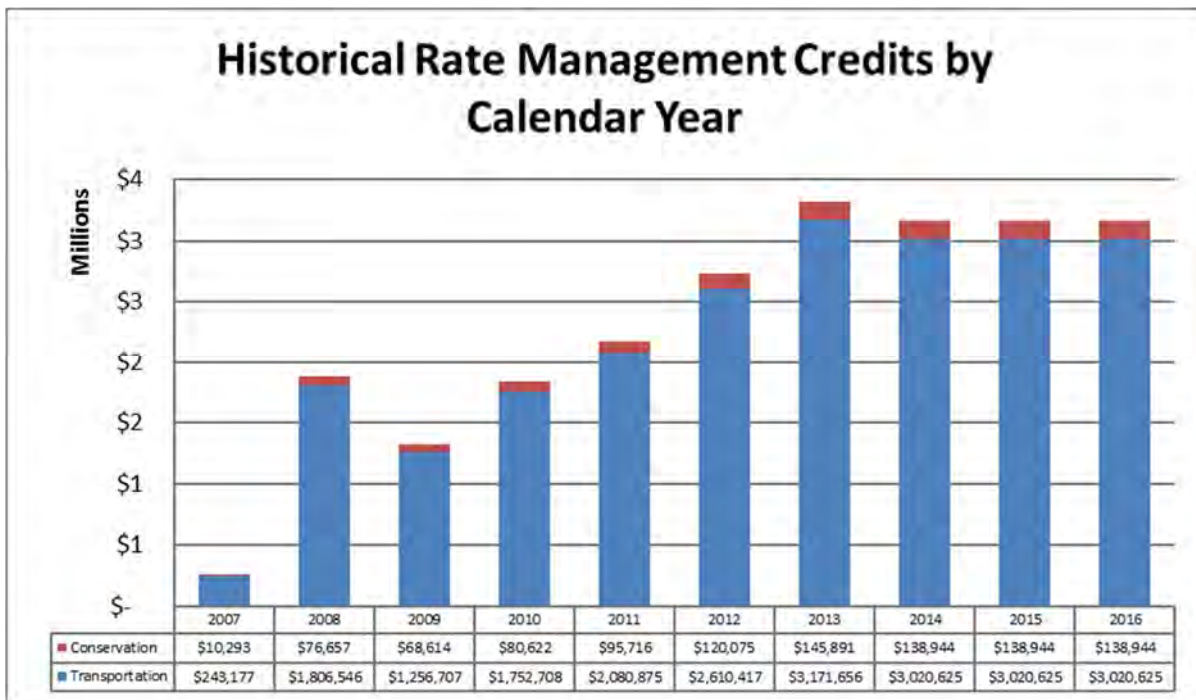
Transportation Capital Budget-to-Budget Changes			
	FY 2015/16	FY 2016/17	Change
Calculated Component	\$ 22,761,748	\$ 22,855,114	\$ 93,366
Rate Management Credits	(2,837,351)	(2,837,351)	-
Prior Year amount due	-	161,287	161,287
Prior Year Overcollection Credit	(767,847)	(769,300)	(1,453)
Other Adjustments	(1,540)	(1,885)	(345)
Total:	\$ 19,155,010	\$ 19,407,865	\$ 252,855

Rate Management Credits

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

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



It is anticipated that the revenues available for rate management credits in the future will be substantially more stable and therefore not subject to the volatility as has been the case in the past. For 2014 and beyond, CCWA is projecting DWR will have revenues to pay full rate management credits each year of about \$3.2 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.

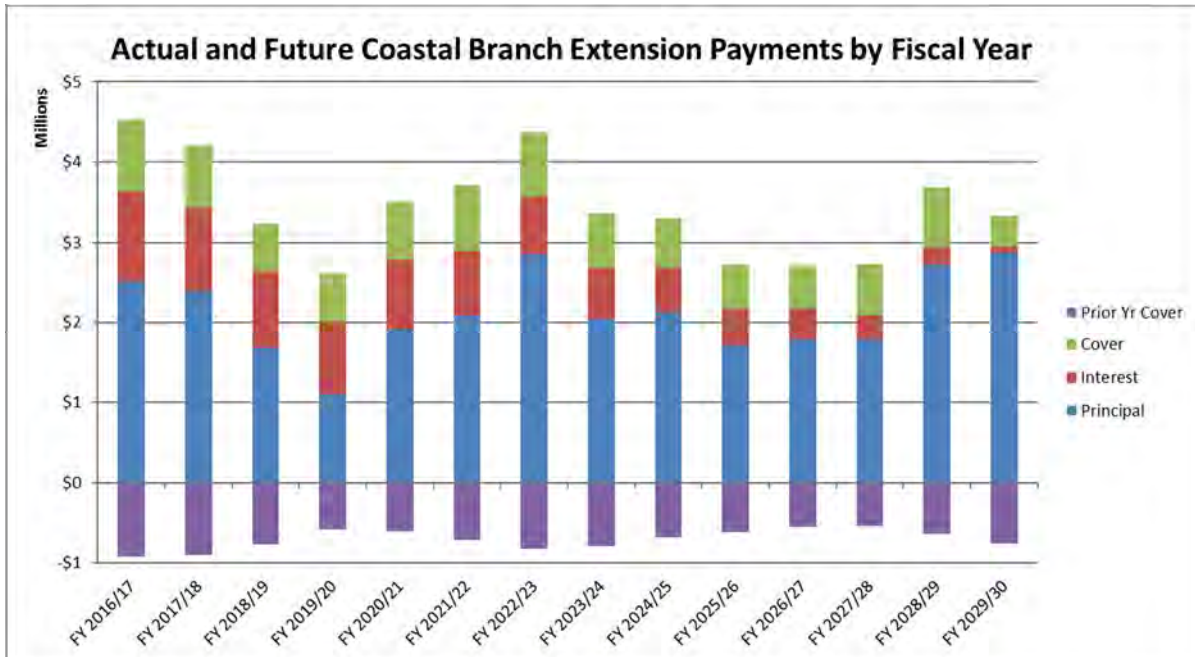
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Coastal Branch Extension debt service payments for FY 2016/17 total \$3,240,423, which is \$288,403 lower than the prior year amount due to the following:

Coastal Branch Extension Debt Service			
	FY 2015/16	FY 2016/17	Change
Principal Payments	\$ 2,491,801	\$ 2,518,121	\$ 26,321
Interest Payments	1,174,587	1,116,933	(57,654)
Bond Cover	919,887	894,052	(25,835)
Rate Management Credits	(183,274)	(183,274)	-
Return of Prior Year Cover	(874,174)	(919,887)	(45,713)
Prior year amount due (credit)	-	(185,522)	(185,522)
Total:	\$ 3,528,826	\$ 3,240,423	\$ (288,403)

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.



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.

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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.

DWR still has not finalized the corrections to the Coastal Branch Extension debt service schedules for the over allocation 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 2016/17.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION					
<i>Reach 37</i>					
Project Participant	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	987,225	(240,460)	746,765
Golden State Water Co.	500	1.30%	30,470	(7,422)	23,048
VAFB	5,500	14.28%	335,169	(81,638)	253,531
Buellton	578	1.50%	35,223	(8,579)	26,644
Santa Ynez (Solvang)	1,500	3.89%	91,410	(22,265)	69,145
Santa Ynez	500	1.30%	30,470	(7,422)	23,048
Goleta	4,500	11.68%	274,229	(66,794)	207,435
Morehart	200	0.52%	12,188	(2,969)	9,219
La Cumbre	1,000	2.60%	60,940	(14,843)	46,097
Raytheon	50	0.13%	3,047	(742)	2,305
Santa Barbara	3,000	7.79%	182,819	(44,530)	138,290
Montecito	3,000	7.79%	182,819	(44,530)	138,290
Carpinteria	2,000	5.19%	121,880	(29,686)	92,193
Total:	38,528	100.00%	2,347,889	(571,879)	\$ 1,776,010

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Project Participant	Reach 38					FY 2016/17	
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	FY 2015/16 Credits	Transportation Capital Charges
Guadalupe	-	0.00%	-	-	\$ -	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	(40,470)	706,295
Golden State Water Co.	-	0.00%	-	-	-	(1,260)	21,788
VAFB	5,500	25.20%	549,601	(133,867)	415,734	(36,222)	633,044
Buellton	578	2.65%	57,758	(14,068)	43,690	(3,821)	66,512
Santa Ynez (Solvang)	1,500	6.87%	149,891	(36,509)	113,382	(9,875)	172,652
Santa Ynez	500	2.29%	49,964	(12,170)	37,794	(3,277)	57,565
Goleta	4,500	20.62%	449,674	(109,528)	340,146	(29,667)	517,914
Morehart	200	0.92%	19,986	(4,868)	15,118	(1,319)	23,017
La Cumbre	1,000	4.58%	99,928	(24,339)	75,588	(6,597)	115,087
Raytheon	50	0.23%	4,996	(1,217)	3,779	(319)	5,765
Santa Barbara	3,000	13.74%	299,783	(73,018)	226,764	(19,750)	345,304
Montecito	3,000	13.74%	299,783	(73,018)	226,764	(19,750)	345,304
Carpinteria	2,000	9.16%	199,855	(48,679)	151,176	(13,195)	230,174
Total:	21,828	100.00%	2,181,218	(531,283)	\$ 1,649,935	\$ (185,522)	\$ 3,240,423

(1) Includes credits for the return of bond cover of \$919,887 and Rate Management Funds Credits of \$183,274.

Transportation Minimum OMP&R

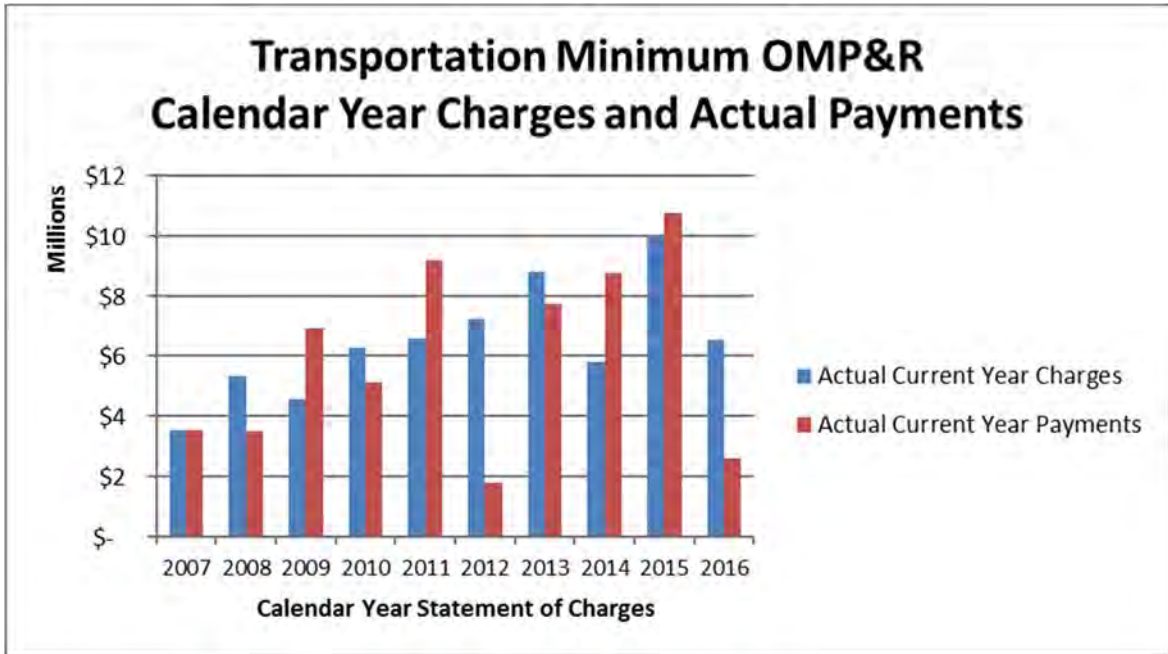
Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally, do not depend on or vary with the quantities of water delivered to CCWA.

For FY 2016/17, total Transportation Minimum OMP&R charges are \$4,726,321, which is \$5,863,646 less than the prior year amount due to the following:

Transportation Minimum OMP&R			
	FY 2015/16	FY 2016/17	Change
Calculated Component	\$ 10,262,196	\$ 7,614,718	\$ (2,647,479)
Prior Year (Over)/Under Collection	(27,311)	(1,971,589)	(1,944,278)
Prior Year Amount Due (Credit)	355,082	(916,808)	(1,271,890)
Total:	\$ 10,589,967	\$ 4,726,321	\$ (5,863,646)

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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Bay Delta Conservation Plan Supplemental Funding Agreement

CCWA, along with many other State and Federal water contractors, participated in a funding agreement for a total of \$140 million for initial planning and design work for an alternative conveyance facility and habitat plan in the Sacramento San Joaquin delta referred to as the “Bay Delta Conservation Plan” (BDCP). CCWA’s share of the initial \$140 million was \$744,261.

Subsequent to expenditure of the initial \$140 million, DWR determined it needed an additional \$100 million to complete the initial work, of which CCWA’s share is \$651,495.

The City of Santa Maria agreed to pay the BDCP costs for the City of Santa Barbara, Carpinteria Valley Water District, Montecito Water District and the Goleta Valley Water District.

In total, CCWA has paid \$1,443,725 for the BDCP/DHCCP costs, as shown in the following table by calendar year.

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Calendar Year	BDCP Costs paid by CCWA
2008	\$ 38,233
2009	311,342
2010	379,630
2011	57,651
2012	267,916
2013	340,984
2014	47,969
Total:	\$ 1,443,725

The following table shows the allocation of the FY 2016/17 Transportation Minimum OMP&R charges to each of the CCWA project participants.

TRANSPORTATION MINIMUM OMP&R						
Project Participant	Table A	Percentage	Calculated Component FY 2016/17	Prior Year(s) Undercollections	FY 2015/16 Amount Due (Credit)	FY 2016/17 Transportation Minimum OMP&R
Guadalupe	550	1.41%	\$ 105,389	\$ (27,287)	\$ (31,137)	\$ 46,965
Santa Maria	16,200	41.46%	3,104,180	(803,729)	(763,315)	1,537,137
VAFB	5,500	14.07%	1,053,888	(272,871)	-	781,018
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	277,942	(71,964)	(85,914)	120,064
Santa Ynez ⁽¹⁾	500	1.28%	105,290	(27,261)	12,245	90,273
Goleta	4,500	11.52%	862,272	(223,258)	(7,122)	631,893
Morehart	200	0.51%	38,323	(9,923)	(17,848)	10,553
La Cumbre	1,000	2.56%	191,616	(49,613)	(74,039)	67,965
Raytheon	50	0.13%	9,581	(2,481)	(4,130)	2,971
Santa Barbara	3,000	7.68%	574,848	(148,839)	53,053	479,063
Montecito	3,000	7.68%	574,848	(148,839)	68,107	494,116
Carpinteria	2,000	5.12%	383,232	(99,226)	13,355	297,362
Subtotal:	39,078	100.00%	\$ 7,487,973	\$ (1,938,772)	\$ (916,808)	\$ 4,632,393
Goleta Additional Table A	2,500	-	126,744	(32,816)	-	\$ 93,928
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 7,614,718	\$ (1,971,589)	\$ (916,808)	\$ 4,726,321

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

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 2016/17, the WSRB is \$86,523 lower than 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 2015/16 WSRB (Credits) Due	FY 2016/17 WSRB Charges
Guadalupe	550	1.41%	\$ 40,792	\$ (17,983)	\$ (136)	\$ 22,674
Santa Maria	16,200	41.46%	1,201,517	(529,671)	(1,210)	670,636
Golden State Water Co.	500	1.28%	37,084	(16,348)	(21)	20,715
VAFB	5,500	14.07%	407,923	(179,827)	(501)	227,595
Buellton	578	1.48%	42,869	(18,898)	(154)	23,817
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	107,039	(47,186)	74	59,926
Santa Ynez ⁽¹⁾	500	1.28%	41,297	(18,205)	(30)	23,061
Goleta	4,500	11.52%	333,755	(147,131)	(2,332)	184,291
Morehart	200	0.51%	14,834	(6,539)	(126)	8,168
La Cumbre	1,000	2.56%	74,168	(32,696)	(42)	41,430
Raytheon	50	0.13%	3,708	(1,635)	116	2,189
Santa Barbara	3,000	7.68%	222,503	(98,087)	(293)	124,123
Montecito	3,000	7.68%	222,503	(98,087)	(293)	124,123
Carpinteria	2,000	5.12%	148,335	(65,392)	(724)	82,220
Subtotal	39,078	100.00%	\$ 2,898,327	\$ (1,277,685)	\$ (5,673)	\$ 1,614,969
Goleta Additional Table A	2,500	-	\$ 61,694	(27,198)		\$ 34,496
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 2,960,021	\$ (1,304,883)	\$ (5,673)	\$ 1,649,465

(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 2015 and January 2016 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 2016/17.

The FY 2016/17 Delta Water Charge totals \$3,301,306, which is \$579,866 higher than the prior year amount for the following reasons.

Delta Water Charge			
	FY 2015/16	FY 2016/17	Change
Rate per acre-foot	\$ 62.34	\$ 74.02	\$ 11.68
Delta Water Charge	2,835,386	3,366,885	531,499
Rate Management Credits	(138,944)	(138,944)	-
Replacement Deposits	24,998	-	(24,998)
Prior year amount due (credit)	-	\$ 73,365	73,365
Total:	\$ 2,721,440	\$ 3,301,306	\$ 579,866

As the table above shows, the FY 2016/17 rate per acre-foot totals \$74.02, which is \$11.68/AF higher than the prior year amount.

The FY 2016/17 rate includes an estimated \$5.00/AF increase for calendar year 2017 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 Accounting 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.

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The following table shows the allocation of the FY 2016/17 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 2015/16 (Credits) Amount Due	FY 2016/17 Delta Water Charges
	Including Drought Buffer	Percentage					
Guadalupe	605	1.41%	\$ 44,782	\$ -	(1,842)	\$ 976	\$ 43,916
Santa Maria	17,820	41.46%	1,319,041	-	(54,244)	28,744	1,293,541
Golden State Water Co.	550	1.28%	40,711	-	(1,674)	888	39,925
VAFB	6,050	14.07%	447,823	-	(18,416)	9,758	439,164
Buellton	636	1.48%	47,077	-	(1,936)	1,027	46,168
Santa Ynez (Solvang)	1,500	3.49%	111,030	-	(4,108)	2,421	109,343
Santa Ynez	700	1.63%	51,814	-	(3,047)	1,130	49,897
Goleta	4,950	11.52%	366,400	-	(15,068)	12,017	363,350
Morehart	220	0.51%	16,284	-	(670)	352	15,967
La Cumbre	1,100	2.56%	81,422	-	(3,348)	1,775	79,849
Raytheon	55	0.13%	4,071	-	(167)	88	3,992
Santa Barbara	3,300	7.68%	244,267	-	(10,045)	5,319	239,541
Montecito	3,300	7.68%	244,267	-	(10,045)	5,319	239,541
Carpinteria	2,200	5.12%	162,845	-	(6,697)	3,551	159,699
Subtotal	42,986	100.00%	\$ 3,181,835	\$ -	\$ (131,307)	\$ 73,365	\$ 3,123,893
Goleta Additional Table A	2,500	5.50%	\$ 185,051	\$ -	(7,637)	-	\$ 177,414
TOTAL:	45,486	-	\$ 3,366,885	\$ -	\$ (138,944)	\$ 73,365	\$ 3,301,306

2016 COST PER AF:	\$ 71.5203
Increase for 2016 SOC per AF /2	\$ 2.5000
Estimated rate for FY 2016/17	\$ 74.0203

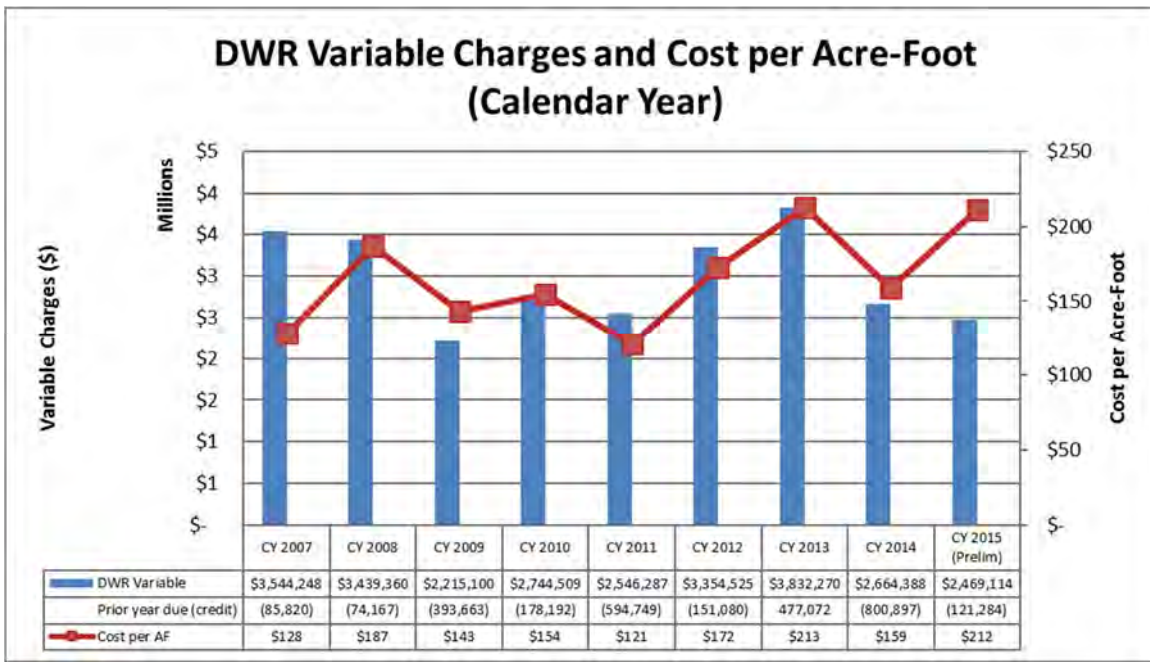
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DWR VARIABLE COSTS

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

- Off-Aqueduct Charge
- Variable OMP&R

The following graph shows the nine-year history of the actual and estimated DWR variable costs, adjustment of variable cost component for prior year transportation and cost per acre-foot for each calendar year.



The DWR variable charges for FY 2016/17 total \$1,860,417, which is \$3,998,633 lower than the budgeted FY 2015/16 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 2016/17, the off-aqueduct charges total \$32,133, which is \$147,874 lower than the prior year budget.

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The following table shows the allocation of off-aqueduct charges for FY 2016/17.

Project Participant	July 2016 to December 2016				January 2017 to June 2017				FY 2015/16	TOTAL
	Requested Delivery	Delivery Percentage	2016 Off-Aqueduct	Half-Year 2016 Charges	Requested Delivery	Delivery Percentage	2017 Off-Aqueduct	Half-Year 2016 Charges	(Credits) Charges	FY 2016/17 Off-Aqueduct
	AF ⁽¹⁾		^(1 & 2)		AF ⁽¹⁾		⁽³⁾		⁽⁴⁾	
Guadalupe	121	0.80%	\$ 1,169	\$ 584	121	0.79%	\$ 1,402	\$ 701	\$ (4,771)	\$ -
Santa Maria	6,447	42.71%	62,276	31,138	5,874	38.23%	68,059	34,029	(91,355)	-
Golden State Water Co.	198	1.31%	1,913	956	265	1.72%	3,070	1,535	(7,583)	-
VAFB	1,213	8.04%	11,717	5,859	1,199	7.80%	13,892	6,946	(55,459)	-
Buellton	311	2.06%	3,004	1,502	274	1.78%	3,175	1,587	(7,924)	-
Santa Ynez (Solvang) ⁽⁵⁾	676	4.48%	6,530	3,265	575	3.74%	6,662	3,331	(389)	6,207
Santa Ynez ⁽⁶⁾	145	0.96%	1,401	700	105	0.68%	1,217	608	(7,414)	-
Goleta	1,640	10.86%	15,842	7,921	2,564	16.69%	29,705	14,853	(12,987)	9,787
Morehart	23	0.15%	220	110	17	0.11%	199	100	(1,105)	-
La Cumbre	456	3.02%	4,407	2,204	491	3.20%	5,692	2,846	(2,938)	2,111
Raytheon	39	0.26%	381	191	49	0.32%	568	284	(1,467)	-
Santa Barbara	1,235	8.18%	11,930	5,965	1,738	11.31%	20,136	10,068	(11,302)	4,731
Montecito	1,820	12.05%	17,579	8,789	1,445	9.40%	16,740	8,370	(9,959)	7,200
Carpinteria	772	5.11%	7,457	3,729	648	4.22%	7,508	3,754	(5,387)	2,096
	15,096	100.00%	\$ 145,826	\$ 72,913	15,365	100.00%	\$ 178,026	\$ 89,013	\$ (220,040)	\$ 32,133

(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 July 1, 2015 for Calendar Year 2016 Statement of Charges.

(3) Source: Attachment #3, December 10, 2015 DWR Invoice for calendar year 2016.

(4) Credits for reconciliation of 2015 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.

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 2016/17, the variable OMP&R charges total \$1,828,284 which is \$3,850,759 less than the prior year amount. The budget is based on estimated water deliveries of 30,461 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2016/17 is estimated to be \$121/AF and \$150/AF for the second half of the fiscal year.

The following table shows the allocation of the FY 2016/17 variable OMP&R costs.

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VARIABLE OMP&R CHARGES

Project Participant	July 1, 2016 to Dec 31, 2016 ⁽¹⁾			\$121/AF ⁽²⁾	Jan 1, 2017 to June 30, 2017 ⁽³⁾			\$150/AF ⁽⁴⁾		TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2016 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2017 Var OMP&R	FY 2015/16 Credits ⁽⁵⁾	FY 2016/17 Var. OMP&R
Guadalupe	121	-	121	\$ 14,641	121	-	121	\$ 18,150	\$ (5,046)	\$ 27,745
Santa Maria	6,447	-	6,447	780,087	5,874	-	5,874	881,100	(762,156)	899,031
Golden State Water Co.	198	-	198	23,958	265	-	265	39,750	(9,273)	54,435
VAFB	1,213	-	1,213	146,773	1,199	-	1,199	179,850	(147,184)	179,439
Buellton	311	-	311	37,631	274	-	274	41,100	(62,809)	15,922
Santa Ynez (Solvang)	676	-	676	81,796	575	-	575	86,250	(83,488)	84,558
Santa Ynez ⁽⁶⁾	145	1,580	1,725	17,545	105	1,034	1,139	15,750	(66,797)	-
Goleta	1,640	(570)	1,070	198,440	2,564	(372)	2,192	384,571	(712,921)	-
Morehart	23	-	23	2,759	17	-	17	2,580	(22,115)	-
La Cumbre	456	-	456	55,207	491	-	491	73,693	(49,444)	79,455
Raytheon	39	-	39	4,778	49	-	49	7,350	(4,840)	7,288
Santa Barbara	1,235	(378)	857	149,435	1,738	(247)	1,491	260,688	(145,414)	264,709
Montecito	1,820	(378)	1,442	220,194	1,445	(247)	1,198	216,718	(221,211)	215,701
Carpinteria	772	(254)	518	93,412	648	(167)	481	97,200	(224,017)	-
Total	15,096	-	15,096	\$ 1,826,656	15,365	-	15,365	\$ 2,304,750	\$ (2,516,715)	\$ 1,828,284

(1) 2016 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.

(2) Source: December 10, 2015 Revised Statement of Charges for calendar year 2016.

(3) 2015 Requested Deliveries based on a 100% delivery allocation.

(4) Source: Estimate of invoice rate for 2017.

(5) Credits for FY 2015/16 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.

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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 2016 or 2017.

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.

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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	\$ 273,607	\$ -	\$ -	\$ 46,965	\$ 22,674	\$ 43,916	\$ 387,162	\$ -	\$ 27,745	\$ 27,745	\$ (717)	\$ 414,190
Santa Maria	8,034,146	706,326	-	1,537,137	670,636	1,293,541	12,241,787	-	899,031	899,031	(24,563)	13,116,255
Golden State Water Co.	248,389	21,800	-	25,169	20,715	39,925	355,997	-	54,435	54,435	(854)	409,578
Vandenberg AFB	2,728,486	239,802	393,221	781,018	227,595	439,164	4,809,285	-	179,439	179,439	-	4,988,724
Buellton	287,198	25,201	41,324	47,846	23,817	46,168	471,554	-	15,922	15,922	(1,041)	486,435
Santa Ynez (Solvang)	737,313	65,401	107,242	120,064	59,926	109,343	1,199,290	6,207	84,558	90,765	(2,435)	1,287,620
Santa Ynez	254,346	21,800	35,747	90,273	23,061	49,897	475,126	-	-	-	(937)	474,188
Goleta	2,228,195	196,202	321,726	631,893	184,291	363,350	3,925,657	9,787	-	9,787	(8,263)	3,927,182
Morehart Land	98,976	8,720	14,299	10,553	8,168	15,967	156,683	-	-	-	(379)	156,304
La Cumbre	496,778	43,600	71,495	67,965	41,430	79,849	801,117	2,111	79,455	81,567	(1,746)	880,937
Raytheon	25,218	2,180	3,575	2,971	2,189	3,992	40,124	-	7,288	7,288	(88)	47,325
Santa Barbara	1,488,437	130,801	214,484	479,063	124,123	239,541	2,676,449	4,731	264,709	269,441	(4,919)	2,940,970
Montecito	1,488,437	130,801	214,484	494,116	124,123	239,541	2,691,503	7,200	215,701	222,902	(4,579)	2,909,826
Carpinteria	991,660	87,201	142,990	297,362	82,220	159,699	1,761,130	2,096	-	2,096	(3,531)	1,759,694
Goleta 2500 AF	26,679	-	-	93,928	34,496	177,414	332,516	-	-	-	-	332,516
Total	\$ 19,407,865	\$ 1,679,835	\$ 1,560,588	\$ 4,726,321	\$ 1,649,465	\$ 3,301,306	\$ 32,325,380	\$ 32,133	\$ 1,828,284	\$ 1,860,417	\$ (54,052)	\$ 34,131,745



Tank 2 Chlorination during 2016 Winter Shutdown

Operating Expenses

The Operating Expenses section of the FY 2016/17 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 2016/17 Operating Expenses \$ 10,757,612**
- Fixed expense increase \$ 301,642
- Variable expense increase \$ 1,278,480
- Increase over FY 2015/16 Budget \$ 1,580,122
- Percentage increase 17.22%

Significant Operating Expense Changes

- Includes a salary pool for FY 2016/17 of \$134,500, equivalent to a 5.03% increase comprised of a 3% merit percentage and a 2.03% change in the consumer price index.
- The additional \$125,000 payment towards paying down CCWA's unfunded accrued pension liability.
- The addition of a new position for a Finance Director with an estimated beginning annual salary of approximately \$130,000.
- Chemical costs budgeted at \$63.18 an acre-foot (excluding Santa Ynez Pumping facility chemical costs)
- Budgeted employee benefits percentage for FY 2016/17: 46.07%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2016/17 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 (26) of the 31 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 2016/17. 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 2016/17 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2016/17 budget are as follows:

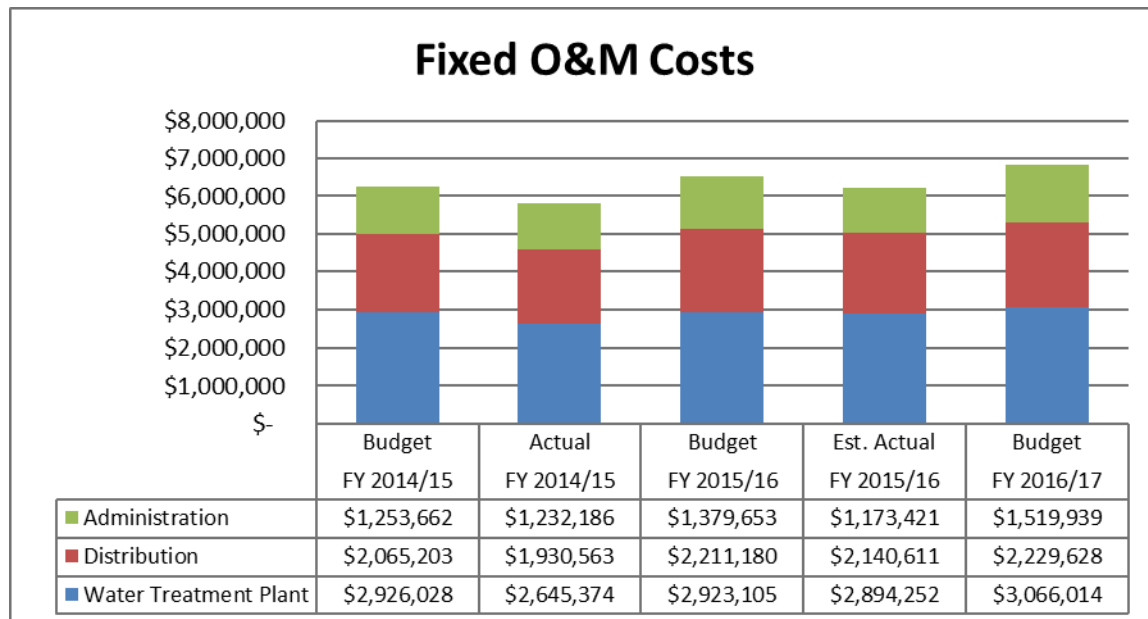
- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$357,414.
- Decrease in Warren Act and Trust Fund charges of \$151,612 (Warren Act and Trust Fund charges are not included in the Operating Expense budget and are treated as a pass-through expense).

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.

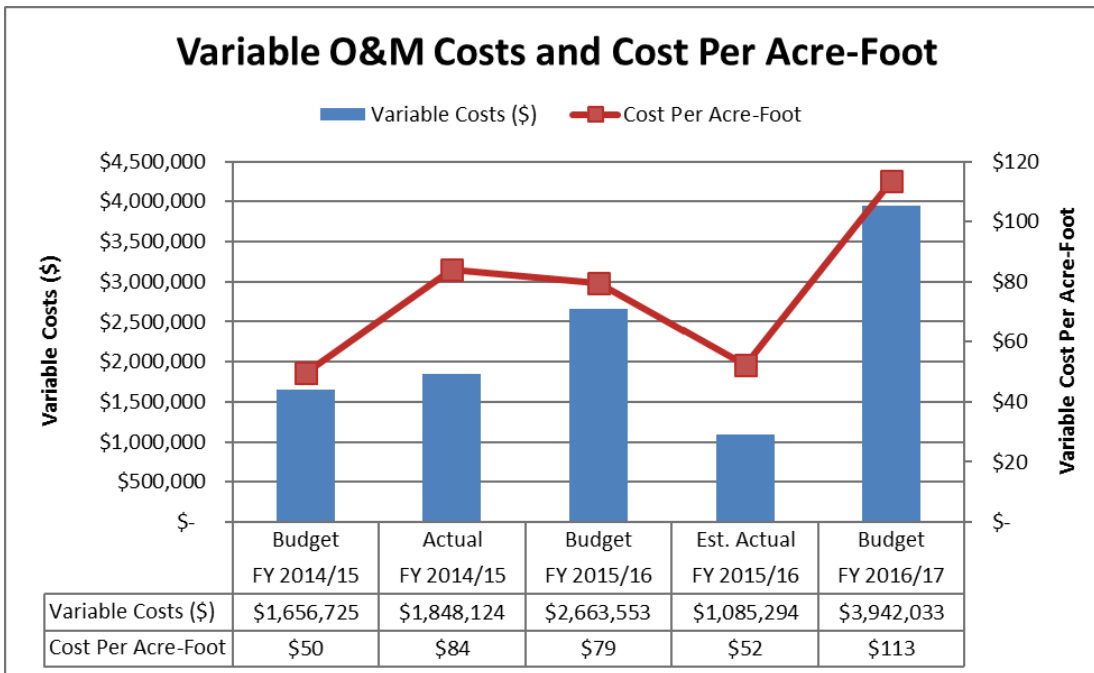
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
 Operating Expense Overview
 Fiscal Year 2016/17 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 2016/17 Consolidated Departmental Operating Expense Budget totals \$10,757,612 which is \$1,580,122 higher than the Fiscal Year 2015/16 Budget, a 17.22% increase. Explanations for the various changes within the budget are discussed below and are also included in the various departmental sections of this Budget document.

Personnel Expenses

Personnel expenses are increasing by about \$502,000 which includes the following changes from the prior year:

- The FY 2016/17 Budget includes a \$134,500 salary pool for employee salary increases based on a salary pool percentage of 5.03%. The salary pool percentage is comprised of a 3% merit component and a 2.03% change in the consumer price index. The total salaries and wages budget is increasing by about \$205,000 largely due to the addition of a new

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2016/17 Budget

- position for a Finance Director with an estimated starting annual salary around \$130,000. Current employee salaries are increasing by approximately \$109,000.
- PERS retirement expenses are increasing by about \$185,000 due to the following: A \$125,000 additional annual payment towards paying down CCWA's unfunded accrued pension liability (approved by the Board of Directors on March 24, 2016), salary increases, the new Finance Director position, plus the change in the employer and employee contribution rate for the FY 2016/17 to 22.071% as compared to the prior year amount of 21.035%.
 - Health insurance expenses and cafeteria plan benefits combined are increasing by about \$134,000 due to an increase in dental and vision claims along with a 15.03% increase in health insurance premiums, as opposed to the budgeted increase of 5% for calendar year 2016. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2017.
 - The FY 2016/17 Budget includes \$46,500 for deposit into the California Employers' Retiree Benefit Trust Program (CERBT) which represents a \$2,580 increase in the estimated FY 2016/17 amount from the FY 2015/16 budgeted amount of \$43,920 for the annually required contribution for the CCWA retiree medical benefit.

Supplies and Equipment

Supplies and equipment are increasing by around \$770,000 due primarily to the increased cost of chemicals needed for drought related water quality changes.

Monitoring Expenses

Monitoring expenses are increasing by \$14,000 for lab supplies and lab testing as compared to last fiscal year due to drought related water quality monitoring along with new required testing.

Repairs and Maintenance

Repairs and maintenance costs are remaining essentially the same as prior fiscal year.

Professional Services

Professional Services are decreasing by \$114,000 primarily due to a decreased need for additional legal services and professional services.

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2016/17 Budget

Utilities

Utility expenses are increasing by about \$506,000 primarily due to an increase in the cost of electricity that is partially offset by a decrease in requested water deliveries into Lake Cachuma of 1,954 AF compared to the prior fiscal year.

Approximately 45% of the operating expense budget represents personnel expenses. This is followed by 23% for supplies and equipment, and 17% for utilities and the balance comprised of other expenses.

The chart on page 83 provides a detailed breakdown of the components of the FY 2016/17 budget.

Central Coast Water Authority
 Operating Expense Overview
 Fiscal Year 2016/17 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.

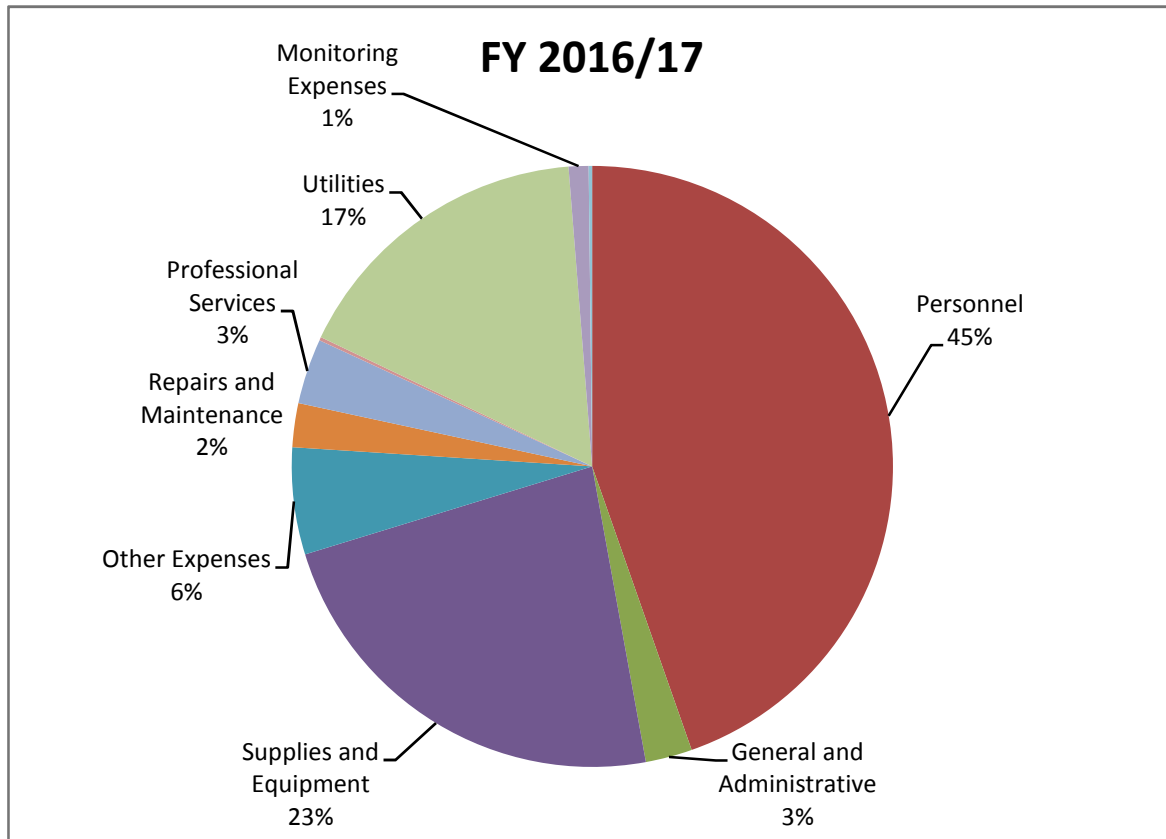
The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2014/15 through 2016/17.

	FY 2014/15	FY 2015/16	FY 2016/17
	Actual	Est. Actual	Budget ⁽¹⁾
Total Regular Salaries	\$ 2,678,765	\$ 2,723,073	\$ 2,938,263
<u>Benefits</u>			
PERS Retirement ⁽¹⁾	613,666	584,723	648,783
Health Insurance	443,530	439,406	582,646
Cafeteria Plan Benefits	46,699	23,701	20,090
Dental/Vision Plan	41,336	71,159	73,806
Long-Term Disability	12,264	12,898	14,934
Life Insurance	11,445	10,830	13,306
Total Benefits:	\$ 1,168,939	\$ 1,142,717	\$ 1,353,564
Employee Benefits Percentage	43.64%	41.96%	46.07%

(1) The PERS Retirement for FY 2016/17 in the above benefit percentage calculation does not include the additional \$125,000 payment towards CCWA's unfunded accrued liability which was included in the operating expense sections of the budget.

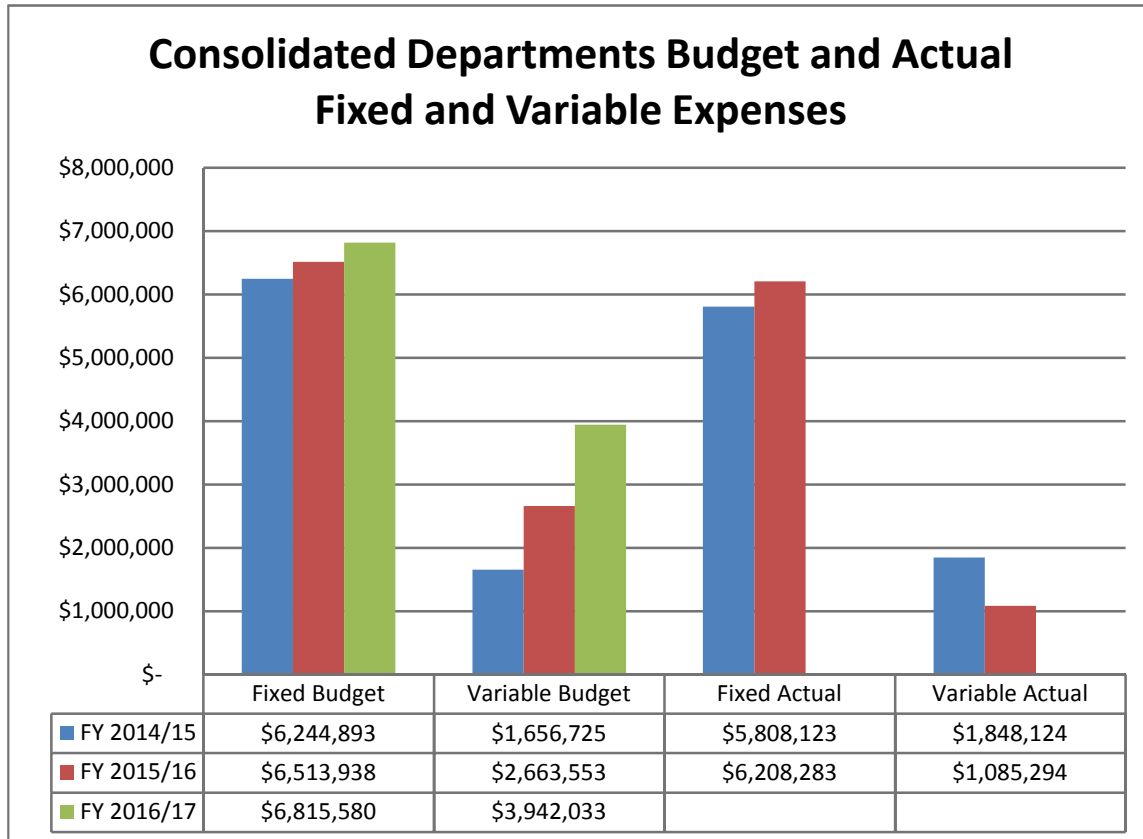
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2016/17 Budget

Item	FY 2016/17 Budget
Personnel	\$ 4,801,491
Office Expenses	19,700
Supplies and Equipment	2,485,483
Monitoring Expenses	113,784
Repairs and Maintenance	255,022
Professional Services	377,735
General and Administrative	271,169
Utilities	1,793,036
Other Expenses	618,451
Turnouts	21,742
TOTAL:	<u>\$ 10,757,612</u>



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2016/17 Budget

Item	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget
Personnel	\$ 4,238,812	\$ 4,059,803	\$ 4,299,632	\$ 4,262,538	\$ 4,801,491
Office Expenses	19,150	14,559	19,150	21,171	19,700
Supplies and Equipment	1,170,981	1,199,146	1,712,687	1,052,642	2,485,483
Monitoring Expenses	90,305	89,243	100,391	86,160	113,784
Repairs and Maintenance	236,220	212,943	255,306	217,123	255,022
Professional Services	329,851	369,569	491,335	250,396	377,735
General and Administrative	240,963	205,666	246,099	236,333	271,169
Utilities	803,022	932,075	1,286,695	326,761	1,793,036
Other Expenses	750,571	500,563	729,470	793,768	618,451
Turnouts	21,744	72,681	36,725	46,686	21,742
Total:	\$ 7,901,618	\$ 7,656,247	\$ 9,177,490	\$ 7,293,577	\$ 10,757,612



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 2,676,536	\$ 2,604,314	\$ 2,733,028	\$ 2,723,073	\$ 2,938,263	\$ 205,235	7.51%
1300.60	Capitalized Wages and Overtime	-	(15,332)	-	-	-	-	N/A
5000.20	Overtime	130,028	112,657	132,773	149,352	135,789	3,016	2.27%
5000.40	Standby Pay	52,711	50,804	53,927	49,782	55,190	1,264	2.34%
5000.50	Shift Differential Pay	16,551	16,595	17,161	14,298	17,594	433	2.52%
5100.10	PERS Retirement	575,643	558,833	589,036	584,723	773,783	184,747	31.36%
5100.15	Medicare Taxes	42,743	40,601	42,945	42,437	45,920	2,975	6.93%
5100.20	Health Insurance	419,416	424,421	469,490	439,406	582,646	113,156	24.10%
5100.25	Workers' Compensation	101,869	84,509	100,408	64,185	64,961	(35,447)	-35.30%
5100.30	Vehicle Expenses	9,000	9,000	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	42,840	44,715	43,920	43,000	46,500	2,580	5.87%
5100.40	Cafeteria Plan Benefits	71,959	46,699	24,857	23,701	20,090	(4,767)	-19.18%
5100.45	Dental/Vision Plan	62,565	41,336	48,613	71,159	73,806	25,193	51.82%
5100.50	Long-Term Disability	10,819	11,769	13,341	12,898	14,934	1,592	11.93%
5100.55	Life Insurance	11,422	10,987	11,422	10,830	13,306	1,884	16.49%
5100.60	Employee Physicals	900	110	900	-	900	-	0.00%
5000.30	Temporary Services	5,000	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	6,560	-	6,560	235	6,560	-	0.00%
5100.65	Employee Education Reimbursement	2,250	201	2,250	-	2,250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	17,584	-	24,458	-	-	N/A
Total Personnel Expenses:		4,238,812	4,059,803	4,299,632	4,262,538	4,801,491	501,859	11.67%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	9,700	8,501	9,700	12,092	9,700	-	0.00%
5200.30	Misc. Office Expenses	9,450	6,059	9,450	9,079	10,000	550	5.82%
Total Office Expenses:		19,150	14,559	19,150	21,171	19,700	550	2.87%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	14,772	12,854	14,772	14,774	15,210	438	2.97%
5500.15	Minor Tools and Equipment	10,000	8,996	10,000	10,310	10,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,500	1,255	1,500	192	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,015,379	1,058,442	1,543,465	911,121	2,317,823	774,358	50.17%
5500.35	Maintenance Supplies/Hardware	22,000	23,087	26,000	29,885	26,000	-	0.00%
5500.40	Safety Supplies	10,000	8,952	12,000	10,295	12,000	-	0.00%
5500.45	Fuel and Lubricants	85,830	78,453	91,450	72,897	91,450	-	0.00%
5500.50	Seed/Erosion Control Supplies	11,000	6,941	13,000	3,169	11,000	(2,000)	-15.38%
5500.55	Backflow Prevention Supplies	500	166	500	-	500	-	0.00%
Total Supplies and Equipment:		1,170,981	1,199,146	1,712,687	1,052,642	2,485,483	772,796	45.12%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	57,000	56,416	62,236	61,102	65,969	3,733	6.00%
5600.20	Lab Tools and Equipment	15,000	14,556	1,720	-	11,380	9,660	561.63%
5600.30	Lab Testing	18,305	18,271	36,435	25,058	36,435	-	0.00%
Total Monitoring Expenses:		90,305	89,243	100,391	86,160	113,784	13,393	13.34%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	145,500	130,559	163,000	141,268	163,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	20,000	16,377	20,000	8,091	17,500	(2,500)	-12.50%
5700.30	Building Maintenance	58,660	56,003	60,246	56,885	61,602	1,356	2.25%
5700.40	Landscape Maintenance	12,060	10,004	12,060	10,880	12,920	860	7.13%
Total Repairs and Maintenance:		236,220	212,943	255,306	217,123	255,022	(284)	-0.11%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	127,275	89,111	159,975	92,906	140,775	(19,200)	-12.00%
5400.20	Legal Services	132,500	215,032	250,000	98,159	160,000	(90,000)	-36.00%
5400.30	Engineering Services	10,000	13,442	15,000	3,000	10,500	(4,500)	-30.00%
5400.40	Permits	20,900	14,493	25,800	17,059	22,900	(2,900)	-11.24%
5400.50	Non-Contractual Services	4,176	3,161	4,260	1,479	4,260	-	0.00%
5400.60	Accounting Services	35,000	34,331	36,300	37,793	39,300	3,000	8.26%
Total Professional Services:		329,851	369,569	491,335	250,396	377,735	(113,600)	-23.12%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	58,900	43,596	48,500	44,765	59,000	10,500	21.65%
5300.20	Mileage Reimbursement	1,650	377	1,650	410	1,650	-	0.00%
5300.30	Dues and Memberships	149,513	139,360	163,049	175,445	151,619	(11,431)	-7.01%
5300.40	Publications	2,500	2,670	2,500	1,489	3,000	500	20.00%
5300.50	Training	15,500	7,811	16,000	4,493	17,500	1,500	9.38%
5300.60	Advertising	2,000	95	2,000	-	25,000	23,000	1150.00%
5300.70	Printing and Binding	3,500	3,645	3,500	104	3,500	-	0.00%
5300.80	Postage	7,400	8,112	8,900	9,627	9,900	1,000	11.24%
Total General and Administrative:		240,963	205,666	246,099	236,333	271,169	25,069	10.19%
<u>UTILITIES</u>								
5800.20	Natural Gas	8,190	2,042	8,190	4,783	8,190	-	0.00%
5800.30	Electric-Fixed	126,972	118,755	131,627	125,767	132,825	1,199	0.91%
5800.35	Electric-Variable	641,347	789,682	1,120,088	174,173	1,624,210	504,122	45.01%
5800.40	Water	3,200	2,702	3,200	2,767	3,200	-	0.00%
5800.50	Telephone	13,728	11,470	14,006	11,405	15,026	1,020	7.28%
5800.60	Waste Disposal	9,585	7,424	9,585	7,867	9,585	-	0.00%
Total Utilities:		803,022	932,075	1,286,695	326,761	1,793,036	506,341	39.35%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	147,118	137,095	139,308	129,035	140,212	904	0.65%
5900.30	Non-Capitalized Projects	258,569	99,926	235,893	357,062	91,509	(144,384)	-61.21%
5900.40	Equipment Rental	32,020	23,610	33,540	53,528	38,540	5,000	14.91%
5900.50	Non-Capitalized Equipment	14,500	11,399	14,500	17,812	14,500	-	0.00%
5900.60	Computer Expenses	176,341	170,089	179,225	175,417	200,478	21,253	11.86%
5900.70	Appropriated Contingency	122,023	58,444	127,004	60,914	133,213	6,208	4.89%
Total Other Expenses:		750,571	500,563	729,470	793,768	618,451	(111,019)	-15.22%
	Turnout Expenses	21,744	72,681	36,725	46,686	21,742	(14,984)	-40.80%
TOTAL OPERATING EXPENSES		\$ 7,901,618	\$ 7,656,247	\$ 9,177,490	\$ 7,293,577	\$ 10,757,612	\$ 1,580,122	17.22%

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2016/17 Budget

Project Participant	<u>Administration Department</u>			<u>Water Treatment Plant Department Fixed Costs</u>					Turnout Costs	
	Table A	Percentage	Administration Expenses	Table A	Percentage	WTP Fixed	WTP Fixed and Capital Retirement	Exchange Fixed and Capital Adjustments		Total Fixed WTP Costs
Shandon	-	-	\$ -	100	0.23%	\$ 8,084	-	-	8,084	\$ -
Chorro Valley	-	-	-	2,338	5.32%	188,993	-	-	188,993	2,900
Lopez	-	-	-	2,392	5.45%	193,358	-	-	193,358	2,546
Guadalupe	550	1.41%	22,307	550	1.25%	44,459	24,388	-	68,848	2,060
Santa Maria	16,200	41.46%	657,056	16,200	36.90%	1,309,534	718,349	-	2,027,884	2,519
Golden State Water Co.	500	1.28%	20,280	500	1.14%	40,418	22,171	-	62,589	4,206
VAFB	5,500	14.07%	223,075	5,500	12.53%	444,595	243,884	-	688,479	2,000
Buellton	578	1.48%	23,443	578	1.32%	46,723	25,630	-	72,353	2,294
Santa Ynez (Solvang)	1,500	3.84%	60,839	1,500	3.42%	121,253	66,514	-	187,767	1,718
Santa Ynez	500	1.28%	20,280	500	1.14%	40,418	138,083	406,752	585,252	1,500
Goleta	4,500	11.52%	182,516	4,500	10.25%	363,760	(395,979)	(146,431)	(178,650)	-
Morehart Land	200	0.51%	8,112	200	0.46%	16,167	(22,253)	-	(6,085)	-
La Cumbre	1,000	2.56%	40,559	1,000	2.28%	80,835	(111,263)	-	(30,427)	-
Raytheon (SBRC)	50	0.13%	2,028	50	0.11%	4,042	(5,563)	-	(1,521)	-
Santa Barbara	3,000	7.68%	121,677	3,000	6.83%	242,506	(263,986)	(97,620)	(119,100)	-
Montecito	3,000	7.68%	121,677	3,000	6.83%	242,506	(263,986)	(97,620)	(119,100)	-
Carpinteria	2,000	5.12%	81,118	2,000	4.55%	161,671	(175,991)	(65,080)	(79,400)	-
TOTAL:	39,078	100.00%	\$ 1,584,966	43,908	100.00%	\$ 3,549,323	\$ -	(0)	\$ 3,549,323	\$ 21,742

Project Participant	<u>Distribution Department Fixed Costs</u>								Total Fixed Distribution 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		
Shandon	1,309	-	-	-	-	-	-	-	1,309	9,392
Chorro Valley	30,597	-	-	-	-	-	-	-	30,597	222,491
Lopez	31,304	15,070	-	-	-	-	-	-	46,374	242,278
Guadalupe	7,198	3,465	1,346	-	-	-	-	-	12,009	105,223
Santa Maria	212,009	102,059	39,638	28,972	-	-	-	-	382,679	3,070,138
Golden State Water Co.	6,543	3,150	1,223	894	-	-	-	-	11,811	98,886
VAFB	71,978	34,650	13,457	9,836	23,893	68,868	-	-	222,683	1,136,237
Buellton	7,564	3,641	1,414	1,034	2,511	7,237	14,001	-	37,402	135,492
Santa Ynez (Solvang)	19,630	9,450	3,670	2,683	6,516	18,782	36,334	-	97,065	347,389
Santa Ynez	6,543	3,150	1,223	894	2,172	6,261	12,111	-	32,355	639,387
Goleta	58,891	28,350	11,011	8,048	19,549	56,347	109,001	211,925	503,121	506,986
Morehart Land	2,617	1,260	489	358	869	2,504	4,844	9,419	22,361	24,387
La Cumbre	13,087	6,300	2,447	1,788	4,344	12,521	24,222	47,094	111,805	121,937
Raytheon (SBRC)	654	315	122	89	217	626	1,211	2,355	5,590	6,097
Santa Barbara	39,261	18,900	7,340	5,365	13,032	37,564	72,667	141,283	335,414	337,991
Montecito	39,261	18,900	7,340	5,365	13,032	37,564	72,667	141,283	335,414	337,991
Carpinteria	26,174	12,600	4,894	3,577	8,688	25,043	48,445	94,189	223,609	225,327
TOTAL:	574,624	261,259	95,616	68,904	94,824	273,319	395,503	647,549	2,411,597	\$ 7,567,627

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2016/17 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs				Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING & CIP COSTS	Summary of Total Costs	
	Santa Ynez II	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs				
Shandon	\$ -	\$ 7,238			\$ 7,238	\$ 7,238	\$ 16,630	Fixed O&M Costs	
Chorro Valley	-	159,561			159,561	159,561	382,052	Administration	\$ 1,519,939
Lopez	-	147,883			147,883	147,883	390,160	Water Treatment Plant	3,066,014
Guadalupe	-	17,604	5,966		23,570	23,570	128,793	Distribution	2,229,628
Santa Maria	-	896,261	303,742		1,200,004	1,200,004	4,270,141	Total Fixed O&M Costs	6,815,580
Golden State Water Co.	-	33,680	11,414		45,094	45,094	143,979	Variable O&M Costs	
VAFB	-	175,455	59,462		234,917	234,917	1,371,153	Water Treatment Plant	2,530,517
Buellton	-	42,554	14,422		56,976	56,976	192,468	Distribution	1,411,516
Santa Ynez (Solvang)	-	91,001	30,840		121,841	121,841	469,230	Total Variable O&M Costs	3,942,033
Santa Ynez	-	18,186	70,605	190,149	278,939	278,939	918,326	Capital Improvement Projects	752,048
Goleta	446,120	305,795	(156,907)	(68,454)	80,435	526,555	1,033,541	Total O&M and CIP Costs:	
Morehart Land	5,469	2,910	(1,924)	0	986	6,455	30,843	\$ 11,509,660	
La Cumbre	129,558	68,927	(45,567)	0	23,359	152,917	274,854		
S.B. Research	12,099	6,437	(4,255)	0	2,181	14,281	20,378		
Santa Barbara	320,710	216,258	(112,798)	(45,636)	57,824	378,534	716,525		
Montecito	360,588	237,473	(126,824)	(45,636)	65,014	425,602	763,592		
Carpinteria	136,972	103,295	(48,175)	(30,424)	24,696	161,667	386,995		
TOTAL:	\$ 1,411,516	\$ 2,530,517	\$ 0	\$ -	2,530,517	3,942,033	\$ 11,509,660		



CCWA Staff Members Chris Towers and Jim Thompson, recipients of ACWA/JPIA H.R. LaBounty Safety Awards

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 | 5.25 |
| • Number of Board members | 8 |
| • Number of Authority Committees | 3 |
| • 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 2016/17 O&M Budget | \$ 1,519,939 |
| • O&M Budget increase over FY 2015/16 | \$ 140,286 |
| • Percentage increase over FY 2015/16 | 10.17% |

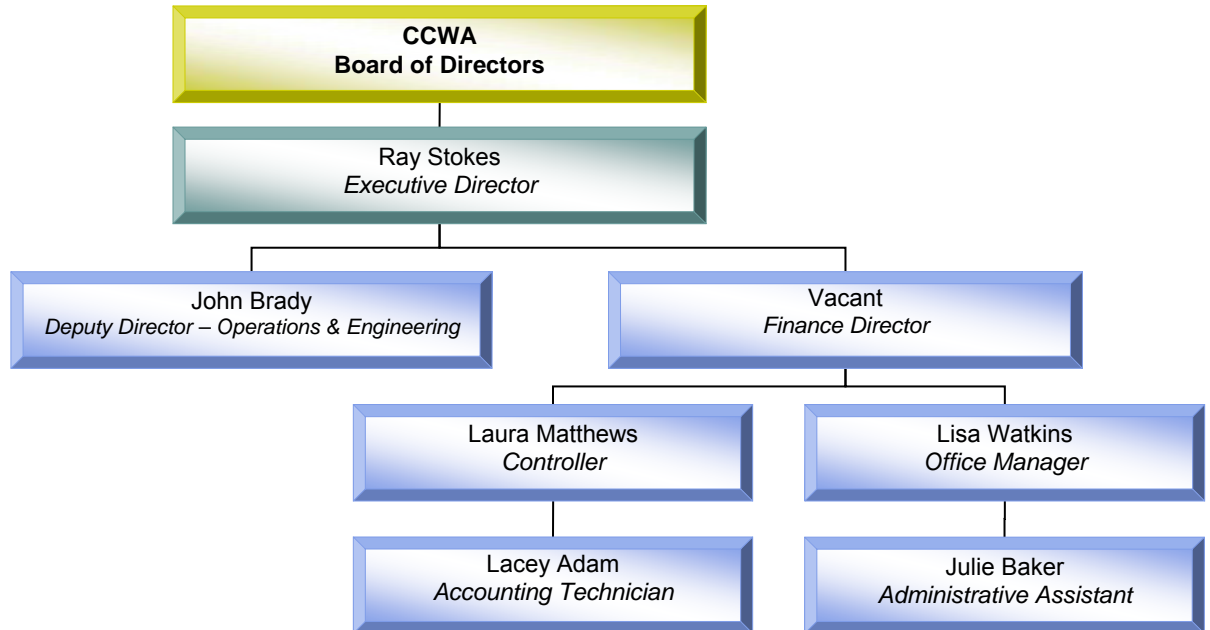
Significant Goals for FY 2016/17

- Obtain approval from DWR and Santa Barbara County for assignment of the State Water Project Contract to CCWA.
- Reacquire the 12,214 AF of Santa Barbara County suspended Table A water
- Actively participate in negotiations regarding a State Water Project contract amendment to provide for enhanced water management provisions and possible cost and water allocations associated with the Bay Delta Conservation Plan.
- Explore groundwater banking opportunities both outside Santa Barbara County (short-term) and within Santa Barbara County (long-term).
- Obtain approval and execution of the recently negotiated State Water Project Contract extension and amendment.
- Analyze the potential benefits of the Bay Delta Conservation Plan and the twin tunnels project to determine a CCWA position on the proposed project.
- Explore and analyze refinancing the CCWA 2006 revenue bonds.
- Develop a formal long-term capital improvements program including development of a CCWA facilities assessment program.

Central Coast Water Authority
Administration Department
Fiscal Year 2016/17 Budget

The Administration Department is comprised of the Executive Director, Deputy Director of Operations and Engineering, Deputy Director of Finance and Administration, Controller, Office Manager 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.

The Authority's Administration Department has three main functions: Executive, which provides oversight and management of the Authority; Finance/Treasury, which is the central fiscal control and accounting agency of the Authority and 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.



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. The Executive Director serves as the Treasurer for the Authority.

Central Coast Water Authority
Administration Department
Fiscal Year 2016/17 Budget

DEPUTY DIRECTOR – Operations and Engineering

The Deputy Director of Operations and Engineering serves as the operations officer for the Authority and is responsible for all operational and engineering related activities, including planning and directing the operations and maintenance of the water treatment plant, laboratory, distribution system and network system. In addition, the Deputy Director of Operations and Engineering is responsible for all engineering work and oversees project management related to CCWA's distribution pipeline, water treatment plant, and ancillary facilities.

The Deputy Director of Operations and Engineering is charged with the responsibility for construction contract administration and management, and provides technical oversight to the operations and maintenance departments, including evaluating, designing, and implementing operational and capital improvements for the Authority. Additional secondary duties include oversight of professional consultants and detailed analysis and design for engineering work performed in-house.

FINANCE DIRECTOR

The Finance Director serves as the administrative services officer for the Authority and is responsible for all finance and accounting related activities, including financial reporting, treasury functions, human resources and risk management.

The Finance Director oversees human resources, risk management, the administration of the computer network and corresponding network consultants. Additionally, assists the Executive Director in representing the Authority's financial interests with the State of California Department of Water Resources and the State Water Contractors

CONTROLLER

The Controller manages the finance department's daily finance/accounting activities including payrolls and audits, preparation of the operating and capital budgets, preparation of the comprehensive annual financial reports, debt management, risk management, and cash management. The Controller provides oversight of the employee benefits program for the Authority.

OFFICE MANAGER

The Authority's Office Manager administers 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). The Office Manager maintains vendor risk management related to auto, property and liability insurances. Additionally, the Office Manager serves as Secretary to the Board of Directors.

Central Coast Water Authority
Administration Department
Fiscal Year 2016/17 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 2016/17 is increasing by \$140,286 or 10.17% when compared to the FY 2015/16 Budget. The total FY 2016/17 budget is \$1,519,939 compared to the FY 2015/16 budget of \$1,379,653. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$255,000 due to the following:

- Administration Department FY 2016/17 salary pool allocation of \$22,912 based on a salary pool percentage of 5.03%. The total salary and wage budget is increasing by around \$150,000 primarily due to the addition of a Finance Director, with an estimated annual salary of about \$130,000.
- Health insurance expenses and cafeteria plan benefit expenses combined are increasing by about \$37,000 primarily due to an increase in health insurance premiums and dental vision plan payments, coupled with the addition of a Finance Director.
- PERS retirement expenses are increasing by about \$62,000 due to the following: A \$26,000 payment for the Administration Department portion of the additional annual payment towards paying down CCWA's unfunded accrued pension liability (approved by the Board of Directors on March 24, 2016), salary increases, the new Finance Director position, plus the change in the employer and employee contribution rate for the FY 2016/17 to 22.071% as compared to the prior year amount of 21.035%.

Professional Services Professional Services are decreasing by \$120,000 primarily due to the decreased cost of necessary legal services.

General and Administrative General and administrative expenses are increasing in total by \$11,000 due to the additional \$23,000 in expenses for advertising and recruitment of a Finance Director, which is partially offset by the decrease of \$12,000 in State Water Project Contractors Authority membership dues.

Other Expenses Other Expenses are decreasing by \$8,000, due to a decrease in non-capitalized project expenses of \$14,000 (see below), combined with an increase in cost of insurance and appropriated contingency.

Central Coast Water Authority
Administration Department
Fiscal Year 2016/17 Budget

Non-Capitalized Projects				
Project Description	Financial Reach	Total Project Cost ⁽¹⁾	WTP	Distribution Administration
Security Enhancement BAO, SYPP	ADM/SYII	7,350		3,675 3,675
TOTAL:		\$ 7,350	\$ -	\$ 3,675 \$ 3,675

(1) Excludes CCWA labor and overhead costs.

Description:	Security Enhancement BAO, SYPP	
Department:	Administration/SYII	
Expanded Description	In response to the Department of Homeland Security guidelines on active shooter incidents, CCWA staff reviewed the security measures at the Buellton Administrative Offices. It was determined that additional security measures were merited. This project will include replacing the two main doors and locks, installing a security camera and a monitoring recording device at the main office entrances.	
Estimated Charge - Contractor	\$7,000	
Contingency (5%)	<u>\$350</u>	
Subtotal without CCWA Labor	\$7,350	
CCWA Labor	\$2,994	
Total Cost	\$10,344	
Operating Budget Impact:	In reviewing the options to secure the administrative office of CCWA in Buellton, it was determined the most cost effective method would be to secure the building entrances and to provide the ability to monitor individuals requesting entrance to the building, as opposed to securing and controlling access from an area inside the building. While no security system is perfect, the selected option appears to balance the needs for security without undo impact on the administrative functions of the office.	

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2016/17 Budget

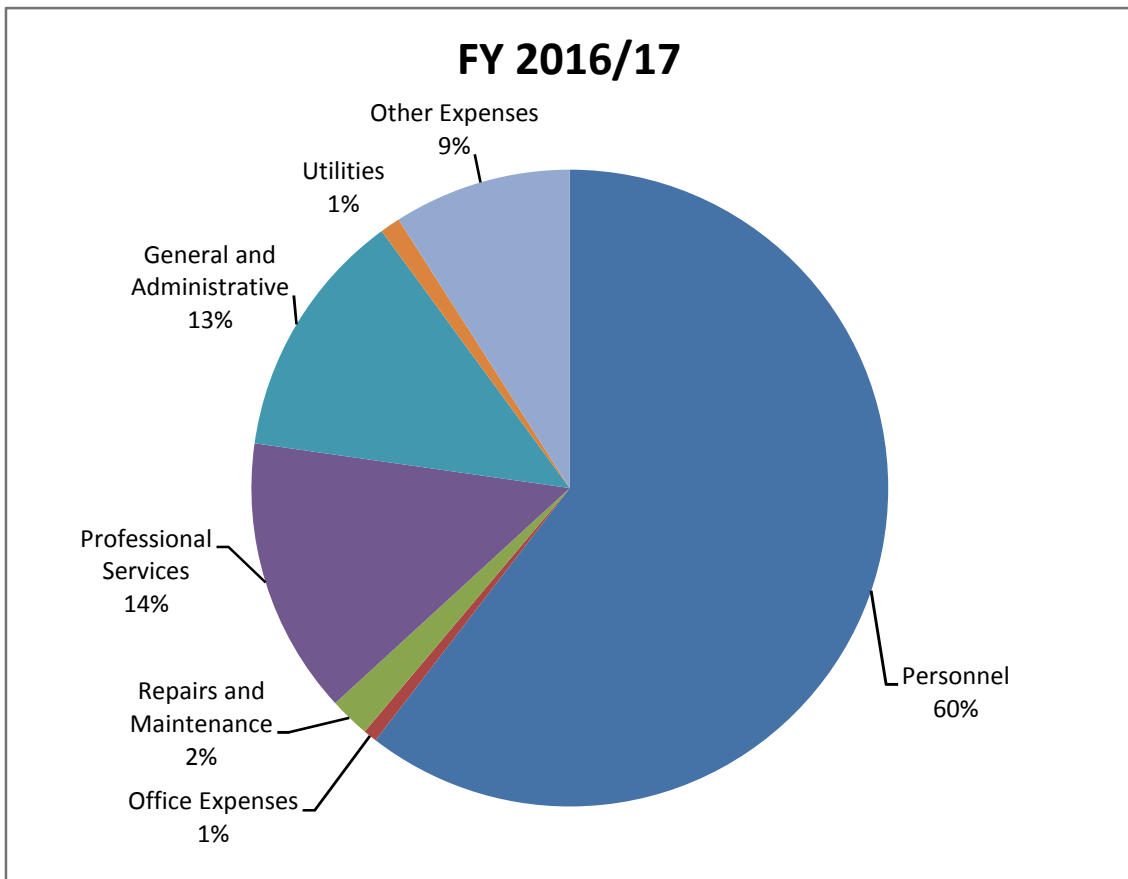
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2014/15	Number Auth. FY 2015/16	Number Requested FY 2016/17	Change Over FY 2014/15	Change Over FY 2015/16
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director of Operations ⁽¹⁾	0.25	0.25	0.25	-	-
Finance Director ⁽²⁾	-	-	1.00	1.00	1.00
Controller	1.00	1.00	1.00	-	-
Office Manager ⁽²⁾	1.00	1.00	1.00	-	-
Accounting Technician ⁽³⁾	1.00	0.75	0.75	(0.25)	-
Administrative Assistant ⁽⁴⁾	0.75	0.75	0.75	-	-
TOTAL:	4.50	4.25	5.25	0.75	1.00

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2015/16 Total Annual Salary	Allocation to Admin Department
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 234,977	\$ 117,489
Deputy Director of Operations ⁽¹⁾	1	N/A	N/A	N/A	\$ 164,367	\$ 41,092
Finance Director ⁽²⁾	1	N/A	N/A	N/A	\$ 129,896	\$ 129,896
Controller	1	24	\$ 6,063	\$ 7,397	\$ 114,329	\$ 114,329
Office Manager	1	19	\$ 5,446	\$ 6,644	\$ 83,421	\$ 83,421
Accounting Technician ⁽³⁾	1	12	\$ 4,686	\$ 5,717	\$ 47,713	\$ 47,713
Administrative Assistant ⁽⁴⁾	1	12	\$ 4,686	\$ 5,717	\$ 51,452	\$ 51,452
FY 2016/17 Salary Pool						\$ 22,912
TOTAL:						\$ 608,304

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
The Deputy Director of Operations is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).
- (2) New position for a Finance Director of the Administration Department.
- (3) Accounting Technician changed from full-time to 3/4 time position in July 2014.
- (4) The Secretary II job title was changed to Administrative Assistant, with no change in position classification.

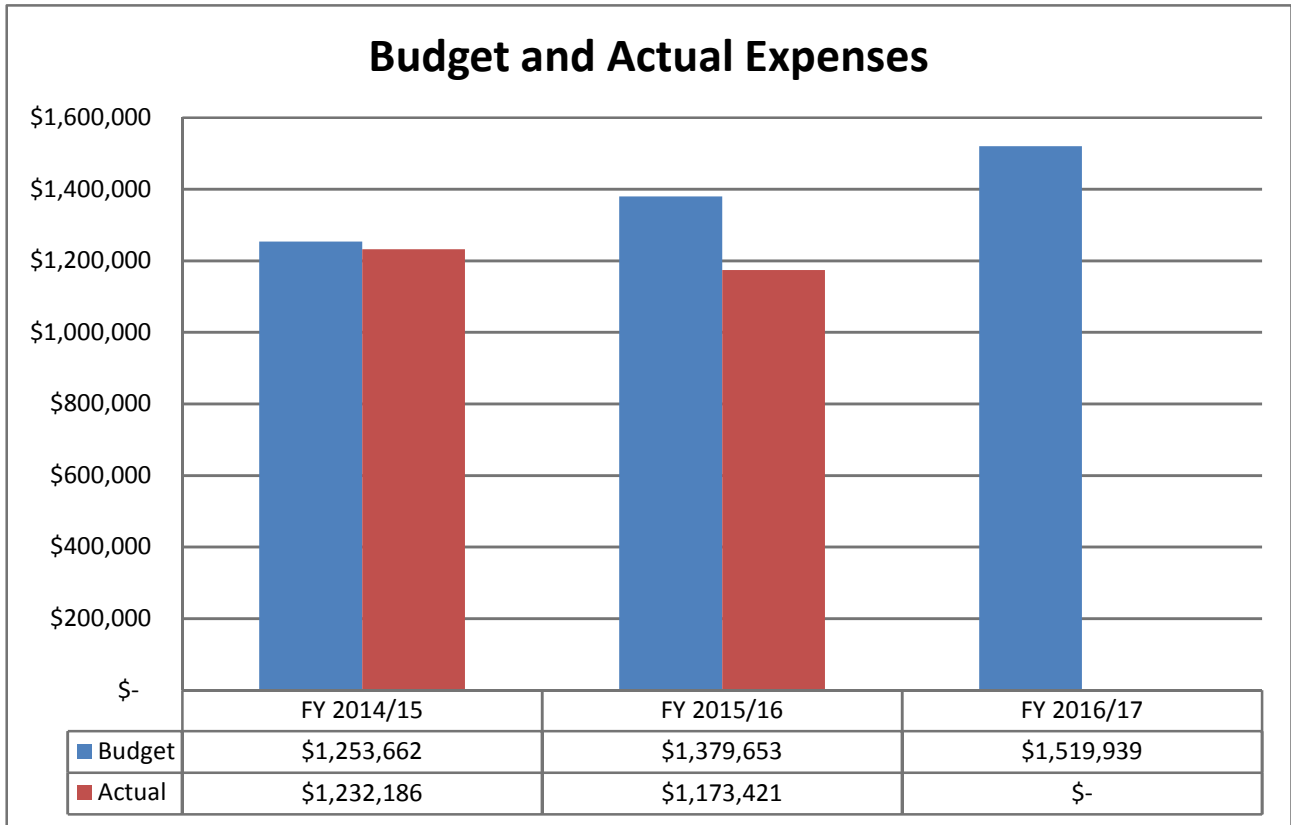
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2016/17 Budget

Item	FY 2016/17 Budget
Personnel	\$ 918,756
Office Expenses	10,500
Repairs and Maintenance	31,095
Professional Services	213,603
General and Administrative	193,019
Utilities	15,684
Other Expenses	137,282
TOTAL:	<u><u>\$ 1,519,939</u></u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2016/17 Budget

Item	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget
Personnel	\$ 663,782	\$ 666,229	\$ 664,149	\$ 705,827	\$ 918,756
Office Expenses	10,500	7,645	10,500	11,464	10,500
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	30,195	24,314	30,195	26,903	31,095
Professional Services	199,116	264,244	333,000	151,664	213,603
General and Administration	179,163	150,720	181,599	173,260	193,019
Utilities	15,910	13,075	14,954	14,239	15,684
Other Expenses	154,996	105,959	145,255	90,063	137,282
TOTAL:	\$ 1,253,662	\$ 1,232,186	\$ 1,379,653	\$ 1,173,421	\$ 1,519,939



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 454,014	\$ 441,801	\$ 457,027	\$ 488,174	\$ 608,304	\$ 151,277	33.10%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	5,000	3,966	5,000	865	5,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	97,645	104,438	98,501	105,433	160,195	61,694	62.63%
5100.15	Medicare Taxes	6,828	7,925	6,825	8,314	9,060	2,235	32.74%
5100.20	Health Insurance	54,787	59,122	56,178	58,563	84,752	28,574	50.86%
5100.25	Workers' Compensation	4,691	4,448	4,348	3,332	3,588	(760)	-17.47%
5100.30	Vehicle Expenses	9,000	9,000	9,000	9,000	9,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	6,783	11,850	6,954	6,988	8,625	1,671	24.03%
5100.40	Cafeteria Plan Benefits	11,896	12,497	8,677	9,464	11,517	2,840	32.73%
5100.45	Dental/Vision Plan	8,379	7,787	6,511	12,285	11,686	5,175	79.49%
5100.50	Long-Term Disability	1,742	1,802	2,111	1,871	3,163	1,052	49.83%
5100.55	Life Insurance	1,487	1,559	1,487	1,365	2,335	848	57.06%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,280	-	1,280	-	1,280	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
5100.86	Benefits Overhead E-Projects	-	35	-	172	-	-	N/A
Total Personnel Expenses:		663,782	666,229	664,149	705,827	918,756	254,607	38.34%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	6,000	5,041	6,000	7,671	6,000	-	0.00%
5200.30	Miscellaneous Office Expenses	4,500	2,604	4,500	3,792	4,500	-	0.00%
Total Office Expenses:		10,500	7,645	10,500	11,464	10,500	-	0.00%
<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 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	5,500	3,732	5,500	3,066	5,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	21,635	18,073	21,635	20,818	22,175	540	2.50%
5700.40	Landscape Maintenance	3,060	2,509	3,060	3,020	3,420	360	11.76%
Total Repairs and Maintenance:		30,195	24,314	30,195	26,903	31,095	900	2.98%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	28,000	18,542	43,000	14,793	10,603	(32,397)	-75.34%
5400.20	Legal Services	132,500	208,211	250,000	97,599	160,000	(90,000)	-36.00%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,616	3,161	3,700	1,479	3,700	-	0.00%
5400.60	Accounting Services	35,000	34,331	36,300	37,793	39,300	3,000	8.26%
Total Professional Services:		199,116	264,244	333,000	151,664	213,603	(119,397)	-35.85%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	34,400	17,114	24,000	16,084	24,000	-	0.00%
5300.20	Mileage Reimbursement	1,000	377	1,000	-	1,000	-	0.00%
5300.30	Dues and Memberships	132,463	126,796	145,799	153,273	134,219	(11,581)	-7.94%
5300.40	Publications	1,500	1,059	1,500	699	1,500	-	0.00%
5300.50	Training	3,000	40	2,500	330	2,500	-	0.00%
5300.60	Advertising	-	-	-	-	23,000	23,000	N/A
5300.70	Printing and Binding	3,500	3,645	3,500	104	3,500	-	0.00%
5300.80	Postage	3,300	1,689	3,300	2,770	3,300	-	0.00%
Total General and Administrative:		179,163	150,720	181,599	173,260	193,019	11,419	6.29%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	450	351	450	164	450	-	0.00%
5800.30	Electric-Fixed	9,056	6,590	8,040	7,565	7,750	(290)	-3.61%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	1,200	961	1,200	953	1,200	-	0.00%
5800.50	Telephone	2,664	2,830	2,724	3,286	3,744	1,020	37.44%
5800.60	Waste Disposal	2,540	2,342	2,540	2,271	2,540	-	0.00%
Total Utilities:		15,910	13,075	14,954	14,239	15,684	730	4.88%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	18,777	17,389	17,752	13,115	20,783	3,032	17.08%
5900.30	Non-Capitalized Projects	33,040	16,099	17,570	-	3,675	(13,895)	-79.08%
5900.40	Equipment Rental	5,020	4,799	5,340	4,967	5,340	-	0.00%
5900.50	Non-Capitalized Equipment	2,500	1,024	2,500	-	2,500	-	0.00%
5900.60	Computer Expenses	71,078	66,648	75,041	71,981	75,181	139	0.19%
5900.70	Appropriated Contingency	24,582	-	27,052	-	29,803	2,751	10.17%
Total Other Expenses:		154,996	105,959	145,255	90,063	137,282	(7,973)	-5.49%
TOTAL OPERATING EXPENSES		\$ 1,253,662	\$ 1,232,186	\$ 1,379,653	\$ 1,173,421	\$ 1,519,939	\$ 140,286	10.17%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$22,912 for the FY 2016/17 salary pool and one additional position titled Finance Director.

FY 16/17 Requested Budget	608,304
FY 15/16 Estimated Actual	488,174
Increase (Decrease)	120,130

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

Description: Overtime expenses for non-exempt Administration employees.

FY 16/17 Requested Budget	5,000
FY 15/16 Estimated Actual	865
Increase (Decrease)	4,135

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

Description: Not funded.

FY 16/17 Requested Budget	-
FY 15/16 Estimated Actual	-
Increase (Decrease)	-

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

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 22.071% contribution rate for FY 2016/17, that includes the required Unfunded Accrued Liability (UAL), plus an additional fixed UAL payment.

FY 16/17 Requested Budget	160,195
FY 15/16 Estimated Actual	105,433
Increase (Decrease)	54,762

Required Contributions	\$	100,723	16.558%
UAL current fiscal year	\$	33,593	5.513%
UAL fixed payment	\$	25,879	fixed
	\$	160,195	

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 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 16/17 Requested Budget	9,060
FY 15/16 Estimated Actual	8,314
Increase (Decrease)	746

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 based on dependent status. Includes an estimated increase of 5% for 2017.

FY 16/17 Requested Budget	84,752
FY 15/16 Estimated Actual	58,563
Increase (Decrease)	26,189

Family	\$	21,865
Emp + 1	\$	16,819
Employee only	\$	8,410

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 66%. Based on a 5% premium increase over FY 2015/16.

FY 16/17 Requested Budget	3,588
FY 15/16 Estimated Actual	3,332
Increase (Decrease)	256

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

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

FY 16/17 Requested Budget	9,000
FY 15/16 Estimated Actual	9,000
Increase (Decrease)	0

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 BUDGET**

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

Description: Estimates \$1,500 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 16/17 Requested Budget	8,625
FY 15/16 Estimated Actual	6,988
Increase (Decrease)	1,637

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 16/17 Requested Budget	11,517
FY 15/16 Estimated Actual	9,464
Increase (Decrease)	2,053

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

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,280 per year per family for dental and vision expenses. Budgeted amount is \$2,460 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 16/17 Requested Budget	11,686
FY 15/16 Estimated Actual	12,285
Increase (Decrease)	(599)

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 \$0.52 per \$100 of salary.

FY 16/17 Requested Budget	3,163
FY 15/16 Estimated Actual	1,871
Increase (Decrease)	1,292

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 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 16/17 Requested Budget	2,335
FY 15/16 Estimated Actual	1,365
Increase (Decrease)	970

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

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

FY 16/17 Requested Budget	250
FY 15/16 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 16/17 Requested Budget	1,280
FY 15/16 Estimated Actual	-
Increase (Decrease)	1,280

Safety Program	\$	680
EAAP	\$	600
TOTAL:	\$	1,280

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

Description: Funds for Office supplies for the Administration Department. Based on \$500 per month in office supply expenses.

FY 16/17 Requested Budget	6,000
FY 15/16 Estimated Actual	7,671
Increase (Decrease)	(1,671)

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 BUDGET**

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

Description: Funds for miscellaneous expenses such as picture developing, awards, business cards and kitchen supplies.

FY 16/17 Requested Budget	4,500
FY 15/16 Estimated Actual	3,792
Increase (Decrease)	708

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

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

FY 16/17 Requested Budget	24,000
FY 15/16 Estimated Actual	16,084
Increase (Decrease)	7,916

\$	2,000	ACWA Conferences
\$	18,000	SWC Meetings (\$1,500 per month)
\$	2,000	DWR/Sacramento/MWQI
\$	2,000	Other miscellaneous meetings
\$	24,000	

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

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

FY 16/17 Requested Budget	1,000
FY 15/16 Estimated Actual	-
Increase (Decrease)	1,000

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

Description: Funds for professional dues.

FY 16/17 Requested Budget	134,219
FY 15/16 Estimated Actual	153,273
Increase (Decrease)	(19,054)

\$	80,437	SWC Dues
\$	15,142	SWPCA/SFCWA JPA Dues & Delta Specific
\$	8,362	SWPCA Habitat Development Program
\$	18,628	ACWA
\$	6,400	MWQI Charges for 2016 Calendar Year
\$	2,250	Support various water education programs
\$	3,000	Employee Professional Dues and Misc.
\$	134,219	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 BUDGET**

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

Description: Funds for publications received by CCWA

FY 16/17 Requested Budget	1,500
FY 15/16 Estimated Actual	699
Increase (Decrease)	801

\$	750	Personnel related subscriptions
\$	500	Employee professional publications
\$	250	Other Publications - General
\$	1,500	TOTAL

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

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

FY 16/17 Requested Budget	2,500
FY 15/16 Estimated Actual	330
Increase (Decrease)	2,170

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

Description: Funds for public relations expenses for CCWA including advertising for the following position:

FY 16/17 Requested Budget	23,000
FY 15/16 Estimated Actual	-
Increase (Decrease)	23,000

\$	23,000	Finance Director - new position
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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 16/17 Requested Budget	3,500
FY 15/16 Estimated Actual	104
Increase (Decrease)	3,396

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 BUDGET**

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

Description: Funds for all postal and mail expenses.
 \$ 3,000 Postage meter expenses (\$250 per month)
 \$ 300 Overnight and shipping svcs (\$25 per month)
 \$ 3,300 TOTAL

FY 16/17 Requested Budget 3,300
FY 15/16 Estimated Actual 2,770
Increase (Decrease) 530

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

Description: Funds for miscellaneous consultants and other services.
 \$ 2,500 Administration office alarm system
 \$ 500 CA DMV driver monitoring service
 \$ 2,603 Personnel Team Building Consultant
 \$ 5,000 SB County staff costs for CCWA related work
 \$ 10,603 TOTAL

FY 16/17 Requested Budget 10,603
FY 15/16 Estimated Actual 14,793
Increase (Decrease) (4,190)

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

Description: Funds for CCWA legal services.
 \$ 150,000 Brownstein Hyatt Farber General Counsel
 \$ 10,000 Stradling Yocca Carlsen Personnel Counsel
 \$ 160,000 TOTAL

FY 16/17 Requested Budget 160,000
FY 15/16 Estimated Actual 97,599
Increase (Decrease) 62,401

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

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

FY 16/17 Requested Budget -
FY 15/16 Estimated Actual -
Increase (Decrease) -

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 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 16/17 Requested Budget	3,700
FY 15/16 Estimated Actual	1,479
Increase (Decrease)	2,221

\$	1,500	IRC 125 Plan administraton fees (\$125 per mo)
\$	1,200	Employee Assistance Program
\$	1,000	Other miscellaneous
\$	3,700	TOTAL

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

Description: Funds for the annual audit of the FY 2014/15 Financial Statements.

FY 16/17 Requested Budget	39,300
FY 15/16 Estimated Actual	37,793
Increase (Decrease)	1,507

\$	25,000	Nasiff, Hicks & Company
\$	14,300	Ernst & Young, LLP
\$	39,300	TOTAL

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

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

FY 16/17 Requested Budget	5,500
FY 15/16 Estimated Actual	3,066
Increase (Decrease)	2,434

\$	4,500	Copier maintenance agreement
\$	1,000	Other misc. equipment repairs
\$	5,500	TOTAL

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

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

FY 16/17 Requested Budget	22,175
FY 15/16 Estimated Actual	20,818
Increase (Decrease)	1,357

\$	1,200	Monthly Pest Control
\$	14,975	Janitorial services and supplies
\$	4,500	Building repairs (includes \$2,000 for HVAC)
\$	1,500	HVAC quarterly maintenance
\$	22,175	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 BUDGET**

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

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

FY 16/17 Requested Budget	3,420
FY 15/16 Estimated Actual	3,020
Increase (Decrease)	400

\$	2,640	Gardener (\$220 per month)
\$	480	Irrigation Water (\$40 per month)
\$	300	Miscellaneous
\$	3,420	TOTAL

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

Description: Funds for natural gas service to the Administration building (\$37.50 per month).

FY 16/17 Requested Budget	450
FY 15/16 Estimated Actual	164
Increase (Decrease)	286

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

Description: Funds for electrical service to the Administration building (\$623 per month).

FY 16/17 Requested Budget	7,750
FY 15/16 Estimated Actual	7,565
Increase (Decrease)	185

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

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

FY 16/17 Requested Budget	1,200
FY 15/16 Estimated Actual	953
Increase (Decrease)	247

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 BUDGET**

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

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

FY 16/17 Requested Budget	3,744	\$	180	Long distance and 800# (\$15 per month)
FY 15/16 Estimated Actual	3,286	\$	1,860	Local long distance (\$155 per month)
Increase (Decrease)	458	\$	804	Cell phones and airtime (\$67 per month)
		\$	900	Conference calls (\$75 per month)
		\$	3,744	TOTAL

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

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

FY 16/17 Requested Budget	2,540	\$	2,340	Waste Disposal service (\$195 per month)
FY 15/16 Estimated Actual	2,271	\$	200	Hazardous Waste Disposal
Increase (Decrease)	269	\$	2,540	TOTAL

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

Description: Funds for insurance related expenses.

FY 16/17 Requested Budget	20,783	\$	1,453	Property and auto insurance based on allocation provided by JPIA
FY 15/16 Estimated Actual	13,115	\$	15,212	General Liability and E&O apportioned by payroll percentages
Increase (Decrease)	7,669	\$	4,119	Employee fidelity bond \$5 million limit
		\$	20,783	TOTAL

ACCOUNT NUMBER: 5900.30 **ACCOUNT TITLE:** Non-Capitalized Projects

Description: Funds for projects around the Buellton Administrative Offices which are not eligible for capitalization because the facilities are not owned by CCWA or do not meet the capitalization criteria.

FY 16/17 Requested Budget	3,675
FY 15/16 Estimated Actual	-
Increase (Decrease)	3,675

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2016/17 BUDGET**

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

Description: Funds for rental of equipment.

FY 16/17 Requested Budget	5,340	\$	1,780	Postage meter (\$445 per quarter)
FY 15/16 Estimated Actual	4,967	\$	3,060	Copier lease (\$255 per month)
Increase (Decrease)	373	\$	500	Other
		\$	5,340	TOTAL

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

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

FY 16/17 Requested Budget	2,500
FY 15/16 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 16/17 Requested Budget	75,181	\$	67,834	CompuVision, Annual Service Agreements and Software Subscriptions
FY 15/16 Estimated Actual	71,981	\$	7,347	Software and other computer services
Increase (Decrease)	3,199	\$	75,181	TOTAL

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

Description: 2.0% of operating expenses

FY 16/17 Requested Budget	29,803
FY 15/16 Estimated Actual	-
Increase (Decrease)	29,803



Water Treatment Plant sunset (September 2015)

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 Public Health and the U.S. Environmental Protection Agency.

Highlights

Department Information

- Number of employees 14.80
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2016/17 requested water deliveries 34,787-feet

Budget Information

- Total FY 2016/17 O&M Budget \$ 5,596,530
- O&M Budget increase over FY 2015/16 \$ 1,004,963
 - Fixed cost increase over FY 2015/16 \$ 142,909
 - Variable cost increase over FY 2015/16 \$ 862,054
- Percentage increase 21.89%
- Fixed O&M Expenses \$ 3,066,014
- Variable O&M Expenses \$ 2,530,517
- FY 2016/17 budgeted chemical cost \$ 63.18 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 44.34
 - Variable \$ 24.65
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 155.61
 - Variable \$ 72.74

Significant Accomplishments During FY 2015/16

In FY 15/16, the Water Treatment Plant performed reliably in dealing with a wide range of drought related water quality challenges in the raw water supply. The water quality issues included historically high taste and odor compounds, algal toxins, elevated ammonia, elevated Total Organic Carbon and usual colloidal concentrations. In all cases, the plant reliably produced potable water.

Complete refurbishment of the sulfuric acid storage and dosing systems. The refurbishment included lining the concrete secondary containment system, redesign and replacement of the sulfuric acid dosing piping, refurbishment of the dosing pumps and an upgrade to the electrical system.

Implementation of a number of safety enhancements including the upgrade of the chlorine header piping, installation of switch gear mimic station and provided training and a Plant tour to the local hazardous materials first responders.

Significant Goals for FY 2016/17

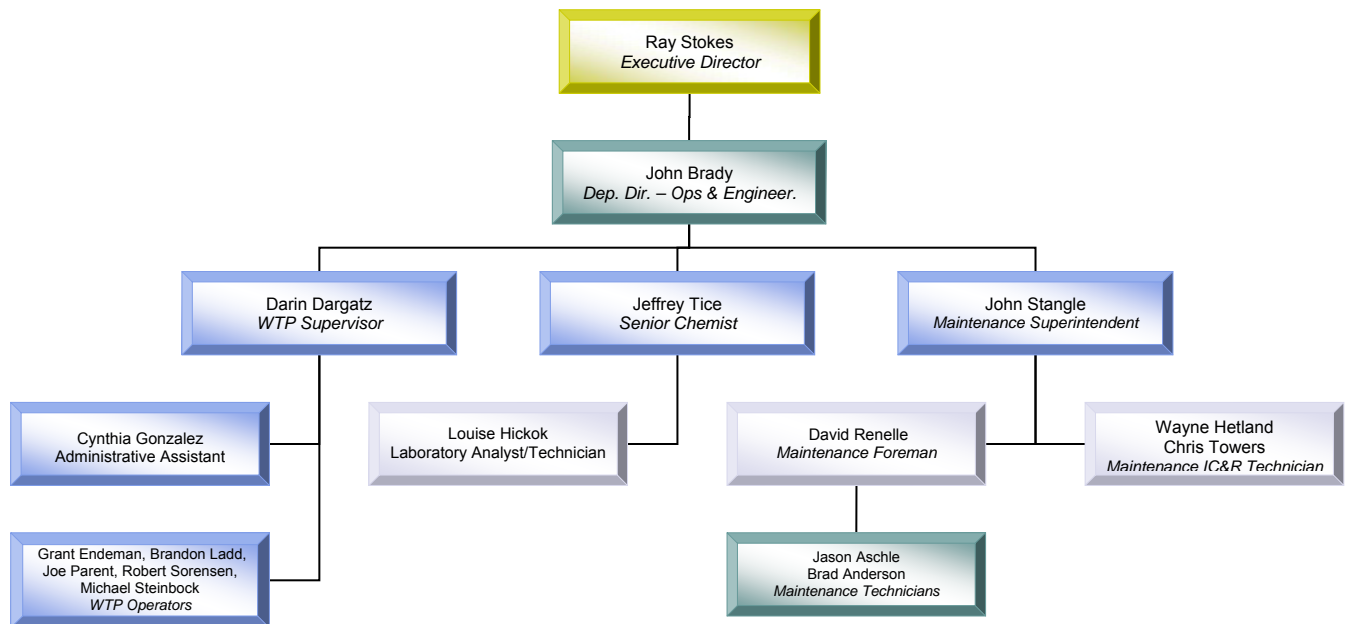
Develop plans for operating the Water Treatment Plant at higher sustained flow rates, in order to accommodate additional sources of water supply such as the suspended Table A and the long terms San Luis Obispo Water Exchange programs.

Migrate the Process Logic Controller software from Proworks to Unity at the Water Treatment Plant.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2016/17 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 Public Health.

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 two (2) Maintenance/IC&R Technicians and the 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.

The Senior Chemist and Laboratory Analyst operate the plant laboratory. All analyses required by the Environmental Protection Agency and Department of Public Health or needed for plant process control are either performed in-house or sent to a contract

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2016/17 Budget

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 goals for the Water Treatment Plant Department will be discussed at an upcoming meeting of the CCWA Board of Directors.

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.

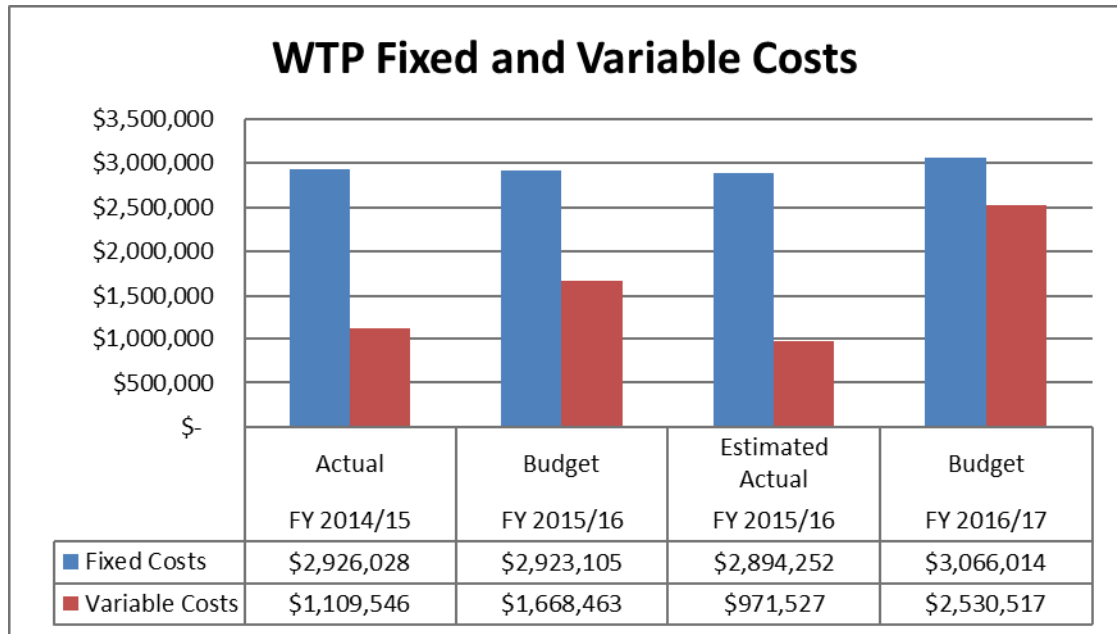
For FY 2016/17, the Water Treatment Plant fixed O&M costs total \$3,066,014 or \$142,909 more than the FY 2015/16 budget.

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.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2016/17 Budget

For FY 2016/17, the Water Treatment Plant variable O&M costs total \$2,530,517 which is an increase of \$862,054 from the FY 2015/16 budget. The FY 2016/17 variable O&M budget is comprised of \$2,317,823 for chemical expenses and \$212,694 for electrical costs based on treatment and delivery of 34,787 acre-feet of water for the year.

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



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

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 2016/17 Operating Expense Budget

The FY 2016/17 water treatment plant operating expense budget is \$5,596,530 which is \$1,004,963 more than the previous year's budget of \$4,591,568, a 21.89% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 40% of the budget. Supplies and equipment comprise 42% 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 135 shows the allocation of the various components of the water treatment plant operating expense budget.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2016/17 Budget

Personnel Expenses Total personnel expenses are increasing by about \$149,000 when compared to the FY 2015/16 budget for the following reasons.

- The FY 2016/17 Budget includes a \$65,439 salary pool allocation based on a salary pool percentage of 5.03%. The total salaries and wages budget is only increasing by about \$31,000 because certain employees have remained at the top of their salary range, stalling their salary growth.
- Health insurance and cafeteria plan benefit is increasing by about \$62,000 due primarily to an increase health insurance premiums and dental vision plan payments, along with a change in employee demographics.
- PERS retirement expenses are increasing by about \$72,000 due to the following: A \$58,000 payment for the WTP Department portion of the additional annual payment towards paying down CCWA's unfunded accrued pension liability [approved by the Board of Directors on March 24, 2016], salary increases, plus the change in the employer and employee contribution rate for the FY 2016/17 to 22.071% as compared to the prior year amount of 21.035%.

Supplies and Equipment Supplies and equipment are increasing by around \$770,000 due primarily to the increased cost of chemicals needed due to drought related water quality changes.

Monitoring Expenses Monitoring expenses are increasing by \$14,000 for lab supplies and lab testing as compared to last fiscal year due to drought related water quality monitoring along with new required testing.

Repairs and Maintenance Repairs and maintenance costs are increasing by about \$1,000 primarily for building maintenance.

Professional Services Professional service expenses are decreasing by about \$9,000 due mainly to a reduced need for services regarding switch gear maintenance, coupled with an increase in engineering services, and fewer permits.

General and Administrative General and administrative expenses are increasing by \$4,000 primarily due to increased travel related expenses, additional training and postage.

Utilities Utility expenses are increasing by approximately \$90,000 due to increases in electrical costs which were partially offset by a decrease in delivery requests.

Other Expenses Other expenses are decreasing by approximately \$16,000 primarily due to a \$32,000 decrease in non-capitalized projects along with an increase of about \$15,000 in computer related expenses.

Central Coast Water Authority
 Water Treatment Plant Department
 Fiscal Year 2016/17 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 2016/17 Water Treatment Plant Non-Capitalized Projects.

<i>Non-Capitalized Projects</i>		
Project Description	Financial Reach	Amount ⁽¹⁾
Chlorine Feed Piping Replacement	WTP	\$ 7,371
Redesign Work Space at WTP	WTP	10,500
West Slope Erosion Repair	WTP	10,000
Confined Space Entry Life-Line Replacement ⁽²⁾	WTP/ALL	3,686
TOTAL:		\$ 31,557
<p>(1) Excludes CCWA labor and overhead costs.</p> <p>(2) Please refer to the Distribution Department section of this budget for narrative description of these projects.</p>		

Central Coast Water Authority
 Water Treatment Plant Department
 Fiscal Year 2016/17 Budget

Description:	Chlorine Feed Piping Replacement
Department:	Water Treatment Plant
Expanded Description	The chlorine system at the Water Treatment Plant (WTP) has been in place since original construction. Over the last few years, the system components have been either upgraded or replaced. The chlorine eductors and chlorinators of the WTP chlorine system will be replaced during the 2016 Winter Shutdown, as a Carryover Project. This project will replace the above ground piping system leading from the Chlorine Room to the chlorinators and the piping from the chlorinators to the below ground piping that provides flow to the eductors located throughout the WTP.
Estimated Charge - Material	\$6,500
Tax (8%)	\$520
Contingency (5%)	\$351
Subtotal without CCWA Labor	\$7,371
CCWA Labor	\$7,708
Total Cost	\$15,079
Operating Budget Impact:	The use of chlorine for oxidation and disinfection purposes is very effective, in terms of both cost and achieving water treatment objectives, when compared to other oxidants and disinfectants. The WTP has utilized chlorine as an oxidant and disinfectant since original construction and resulted in the WTP reliably producing high quality potable water over the long term. Accordingly, to maintain the chlorination system in a safe and functional manner, this project will replace piping components that are well past their recommended service life. Through implementing this proactive replacement plan, the potential of leakage or system breakdown will be significantly reduced and thus reduce increased operational costs related to emergency repair procedures.

Central Coast Water Authority
 Water Treatment Plant Department
 Fiscal Year 2016/17 Budget

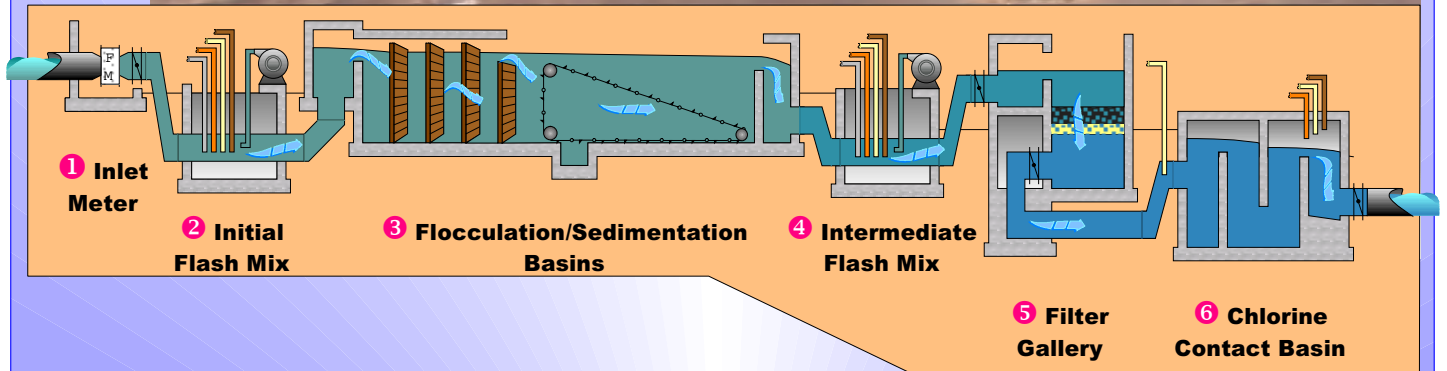
Description:	Redesign Work Space at WTP
Department:	Water Treatment Plant
Expanded Description	Currently, the Filter Control Building is used to office two staff, which essentially eliminates this building from being utilized for its original purpose. Through reviewing the use of working space within the Operations Building, it appears that the northeast corner of the building could be redesigned to open up work space and house two instrumentation staff, one administrative assistant and three supervisors. This project will be the development of a Technical Memorandum addressing the alternatives for remodeling this work area in the Operations Building.
Estimated Charge – Contractor	\$10,000
Contingency (5%)	\$500
Subtotal without CCWA Labor	\$10,500
CCWA Labor	\$4,487
Total Cost	\$14,987
Operating Budget Impact:	The operation and maintenance of the WTP requires the use of highly trained and qualified staff. It is important to provide adequate work space for staff to complete their required work load. Through providing a redesigned work space, staff will be able to more efficiently complete their work load and it will also help to maintain employee morale. Also, areas currently utilized for work space on a temporary basis can be returned to being utilized for operational control of the treatment process. The most valuable CCWA resource in terms of controlling costs and producing high quality results is the staff. Through providing the tools they need to complete their work, such as adequate work space, the CCWA system can be effectively operated and maintained optimally. This directly translates to controlling operational costs.

Central Coast Water Authority
 Water Treatment Plant Department
 Fiscal Year 2016/17 Budget

Description:	West Slope Erosion Repair
Department:	Water Treatment Plant
Expanded Description	The western slope of the WTP grounds has significant erosional damage arising from storm water runoff from the paved portions of the WTP facility. An erosional gulley measuring as deep as 15 feet, as wide as 25 feet and extending for more than 350 feet exists. This project will include an engineering review to produce a Technical Memorandum to outline alternatives for the repair of the erosion and to eliminate the mechanisms that created the erosional issue. Also, the Habitat Conservation Plan for CCWA is expected to be in effect in 2016, which will allow work to repair the erosional damage
Estimated Charge – Contractor	\$10,000
Subtotal without CCWA Labor	\$10,000
CCWA Labor	\$3,716
Total Cost	\$13,716
Operating Budget Impact:	The erosional damage on the western slope of the WTP facility is significant. The repair method needs to not only fill in the deep erosional gulley, but to also specifically address the mechanisms that led to the erosion. Through implementing an engineering review, the erosional mechanisms can be identified and cost effective solution can be developed. This will avoid repeated repair costs for the same issue.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2016/17 Budget

Description:	Confined Space Entry Life-Line Replacement
Department:	Water Treatment Plant/Distribution
Expanded Description	As part of routine operations and maintenance activities, confined space entries are required. Confined space entry is a highly regulated activity and the equipment used to ensure safe entry and exit must be maintained in good condition. The existing Life-Line, which attaches to a staff member making a confined space entry, is at the end of its expected service life. It needs to be replaced to ensure continued safe entry and exit of confined spaces within the CCWA system.
Estimated Charge - Material	\$6,500
Sales Tax (8%)	\$520
Contingency (5%)	<u>\$351</u>
Subtotal without CCWA Labor	\$7,371
CCWA Labor	\$1,605
Total Cost	\$8,976
Operating Budget Impact:	This project will provide an important component of the safety equipment staff uses in making confined space entry. Having staff complete the repair, maintenance or other service within the confined space will have a high quality end result. Ensuring safe entry and exit is a high priority for CCWA. Utilizing an outside contractor to make the confined space entry and to implement the repair, maintenance or other service will result in higher costs and may not have the same high quality end result.



Polonio Pass Water Treatment Plant

Central Coast Water Authority

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2016/17 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 2016/17 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2016/17 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	Allocated Table A Percentage	WTP Fixed Operating Costs ⁽²⁾	Imputed WTP Debt Service Costs ⁽³⁾	Total Unadjusted Fixed & Cap.	Capital Retirement Adjustment	Fixed O&M Retirement Adjustment	Total Adjusted Fixed & Capital	Allocated Table A % SB County	Fixed & Capital Retirement Adjustments	Cost Per AF of Allocated Table A Amount
Guadalupe	550		550	1.25%	\$ 44,459	\$ 41,123	\$ 85,583	\$ 52,842	\$ 57,129	\$ 109,971	1.41%	24,388	\$ 44.34
Santa Maria	16,200		16,200	36.90%	1,309,534	1,211,268	2,520,802	1,556,441	1,682,710	3,239,152	41.46%	718,349	44.34
Golden State Water	500		500	1.14%	40,418	37,385	77,803	48,038	51,936	99,974	1.28%	22,171	44.34
VAFB	5,500		5,500	12.53%	444,595	411,233	855,828	528,421	571,291	1,099,712	14.07%	243,884	44.34
Buellton	578		578	1.32%	46,723	43,217	89,940	55,532	60,037	115,570	1.48%	25,630	44.34
Santa Ynez (Solvang)	1,500		1,500	3.42%	121,253	112,154	233,408	144,115	155,807	299,921	3.84%	66,514	44.34
Santa Ynez	500	2,614	3,114	7.09%	251,722	37,385	289,106	299,183	323,454	622,637	7.97%	138,083	44.34
Goleta	4,500	(941)	3,559	8.11%	287,690	336,463	624,154	341,933	369,673	711,606	9.11%	157,813	44.34
Morehart	200	-	200	0.46%	16,167	14,954	31,121	19,215	20,774	39,990	0.51%	8,869	44.34
La Cumbre	1,000	-	1,000	2.28%	80,835	74,770	155,605	96,077	103,871	199,948	2.56%	44,343	44.34
Raytheon	50	-	50	0.11%	4,042	3,738	7,780	4,804	5,194	9,997	0.13%	2,217	44.34
Santa Barbara	3,000	(627)	2,373	5.40%	191,793	224,309	416,102	227,955	246,449	474,404	6.07%	105,209	44.34
Montecito	3,000	(627)	2,373	5.40%	191,793	224,309	416,102	227,955	246,449	474,404	6.07%	105,209	44.34
Carpinteria	2,000	(418)	1,582	3.60%	127,862	149,539	277,402	151,970	164,299	316,269	4.05%	70,139	44.34
SB County Subtotal:	39,078	-	39,078	89.00%	3,158,888	2,921,848	6,080,736	3,754,483	4,059,071	7,813,554	100.00%	1,732,818	
SLO County	4,830	-	4,830	11.00%	390,435	361,137	751,573	0	-	-		-	
TOTAL:	43,908		43,908	100.00%	\$ 3,549,323	\$ 3,282,985	\$ 6,832,308	\$ 3,754,483	\$ 4,059,071	\$ 7,813,554	100.00%	1,732,818	

Fixed & Capital Retirement Allocation Factor

Total South Coast Table A	11,136	Total Adjusted Fixed & Capital Costs (SB County)	\$ 7,813,554
Total SB County Table A	39,078	Total Unadjusted Fixed & Capital Costs (SB County)	6,080,736
Subtotal:	50,214	Fixed & Capital WTP Allocation Amount	<u>\$ 1,732,818</u>
South Coast Retreated %	1.28		

Project Participant	South Coast Fixed & Capital Retirement Credits ⁽⁶⁾			
	South Coast Allocated Table A	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				
Goleta	3,559	31.96%	(553,792)	(155.61)
Morehart	200	1.80%	(31,121)	(155.61)
La Cumbre	1,000	8.98%	(155,605)	(155.61)
Raytheon	50	0.45%	(7,780)	(155.61)
Santa Barbara	2,373	21.31%	(369,195)	(155.61)
Montecito	2,373	21.31%	(369,195)	(155.61)
Carpinteria	1,582	14.20%	(246,130)	(155.61)
SB County Subtotal:	11,136	100.00%	(1,732,818)	
SLO County	0	0.00%	-	
TOTAL:	11,136	100.00%	(1,732,818)	

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

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2016/17 Budget
Page 2

Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs				South Coast Variable Retreatment Credits				TOTAL	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Variable Retreatment Adjustment	Retreatment Variable Allocation	Retreatment Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retreatment	Fixed, Capital & Variable Credits
Guadalupe	242		242.00	\$ 17,604	23,570	5,966	24.65					\$ 30,354	
Santa Maria	12,321		12,321.00	896,261	1,200,004	303,742	24.65					1,022,092	
Golden State Water	463		463.00	33,680	45,094	11,414	24.65					33,585	
VAFB	2,412		2,412.00	175,455	234,917	59,462	24.65					303,346	
Buellton	585		585.00	42,554	56,976	14,422	24.65					40,052	
Santa Ynez (Solvang)	1,251		1,251.00	91,001	121,841	30,840	24.65					97,354	
Santa Ynez	250	2,614	2,864.00	208,335	278,939	70,605	24.65					208,687	
Goleta	4,204	(941)	3,262.76	237,342	317,777	80,435	24.65	3,263	31.61%	\$ (237,342)	(72.74)	238,248	\$ (791,134)
Morehart	40	-	40.00	2,910	3,896	986	24.65	40	0.39%	(2,910)	(72.74)	9,855	(34,031)
La Cumbre	948	-	947.54	68,927	92,286	23,359	24.65	948	9.18%	(68,927)	(72.74)	67,702	(224,532)
Raytheon	88	-	88.49	6,437	8,618	2,181	24.65	88	0.86%	(6,437)	(72.74)	4,399	(14,217)
Santa Barbara	2,973	(627)	2,345.56	170,622	228,446	57,824	24.65	2,346	22.72%	(170,622)	(72.74)	163,033	(539,817)
Montecito	3,265	(627)	2,637.21	191,838	256,851	65,014	24.65	2,637	25.55%	(191,838)	(72.74)	170,223	(561,032)
Carpinteria	1,420	(418)	1,001.76	72,871	97,567	24,696	24.65	1,002	9.70%	(72,871)	(72.74)	94,835	(319,001)
SB County Subtotal:	30,461	-	30,461	2,215,835	2,966,781	750,945	24.65	10,323	100.00%	(750,945)		2,483,764	(2,483,764)
SLO County	4,326		4,325.96	314,681	-			0	0.00%	-		-	-
TOTAL:	34,787	(0)	34,787.29	\$ 2,530,517	\$ 2,966,781	\$ 750,945		10,323	100.00%	\$ (750,945)		\$ 2,483,764	\$ (2,483,764)

Variable Retreatment Allocation Factor

Total South Coast Deliveries	10,323	-
Total SB County Deliveries	30,461	-
Subtotal:	40,785	-

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2016/17 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.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2016/17 Budget

The following tables show the FY 2016/17 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2016/17 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%	\$ 44,459	\$ 81	\$ -	\$ 41,123	\$ 75	\$ -	\$ -
Santa Maria	16,200		36.90%	1,309,534	81	-	1,211,268	75	-	-
Golden State Water	500		1.14%	40,418	81	-	37,385	75	-	-
VAFB	5,500		12.53%	444,595	81	-	411,233	75	-	-
Buellton	578		1.32%	46,723	81	-	43,217	75	-	-
Santa Ynez (Solvang)	1,500		3.42%	121,253	81	-	112,154	75	-	-
Santa Ynez	500	2,614	1.14%	40,418	81	211,304	37,385	75	195,448	406,752
Goleta	4,500	(941)	10.25%	363,760	81	(76,069)	336,463	75	(70,361)	(146,431)
Morehart	200	-	0.46%	16,167	81	-	14,954	75	-	-
La Cumbre	1,000	-	2.28%	80,835	81	-	74,770	75	-	-
Raytheon	50	-	0.11%	4,042	81	-	3,738	75	-	-
Santa Barbara	3,000	(627)	6.83%	242,506	81	(50,713)	224,309	75	(46,907)	(97,620)
Montecito	3,000	(627)	6.83%	242,506	81	(50,713)	224,309	75	(46,907)	(97,620)
Carpinteria	2,000	(418)	4.55%	161,671	81	(33,809)	149,539	75	(31,272)	(65,080)
SB County Subtotal:	39,078	-	89.00%	3,158,888		-	2,921,848		-	(0)
SLO County	4,830	-	11.00%	390,435			361,137			
TOTAL:	43,908		100.00%	\$ 3,549,323		\$ -	\$ 3,282,985			\$ (0)

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	242		242	\$ 17,604	\$ 72.74	-	-	
Santa Maria	12,321		12,321	896,261	72.74	-	-	
Golden State Water	463		463	33,680	72.74	-	-	
VAFB	2,412		2,412	175,455	72.74	-	-	
Buellton	585		585	42,554	72.74	-	-	
Santa Ynez (Solvang)	1,251		1,251	91,001	72.74	-	-	
Santa Ynez	250	2,614	2,864	18,186	72.74	\$ 190,149	596,901	\$ 228
Goleta	4,204	(941)	3,263	305,795	72.74	(68,454)	(214,884)	\$ (228)
Morehart	40	-	40	2,910	72.74	-	-	
La Cumbre	948	-	948	68,927	72.74	-	-	
Raytheon	88	-	88	6,437	72.74	-	-	
Santa Barbara	2,973	(627)	2,346	216,258	72.74	(45,636)	(143,256)	\$ (228)
Montecito	3,265	(627)	2,637	237,473	72.74	(45,636)	(143,256)	\$ (228)
Carpinteria	1,420	(418)	1,002	103,295	72.74	(30,424)	(95,504)	\$ (228)
SB County Subtotal:	30,461	-	30,461	2,215,835		-		
SLO County	4,326		4,326	314,681		-		
TOTAL:	34,787	(0)	34,787	\$ 2,530,517		\$ -		\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2016/17 Budget

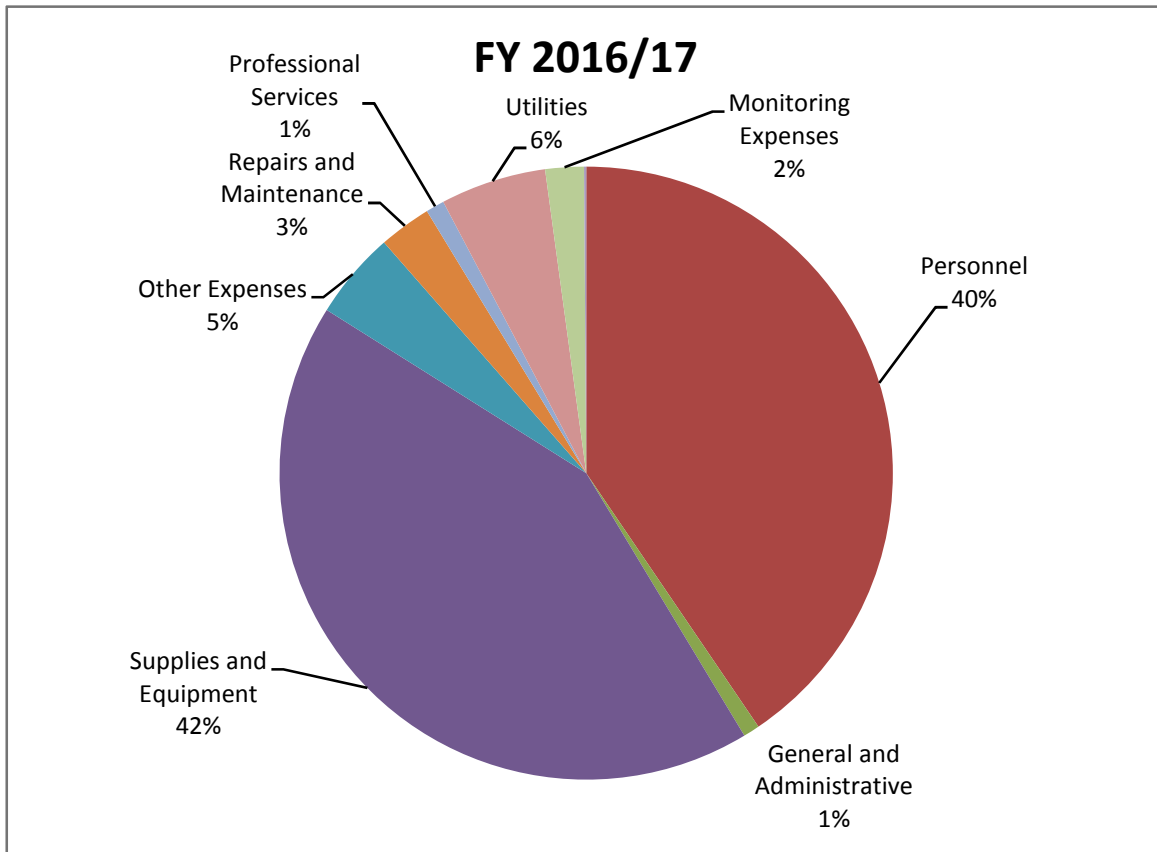
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2014/15	Number Auth. FY 2015/16	Number Requested FY 2016/17	Change Over FY 2014/15	Change Over FY 2015/16
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance 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 Techs ⁽⁵⁾	1.60	1.60	1.60	-	-
WTP Operators	5.00	5.00	5.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
Administrative Assistant ⁽⁶⁾	0.75	0.75	0.75	-	-
TOTAL:	14.80	14.80	14.80	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2015/16 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 234,977	\$ 58,744
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 164,367	\$ 57,529
WTP Supervisor	1	21	\$ 5,685	\$ 6,935	\$ 108,992	\$ 108,992
Maintenance Superintendent ⁽³⁾	1	21	\$ 5,685	\$ 6,935	\$ 108,992	\$ 65,395
Maintenance Foreman	1	17	\$ 5,217	\$ 6,365	\$ 88,367	\$ 88,367
Regulatory Specialist ⁽⁴⁾	1	19	\$ 5,446	\$ 6,644	\$ 98,143	\$ 24,536
Senior Chemist	1	19	\$ 5,446	\$ 6,644	\$ 96,105	\$ 96,105
Maintenance Technicians	2	14	\$ 4,892	\$ 5,968	\$ 150,946	\$ 150,946
Maintenance, IC&R Tech ⁽⁵⁾	2	16	\$ 5,106	\$ 6,230	\$ 167,680	\$ 134,144
WTP Operators	5	15	\$ 4,998	\$ 6,097	\$ 397,740	\$ 397,740
Laboratory Analyst	1	13	\$ 4,788	\$ 5,841	\$ 71,616	\$ 71,616
Administrative Assistant ⁽⁶⁾	1	12	\$ 4,686	\$ 5,717	\$ 46,813	\$ 46,813
FY 2016/17 Salary Pool						\$ 65,439
TOTAL:						\$ 1,366,365

- (1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).
(2) The Deputy Director of Operations 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%).
(5) The two Maintenance, IC&R Techs are allocated to Water Treatment Plant (80%) and Distribution (20%).
(6) The Secretary II job title was changed to Administrative Assistant, with no change in position classification.

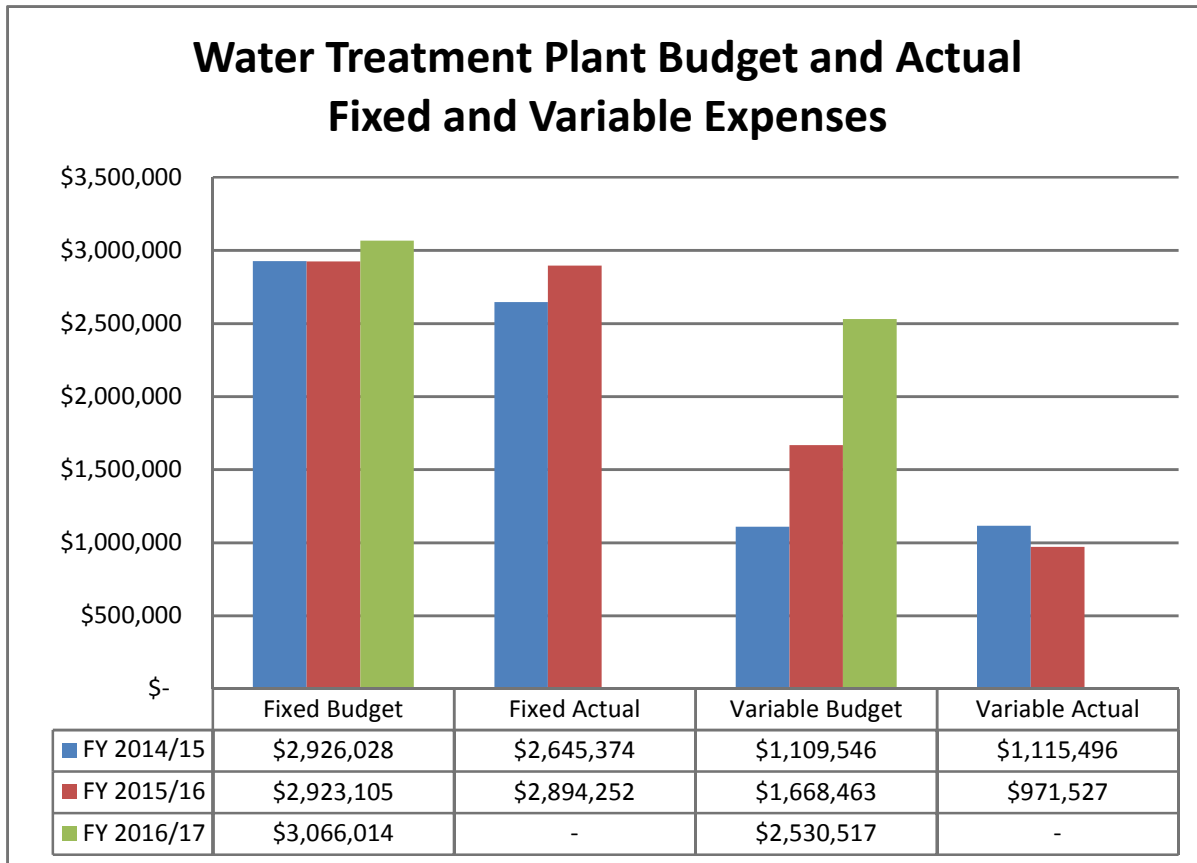
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2016/17 Budget

Item	FY 2016/17 Budget
Personnel	\$ 2,266,438
Office Expenses	6,000
Supplies and Equipment	2,382,062
Monitoring Expenses	113,784
Repairs and Maintenance	154,727
Professional Services	54,599
General and Administrative	48,900
Utilities	311,823
Other Expenses	258,197
TOTAL:	\$ 5,596,530



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2016/17 Budget

Item	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget
Personnel	\$ 2,074,854	\$ 1,995,580	\$ 2,117,470	\$ 2,023,674	\$ 2,266,438
Office Expenses	6,250	5,125	6,250	6,841	6,000
Supplies and Equipment	1,075,354	1,116,768	1,609,440	967,599	2,382,062
Monitoring Expenses	90,305	89,243	100,391	86,160	113,784
Repairs and Maintenance	137,325	124,659	153,911	140,957	154,727
Professional Services	50,360	28,096	63,960	60,551	54,599
General and Administrative	42,200	36,659	44,900	47,429	48,900
Utilities	184,978	139,436	221,117	151,057	311,823
Other Expenses	373,948	225,305	274,128	381,510	258,197
Total:	\$ 4,035,574	\$ 3,760,870	\$ 4,591,568	\$ 3,865,779	\$ 5,596,530



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,293,997	\$ 1,259,391	\$ 1,335,369	\$ 1,292,379	\$ 1,366,365	\$ 30,996	2.32%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	64,700	56,108	66,768	54,596	68,318	1,550	2.32%
5000.40	Standby Pay	23,044	28,965	23,827	28,561	24,409	582	2.44%
5000.50	Shift Differential Pay	16,551	16,595	17,161	14,298	17,594	433	2.52%
5100.10	PERS Retirement	278,300	267,661	287,805	284,197	359,828	72,023	25.02%
5100.15	Medicare Taxes	20,911	19,255	21,150	20,255	21,472	322	1.52%
5100.20	Health Insurance	208,041	212,622	229,793	218,115	290,515	60,722	26.42%
5100.25	Workers' Compensation	57,337	49,327	57,148	37,518	36,541	(20,606)	-36.06%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	21,491	19,456	22,033	21,503	22,575	542	2.46%
5100.40	Cafeteria Plan Benefits	43,851	29,065	15,477	14,237	4,140	(11,337)	-73.25%
5100.45	Dental/Vision Plan	31,394	20,416	24,393	24,566	37,026	12,633	51.79%
5100.50	Long-Term Disability	5,300	6,097	6,610	6,655	7,035	425	6.43%
5100.55	Life Insurance	5,805	5,729	5,805	5,649	6,489	684	11.77%
5100.60	Employee Physicals	450	110	450	-	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,680	-	2,680	135	2,680	-	0.00%
5100.65	Employee Education Reimbursement	1,000	83	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	4,700	-	1,011	-	-	N/A
Total Personnel Expenses:		2,074,854	1,995,580	2,117,470	2,023,674	2,266,438	148,968	7.04%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	2,500	2,538	2,500	3,309	2,500	-	0.00%
5200.30	Miscellaneous Office Expenses	3,750	2,587	3,750	3,532	3,500	(250)	-6.67%
Total Office Expenses:		6,250	5,125	6,250	6,841	6,000	(250)	-4.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	8,025	8,383	8,025	8,459	8,289	264	3.29%
5500.15	Minor Tools and Equipment	5,000	4,109	5,000	4,123	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	500	276	500	192	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,015,379	1,058,442	1,543,465	911,121	2,317,823	774,358	50.17%
5500.35	Maintenance Supplies/Hardware	12,000	15,161	16,000	16,663	16,000	-	0.00%
5500.40	Safety Supplies	5,000	4,124	5,000	6,908	5,000	-	0.00%
5500.45	Fuel and Lubricants	26,450	25,455	26,450	20,133	26,450	-	0.00%
5500.50	Seed/Erosion Control Supplies	3,000	819	5,000	-	3,000	(2,000)	-40.00%
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		1,075,354	1,116,768	1,609,440	967,599	2,382,062	772,622	48.01%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	57,000	56,416	62,236	61,102	65,969	3,733	6.00%
5600.20	Lab Tools and Equipment	15,000	14,556	1,720	-	11,380	9,660	561.63%
5600.30	Lab Testing	18,305	18,271	36,435	25,058	36,435	-	0.00%
Total Monitoring Expenses:		90,305	89,243	100,391	86,160	113,784	13,393	13.34%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	100,000	89,492	115,000	105,899	115,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	5,000	2,898	5,000	1,804	5,000	-	0.00%
5700.30	Building Maintenance	27,325	28,308	28,911	29,294	29,727	816	2.82%
5700.40	Landscape Maintenance	5,000	3,960	5,000	3,960	5,000	-	0.00%
Total Repairs and Maintenance:		137,325	124,659	153,911	140,957	154,727	816	0.53%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	27,700	15,801	36,400	47,872	28,339	(8,061)	-22.15%
5400.20	Legal Services	-	1,240	-	280	-	-	N/A
5400.30	Engineering Services	5,000	-	5,000	-	7,500	2,500	50.00%
5400.40	Permits	17,100	11,055	22,000	12,399	18,200	(3,800)	-17.27%
5400.50	Non-Contractual Services	560	-	560	-	560	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		50,360	28,096	63,960	60,551	54,599	(9,361)	-14.64%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	13,500	14,006	13,500	17,163	15,000	1,500	11.11%
5300.20	Mileage Reimbursement	500	-	500	293	500	-	0.00%
5300.30	Dues and Memberships	15,200	11,031	15,400	20,442	15,400	-	0.00%
5300.40	Publications	500	655	500	395	500	-	0.00%
5300.50	Training	7,500	4,826	8,500	2,389	10,000	1,500	17.65%
5300.60	Advertising	1,500	95	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	3,500	6,046	5,000	6,747	6,000	1,000	20.00%
Total General and Administrative:		42,200	36,659	44,900	47,429	48,900	4,000	8.91%

Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	6,800	1,362	6,800	4,298	6,800	-	0.00%
5800.30	Electric-Fixed	75,084	75,084	80,392	80,388	83,403	3,010	3.74%
5800.31	Electric-Variable	94,167	57,054	124,998	60,406	212,694	87,696	70.16%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	4,782	3,067	4,782	2,486	4,782	-	0.00%
5800.60	Waste Disposal	4,145	2,870	4,145	3,481	4,145	-	0.00%
Total Utilities:		184,978	139,436	221,117	151,057	311,823	90,706	41.02%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	78,482	73,228	74,633	65,986	73,385	(1,248)	-1.67%
5900.30	Non-Capitalized Projects	160,157	83,826	63,896	192,664	31,557	(32,340)	-50.61%
5900.40	Equipment Rental	17,000	10,231	18,200	24,023	18,200	-	0.00%
5900.50	Non-Capitalized Equipment	5,000	2,666	5,000	-	5,000	-	0.00%
5900.60	Computer Expenses	55,937	55,354	55,083	52,887	69,938	14,855	26.97%
5900.70	Appropriated Contingency	57,373	-	57,316	45,950	60,118	2,802	4.89%
Total Other Expenses:		373,948	225,305	274,128	381,510	258,197	(15,931)	-5.81%
TOTAL OPERATING EXPENSES		\$ 4,035,574	\$ 3,760,870	\$ 4,591,568	\$ 3,865,779	\$ 5,596,530	\$ 1,004,963	21.89%

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$65,439 for the FY 2016/17 salary pool.

FY 16/17 Requested Budget	1,366,365
FY 15/16 Estimated Actual	1,292,379
Increase (Decrease)	73,987

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 16/17 Requested Budget	68,318
FY 15/16 Estimated Actual	54,596
Increase (Decrease)	13,722

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 16/17 Requested Budget	-
FY 15/16 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the
Water Treatment Plant Department.

FY 16/17 Requested Budget	-
FY 15/16 Estimated Actual	-
Increase (Decrease)	-

\$ - TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 16/17 Requested Budget	24,409
FY 15/16 Estimated Actual	28,561
Increase (Decrease)	(4,152)

Description: Funds for stand-by pay for one employee assigned to stand-by duty on a 24-hour basis. Based on 2.01 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$2.33 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 16/17 Requested Budget	17,594
FY 15/16 Estimated Actual	14,298
Increase (Decrease)	3,295

Description: Funds for shift employee pay.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 16/17 Requested Budget	359,828
FY 15/16 Estimated Actual	284,197
Increase (Decrease)	75,631

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 22.071% contribution rate for FY 2016/17, that includes the required Unfunded Accrued Liability (UAL), plus an additional fixed UAL payment.

Required Contributions	\$ 226,243	16.558%
UAL current fiscal year	\$ 75,457	5.513%
UAL additional fixed payment	\$ 58,128	fixed
TOTAL	\$ 359,828	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 16/17 Requested Budget	21,472
FY 15/16 Estimated Actual	20,255
Increase (Decrease)	1,217

Description: Funds for the employer portion of Medicare taxes for the WTP department. Amount is equal to 1.45% of all wages and salaries. CCWA currently has no PEPRA employees.

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2017.

FY 16/17 Requested Budget	290,515
FY 15/16 Estimated Actual	218,115
Increase (Decrease)	72,400

Family	\$ 21,865
Emp + 1	\$ 16,819
Employee only	\$ 8,410

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 66%. Based on a 5% premium increase over FY 2015/16.

FY 16/17 Requested Budget	36,541
FY 15/16 Estimated Actual	37,518
Increase (Decrease)	(976)

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

Description: Estimates \$1,500 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 16/17 Requested Budget	22,575
FY 15/16 Estimated Actual	21,503
Increase (Decrease)	1,072

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 16/17 Requested Budget	4,140
FY 15/16 Estimated Actual	14,237
Increase (Decrease)	(10,097)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,280 per year per family for dental and vision expenses. Budgeted amount is \$2,460 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 16/17 Requested Budget	37,026
FY 15/16 Estimated Actual	24,566
Increase (Decrease)	12,460

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

Description: Funds for premiums paid for long-term disability insurance. Based on a rate of \$0.52 per \$100 of salary.

FY 16/17 Requested Budget	7,035
FY 15/16 Estimated Actual	6,655
Increase (Decrease)	380

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 16/17 Requested Budget	6,489
FY 15/16 Estimated Actual	5,649
Increase (Decrease)	840

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 16/17 Requested Budget	450
FY 15/16 Estimated Actual	-
Increase (Decrease)	450

\$ 450 3 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 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 16/17 Requested Budget	1,000
FY 15/16 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).

FY 16/17 Requested Budget	2,680
FY 15/16 Estimated Actual	135
Increase (Decrease)	2,545

Safety Program	\$	1,380
EAAP		1,300
TOTAL:	\$	2,680

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 16/17 Requested Budget	-
FY 15/16 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 16/17 Requested Budget	2,500
FY 15/16 Estimated Actual	3,309
Increase (Decrease)	(809)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 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.

FY 16/17 Requested Budget	3,500
FY 15/16 Estimated Actual	3,532
Increase (Decrease)	(32)

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 Deputy Director.

FY 16/17 Requested Budget	15,000
FY 15/16 Estimated Actual	17,163
Increase (Decrease)	(2,163)

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 16/17 Requested Budget	500
FY 15/16 Estimated Actual	293
Increase (Decrease)	207

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 16/17 Requested Budget	15,400
FY 15/16 Estimated Actual	20,442
Increase (Decrease)	(5,042)

AWWA dues	\$	400
WRF dues		10,000
Certification		800
Urban Water Consv Fee	\$	3,200
CWEA	\$	1,000
	\$	15,400

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 16/17 Requested Budget	500
FY 15/16 Estimated Actual	395
Increase (Decrease)	105

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 16/17 Requested Budget	10,000
FY 15/16 Estimated Actual	2,389
Increase (Decrease)	7,611

\$	7,500	\$500 per employee
	2,500	Arc Flash Training
\$	10,000	

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 16/17 Requested Budget	1,500
FY 15/16 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 16/17 Requested Budget	6,000
FY 15/16 Estimated Actual	6,747
Increase (Decrease)	(747)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services
Description: Outside professional services including:
 \$ 3,000 Cathodic protection
 2,000 Fire system/extinguisher inspection
 5,400 Security
 3,000 Crane inspection
 1,400 Oil, coolant and diesel analysis
 3,200 Emergency generator/forklift service
 3,000 Equipment Calibration
 7,339 Personnel Team Building Consultant
 \$ 28,339 TOTAL

FY 16/17 Requested Budget	28,339
FY 15/16 Estimated Actual	47,872
Increase (Decrease)	(19,533)

ACCOUNT NUMBER: 5400.20

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

FY 16/17 Requested Budget	-
FY 15/16 Estimated Actual	280
Increase (Decrease)	(280)

ACCOUNT NUMBER: 5400.30

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

FY 16/17 Requested Budget	7,500
FY 15/16 Estimated Actual	-
Increase (Decrease)	7,500

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits
Description: Funds for all required WTP permits.
 \$ 1,000 RWQCB NPDES
 10,000 Drinking Water Program
 3,000 DHS Lab Accreditation
 1,600 Emergency Generator Permit
 2,600 Hazardous Materials Fees
 \$ 18,200 TOTAL

FY 16/17 Requested Budget	18,200
FY 15/16 Estimated Actual	12,399
Increase (Decrease)	5,801

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 16/17 Requested Budget	560
FY 15/16 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 16/17 Requested Budget	8,289
FY 15/16 Estimated Actual	8,459
Increase (Decrease)	(170)

\$ 5,364 Uniform Service (\$447 per month)

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

1,575 Boots (\$175/yr employee allowance)

- Misc. uniform requirements (jackets, etc.)

\$ 8,289 TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 16/17 Requested Budget	5,000
FY 15/16 Estimated Actual	4,123
Increase (Decrease)	877

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 16/17 Requested Budget	-
FY 15/16 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

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

FY 16/17 Requested Budget	500
FY 15/16 Estimated Actual	192
Increase (Decrease)	308

\$ 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 16/17 Requested Budget	2,317,823
FY 15/16 Estimated Actual	911,121
Increase (Decrease)	1,406,702

(1) WTP Plant: \$63.18 per acre foot and 34,787 acre feet of requests
 (2) Santa Ynez Pumping Station: \$3.26/af for 10,323 AF pumped water
 (3) Tank 5 and 7 Chlorination at \$4.95/af for 17,436 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 16/17 Requested Budget	16,000
FY 15/16 Estimated Actual	16,663
Increase (Decrease)	(663)

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 16/17 Requested Budget	5,000
FY 15/16 Estimated Actual	6,908
Increase (Decrease)	(1,908)

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 16/17 Requested Budget	3,000
FY 15/16 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 16/17 Requested Budget	26,450
FY 15/16 Estimated Actual	20,133
Increase (Decrease)	6,317

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 16/17 Requested Budget	65,969
FY 15/16 Estimated Actual	61,102
Increase (Decrease)	4,867

ACCOUNT NUMBER: 5600.20

ACCOUNT TITLE: Laboratory Tools and Equipment

Description: Funds for the purchase of non-capitalized tools and equipment for the laboratory. The equipment includes: Quantitray Sealer Plus, ammonia probe and meter, pH meter and and the Hach DR900.

FY 16/17 Requested Budget	11,380
FY 15/16 Estimated Actual	-
Increase (Decrease)	11,380

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 16/17 Requested Budget	36,435
FY 15/16 Estimated Actual	25,058
Increase (Decrease)	11,377

\$	18,600	MIB and Microcystin Monitoring
	7,340	Annual Compliance Monitoring
	530	Monthly Compliance Monitoring
	3,850	DBP
	5,640	Cryptosporidium, Giardia and LT2
	475	DI Water Testing
\$	36,435	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 16/17 Requested Budget	115,000
FY 15/16 Estimated Actual	105,899
Increase (Decrease)	9,101

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 16/17 Requested Budget	5,000
FY 15/16 Estimated Actual	1,804
Increase (Decrease)	3,196

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 16/17 Requested Budget	29,727
FY 15/16 Estimated Actual	29,294
Increase (Decrease)	433

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	17,127	Janitorial service
	4,500	HVAC
	3,900	Janitorial Supplies
\$	29,727	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 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 16/17 Requested Budget	5,000
FY 15/16 Estimated Actual	3,960
Increase (Decrease)	1,040

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for propane gas service to the WTP.

FY 16/17 Requested Budget	6,800
FY 15/16 Estimated Actual	4,298
Increase (Decrease)	2,502

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 16/17 Requested Budget	83,403
FY 15/16 Estimated Actual	80,388
Increase (Decrease)	3,015

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP. Variable electrical costs.

FY 16/17 Requested Budget	212,694
FY 15/16 Estimated Actual	60,406
Increase (Decrease)	152,288

\$	6.11	\$/AF
\$	34,787	AF
\$	212,694	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 16/17 Requested Budget	-
FY 15/16 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 16/17 Requested Budget	4,782
FY 15/16 Estimated Actual	2,486
Increase (Decrease)	2,296

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 16/17 Requested Budget	4,145
FY 15/16 Estimated Actual	3,481
Increase (Decrease)	664

\$	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 16/17 Requested Budget	73,385
FY 15/16 Estimated Actual	65,986
Increase (Decrease)	7,399

\$	39,217	Property and auto coverage based on the apportionment provided by JPIA.
\$	34,168	General liability and E&O based on salary proportions.
\$	73,385	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 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 16/17 Requested Budget	31,557
FY 15/16 Estimated Actual	192,664
Increase (Decrease)	(161,107)

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 16/17 Requested Budget	18,200
FY 15/16 Estimated Actual	24,023
Increase (Decrease)	(5,823)

\$	3,900	Copier lease
	10,100	Motorized equipment
	4,200	Lagoon cleaning
\$	18,200	TOTAL

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 16/17 Requested Budget	5,000
FY 15/16 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.

FY 16/17 Requested Budget	69,938
FY 15/16 Estimated Actual	52,887
Increase (Decrease)	17,051

\$	58,681	CompuVision, Annual Service Agreements and Software Subscriptions
\$	11,257	Software, New Computers and other computer services.
\$	69,938	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget excluding
chemical and variable electric costs.

FY 16/17 Requested Budget	60,118
FY 15/16 Estimated Actual	45,950
Increase (Decrease)	14,168



Bypass Pipeline Assembly at Bradbury Dam

Distribution Department

The Distribution Department is responsible for the daily operations and maintenance of the 130 miles of pipeline, seven storage tanks, eleven 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 10.20
- Authority pipeline (in miles) 42
- Coastal Branch Phase II pipeline (in miles) 101
- Number of water storage tanks 7
- Number of turnouts 11

Budget Information

- Total FY 2016/17 O&M Budget \$ 3,641,144
- O&M Budget increase over FY 2015/16 \$ 434,874
- Fixed cost decrease over FY 2015/16 [18,448]
- Variable cost increase over FY 2015/16 \$ 416,426
- Percentage increase 13.56%
- Fixed O&M expenses \$ 2,229,628
- Variable O&M expenses \$ 1,411,516
- FY 2016/17 budgeted electrical cost \$136.73 per acre-foot

Significant Accomplishments During FY 2015/16

During FY 15/16, the distribution system was operated over its full range of conveyance capacities and beyond. The pipeline was operated at historically low flow rates of approximately 50% of the design minimum flow rate for a sustained period of time. In addition, the southern end of the pipeline was operated well above the design maximum capacity.

During the periods of extreme low flow, the CCWA nitrification control plan was fully deployed and resulted in maintaining potability of the delivered water at all times.

Following Participant requests to increase conveyance capacity the Lake Cachuma, CCWA completed an engineering evaluation and made recommendations for increasing conveyance capacity through re-routing the Bradbury bypass pipeline and increasing its diameters. Following approval, the recommended improvements were quickly constructed.

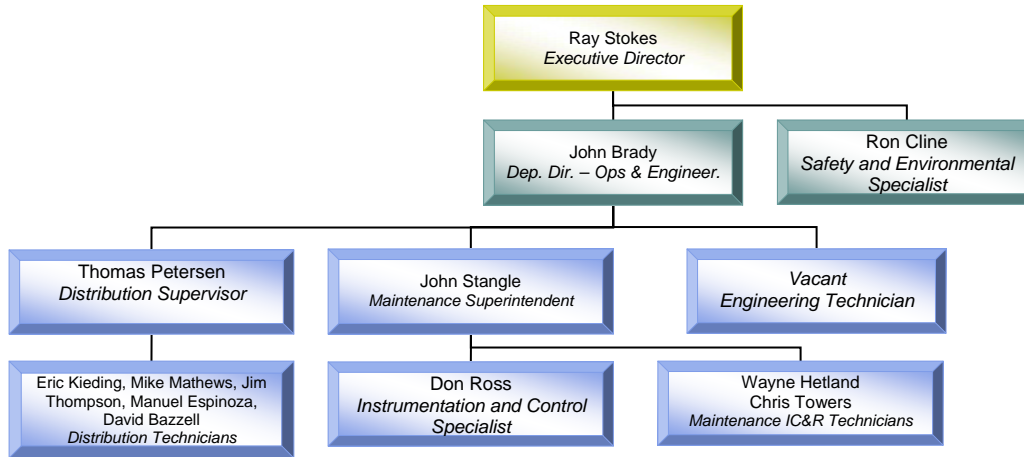
Significant Goals for FY 2016/17

Develop procedures to identify excess conveyance capacity that is available in the pipeline on a day-to-day basis. This determination will be utilized in managing the San Luis Obispo Long Term Exchange and Suspended Table A water.

Develop procedures to operate the Santa Ynez Pumping Plant in a safe manner to prevent uncontrolled pressure transients at the higher flow rates.

Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

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 Technicians

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 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 seven storage tanks, eleven 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 Technicians 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 Deputy Director of Operations, who provide long term planning and establish priorities.

Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

The Safety and Environmental 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 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and goals for the Distribution Department will be presented at a future meeting of the CCWA Board of Directors.

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.

Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

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 173 shows the participation by project participant 'UbX by financial reach for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

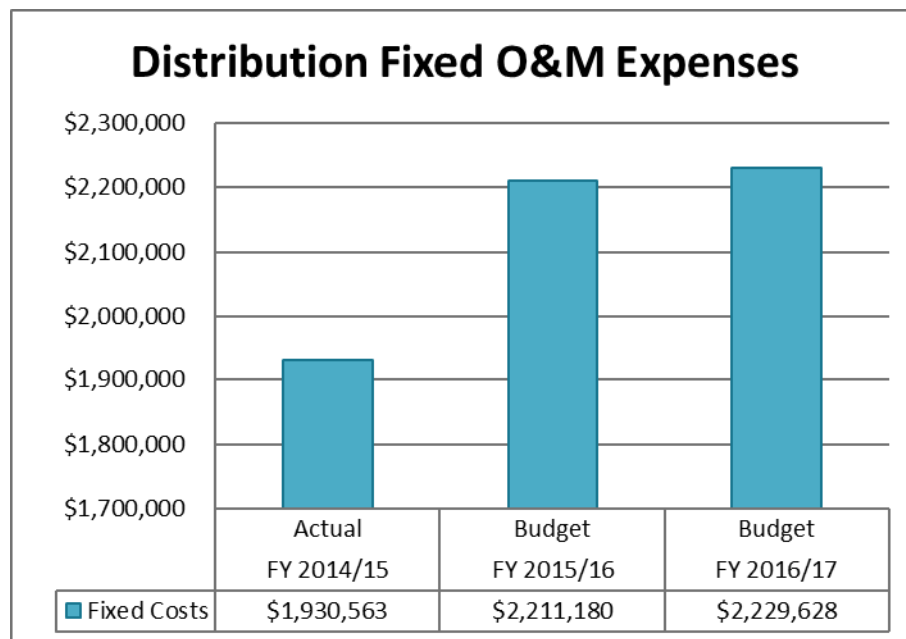
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2014/15 actual operating expenses for each reach. The financial reach allocation percentages are adjusted 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.

Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

Distribution Department Financial Reach Allocation			
Financial Reach	FY 2016/17 Allocation Percentage	FY 2015/16 Allocation Percentage	Increase (Decrease)
Reach 33B	24.44%	23.36%	1.08%
Reach 34	10.50%	10.81%	-0.31%
Reach 35	4.14%	3.81%	0.33%
Reach 37	2.55%	3.19%	-0.64%
Reach 38	4.10%	4.22%	-0.11%
Mission Hills II	11.83%	13.27%	-1.44%
Santa Ynez I	15.79%	17.74%	-1.94%
Santa Ynez II	26.64%	23.60%	3.04%
TOTAL:	100.00%	100.00%	0.00%

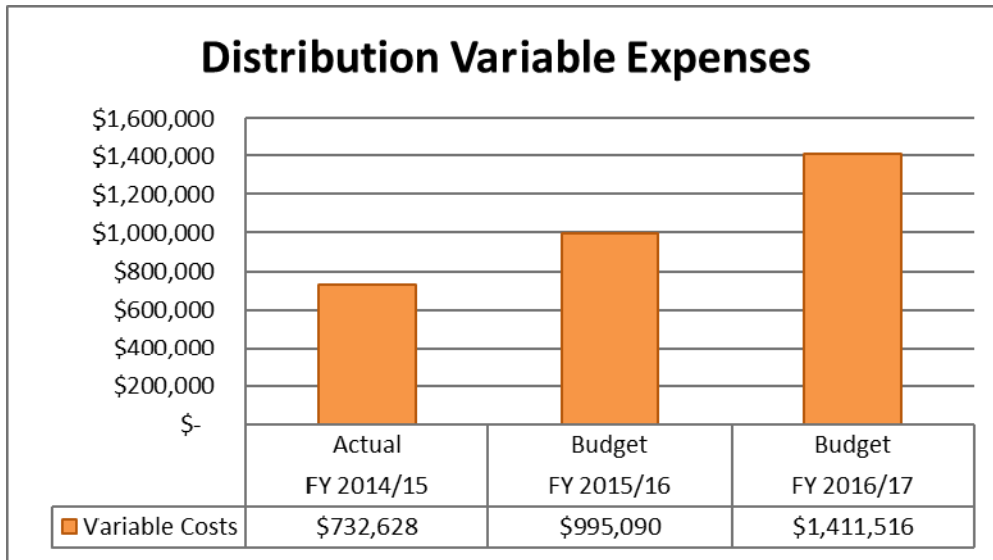
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

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 2016/17 fixed O&M costs are \$18,448 higher than the prior year budget amount.



Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

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 2016/17 variable O&M costs are \$416,426 higher 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 2016/17 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$136.73/AF
Goleta	3,263	\$ 446,120
Morehart	40	5,469
La Cumbre	948	129,558
Raytheon	88	12,099
Santa Barbara	2,346	320,710
Montecito	2,637	360,588
Carpinteria	1,002	136,972
Total South Coast:	10,323	\$ 1,411,516

(1) Excludes water deliveries exchanged with Santa Ynez ID#1.

Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

Fiscal Year 2016/17 Operating Expense Budget

The Fiscal Year 2016/17 Distribution Department operating expense budget is \$3,641,144, which is \$434,874 higher than the previous year's budget of \$3,206,270, an increase of 13.56%. The personnel expense section of the Distribution Department budget represents approximately 44% of the budget. Utilities comprise 40%, with other expenses making up the balance of the budget. The chart on page 174 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 \$98,000 attributed to the following:

- The FY 2016/17 Budget includes a \$46,149 salary pool allocation based on a salary pool percentage of 5.03%. However, the total salaries and wages budget is only increasing by about \$23,000 primarily because certain employees have remained at the top of their salary range, stalling their salary growth.
- PERS retirement expenses are increasing by about \$51,000 due to the following: A \$41,000 payment for the Distribution Department portion of the additional annual payment towards paying down CCWA's unfunded accrued pension liability (approved by the Board of Directors on March 24, 2016), salary increases, plus the change in the employer and employee contribution rate for the FY 2016/17 to 22.071% as compared to the prior year amount of 21.035%.
- Health insurance and cafeteria plan benefit combined reflect increases of around \$35,000 which is attributed to an increase in health premiums and dental vision plan payments.

Professional Services Professional services are increasing by approximately \$15,000 due mostly to increases of \$5,000 in cathodic protection, an increase of \$11,000 in switch gear services along with a \$ 7,000 decrease in engineering services.

General and Administrative General and Administrative are increasing by approximately \$10,000 due primarily to increases in meeting and travel related expenses.

Utility Expenses Utility expenses are increasing by about \$400,000 attributed to the increase in estimated electrical cost per acre-foot of delivering water into Lake Cachuma from \$81.05/AF in FY 2015/16 compared to \$136.73/AF for FY 2016/17 partially offset by a 1,954 decrease in water deliveries to Lake Cachuma.

Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

Other Expenses Other expenses are decreasing by approximately \$88,000 due primarily to a decrease in non-capitalized project expenses. (see the discussion on non-capitalized projects later in this section of the Budget).

Turnout Expenses Turnout expenses include funds for utility expenses at each turnout, equipment repairs and maintenance, and non-capitalized projects.

The following table shows the FY 2016/17 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES							
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Capital Projects ⁽¹⁾	TOTAL
Guadalupe	\$ 560	\$ 1,000	\$ -	\$ 500	\$ 2,060	\$ -	\$ 2,060
Santa Maria	519	1,500	-	500	2,519		2,519
Golden State Water Co.	706	3,000	-	500	4,206		4,206
Vandenberg Air Force Base	-	1,500	-	500	2,000		2,000
Buellton	294	1,500	-	500	2,294		2,294
Santa Ynez (Solvang)	218	1,000	-	500	1,718		1,718
Santa Ynez	-	1,000	-	500	1,500		1,500
Chorro Valley ⁽²⁾	-	1,500	900	500	2,900		2,900
Lopez	546	1,500	-	500	2,546		2,546
TOTAL:	\$ 2,842	\$ 13,500	\$ 900	\$ 4,500	\$ 21,742	\$ -	\$ 21,742

(1) Please see the CIP section of the budget for information regarding the Turnout capital projects.

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 2016/17.

Central Coast Water Authority
 Distribution Department
 Fiscal Year 2016/17 Budget

<i>Non-Capitalized Projects-Reach Specific</i>		
Project Description	Financial Reach	Amount
Emergency Generator at Tank 7	SYI	9,639
Emergency Generator at SYPP.	SYII	9,639
Locator Equipment Replacement	ALL	9,639
Salamander Hill Erosion Repair	37	10,000
Tank 2 Erosion Repair	33B	10,000
Security Enhancement BAO, SYPP	ADM/SYII	3,675
Confined Space Entry Life-Line Replacement	WTP/ALL	3,686
<i>TOTAL NON-CAPITALIZED PROJECTS</i>		<u>\$ 56,278</u>

Central Coast Water Authority
 Distribution Department
 Fiscal Year 2016/17 Budget

Description:	Emergency Generator at Tank 7
Department:	SYI
Expanded Description	One issue related to power failure is that the overall CCWA network communications can become disrupted during the power outage. In addition, a power failure will result in no instrumentation data being available to operators during a power outage. The purpose of this project is to install an emergency generator to provide power for the communications and instrumentation equipment at Tank 7.
Estimated Charge – Material	\$8,500
Tax (8%)	\$680
Contingency (5%)	\$459
Subtotal without CCWA Labor	\$9,639
CCWA Labor	\$11,689
Total Cost	\$21,328
Operating Budget Impact:	The control logic at Tank 7 includes keeping all valves in a fixed position until power can be resumed. The valves at Tank 7 can be manually operated and the water levels in the tank can be manually measured. So, in the absence of power, the facility can be operated manually. However, this would require a highly coordinated operation with CCWA staff at several locations within the system. Through providing backup power, the need to manually operate the Tank 7 facility will be avoided, along with the increased staffing costs associated with manual operation.

Central Coast Water Authority
 Distribution Department
 Fiscal Year 2016/17 Budget

Description:	Emergency Generator at SYPP
Department:	SYII
Expanded Description	One issue related to power failure is that the overall CCWA network communications can become disrupted. In addition, a power failure will result in no instrumentation data being available to operators during the power outage. The purpose of this project is to install an emergency generator to provide power to the communications and instrumentation at SYPP. It is important to maintain the communications and instrumentation because the SYPP facility serves as an emergency overflow of the pipeline under certain operational conditions. It is important to note that this project will not include backup power for the operation of the pumps.
Estimated Charge – Material	\$8,500
Sales Tax (8%)	\$680
Contingency (5%)	\$459
Subtotal without CCWA Labor	\$9,639
CCWA Labor	\$11,689
Total Cost	\$21,328
Operating Budget Impact:	The control logic at Santa Ynez Pumping Plant (SYPP) includes keeping all valves in a fixed position until power can be resumed. The valves at SYPP can be manually operated and the water levels in the forebay can be manually measured. So, in the absence of power, the facility can be operated manually. However, this would require a highly coordinated operation with CCWA staff at several locations within the system. Through providing backup power, the need to manually operate the SYPP facility will be avoided or minimized, along with the increased staffing costs associated with manual operation.

Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

Description:	Locator Equipment Replacement
Department:	Distribution
Expanded Description	The CCWA pipeline is 142 miles long and is constructed through both private and public property. Consequently, there are numerous requests by the various land owners and public agencies to locate the pipeline and fiber optic cable. This is accomplished through CCWA staff physically locating and marking the locations through the use of a utility locator device. This project will replace two existing locators, which are at the end of their service life. The project will also include refurbishing one of the older models so that it could serve as a backup device.
Estimated Charge – Material	\$8,500
Sales Tax (8%)	\$680
Contingency (5%)	\$459
Subtotal without CCWA Labor	\$9,639
CCWA Labor	\$1,182
Total Cost	\$10,821
Operating Budget Impact:	It is vitally important to the CCWA communication system to avoid accidental severing of the fiber optic cable along the pipeline route and vitally important to water delivery operations to avoid accidental damage to the pipeline. Utilizing CCWA staff to respond to Underground Service Alerts is an effective measure to reduce the risk of these events. Through providing the locator tools, CCWA staff can quickly locate the fiber optic cable and pipeline facility upon request. This will reduce the potential costs associated responding to a severed fiber optic cable or leaking pipeline.

Description:	Salamander Hill Erosion Repair
Department:	37
Expanded Description	An area of erosion on the pipeline exists in an area known as Salamander Hill. The Habitat Conservation Plan for the pipeline is expected to be in effect in 2016, which will allow work to repair the erosional damage at Salamander Hill. The project will be completed using CCWA staff, but will also include hiring an environmental monitoring consultant, equipment rental and purchasing needed materials.
Estimated Charge – Contractor	\$10,000
Subtotal without CCWA Labor	\$10,000
CCWA Labor	\$12,979
Total Cost	\$22,979
Operating Budget Impact:	Utilizing CCWA staff to implement the repair of the erosion is the most cost effective method of completing the repair of the magnitude of the Salamander Hill project. CCWA staff has experience with successfully implementing repairs of similar complexity and magnitude. To utilize a contractor, the cost will likely double, at a minimum.

Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

Description:	Tank 2 Erosion Repair
Department:	33B
Expanded Description	An area of erosion on the pipeline exists at the Tank 2 site. The Habitat Conservation Plan for the pipeline is expected to be in effect in 2016, which will allow work to repair the erosional damage at the Tank 2 site. The project will be completed using CCWA staff, but will also include hiring an environmental monitoring consultant, equipment rental and purchasing needed materials.
Estimated Charge – Contractor	\$10,000
Subtotal without CCWA Labor	\$10,000
CCWA Labor	\$9,750
Total Cost	\$19,750
Operating Budget Impact:	Utilizing CCWA staff to implement the repair of the erosion is the most cost effective method of completing the repair of the magnitude of the Tank 2 project. CCWA staff has experience with successfully implementing repairs of similar complexity and magnitude. To utilize a contractor, the cost will likely double, at a minimum

Description:	Security Enhancement BAO, SYPP
Department:	Administration/SYII
Expanded Description	In response to the Department of Homeland Security guidelines on active shooter incidents, CCWA staff reviewed the security measures at the Buellton Administrative Offices. It was determined that additional security measures were merited. This project will include replacing the two main doors and locks, installing a security camera and a monitoring recording device at the main office entrances.
Estimated Charge - Contractor	\$7,000
Contingency (5%)	<u>\$350</u>
Subtotal without CCWA Labor	\$7,350
CCWA Labor	\$2,994
Total Cost	\$10,344
Operating Budget Impact:	In reviewing the options to secure the administrative office of CCWA in Buellton, it was determined the most cost effective method would be to secure the building entrances and to provide the ability to monitor individuals requesting entrance to the building, as opposed to securing and controlling access from an area inside the building. While no security system is perfect, the selected option appears to balance the needs for security without undo impact on the administrative functions of the office.

Central Coast Water Authority
Distribution Department
Fiscal Year 2016/17 Budget

Description:	Confined Space Entry Life-Line Replacement
Department:	Water Treatment Plant/Distribution
Expanded Description	As part of routine operations and maintenance activities, confined space entries are required. Confined space entry is a highly regulated activity and the equipment used to ensure safe entry and exit must be maintained in good condition. The existing Life-Line, which attaches to a staff member making a confined space entry, is at the end of its expected service life. It needs to be replaced to ensure continued safe entry and exit of confined spaces within the CCWA system.
Estimated Charge - Material	\$6,500
Sales Tax (8%)	\$520
Contingency (5%)	<u>\$351</u>
Subtotal without CCWA Labor	\$7,371
CCWA Labor	\$1,605
Total Cost	\$8,976
Operating Budget Impact:	This project will provide an important component of the safety equipment staff uses in making confined space entry. Having staff complete the repair, maintenance or other service within the confined space will have a high quality end result. Ensuring safe entry and exit is a high priority for CCWA. Utilizing an outside contractor to make the confined space entry and to implement the repair, maintenance or other service will result in higher costs and may not have the same high quality end result.

Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2016/17 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2014/15	Number Auth. FY 2015/16	Number Requested FY 2016/17	Change Over FY 2014/15	Change Over FY 2015/16
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Deputy Director of Operations ⁽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 Technicians ⁽⁵⁾	0.40	0.40	0.40	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.20	10.20	10.20	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2015/16 Total Annual Salary	Allocation to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 234,977	\$ 58,744
Deputy Director of Operations ⁽²⁾	1	N/A	N/A	N/A	\$ 164,367	\$ 65,747
Regulatory Specialist ⁽³⁾	1	19	\$ 5,446	\$ 6,644	\$ 98,143	\$ 73,607
Distribution Supervisor	1	19	\$ 5,446	\$ 6,644	\$ 98,143	\$ 98,143
Engineering Technician	1	16	\$ 5,106	\$ 6,230	\$ 83,840	\$ 83,840
Instrumentation & Control Specialist	1	18	\$ 5,330	\$ 6,503	\$ 93,130	\$ 93,130
Maintenance Superintendent ⁽⁴⁾	1	21	\$ 5,685	\$ 6,935	\$ 108,992	\$ 43,597
Maintenance/IC&R Tehcnician ⁽⁵⁾	2	16	\$ 5,106	\$ 6,230	\$ 167,680	\$ 33,536
Distribution Technicians	5	14	\$ 4,892	\$ 5,968	\$ 367,100	\$ 367,100
FY 2011/12 Salary Pool						\$ 46,149
TOTAL:						\$ 963,594

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

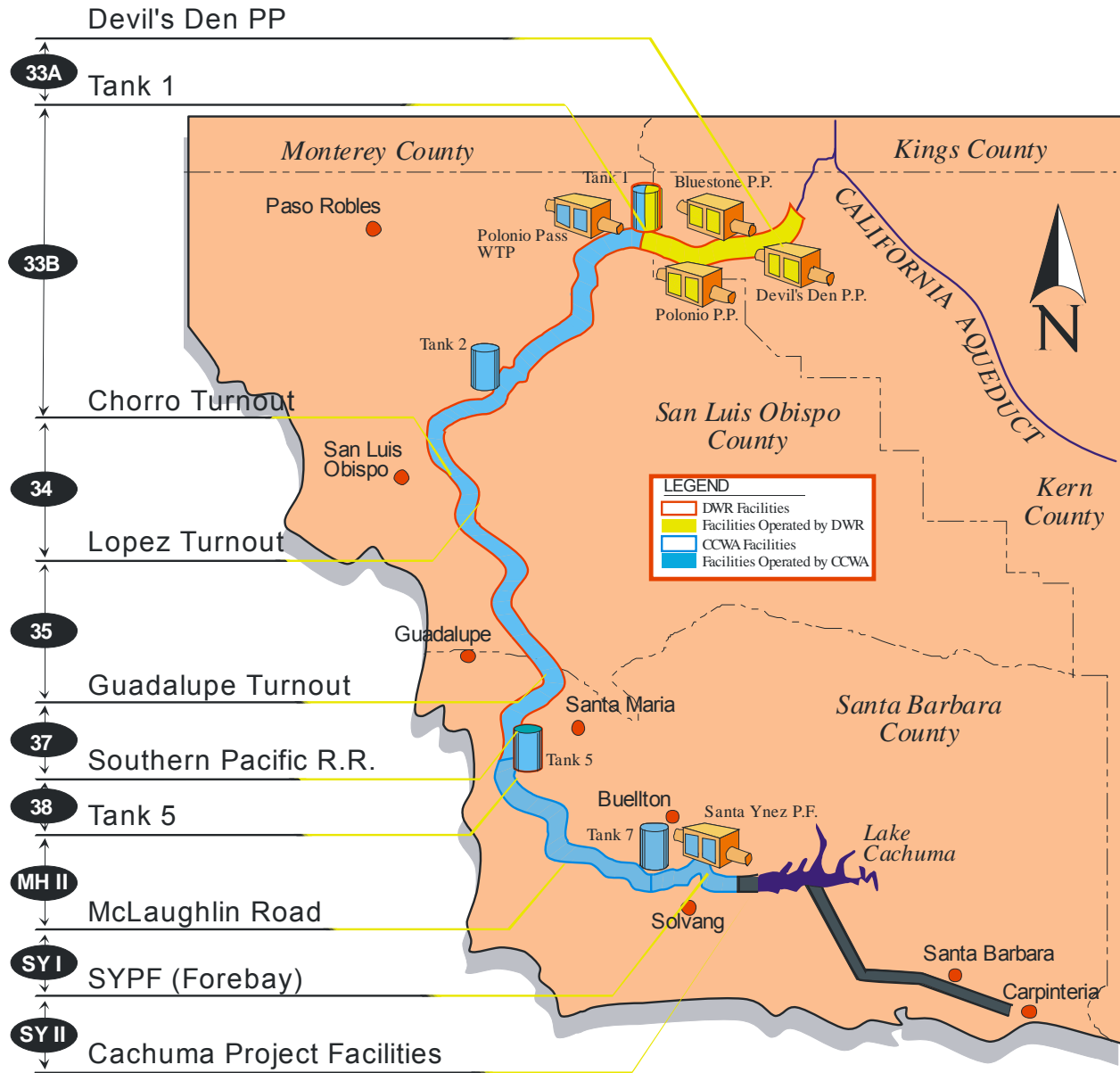
(2) The Deputy Director of Operations is allocated to Administration (25%), Water Treatment Plant (35%) and Distribution (40%).

(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%).

(5) The two Maintenance IC&R Technicians are allocated to Water Treatment Plant (80%) and Distribution (20%).

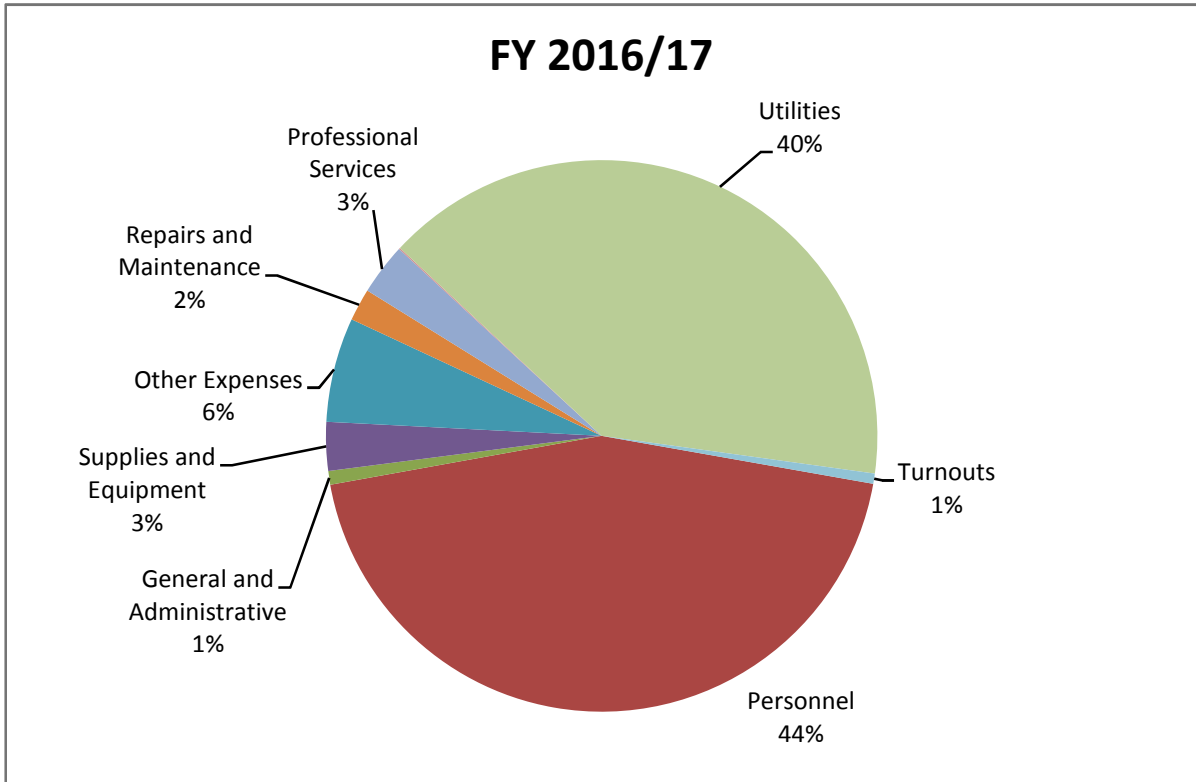
COASTAL BRANCH FINANCIAL REACHES



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	
LaCumbre	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	
Santa Barbara	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Montecito	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Carpinteria	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
TOTAL	43,908 AF	41,470 AF	39,078 AF	38,528 AF	21,828 AF	21,828 AF	16,328 AF	13,750 AF	

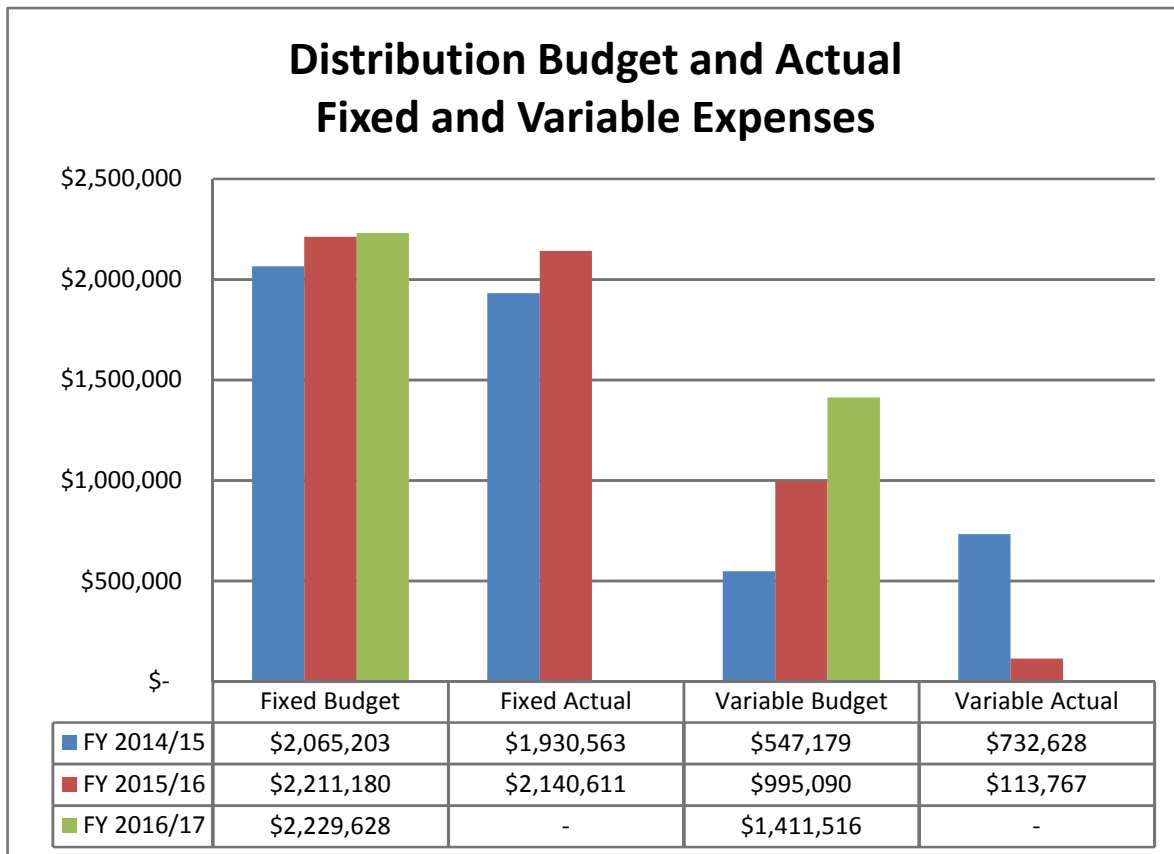
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2016/17 Budget

Item	FY 2016/17 Budget
Personnel	\$ 1,616,297
Office Expenses	3,200
Supplies and Equipment	103,421
Monitoring Expenses	-
Repairs and Maintenance	69,200
Professional Services	109,533
General and Administrative	29,250
Utilities	1,465,529
Other Expenses	222,972
Turnouts	21,742
TOTAL:	\$ 3,641,144



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2016/17 Budget

Item	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget
Personnel	\$ 1,500,176	\$ 1,397,994	\$ 1,518,013	\$ 1,533,037	\$ 1,616,297
Office Expenses	2,400	1,789	2,400	2,866	3,200
Supplies and Equipment	95,627	82,377	103,247	85,043	103,421
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	68,700	63,971	71,200	49,262	69,200
Professional Services	80,375	77,229	94,375	38,181	109,533
General and Administrative	19,600	18,287	19,600	15,643	29,250
Utilities	602,134	779,564	1,050,623	161,465	1,465,529
Other Expenses	221,626	169,299	310,087	322,195	222,972
Turnouts	21,744	72,681	36,725	46,686	21,742
TOTAL:	\$ 2,612,382	\$ 2,663,191	\$ 3,206,270	\$ 2,254,378	\$ 3,641,144



Central Coast Water Authority
Distribution Department Operating Expenses
Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 928,525	\$ 903,122	\$ 940,632	\$ 942,520	\$ 963,594	\$ 22,962	2.44%
1300.60	Capitalized Wages and Overtime	-	(15,332)	-	-	-	-	N/A
5000.20	Overtime	60,328	52,584	61,005	93,892	62,471	1,466	2.40%
5000.40	Standby Pay	29,667	21,838	30,100	21,221	30,781	681	2.26%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	199,698	186,734	202,730	195,093	253,759	51,030	25.17%
5100.15	Medicare Taxes	15,004	13,422	14,970	13,868	15,389	418	2.79%
5100.20	Health Insurance	156,588	152,677	183,519	162,728	207,379	23,860	13.00%
5100.25	Workers' Compensation	39,841	30,734	38,912	23,335	24,831	(14,081)	-36.19%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	14,566	13,409	14,933	14,509	15,300	367	2.46%
5100.40	Cafeteria Plan Benefits	16,212	5,137	704	-	4,433	3,730	530.16%
5100.45	Dental/Vision Plan	22,792	13,133	17,709	34,308	25,094	7,385	41.70%
5100.50	Long-Term Disability	3,777	3,870	4,620	4,372	4,735	115	2.50%
5100.55	Life Insurance	4,130	3,700	4,130	3,816	4,481	352	8.52%
5100.60	Employee Physicals	450	-	450	-	450	-	0.00%
5000.30	Temporary Services	5,000	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	-	2,600	100	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	118	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	12,849	-	23,275	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
Total Personnel Expenses:		1,500,176	1,397,994	1,518,013	1,533,037	1,616,297	98,285	6.47%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	1,200	922	1,200	1,112	1,200	-	0.00%
5200.30	Miscellaneous Office Expenses	1,200	867	1,200	1,754	2,000	800	66.67%
Total Office Expenses:		2,400	1,789	2,400	2,866	3,200	800	33.33%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	6,747	4,471	6,747	6,314	6,921	174	2.58%
5500.15	Minor Tools and Equipment	5,000	4,887	5,000	6,187	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	980	1,000	-	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	7,926	10,000	13,222	10,000	-	0.00%
5500.40	Safety Supplies	5,000	4,828	7,000	3,387	7,000	-	0.00%
5500.45	Fuel and Lubricants	59,380	52,997	65,000	52,763	65,000	-	0.00%
5500.50	Seed/Erosion Control Supplies	8,000	6,122	8,000	3,169	8,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	166	500	-	500	-	0.00%
Total Supplies and Equipment:		95,627	82,377	103,247	85,043	103,421	174	0.17%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	N/A

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	40,000	37,335	42,500	32,303	42,500	-	0.00%
5700.20	Vehicle Repairs and Maintenance	15,000	13,479	15,000	6,286	12,500	(2,500)	-16.67%
5700.30	Building Maintenance	9,700	9,622	9,700	6,773	9,700	-	0.00%
5700.40	Landscape Maintenance	4,000	3,535	4,000	3,900	4,500	500	12.50%
Total Repairs and Maintenance:		68,700	63,971	71,200	49,262	69,200	(2,000)	-2.81%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	71,575	54,768	80,575	30,241	101,833	21,258	26.38%
5400.20	Legal Services	-	5,581	-	280	-	-	N/A
5400.30	Engineering Services	5,000	13,442	10,000	3,000	3,000	(7,000)	-70.00%
5400.40	Permits	3,800	3,438	3,800	4,660	4,700	900	23.68%
5400.50	Non-Contractual Services	-	-	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		80,375	77,229	94,375	38,181	109,533	15,158	16.06%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	11,000	12,476	11,000	11,518	20,000	9,000	81.82%
5300.20	Mileage Reimbursement	150	-	150	117	150	-	0.00%
5300.30	Dues and Memberships	1,850	1,533	1,850	1,729	2,000	150	8.11%
5300.40	Publications	500	955	500	395	1,000	500	100.00%
5300.50	Training	5,000	2,946	5,000	1,774	5,000	-	0.00%
5300.60	Advertising	500	-	500	-	500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	600	377	600	110	600	-	0.00%
Total General and Administrative:		19,600	18,287	19,600	15,643	29,250	9,650	49.23%

Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2016/17 Administration/O&M Budget

Account Number	Account Name	FY 2014/15 Budget	FY 2014/15 Actual	FY 2015/16 Budget	FY 2015/16 Estimated Actual	FY 2016/17 Budget	Change from FY 2015/16 Budget	Percent Change FY 2015/16 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	940	328	940	322	940	-	0.00%
5800.30	Electric Fixed	42,833	37,081	43,194	37,814	41,673	(1,521)	-3.52%
5800.31	Electric-Variable	547,179	732,628	995,090	113,767	1,411,516	416,426	41.85%
5800.40	Water	2,000	1,741	2,000	1,814	2,000	-	0.00%
5800.50	Telephone	6,282	5,573	6,500	5,634	6,500	-	0.00%
5800.60	Waste Disposal	2,900	2,212	2,900	2,115	2,900	-	0.00%
Total Utilities:		602,134	779,564	1,050,623	161,465	1,465,529	414,905	39.49%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	49,859	46,478	46,922	49,934	46,043	(879)	-1.87%
5900.30	Non-Capitalized Projects	65,372	-	154,427	164,398	56,278	(98,150)	-63.56%
5900.40	Equipment Rental	10,000	8,580	10,000	24,538	15,000	5,000	50.00%
5900.50	Non-Capitalized Equipment	7,000	7,710	7,000	17,812	7,000	-	0.00%
5900.60	Computer Expenses	49,327	48,087	49,101	50,549	55,360	6,259	12.75%
5900.70	Appropriated Contingency	40,068	58,444	42,636	14,964	43,292	656	1.54%
Total Other Expenses:		221,626	169,299	310,087	322,195	222,972	(87,114)	-28.09%
	Turnouts	21,744	72,681	36,725	46,686	21,742	(14,984)	-40.80%
TOTAL OPERATING EXPENSES		\$ 2,612,382	\$ 2,663,191	\$ 3,206,270	\$ 2,254,378	\$ 3,641,144	434,874	13.56%

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$46,149 for FY 2016/17 salary pool.

FY 16/17 Requested Budget	963,594
FY 15/16 Estimated Actual	942,520
Increase (Decrease)	21,073

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 16/17 Requested Budget	62,471
FY 15/16 Estimated Actual	93,892
Increase (Decrease)	(31,421)

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 16/17 Requested Budget	-
FY 15/16 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services:

FY 16/17 Requested Budget	-
FY 15/16 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 16/17 Requested Budget	30,781
FY 15/16 Estimated Actual	21,221
Increase (Decrease)	9,561

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 \$1.96 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 16/17 Requested Budget	253,759
FY 15/16 Estimated Actual	195,093
Increase (Decrease)	58,666

Description: Funds for both employer and employee contributions into PERS retirement system. Based on a 22.071% contribution rate for FY 2016/17, that includes the required Unfunded Accrued Liability (UAL), plus an additional fixed UAL payment.

Required Contributions	\$ 159,552	16.558%
UAL current fiscal year	\$ 53,214	5.513%
UAL fixed payment	\$ 40,993	fixed amount
	\$ 253,759	

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 16/17 Requested Budget	15,389
FY 15/16 Estimated Actual	13,868
Increase (Decrease)	1,520

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 16/17 Requested Budget	207,379
FY 15/16 Estimated Actual	162,728
Increase (Decrease)	44,651

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2017.

Family	\$ 21,865
Emp + 1	\$ 16,819
Employee only	\$ 8,410

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 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 66%. Based on a 5% premium increase over FY 2016/17.

FY 16/17 Requested Budget	24,831
FY 15/16 Estimated Actual	23,335
Increase (Decrease)	1,495

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Retiree Medical Future Liability Deposit

Description: Estimates \$1,500 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 16/17 Requested Budget	15,300
FY 15/16 Estimated Actual	14,509
Increase (Decrease)	791

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 16/17 Requested Budget	4,433
FY 15/16 Estimated Actual	-
Increase (Decrease)	4,433

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,280 per year per family for dental and vision expenses. Budgeted amount is \$2,460 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 16/17 Requested Budget	25,094
FY 15/16 Estimated Actual	34,308
Increase (Decrease)	(9,214)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 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 \$0.52 per \$100 of salary.

FY 16/17 Requested Budget	4,735
FY 15/16 Estimated Actual	4,372
Increase (Decrease)	364

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 16/17 Requested Budget	4,481
FY 15/16 Estimated Actual	3,816
Increase (Decrease)	665

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 16/17 Requested Budget	450
FY 15/16 Estimated Actual	-
Increase (Decrease)	450

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 16/17 Requested Budget	1,000
FY 15/16 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 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 16/17 Requested Budget	2,600
FY 15/16 Estimated Actual	100
Increase (Decrease)	2,500

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 16/17 Requested Budget	-
FY 15/16 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 16/17 Requested Budget	1,200
FY 15/16 Estimated Actual	1,112
Increase (Decrease)	88

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 16/17 Requested Budget	2,000
FY 15/16 Estimated Actual	1,754
Increase (Decrease)	246

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 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 Deputy Director as well as travel expenses for winter maintenance.

FY 16/17 Requested Budget	20,000
FY 15/16 Estimated Actual	11,518
Increase (Decrease)	8,482

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 16/17 Requested Budget	150
FY 15/16 Estimated Actual	117
Increase (Decrease)	33

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

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

FY 16/17 Requested Budget	2,000
FY 15/16 Estimated Actual	1,729
Increase (Decrease)	271

- DPH Licenses
- NACE Certifications
- Backflow Certification
- Safety Certification

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 16/17 Requested Budget	1,000
FY 15/16 Estimated Actual	395
Increase (Decrease)	605

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 16/17 Requested Budget	5,000
FY 15/16 Estimated Actual	1,774
Increase (Decrease)	3,226

\$ 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 16/17 Requested Budget	500
FY 15/16 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 16/17 Requested Budget	600
FY 15/16 Estimated Actual	110
Increase (Decrease)	490

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$	50,000	Environmental Services, Required by Reg Agency
	16,000	Cathodic protection, Crane inspections
	3,200	Emergency generator and forklift service
	21,000	Switch Gear, Transformer oil analysis
	2,375	Fire extinguisher and SCBA inspections
	5,058	Personnel Team Building Consultant
	4,200	Security
\$	101,833	TOTAL

FY 16/17 Requested Budget	101,833
FY 15/16 Estimated Actual	30,241
Increase (Decrease)	71,592

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 16/17 Requested Budget	-
FY 15/16 Estimated Actual	280
Increase (Decrease)	(280)

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 16/17 Requested Budget	3,000
FY 15/16 Estimated Actual	3,000
Increase (Decrease)	-

\$	3,000	SCADA Support
	3,000	GIS Support
	12,500	General Services
	3,000	CMMS Support
\$	21,500	TOTAL

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 16/17 Requested Budget	4,700
FY 15/16 Estimated Actual	4,660
Increase (Decrease)	40

	2,100	Low Threat Discharge Permit
	1,300	Diesel Permit
	1,300	SYPP, Tank 7 and 5 Business Plan
\$	4,700	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services. Not funded this year.

FY 16/17 Requested Budget	-
FY 15/16 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 16/17 Requested Budget	6,921
FY 15/16 Estimated Actual	6,314
Increase (Decrease)	607

\$	3,576	Uniform Service (\$298 month)
\$	1,350	Blue jean pants (\$150/year employee allowance)
\$	1,575	Boots (\$175/year employee allowance)
\$	420	Misc. uniform requirements (jackets, etc.)
\$	6,921	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 16/17 Requested Budget	5,000
FY 15/16 Estimated Actual	6,187
Increase (Decrease)	(1,187)

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 16/17 Requested Budget	-
FY 15/16 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 16/17 Requested Budget	1,000
FY 15/16 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 16/17 Requested Budget	-
FY 15/16 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 16/17 Requested Budget	10,000
FY 15/16 Estimated Actual	13,222
Increase (Decrease)	(3,222)

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 16/17 Requested Budget	7,000
FY 15/16 Estimated Actual	3,387
Increase (Decrease)	3,613

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 16/17 Requested Budget	65,000
FY 15/16 Estimated Actual	52,763
Increase (Decrease)	12,236

\$	57,697	Vehicles
	1,900	Emergency Generator Sets
	3,503	Lubricants
	1,900	Miscellaneous
\$	65,000	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 16/17 Requested Budget	8,000
FY 15/16 Estimated Actual	3,169
Increase (Decrease)	4,832

\$	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 16/17 Requested Budget	500
FY 15/16 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 16/17 Requested Budget	42,500
FY 15/16 Estimated Actual	32,303
Increase (Decrease)	10,197

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

Description: Funds for the repair and maintenance of Distribution Department vehicles. Increased to allow for aging vehicles approaching 100,000 miles.

FY 16/17 Requested Budget	12,500
FY 15/16 Estimated Actual	6,286
Increase (Decrease)	6,214

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 16/17 Requested Budget	9,700
FY 15/16 Estimated Actual	6,773
Increase (Decrease)	2,927

\$	3,500	Janitorial Service
	1,700	Pest Control
	4,500	HVAC, includes quarterly inspection
\$	9,700	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the Santa Ynez Pumping Facility (SYPF).

FY 16/17 Requested Budget	4,500
FY 15/16 Estimated Actual	3,900
Increase (Decrease)	600

\$	3,800	SYPF (\$317 month avg)
\$	700	SYPF spring mowing
\$	4,500	TOTAL

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service for the Distribution Department.

FY 16/17 Requested Budget	940
FY 15/16 Estimated Actual	322
Increase (Decrease)	618

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 16/17 Requested Budget	41,673
FY 15/16 Estimated Actual	37,814
Increase (Decrease)	3,858

\$	14,651	Suite B & C	\$1,177 month
	952	2 ISO vaults	\$76 month
	4,030	2 Tanks	\$324 month
	2,658	11 Rectifiers	\$213 month
	3,407	EDV	\$274 month
	15,973	SYPF	\$1,331 month
\$	41,673	TOTAL	

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 16/17 Requested Budget	1,411,516
FY 15/16 Estimated Actual	113,767
Increase (Decrease)	1,297,749

Acre feet pumped	10,323
Cost per acre foot	\$136.73
TOTAL	\$1,411,516

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

Description: Funds for water and sewer service to
the Distribution Department.

FY 16/17 Requested Budget	2,000
FY 15/16 Estimated Actual	1,814
Increase (Decrease)	186

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

Description: Funds for Distribution Department phones including
long distance and cellular phone bills.

FY 16/17 Requested Budget	6,500
FY 15/16 Estimated Actual	5,634
Increase (Decrease)	866

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 16/17 Requested Budget	2,900
FY 15/16 Estimated Actual	2,115
Increase (Decrease)	785

\$	2,500	Trash service
	400	Hazardous waste removal
\$	2,900	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 16/17 Requested Budget	46,043
FY 15/16 Estimated Actual	49,934
Increase (Decrease)	(3,891)

\$	21,947	Property and Auto Insurance as apportioned by JPIA.
\$	24,096	General liability and E&O insurance pro rated by salary percentages.
\$	46,043	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 16/17 Requested Budget	56,278
FY 15/16 Estimated Actual	164,398
Increase (Decrease)	(108,120)

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the Distribution Department.

FY 16/17 Requested Budget	15,000
FY 15/16 Estimated Actual	24,538
Increase (Decrease)	(9,538)

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 16/17 Requested Budget	7,000
FY 15/16 Estimated Actual	17,812
Increase (Decrease)	(10,812)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2016/17 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 16/17 Requested Budget	55,360
FY 15/16 Estimated Actual	50,549
Increase (Decrease)	4,811

\$ 47,515	CompuVision, Annual Service Agreements, and Software Subscriptions
\$ 7,845	Software, New Computers, DSL Allowance and other computer services.
\$ 55,360	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget excluding variable electric costs.

FY 16/17 Requested Budget	43,292
FY 15/16 Estimated Actual	14,964
Increase (Decrease)	28,328



Repair of the filter effluent pipe internal protective coating during Winter Shutdown 2015

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
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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 2016/17 is \$752,048.

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. Currently, for FY 2015/16, it is not yet known if funds will need to be carried over into FY 2016/17 from FY 2015/16.

Funding of Capital Improvements Expenditures

The FY 2016/17 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2016/17 capital improvements by department and financial reach.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2016/17 Budget

FY 2016/17 Capital Improvements					
Capital Improvements	Specific		Water Treatment		Total
	Financial Reach	Administration	Plant	Distribution	
Electromagnetic Flow Meter Replacements.	WTP		35,154		35,154
Clarifier Coating.	WTP		105,000		105,000
PLC migration from ProWorx to Unity for WTP	WTP		37,422		37,422
Filter Launderers Coating	WTP		52,500		52,500
Filter Inlet Valve Replacement	WTP		34,020		34,020
Intermediate Flash Mix Lining	WTP		54,600		54,600
Laboratory HVAC Redesign	WTP		21,000		21,000
Chem Feed to Intermediate Flash Mix Piping	WTP		35,154		35,154
Water Treatment Plant Tools	WTP		30,391		30,391
Lamacoid Printer for Safety Engraving Labeling.	WTP		8,505		8,505
ABB/CiaValve Controller Replacement Program	ALL			20,412	20,412
Buellton Parking Lot Asphalt Overlay	ADM			31,500	31,500
Mesa Verde Road Patch and Slurry Seal	SYI			21,000	21,000
PLC migration from ProWorx to Unity for SYPP	34/SYII			37,422	37,422
New Phone Server	ADM/WTP/ALL	21,000	21,000	21,000	63,000
VM Host Replacement for two existing VMHost Machines	ADM/WTP/ALL	10,500	10,500	10,500	31,500
MS Project, MS Dynamics SL & SQL Server Upgrade (2)	ADM/WTP/ALL	5,177	5,177	5,177	15,532
Network Switch Replacement	ALL			56,700	56,700
WTP Truck	WTP		32,886		32,886
Finance Director Sedan	ADM	28,350			28,350
Total:		\$ 65,027	\$ 483,309	\$ 203,711	\$ 752,048

Central Coast Water Authority
 Capital Improvements
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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.

Description:	Electromagnetic Flow Meter Replacements
Department:	Water Treatment Plant
Expanded Description	CCWA utilizes electromagnetic flow meters (mag-meters) throughout the Water Treatment Plant and Distribution System. Since the original installation of the CCWA mag-meters, the mag-meter manufacturer made a design change to their meter and they no longer manufacture nor support the older model. This is the final stage of an existing multi-phase project to replace the older models with modern design mag-meters. This project will replace the last four existing mag-meters.
Estimated Charge - Material	\$31,000
Tax (8%)	\$2,480
Contingency (5%)	\$1,674
Subtotal without CCWA Labor	\$35,154
CCWA Labor	\$5,605
Total Cost	\$40,759
Operating Budget Impact:	The CCWA operation requires the use of highly accurate flow meters for measuring chemical dosage rates and water deliveries. The electromagnetic flow meters in use have proven to be highly reliable, precise and accurate. CCWA has maintained an inventory of spare parts to ensure that the older meters can remain operational until they are ultimately replaced in FY 16/17. The cost of total replacement of all meters has been spread out over time, as opposed to one large project to replace all meters at once. This has allowed staff to effectively schedule the replacement work at a reasonable rate, while balancing with other work load demands.

Central Coast Water Authority
 Capital Improvements
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Description:	Clarifier Coating
Department:	Water Treatment Plant
Expanded Description	Elements of the WTP Clarifier have evidence of corrosion. This project will sand blast the rusting elements and then coat the elements to prevent future corrosion. These measures will address the on-going corrosion issue and prolong the service life of the clarifier.
Estimated Charge – Contractor	\$100,000
Contingency (5%)	\$5,000
Subtotal without CCWA Labor	\$105,000
CCWA Labor	\$6,344
Total Cost	\$111,344
Operating Budget Impact:	The Clarifier is an important element in the WTP process. It allows treatment of backwash water prior to the return to the WTP inlet. The CCWA WTP is a zero discharge plant. Without the Clarifier treatment, a portion of the backwash water could not be returned to the treatment process. The water not returned to process will essentially be wasted water. Considering the expense of pumping water from out of the Central Valley to the CCWA WTP, it is important to return as much of the water back into process as possible, without compromising water quality objectives.

Description:	PLC migration from ProWorx to Unity for WTP
Department:	Water Treatment Plant
Expanded Description	The WTP operation is controlled by two sets of Process Logic Controllers (PLC). The existing PLCs are now obsolete and vender support will no longer be provided. This project will replace PLC components with current technology. This will be the second of a two phase project. The main focus of Phase 1 is to replace obsolete PLC components on the distribution system. The final phases will focus on the Water Treatment Plant and two major facilities on the distribution system.
Estimated Charge – Material	\$33,000
Tax (8%)	\$2,640
Contingency (5%)	\$1,782
Subtotal without CCWA Labor	\$37,422
CCWA Labor	\$20,714
Total Cost	\$58,136
Operating Budget Impact:	The use of PLCs allows the vast majority of the automated controls within the WTP and distribution system to occur. Without the automation that is facilitated by the PLCs, manual operation will be required. This directly translates to a significant savings in staffing costs. In addition, the use of automation also allows the treatment and distribution processes to be more fully optimized, which means a higher quality end product and service will be provided.

Central Coast Water Authority
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Description:	Filter Launderers Coating
Department:	Water Treatment Plant
Expanded Description	The Filter Launderers are constructed with fiberglass materials. After being in service for over 18 years, the protective outer coat of the fiberglass material has become degraded from the elements. A new outer coat will be applied as a measure to prevent complete degradation of the Launderers. This will greatly extend the service life of the Launderers. This project will proceed in four phases, with each phase coating the launders of two filters.
Estimated Charge – Contractor	\$50,000
Contingency (5%)	\$2,500
Subtotal without CCWA Labor	\$52,500
CCWA Labor	\$9,591
Total Cost	\$62,091
Operating Budget Impact:	Filtration is the very heart of the water treatment process and works in conjunction with other treatment processes to produce potable water. Periodically, the filters need to be cleaned through backwashing the filters. The filter launders are the component of the filter that is designed to convey the backwash water from the filter to the equalization basins for subsequent treatment and processing. If the filter launders fail, the filters will not be able to be adequately cleaned when required. Therefore, it is critical to the WTP operation to maintain the filter launders in a good working condition. Through taking proactive measures now, emergency response to a breakdown event is avoided, along with the associated elevated costs.

Description:	Filter Inlet Valve Replacement
Department:	Water Treatment Plant
Expanded Description	The Filter Inlet Valve has been in service for over 18 years. Based on routine assessments of this valve, it was determined by staff that the valve is approaching the end of its service life. To ensure continuous operation of the WTP, a new Filter Inlet Valve is needed. This project will involve staff procuring and installing a new Filter Inlet Valve.
Estimated Charge – Material	\$30,000
Sales Tax (8%)	\$2,400
Contingency (5%)	\$1,620
Subtotal without CCWA Labor	\$34,020
CCWA Labor	\$8,304
Total Cost	\$42,324
Operating Budget Impact:	The filter inlet valve is an important control device that is used to place a filter into and out of operation. It is also used as a part of the filter backwash process. Failure to adequately clean the filters at the Water Treatment Plant will ultimately lead to contaminants breaking through the filters. This will be a violation of the Water Treatment Plants' permit conditions as well as Surface Water Treatment Rule.

Central Coast Water Authority
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Description:	Intermediate Flash Mix Lining
Department:	Water Treatment Plant
Expanded Description	The interior piping of the WTP is thoroughly inspected during every winter shutdown event. Several areas within the WTP's interior piping have experienced degradation of their protective coatings over time. These areas include downstream piping of the initial flash mix and downstream piping of the chlorine injection point in the combined filter effluent pipe. These areas have been successfully recoated and are currently in good condition. One remaining area that requires repair of the internal coating is the downstream piping of the intermediate flash mix. Approximately 50 feet of pipe downstream of the intermediate flash mix will be recoated by a qualified contractor.
Estimated Charge – Contractor	\$52,000
Contingency (5%)	\$2,600
Subtotal without CCWA Labor	\$54,600
CCWA Labor	\$6,344
Total Cost	\$60,944
Operating Budget Impact:	The initial injection of chemicals into a pipeline generates a corrosive environment, which is why the pipeline immediately downstream of injection points must be protected by coating. If the coating systems fail, corrosion will proceed through the pipeline wall to ultimately develop a leak. Since the intermediate flash mix system is located in the center of the WTP, access to the pipeline for repair would be difficult and likely expensive. Through implementing this proactive measure now, the costs associated with implementing a pipeline leak repair will be avoided.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2016/17 Budget

Description:	Laboratory HVAC Redesign
Department:	Water Treatment Plant
Expanded Description	The existing heating, ventilation and air conditioning (HVAC) systems for the WTP Operation Building is not adequately providing the heating and cooling functions as needed. In addition, the Unified Building Code prohibits air flow to pass from the laboratory to other parts of the building. To improve the existing systems so that they can provide the required heating and cooling functions as well as to comply with the laboratory ventilation requirements, the system must be reviewed by a qualified HVAC engineering firm and a design must be developed. This project will include an engineering design. The implementation of the design will proceed in FY 17/18.
Estimated Charge – Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	\$21,000
CCWA Labor	\$16,179
Total Cost	\$37,179
Operating Budget Impact:	Through initiating a project with a design phase followed by an installation phase, the objectives of the project can be cost effectively implemented. This project seeks to improve the existing system, through repair or replacement, to meet existing requirements and standards.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2016/17 Budget

Description:	Chemical Feed Room to Intermediate Flash Mix Piping
Department:	Water Treatment Plant
Expanded Description	The chemical dosing lines within the WTP were originally PVC piping. There has been a long term effort to convert all chemical dosing lines to HDPE piping material. Chemical lines between the Chemical Tank Farm and the Chemical Feed Room as well as the lines between the Chemical Feed Room to the Initial Flash Mix have been converted to HDPE piping. This project will convert the existing PVC dosing lines between the Chemical Feed Room to the Intermediate Flash Mix to HDPE piping.
Estimated Charge - Material	\$31,000
Sales Tax (8%)	\$2,480
Contingency (5%)	<u>\$1,674</u>
Subtotal without CCWA Labor	\$35,154
CCWA Labor	\$8,282
Total Cost	\$43,436
Operating Budget Impact:	The existing PVC chemical dosing lines are well past their expected service life. Through replacing the PVC dosing lines with HDPE piping, the service life will be significant extended and the risk of a shattered PVC chemical line will be significantly reduced. In addition, CCWA staff have the capability of installing and repairing the HDPE piping in-house. The superior service life, wide range of chemical compatibility and Staff's capability of installing and repairing HDPE pipe provides a positive impact to the operating budget through lower life-cycle cost of the new piping system.

Description:	Water Treatment Plant Tools
Department:	Water Treatment Plant
Expanded Description	A variety of tools needed for the routine safe maintenance of the WTP facilities need to be either replaced or newly acquired. Significant savings in costs are achieved when work is completed by CCWA staff. The equipment to be purchased includes one scissors lift, one clamp-on flow meter and one pipe/conduit threader.
Estimated Charge - Material	\$26,800
Sales Tax (8%)	\$2,144
Contingency (5%)	<u>\$1,447</u>
Subtotal without CCWA Labor	\$30,391
CCWA Labor	\$2,049
Total Cost	\$32,440
Operating Budget Impact:	The three pieces of equipment to be procured will allow staff to complete required maintenance and repair tasks in a safe and efficient manner. These tools will also expand staff's capabilities to improve, expand and optimize CCWA facilities and operations. The purchase of this equipment will have a minimal impact to the operating budget and will facilitate many value added projects by staff to improve operations.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2016/17 Budget

Description:	Lamacoid Printer for Safety Engraving Labeling
Department:	Water Treatment Plant
Expanded Description	Due to the large amount of piping and electrical equipment, there is a need to clearly label pipes, electrical cabinets and equipment. This ensures safe operations and maintenance of these systems. By providing a device for preparing high quality labeling onsite, important safety and operational labeling can be implemented immediately, as needed. This project is to acquire a permanent labeling system device.
Estimated Charge – Material	\$7,500
Sales Tax (8%)	\$600
Contingency (5%)	\$405
Subtotal without CCWA Labor	\$8,505
CCWA Labor	\$626
Total Cost	\$9,131
Operating Budget Impact:	The procurement of the Lamacoid Printer will greatly facilitate required safety labeling, as staff will be able to fabricate the required labels onsite when needed. This equipment allows fabrication of permanent labels onsite. Consequently, there will be no need to utilize a vender to produce a permanent label and this will eliminate the lag time between ordering permanent label and its installation. The cost is small when compared to the improved level of safety arising from labeling chemical and electrical lines. In addition, the permanent labeling will also facilitate faster trouble shooting response, since the physical facilities will be clearly labels for identification.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2016/17 Budget

Description:	ABB/ClaValve Controller Replacement Program
Department:	Distribution
Expanded Description	This project is to complete the replacement of the ABB controllers at the Turnouts. Six Cla-Valve Controllers will be purchased and installed, along with a trial Human-Machine Interface to test the benefits of this device's expanded functionality.
Estimated Charge – Material	\$18,000
Sales Tax (8%)	\$1,440
Contingency (5%)	\$972
Subtotal without CCWA Labor	\$20,412
CCWA Labor	\$22,759
Total Cost	\$43,171
Operating Budget Impact:	In 2008, the valve controllers at each of the pipeline's major facilities were replaced with ABB controllers. Through time, staff has found that the ABB Controllers were not as robust as needed. Many of the ABB controllers required replacement much sooner than expected. Consequently, staff has been systematically replacing the ABB controllers with Cla-Valve controllers. This is the same brand of controller that was utilized prior to the ABB controller installation in 2008. Based on Staff's experience with these controllers, a much longer service life is expected. This will translate to an overall lower life cycle cost.

Description:	Buellton Parking Lot Asphalt Overlay
Department:	Administration
Expanded Description	CCWA staff conducts annual asphalt assessments and prioritizes pavement that are in need of crack sealing, slurry sealing or asphalt overlays. This project will involve the installation of an asphalt overlay.
Estimated Charge – Contractor	\$30,000
Contingency (5%)	\$1,500
Subtotal without CCWA Labor	\$31,500
CCWA Labor	\$4,264
Total Cost	\$35,764
Operating Budget Impact:	The purpose of routine servicing of asphalt pavement is to postpone major replacement for as long as possible. This technique has been utilized for the Buellton Administrative Office parking lot. Although crack sealing and slurry sealing methods have been utilized in the past, the cracking of the pavement has continued and has reached a point where an asphalt overlay is required. This overlay will greatly extend the service life of the parking lot and the need for cracking sealing and/or surface treatment will not be needed for an extended amount of time.

Central Coast Water Authority
 Capital Improvements
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Description:	Mesa Verde Road Patch and Slurry Seal
Department:	SYI
Expanded Description	CCWA staff conducts annual asphalt assessments and prioritizes pavement that are in need of crack sealing, slurry sealing or asphalt overlays. This project will involve the installation of an asphalt patching and slurry seal over Mesa Verde Road. CCWA committed to maintaining this road during original construction of the SYPP
Estimated Charge – Contractor	\$20,000
Contingency (5%)	<u>\$1,000</u>
Subtotal without CCWA Labor	\$21,000
CCWA Labor	\$4,820
Total Cost	\$25,820
Operating Budget Impact:	The purpose of routine servicing of asphalt pavement is to postpone major replacement for as long as possible. This technique has been utilized for the Mesa Verde Road leading to the Santa Ynez Pumping Plant. Currently, crack sealing and slurry sealing methods are needed to postpone the major expense of an asphalt overlay. This work will greatly extend the service life of the road.

Description:	PLC migration from ProWorx to Unity for SYPP and the Energy Dissipation Valves
Department:	34/SYII
Expanded Description	Replacing obsolete PLC components with current technology. This will be the second of a three phase project. The main focus of Phase 1 is to replace obsolete PLC components on the distribution system. The second phase will include completing work at the SYPP and the Energy Dissipation Valve facility.
Estimated Charge – Materials	\$33,000
Tax (8%)	\$2,640
Contingency (5%)	<u>\$1,782</u>
Subtotal without CCWA Labor	\$37,422
CCWA Labor	\$9,952
Total Cost	\$47,374
Operating Budget Impact:	The use of PLCs allows the vast majority of the automated controls within the WTP and distribution system to occur. Without the automation that is facilitated by the PLCs, manual operation will be required. This directly translates to a significant savings in staffing costs. In addition, the use of automation allows the treatment and distribution processes to be more fully optimized, which means a higher quality end product and service will be provided.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2016/17 Budget

Description:	New Phone Server
Department:	Administration/Distribution/Water Treatment Plant
Expanded Description	The main phone systems for CCWA includes a vender device and integration with a CCWA physical server. Both the vender appliance and the CCWA server are well past their expected service life and require an upgrade. This project will include eliminating the existing CCWA physical server, creating a virtual server, installation of the new phone vender appliance and related integration work.
Estimated Charge – Contractor	\$60,000
Contingency (5%)	\$3,000
Subtotal without CCWA Labor	\$63,000
CCWA Labor	\$9,648
Total Cost	\$72,648
Operating Budget Impact:	The phone system is well beyond its expected service life. Through migrating to a more modern phone systems and to integrate it into the CCWA network, a higher quality product will be available for CCWA’s use. A reliable telephone systems is important for the overall management of the CCWA organization, both for routine administrative needs as well as for operational needs. By integrating the phone system into the CCWA network, if phone service becomes unavailable at either the WTP or the Buellton Administrative Office, calls can be routed through the fiber optic cable to the facility with phone service. This is an important tool for operations during emergency situations. In addition, phone service is available at all of the CCWA major facilities on the pipeline, even for the most remote location where cell service is not available.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2016/17 Budget

Description:	VM Host Replacement for two existing VMHost Machines
Department:	Administration/Distribution/Water Treatment Plant
Expanded Description	The CCWA network migrated to a virtualization server system, which greatly increased the efficient use of network resources and also greatly enhanced the ability to provide remote backup of the network servers and data. The backbone of the virtualized network system is the VMHost machines, which provides the computation component of the system. The VMHost machines have reached the end of their service life of four years. This project will replace two VMHost Machines.
Estimated Charge – Contractor	\$30,000
Contingency (5%)	\$1,500
Subtotal without CCWA Labor	\$31,500
CCWA Labor	\$2,170
Total Cost	\$33,670
Operating Budget Impact:	The virtual servers are a critical component of the CCWA network system. If a VMHost Machines were to fail, all of the virtual servers that rely on the computational services of the VMHost Machine will cease to function. This will mean the services provided by the impacted VMHost Machine will not be available until a new VMHost Machine can be procured and installed, which can range from a few hours to a few days. The costs of responding to a failure are higher than a planned replacement. Also, a planned replacement will not include an interruption of services.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2016/17 Budget

Description:	MS Project, MS Dynamics SL & SQL Server Upgrade
Department:	Administration/Distribution/Water Treatment Plant
Expanded Description	There are three software procurements that are needed to support ongoing operations and planning and they include (1) CCWA's financial software, MS Dynamics SL, needs to be upgraded to the most recent version, since the current version will no longer be supported by Microsoft, (2) existing CCWA SQL Servers will be upgraded to support the MS Dynamics SL upgrade and other operational software programs, and (3) Microsoft Project Software needs to be upgraded to the most recent version and also to upgrade to a server version so that this software can be more fully utilized by the CCWA supervisor team.
Estimated Charge – Contractor	\$12,092
Estimated Charge – Material	\$2,500
Tax (8%)	\$200
Contingency (5%)	\$740
Subtotal without CCWA Labor	\$15,532
CCWA Labor	\$1,276
Total Cost	\$16,807
Operating Budget Impact:	Software is continuously updated and new versions are issued on a frequent basis. These new versions typically will include additional security safeguards as well as new functionality. It is considered best practice to upgrade to a new version of software before the software vender stops providing support for the older version of the software. By migrating to newer versions of the software, technical support can be made available by the vender and the new functionality can be utilized to improve operations and planning.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2016/17 Budget

Description:	Network Switch Replacement
Department:	Distribution All
Expanded Description	Following a detailed network assessment by a third party consultant, it was determined that a redesign of CCWA's fiber optical cable switches was merited due to the existing switches being of a proprietary design and being well past their service life. The required design work was initiated and should be completed by the end of FY 15/16. This project will consist of the procurement of the specified new switches and their installation.
Estimated Charge – Materials	\$50,000
Tax (8%)	\$4,000
Contingency (5%)	\$2,700
Subtotal without CCWA Labor	\$56,700
CCWA Labor	\$26,694
Total Cost	\$83,394
Operating Budget Impact:	The network switches are a critical component of the fiber optic cable communication link between the administrative offices and all CCWA major facilities. Without the switches, network communication would not be possible. This would mean loss of all remote data backup functions and operational automation at the major pipeline facilities. The loss of network communication would result in the need to promptly repair the switches. The repair costs of an unanticipated repair is higher than a planned repair. Through replacing the existing end-of-service-life switches with new modern switches will greatly reduce the potential of an unanticipated repair.

Description:	WTP Truck
Department:	Water Treatment Plant
Expanded Description	The CCWA replacement policy is to replace trucks once they either have reach 125,000 miles or are over 10 years in age. The WTP Operator Truck is over 10 years old and is due for replacement.
Estimated Charge – Materials	\$29,000
Tax (8%)	\$2,320
Contingency (5%)	\$1,566
Subtotal without CCWA Labor	\$32,866
CCWA Labor	\$940
Total Cost	\$33,826
Operating Budget Impact:	The WTP Operator Truck is needed to facilitate plant ground inspections and routine operator tasks. The existing truck is well over ten years old. Considering the replacement frequency, the impact to the operating budget is considered minimal.

Central Coast Water Authority
 Capital Improvements
 Fiscal Year 2016/17 Budget

Description:	Deputy Director of Finance and Administration Sedan
Department:	Administration
Expanded Description	The CCWA system extends over 142 miles. In addition, the CCWA Participants on the South Coast of Santa Barbara County are up to 45 additional miles beyond the CCWA System. To provide effective management of the system and to meet the needs of the CCWA Participants, the new Deputy Director of Finance will need a vehicle to access both CCWA facilities and Participants offices. The CCWA replacement frequency for sedans is once the vehicle exceeds 150,000 miles.
Estimated Charge – Materials	\$25,000
Tax (8%)	\$2,000
Contingency (5%)	\$1,350
Subtotal without CCWA Labor	\$28,350
CCWA Labor	\$313
Total Cost	\$28,663
Operating Budget Impact:	The use of a vehicle to will greatly facilitate an executive manager’s ability to conduct face-to-face meetings throughout the CCWA systems and Participants offices. The impact to the operating budget is minimal considering the replacement frequency and likely annual mileage.

Central Coast Water Authority
Capital Improvements
Fiscal Year 2016/17 Budget

FORMAL CAPITAL IMPROVEMENT PROGRAM DEVELOPMENT

CCWA is moving forward with the development of its first formal Capital Improvement Program (CIP), which should be completed by end of FY 2015/2016. As the various facilities and systems that are operated and maintained by CCWA ages, there will be a need for projects to replace, refurbish and improve those facilities and systems. Not only will the number of these kinds of project increase but their magnitude in both costs and potential impact on operations will increase as well. In addition, the Board may find that the CCWA System can be improved or modified to provide addition benefits to CCWA Participants. Consequently, there is a need to carefully consider what specific projects are needed or desired by the Board and to plan and schedule their implementation. The project identification, planning, prioritization and scheduling steps are the basic steps of preparing a formal CIP.

Another important purpose of a formal CIP is that it provides a format in which to communicate to the Board a more comprehensive long range plan for the CCWA system operation and development. The current method for presenting projects to the Board is through the annual budgeting process. All projects are funded on a current year basis and are included in the agency's draft budget, which is submitted to the Board of Directors for approval. This process does not provide a full view of multi-year projects nor does it provide a definitive long term plan. In order adequately communicate to the Board the current work of careful planning and prioritizing of projects, a formal CIP is needed.

During the first year of CIP development, the services of an experienced engineering consultant will be utilized to assist CCWA staff. To that end, a Request for Qualification document was prepared by CCWA staff to invite qualified engineering firms to present their qualifications. This consultant selection process began in the first quarter of 2016 and staff expects to be substantially complete by July 1, 2016. As with all CIPs, the basic elements will include the following

- Identification of Projects. Since the purpose of the CIP is to communicate the long term development plans for the CCWA System, it is important to identify the size of the projects to bring to the Boards attention. For the purposes of initial evaluation, CCWA staff will use \$75,000 as the threshold level in which to include a project in the CIP. The Board may decide to increase or reduce this threshold level

In terms of identifying projects, there are two kinds of projects: (1) projects identified through routine facility assessments and (2) projects that improve the CCWA system that provide additional benefits to CCWA Participants, such as expanding the water treatment plant.

Central Coast Water Authority
Capital Improvements
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- Identify Funding for Projects. For the CCWA operation, all funding of projects occurs through the annual budgeting process for the CCWA operation. However, for large projects, the Board may decide to direct staff to pursue grant funding opportunities. Since applying for grants is a project in itself and may require an extended timeframe to secure a grant, this may be the first step in developing a project.
- Budgeting Project. A formal CIP will allow the Board to fully consider the costs and schedule of a multi-year project. In addition, annual updates of the CIP will allow updates to project costs estimates and other important updates for the Board to consider. This will improve the current method of submitting projects on a current year budget basis only.
- Implementing Projects. A standard project management approach will be utilized in organizing and implementing projects. Every project will be described, in terms of cost and schedule, as a multi-phased project to include the phases shown below:
 - Project initiation. Once a project is identified, staff will need to prepare a description of the project as well as provide justification for the project. This is the very early stages of the project and is the basis for initial approval. If the project is approved, the next step will be implemented.
 - Planning/Pre-design. For large projects, preliminary engineering is required to estimate the order of magnitude scope and cost of the project. Either staff or a consulting engineer can be utilized in developing these estimates. Following this step, the Board may want to provide additional review as to whether to approve the project for further development.
 - Design. Once a project has been approved by the Board, the project will be designed by a consulting engineering firm. If the design contract exceeds \$30,000, staff will request approval from the Board before awarding the contract, consistent with the CCWA Purchasing Policies. Generally, the design will be incorporated into a Request-For-Bids (RFB) document, using CCWA's standard contracts and front end specifications for public works projects.
 - Construction Bid and Award. Once the RFB is finalized, it will be advertised as required by public procurement regulations. The competitive bidding process will follow establish public works project protocol. Once bids have been publically opened, the Bids will be reviewed to determine if the contractor is responsible and if the Bid was responsive to Bid Documents. Once this process is completed,

Central Coast Water Authority
Capital Improvements
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the lowest responsible and responsive Bid will be presented to the Board for consideration for contract award.

- Construction. The construction phase will include the efforts of CCWA staff and engineering inspectors to closely monitor the progress of the construction to ensure adherence to the requirements of the Contract Documents as well as identify potential changes to the work that may be to CCWA's benefit. Staff will provide periodic updates to the Board and may also potentially request modifications of the work underway.
- Post Construction. This step is critical in terms of releasing the contractor from the project through verifying work was completed as required by the Contract Documents, all releases from future contractor and subcontractor claims have been secured and that as built records are completed.

As an initial concept, CCWA staff prepared the following table to show the current thinking of the long term projects over a ten year planning horizon. As indicated earlier, CCWA staff proposes to utilize the services of an experienced engineering consultant to assist with the development of a formal CIP. This process will likely include collaboration with participants to gain consensus with a long term plan for the CCWA System.

Conceptual Capital Improvement Program (Threshold = \$75,000)

Major Facilities	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Network										
Switch Replacement - 1 Yr	\$75,000									
SCADA Upgrade - 2Yr								\$350,000		
Distribution General										
Air Vac Replacement - 3 Yr					\$75,000					
Pavement Overlays - 2 Yr			\$75,000							
Water Treatment Plant										
Powdered Activated Carbon System - 1 Yr		\$650,000								
West Slope Drainage Improvements - 1 Yr			\$150,000							
Sludge Collector System - 3 year										\$225,000
Lining of Chlorine Contact Basin - 1 Yr				\$450,000						
Lining of Filters - 4 Yr					\$920,000					
Filter Media Replacement - 4 Year										\$2,000,000
Clearwells/Backwash Structural Repair - 2 Yr		\$150,000								
Chlorine Scrubber - 1 Yr						\$150,000				
Clarifier Interior Recoating - 1 Yr	\$105,000									
Pavement Overlays - 1 Yr					\$75,000					
EDV										
Hydraulic Package Refurbishment - 1 Yr						\$75,000				
Tank 5										
Structural Repair - 1 Yr			\$175,000							
Tank 7										
Structural Repair - 1 Yr	\$90,000									
Santa Ynez Pumping Plant										
Surge Tank Pedestal - 1 Yr	\$85,000									
Bradbury Dam										
Permanent Bypass Piping System - 2 Yr				\$150,000						
Estimated Yearly Totals	\$355,000	\$725,000	\$437,500	\$562,500	\$405,000	\$480,000	\$255,000	\$405,000	\$175,000	\$575,000



Air Quality Testing During Chlorine Header Replacement Project

CCWA Bond Debt

The CCWA Bond Debt section of the FY 2016/17 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, and the project participant debt payment schedule.

Central Coast Water Authority
CCWA Bond Debt
Fiscal Year 2016/17 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 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 2016/17 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 2016/17 Budget

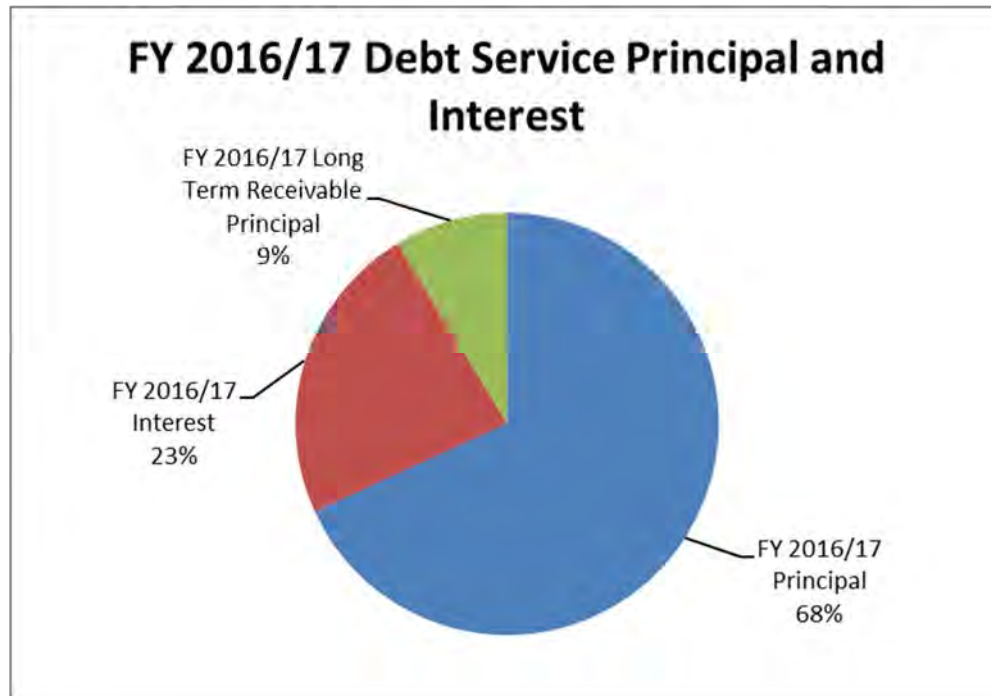
Fiscal Year 2016/17 Debt Service Budget

For FY 2016/17, total 2006A principal payments are \$8,825,000 and total interest due is \$2,668,975, totaling \$11,493,975. 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 \$14,223.

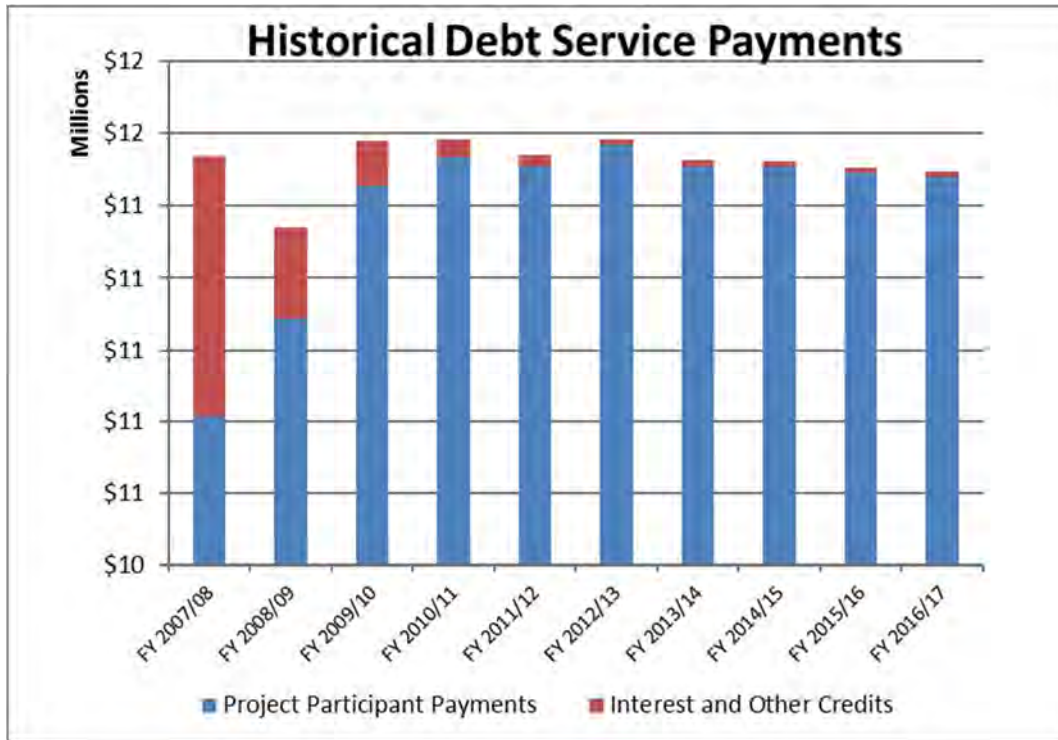
The following chart shows the total principal and interest payments for the 2006A revenue bonds for FY 2016/17.



Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2016/17 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 2016/17 and the portion of the FY 2016/17 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.

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 CCWA Bond Debt
 Fiscal Year 2016/17 Budget

Bond Principal Payment Allocated to Financed Local Facilities				
Financing Participant	Original Financed Local Facilities	Principal Payments Prior to FY 2016/17	FY 2016/17 Bond Principal Allocated to Local Facilities	Long Term Receivable Balance
Avila Beach	\$ 41,348	\$ (25,994)	\$ (2,272)	\$ 13,082
California Men's Colony	915,568	(572,621)	(50,742)	292,206
County of SLO	976,433	(610,699)	(54,114)	311,621
Cuesta College	457,835	(286,342)	(25,374)	146,119
Morro Bay	7,036,800	(4,413,391)	(388,156)	2,235,252
Oceano	281,692	(177,090)	(15,477)	89,125
Pismo Beach	465,088	(292,385)	(25,553)	147,150
Shandon	33,276	(20,920)	(1,828)	10,528
Guadalupe	1,201,137	(755,114)	(65,993)	380,029
Buellton	195,505	(122,907)	(10,741)	61,856
Santa Ynez (Solvang)	479,456	(252,865)	(28,652)	197,938
Santa Ynez	159,819	(106,943)	(12,697)	40,179
Goleta	2,969,066	(1,866,552)	(163,127)	939,387
Morehart Land	12,390	(7,314)	(751)	4,325
La Cumbre	61,948	(36,569)	(3,755)	21,624
Raytheon	18,052	(11,349)	(992)	5,711
Santa Barbara	648,172	(407,484)	(35,612)	205,076
Montecito	934,625	(551,721)	(56,654)	326,250
Carpinteria	929,035	(584,053)	(51,043)	293,939
TOTAL:	\$ 17,817,245	\$ (11,102,314)	\$ (993,533)	\$ 5,721,398

Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2016/17 Budget

Financing Participant	Allocation Percentage	FY 2016/17		FY 2016/17		Trustee Expenses	Debt Service Account Interest & Credits ⁽¹⁾	FY 2016/17 Total Payments
		FY 2016/17 Series A (10/1/16) Principal Payment	FY 2016/17 Series A (10/1/16) Interest Payment	FY 2016/17 Series A (4/1/17) Interest Payment	FY 2016/17 Series A (4/1/17) Interest Payment			
Avila Beach	0.11449%	\$ 10,104	\$ 1,654	\$ 1,402	\$	2	\$ (16)	\$ 13,145
California Men's Colony	1.00140%	88,374	14,468	12,259		20	(143)	114,978
County of SLO	1.06675%	94,141	15,412	13,059		21	(152)	122,481
Cuesta College	0.50074%	44,190	7,235	6,130		10	(72)	57,493
Morro Bay	6.46135%	570,214	93,354	79,098		129	(923)	741,872
Oceano	0.83707%	73,872	12,094	10,247		17	(120)	96,110
Pismo Beach	1.38347%	122,091	19,988	16,936		28	(198)	158,846
Shandon	0.11336%	10,004	1,638	1,388		2	(16)	13,015
Guadalupe	1.42469%	125,729	20,584	17,441		28	(202)	163,580
Buellton	2.52375%	222,721	36,463	30,895		50	(358)	289,771
Santa Ynez (Solvang)	7.75040%	683,973	111,978	94,878		155	(1,098)	889,886
Santa Ynez	2.91069%	256,868	42,054	35,632		58	(412)	334,200
Goleta	24.42782%	2,155,755	352,933	299,039		489	(3,461)	2,804,754
Morehart Land	1.12175%	98,994	16,207	13,732		22	(159)	128,797
La Cumbre	5.37046%	473,943	77,592	65,744		107	(774)	616,613
Raytheon	0.23482%	20,723	3,393	2,875		5	(31)	26,964
Santa Barbara	15.01654%	1,325,210	216,959	183,829		300	(2,090)	1,724,208
Montecito	17.65001%	1,557,613	255,007	216,067		353	(2,440)	2,026,601
Carpinteria	10.09044%	890,481	145,787	123,525		202	(1,556)	1,158,438
TOTAL:	100.00000%	\$ 8,825,000	\$ 1,444,800	\$ 1,224,175	\$	2,000	\$ (14,223)	\$ 11,481,752

(1) Represents interest on the financing participant debt service payments for FY 2015/16.

Central Coast Water Authority
 CCWA Bond Debt
 Fiscal Year 2016/17 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
10/1/2012	4.00% - 4.50%	7,335,000	2,201,663	83,685,000	
4/1/2013			2,045,800	83,685,000	11,582,463
10/1/2013	5.000%	7,625,000	2,045,800	76,060,000	
4/1/2014			1,855,175	76,060,000	11,525,975
10/1/2014	5.000%	8,010,000	1,855,175	68,050,000	
4/1/2015			1,654,925	68,050,000	11,520,100
10/1/2015	5.000%	8,405,000	1,654,925	59,645,000	
4/1/2016			1,444,800	59,645,000	11,504,725
10/1/2016	5.000%	8,825,000	1,444,800	50,820,000	
4/1/2017			1,224,175	50,820,000	11,493,975
					FY 2016/17
10/1/2017	4.000%	9,265,000	1,224,175	41,555,000	
4/1/2018			1,038,875	41,555,000	11,528,050
10/1/2018	5.000%	9,640,000	1,038,875	31,915,000	
4/1/2019			797,875	31,915,000	11,476,750
10/1/2019	5.000%	10,125,000	797,875	21,790,000	
4/1/2020			544,750	21,790,000	11,467,625
10/1/2020	5.000%	10,630,000	544,750	11,160,000	
4/1/2021			279,000	11,160,000	11,453,750
10/1/2021	5.000%	11,160,000	279,000	-	11,439,000
			\$ 123,190,000	\$ 52,552,498	\$ -
					\$ 175,742,498



Maintenance and Distribution Crew Rebuilding One of the Sludge Collection Systems at Polonio Pass Water Treatment Plant

Reserves and Cash Management

The Reserves and Cash Management section of the 2016/17 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

<u>FY 2016/17 Total Reserve Balances</u>	\$11,186,058
• O&M Reserve Fund	\$ 2,000,000
• Rate Coverage Reserve Fund	\$ 9,186,058

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2016/17 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.

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Reserves and Cash Management
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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

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Reserves and Cash Management
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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.

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Reserves and Cash Management
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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, 2015. Participation in the fund for FY 2016/17 is not yet known. Prior to June 30, 2016, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2016/17.

FY 2015/16 Rate Coverage Reserve Fund

Project Participant	FY 2015/16 Deposit
City of Buellton	\$ 275,493
Carpinteria Valley Water District	818,039
City of Guadalupe	187,034
La Cumbre Mutual Water Company	392,065
Montecito Water District	1,420,467
City of Santa Maria	5,012,242
Santa Ynez, RWCD, I.D. #1 (Solvang)	607,624
Santa Ynez, RWCD, I.D. #1	457,693
County of San Luis Obispo (Shandon)	15,400
TOTAL:	\$ 9,186,058

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Reserves and Cash Management
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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.

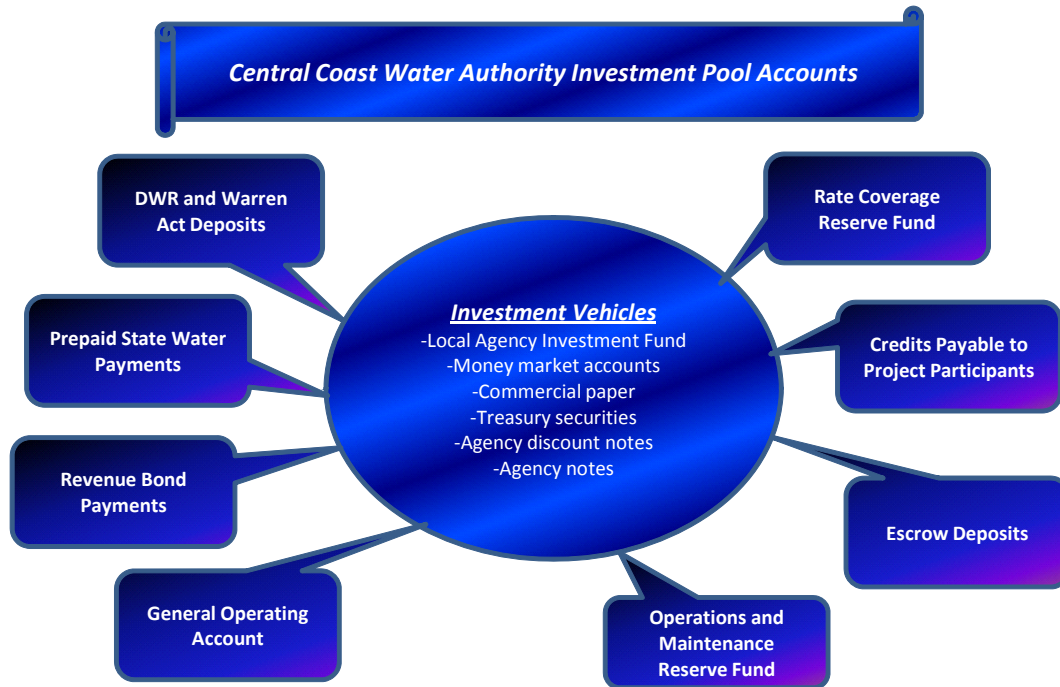
CCWA Investment Pool

All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy. 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.

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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

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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.



Powderf Activated Carbon (PAC) Vtgcw gpnUnit at Water Treatment Plant

Ten Year Financial Plan

The Ten Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant for the next ten years.

Central Coast Water Authority
ALL PROJECT PARTICIPANTS
 State Water Cost Ten-Year Projections
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Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	9,216	8,678	10,482	10,519	10,519	10,519	10,519	10,519	10,519	10,519
Table A Water Deliveries-2nd Quarter	6,353	6,833	6,007	6,538	6,538	6,538	6,538	6,538	6,538	6,538
Table A Water Deliveries-3rd Quarter	8,059	8,294	7,772	8,310	8,310	8,310	8,310	8,310	8,310	8,310
Table A Water Deliveries-4th Quarter	8,546	8,774	8,804	8,810	8,810	8,810	8,810	8,810	8,810	8,810
Total FY Table A Deliveries (acre-feet)	32,173	32,579	33,065	34,177	34,177	34,177	34,177	34,177	34,177	34,177

Exchange Deliveries-1st Quarter	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405
Exchange Deliveries-2nd Quarter	175	175	175	175	175	175	175	175	175	175
Exchange Deliveries-3rd Quarter	100	100	100	100	100	100	100	100	100	100
Exchange Deliveries-4th Quarter	934	900	900	900	900	900	900	900	900	900
Total FY Exchange Deliveries (acre-feet)	2,614	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580

CCWA Variable Cost per AF Assumptions	\$ 158	\$ 163	\$ 168	\$ 173	\$ 178	\$ 183	\$ 189	\$ 194	\$ 200	\$ 206
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 7,567,627	\$ 7,794,656	\$ 8,028,496	\$ 8,269,351	\$ 8,517,431	\$ 8,772,954	\$ 9,036,143	\$ 9,307,227	\$ 9,586,444	\$ 9,874,037
CCWA Variable O&M Costs ⁽⁵⁾	3,942,033	3,995,292	4,190,984	4,504,477	4,639,611	4,778,799	4,922,163	5,069,828	5,221,923	5,378,581
CCWA Revenue Bond Payments	11,062,971	11,503,050	11,451,750	11,442,625	11,428,750	11,414,000	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	598,753	619,636	644,388	706,416	706,416	706,416	706,416	706,416	706,416	706,416
Subtotal: CCWA Costs	23,171,385	23,912,634	24,315,618	24,922,869	25,292,209	25,672,170	14,664,723	15,083,472	15,514,783	15,959,034

DWR Costs ⁽⁷⁾										
Transportation Capital	19,407,865	19,101,161	19,056,400	19,028,938	19,024,574	19,019,603	19,016,888	19,015,854	19,013,559	19,010,433
Coastal Branch Extension	3,240,423	3,311,994	2,463,326	2,027,974	2,904,947	2,993,818	3,549,977	2,570,735	2,616,549	2,109,322
Water System Revenue Bond Surcharge	1,649,465	1,649,917	1,357,022	1,624,549	1,413,621	1,455,622	1,383,872	1,409,801	1,339,456	1,193,019
Transportation Minimum OMP&R	4,726,321	7,243,465	7,839,490	7,917,885	7,997,064	8,077,035	8,157,805	8,239,383	8,321,776	8,404,994
Delta Water Charge	3,301,306	3,396,286	3,573,047	3,758,647	3,953,526	4,158,150	4,373,004	4,598,602	4,835,479	5,084,200
DWR Variable Costs ⁽⁵⁾	1,806,365	4,849,012	5,162,039	5,605,844	5,886,136	6,180,443	6,489,465	6,813,938	7,154,635	7,512,367
Subtotal: DWR Costs	\$ 34,131,745	\$ 39,551,834	\$ 39,451,322	\$ 39,963,836	\$ 41,179,867	\$ 41,884,670	\$ 42,971,011	\$ 42,648,311	\$ 43,281,453	\$ 43,314,335

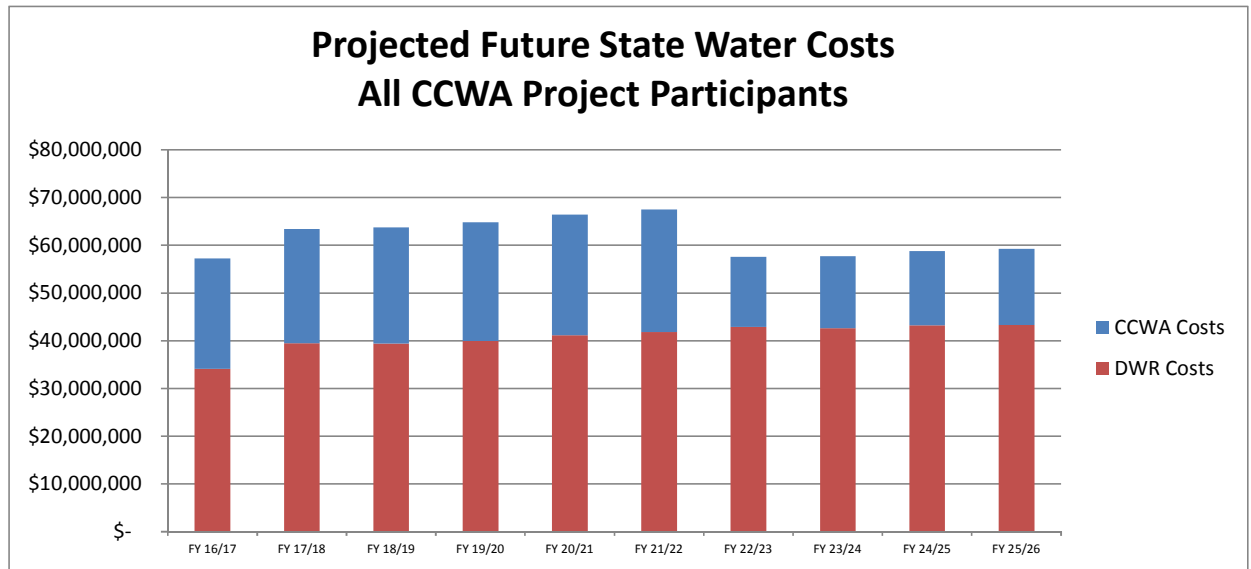
Total Projected State Water Costs	\$ 57,303,129	\$ 63,464,468	\$ 63,766,940	\$ 64,886,705	\$ 66,472,076	\$ 67,556,840	\$ 57,635,733	\$ 57,731,783	\$ 58,796,237	\$ 59,273,369
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Central Coast Water Authority
ALL PROJECT PARTICIPANTS
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<i>Projected Payments by Due Date</i>										
June 1st Fixed Payment ⁽³⁾	\$ 50,955,978	\$ 54,000,528	\$ 53,769,530	\$ 54,069,968	\$ 55,239,913	\$ 55,891,182	\$ 45,517,689	\$ 45,141,601	\$ 45,713,263	\$ 45,676,005
April 1st Variable Payment ⁽⁴⁾	1,977,830	2,697,830	3,439,451	3,591,377	3,729,527	3,873,673	4,024,088	4,181,056	4,344,876	4,515,860
July 1st Variable Payment	1,173,631	1,894,058	1,675,275	1,931,727	2,005,947	2,083,403	2,164,245	2,248,627	2,336,711	2,428,665
October 1st Variable Payment	1,464,506	2,270,930	2,174,316	2,467,217	2,561,007	2,658,885	2,761,037	2,867,659	2,978,954	3,095,137
January 1st Variable Payment	1,731,184	2,601,123	2,708,369	2,826,415	2,935,682	3,049,696	3,168,674	3,292,841	3,422,434	3,557,701

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a change in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby changing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.



Central Coast Water Authority
City of Guadalupe
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

<i>Water Deliveries-Fiscal Year Basis (AF)</i> ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Water Deliveries-1st Quarter	61	61	61	61	61	61	61	61	61	61
Water Deliveries-2nd Quarter	61	61	61	61	61	61	61	61	61	61
Water Deliveries-3rd Quarter	61	61	61	61	61	61	61	61	61	61
Water Deliveries-4th Quarter	61	61	61	61	61	61	61	61	61	61
Total FY Water Deliveries (acre-feet)	242	242	242	242	242	242	242	242	242	242

CCWA Variable Cost per AF Assumptions	\$ 94	\$ 97	\$ 100	\$ 103	\$ 106	\$ 109	\$ 112	\$ 116	\$ 119	\$ 123
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

<i>CCWA Costs</i>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 105,223	\$ 114,525	\$ 117,961	\$ 121,500	\$ 125,145	\$ 128,899	\$ 121,047	\$ 125,030	\$ 129,132	\$ 133,358
CCWA Variable O&M Costs ⁽⁵⁾	23,570	23,417	24,120	24,843	25,589	26,356	27,147	27,961	28,800	29,664
CCWA Bond Payments & O&M Credits	160,038	163,883	163,152	163,022	162,825	162,614	-	-	-	-
Subtotal: CCWA Costs	288,831	301,825	305,233	309,365	313,558	317,869	148,194	152,991	157,933	163,022

<i>DWR Costs</i> ⁽⁷⁾										
Transportation Capital	273,607	269,283	268,652	268,265	268,203	268,133	268,095	268,080	268,048	268,004
Coastal Branch Extension	-	-	-	-	-	-	-	-	-	-
Water System Revenue Bond Surcharge	22,674	22,680	18,654	22,331	19,432	20,009	19,023	19,379	18,412	16,399
Transportation Minimum OMP&R	46,965	100,251	108,500	109,585	110,681	111,787	112,905	114,034	115,175	116,326
Delta Water Charge	43,916	45,173	47,524	49,993	52,585	55,307	58,164	61,165	64,316	67,624
DWR Variable Costs ⁽⁵⁾⁽⁶⁾	27,029	38,115	40,021	42,022	44,123	46,329	48,645	51,078	53,632	56,313
Subtotal: DWR Costs	\$ 414,190	\$ 475,502	\$ 483,350	\$ 492,195	\$ 495,023	\$ 501,565	\$ 506,833	\$ 513,736	\$ 519,582	\$ 524,667

DWR Future Capital Projects (BDCP) ⁽⁵⁾										
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Total Projected State Water Costs	\$ 703,021	\$ 777,327	\$ 788,583	\$ 801,560	\$ 808,581	\$ 819,435	\$ 655,027	\$ 666,728	\$ 677,515	\$ 687,689
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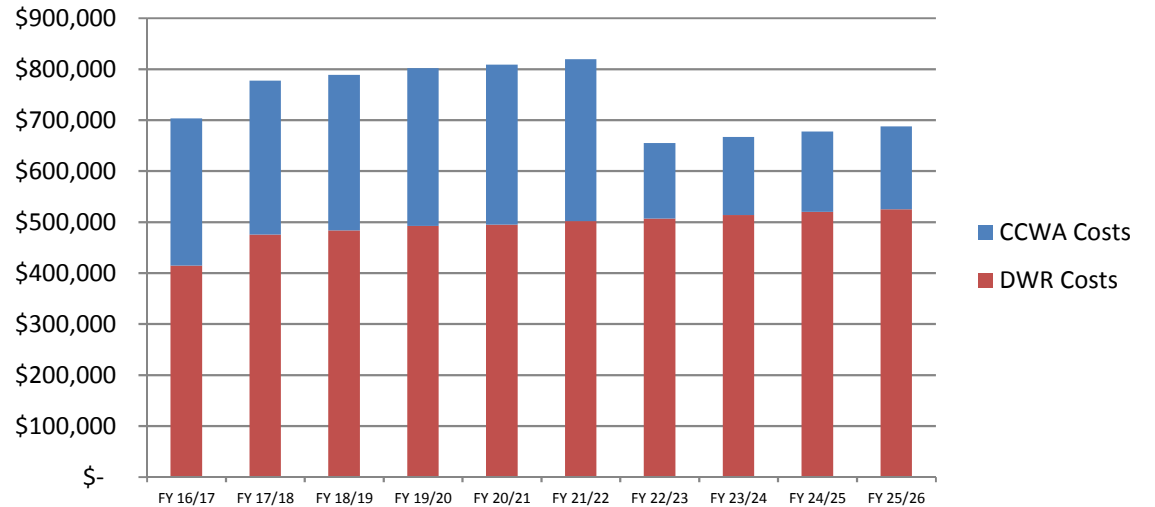
Central Coast Water Authority
City of Guadalupe
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 652,423	\$ 715,795	\$ 724,443	\$ 734,695	\$ 738,870	\$ 746,749	\$ 579,234	\$ 587,689	\$ 595,083	\$ 601,711
April 1st Variable Payment ⁽⁴⁾	12,650	15,383	16,035	16,716	17,428	18,171	18,948	19,760	20,608	21,494
July 1st Variable Payment	12,650	15,383	16,035	16,716	17,428	18,171	18,948	19,760	20,608	21,494
October 1st Variable Payment	12,650	15,383	16,035	16,716	17,428	18,171	18,948	19,760	20,608	21,494
January 1st Variable Payment	12,650	15,383	16,035	16,716	17,428	18,171	18,948	19,760	20,608	21,494

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.

**Projected Future State Water Costs
 City of Guadalupe**



Central Coast Water Authority
City of Santa Maria
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

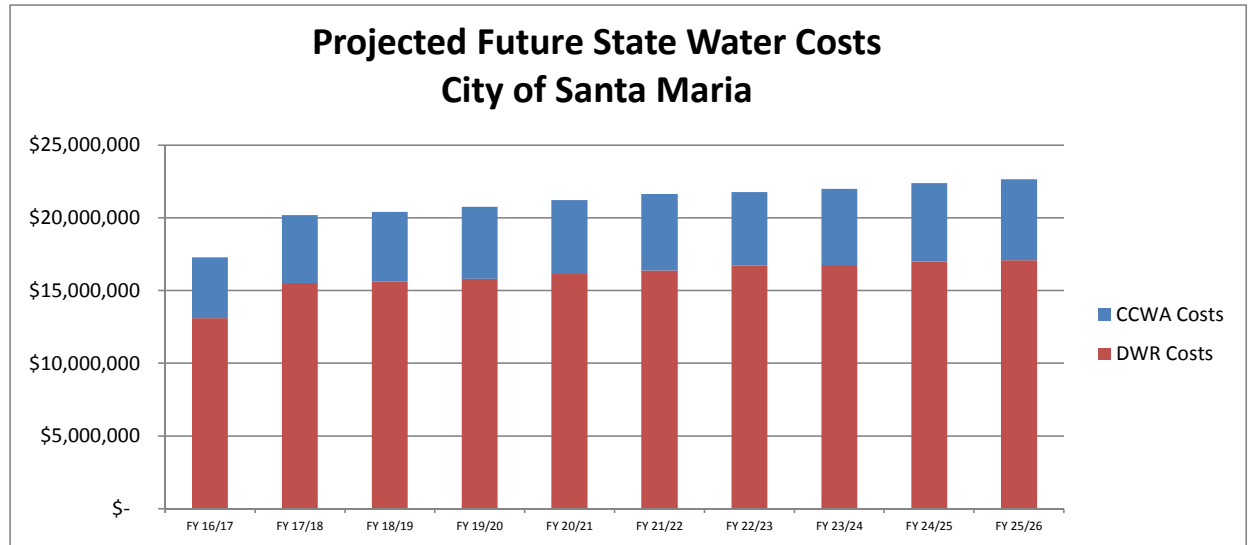
<i>Water Deliveries-Fiscal Year Basis (AF)</i> ⁽²⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Water Deliveries-1st Quarter	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146	4,146
Water Deliveries-2nd Quarter	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301
Water Deliveries-3rd Quarter	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352	2,352
Water Deliveries-4th Quarter	3,522	3,522	3,522	3,522	3,522	3,522	3,522	3,522	3,522	3,522
Total FY Water Deliveries (acre-feet)	12,321	12,321	12,321	12,321	12,321	12,321	12,321	12,321	12,321	12,321
CCWA Variable Cost per AF Assumptions	\$ 94	\$ 97	\$ 100	\$ 103	\$ 106	\$ 109	\$ 112	\$ 116	\$ 119	\$ 123
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233
<i>CCWA Costs</i>										
CCWA Fixed O&M Costs ⁽²⁾	\$ 3,070,138	\$ 3,475,097	\$ 3,579,349	\$ 3,686,730	\$ 3,797,332	\$ 3,911,252	\$ 3,683,416	\$ 3,804,274	\$ 3,928,757	\$ 4,056,975
CCWA Variable O&M Costs ⁽⁵⁾	1,200,004	1,192,241	1,228,008	1,264,848	1,302,794	1,341,878	1,382,134	1,423,598	1,466,306	1,510,295
CCWA Bond Payments & O&M Credits	(85,149)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	4,184,992	4,667,337	4,807,357	4,951,578	5,100,126	5,253,129	5,065,550	5,227,872	5,395,063	5,567,270
<i>DWR Costs</i> ⁽⁷⁾										
Transportation Capital	8,034,146	7,907,182	7,888,653	7,877,285	7,875,478	7,873,420	7,872,296	7,871,868	7,870,918	7,869,624
Coastal Branch Extension	706,326	721,895	536,916	442,025	633,173	652,544	773,766	560,327	570,313	459,756
Water System Revenue Bond Surcharge	670,636	670,820	551,735	660,506	574,747	591,824	562,652	573,194	544,593	485,055
Transportation Minimum OMP&R	1,537,137	2,952,837	3,195,810	3,227,768	3,260,046	3,292,646	3,325,573	3,358,829	3,392,417	3,426,341
Delta Water Charge	1,293,541	1,330,559	1,399,809	1,472,521	1,548,869	1,629,034	1,713,207	1,801,589	1,894,390	1,991,831
DWR Variable Costs ^{(5) (6)}	874,468	1,940,558	2,037,585	2,139,465	2,246,438	2,358,760	2,476,698	2,600,533	2,730,559	2,867,087
Subtotal: DWR Costs	\$ 13,116,255	\$ 15,523,850	\$ 15,610,508	\$ 15,819,569	\$ 16,138,750	\$ 16,398,228	\$ 16,724,192	\$ 16,766,339	\$ 17,003,190	\$ 17,099,695
DWR Future Capital Projects (BDCP) ⁽⁵⁾										
Total Projected State Water Costs	\$ 17,301,248	\$ 20,191,188	\$ 20,417,865	\$ 20,771,147	\$ 21,238,876	\$ 21,651,357	\$ 21,789,742	\$ 21,994,211	\$ 22,398,253	\$ 22,666,965

Central Coast Water Authority
City of Santa Maria
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<i>Projected Payments by Due Date</i>										
June 1st Fixed Payment ⁽³⁾	\$ 15,226,776	\$ 17,058,389	\$ 17,152,272	\$ 17,366,834	\$ 17,689,644	\$ 17,950,720	\$ 17,930,910	\$ 17,970,080	\$ 18,201,388	\$ 18,289,582
April 1st Variable Payment ⁽⁴⁾	698,057	1,054,182	1,098,868	1,145,547	1,194,312	1,245,259	1,298,492	1,354,115	1,412,239	1,472,983
July 1st Variable Payment	387,417	585,064	609,864	635,770	662,834	691,110	720,653	751,524	783,783	817,495
October 1st Variable Payment	396,003	598,031	623,381	649,862	677,526	706,428	736,626	768,181	801,155	835,614
January 1st Variable Payment	592,995	895,521	933,481	973,134	1,014,560	1,057,840	1,103,060	1,150,311	1,199,688	1,251,290

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.



Central Coast Water Authority
Golden State Water Company
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Water Deliveries-1st Quarter	135	135	135	135	135	135	135	135	135	135
Water Deliveries-2nd Quarter	63	63	63	63	63	63	63	63	63	63
Water Deliveries-3rd Quarter	134	134	134	134	134	134	134	134	134	134
Water Deliveries-4th Quarter	131	131	131	131	131	131	131	131	131	131
Total FY Water Deliveries (acre-feet)	463	463	463	463	463	463	463	463	463	463

CCWA Variable Cost per AF Assumptions	\$ 94	\$ 97	\$ 100	\$ 103	\$ 106	\$ 109	\$ 112	\$ 116	\$ 119	\$ 123
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 98,886	\$ 113,609	\$ 117,017	\$ 120,527	\$ 124,143	\$ 127,868	\$ 121,050	\$ 125,001	\$ 129,071	\$ 133,263
CCWA Variable O&M Costs ⁽⁵⁾	45,094	44,802	46,146	47,531	48,957	50,425	51,938	53,496	55,101	56,754
CCWA Bond Payments & O&M Credits	(16,236)	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	127,744	158,411	163,163	168,058	173,100	178,293	172,988	178,497	184,172	190,017

DWR Costs ⁽⁷⁾										
Transportation Capital	248,389	244,463	243,891	243,539	243,483	243,420	243,385	243,372	243,342	243,302
Coastal Branch Extension	21,800	22,270	16,563	13,636	19,533	20,130	23,870	17,285	17,594	14,183
Water System Revenue Bond Surcharge	20,715	20,721	17,042	20,402	17,753	18,281	17,380	17,705	16,822	14,983
Transportation Minimum OMP&R	25,169	91,137	98,636	99,622	100,619	101,625	102,641	103,668	104,704	105,751
Delta Water Charge	39,925	41,067	43,204	45,448	47,805	50,279	52,877	55,605	58,469	61,476
DWR Variable Costs ^{(5) (6)}	53,581	72,923	76,569	80,397	84,417	88,638	93,070	97,723	102,609	107,740
Subtotal: DWR Costs	\$ 409,578	\$ 492,580	\$ 495,905	\$ 503,045	\$ 513,609	\$ 522,372	\$ 533,222	\$ 535,358	\$ 543,540	\$ 547,435

DWR Future Capital Projects (BDCP) ⁽⁵⁾										
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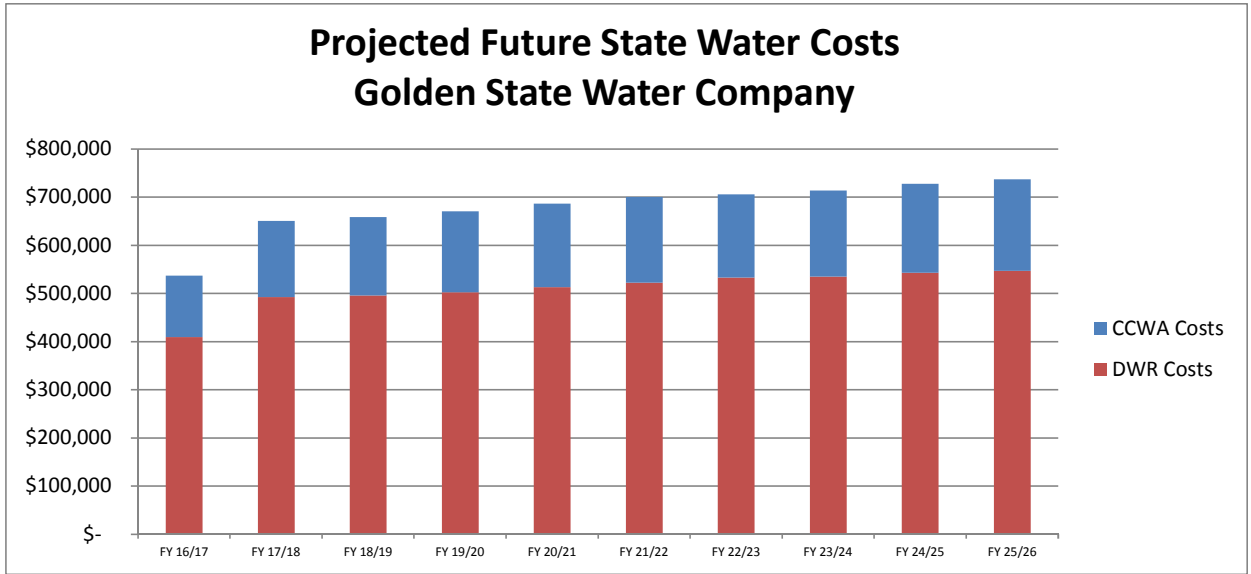
Total Projected State Water Costs	\$ 537,322	\$ 650,991	\$ 659,068	\$ 671,103	\$ 686,709	\$ 700,665	\$ 706,210	\$ 713,855	\$ 727,712	\$ 737,452
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Central Coast Water Authority
Golden State Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	438,647	\$	533,266	\$	536,353	\$	543,175	\$	553,336	\$	561,602	\$	561,202	\$	562,636	\$	570,001	\$	572,958
April 1st Variable Payment ⁽⁴⁾		28,771		34,326		35,781		37,301		38,889		40,548		42,281		44,092		45,985		47,963
July 1st Variable Payment		13,427		16,019		16,698		17,407		18,148		18,922		19,731		20,576		21,460		22,383
October 1st Variable Payment		28,558		34,072		35,516		37,024		38,601		40,247		41,968		43,765		45,644		47,607
January 1st Variable Payment		27,919		33,309		34,721		36,196		37,736		39,346		41,028		42,786		44,622		46,541

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.



Central Coast Water Authority
Vandenberg AFB
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Water Deliveries-1st Quarter	973	973	973	973	973	973	973	973	973	973
Water Deliveries-2nd Quarter	240	240	240	240	240	240	240	240	240	240
Water Deliveries-3rd Quarter	464	464	464	464	464	464	464	464	464	464
Water Deliveries-4th Quarter	735	735	735	735	735	735	735	735	735	735
Total FY Water Deliveries (acre-feet)	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412	2,412

CCWA Variable Cost per AF Assumptions	\$ 94	\$ 97	\$ 100	\$ 103	\$ 106	\$ 109	\$ 112	\$ 116	\$ 119	\$ 123
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 1,136,237	\$ 1,231,569	\$ 1,268,516	\$ 1,306,572	\$ 1,345,769	\$ 1,386,142	\$ 1,310,538	\$ 1,353,369	\$ 1,397,486	\$ 1,442,926
CCWA Variable O&M Costs ⁽⁵⁾	234,917	233,397	240,399	247,611	255,039	262,690	270,571	278,688	287,049	295,660
CCWA Bond Payments & O&M Credits	-	-	-	-	-	-	-	-	-	-
Subtotal: CCWA Costs	1,371,153	1,464,966	1,508,915	1,554,183	1,600,808	1,648,832	1,581,109	1,632,058	1,684,535	1,738,587

DWR Costs ⁽⁷⁾										
Transportation Capital	2,728,486	2,685,367	2,679,074	2,675,213	2,674,600	2,673,901	2,673,519	2,673,374	2,673,051	2,672,612
Coastal Branch Extension	633,023	647,026	481,231	396,182	567,506	584,867	693,518	502,215	511,165	412,074
Water System Revenue Bond Surcharge	227,595	227,657	187,243	224,157	195,053	200,848	190,948	194,526	184,820	164,614
Transportation Minimum OMP&R	781,018	1,002,507	1,084,997	1,095,847	1,106,806	1,117,874	1,129,053	1,140,343	1,151,746	1,163,264
Delta Water Charge	439,164	451,733	475,244	499,930	525,850	553,067	581,644	611,651	643,157	676,239
DWR Variable Costs ^{(5) (6)}	179,439	379,890	398,885	418,829	439,770	461,759	484,847	509,089	534,543	561,271
Subtotal: DWR Costs	\$ 4,988,724	\$ 5,394,180	\$ 5,306,674	\$ 5,310,158	\$ 5,509,585	\$ 5,592,316	\$ 5,753,529	\$ 5,631,197	\$ 5,698,483	\$ 5,650,073
DWR Future Capital Projects (BDCP) ⁽⁵⁾										

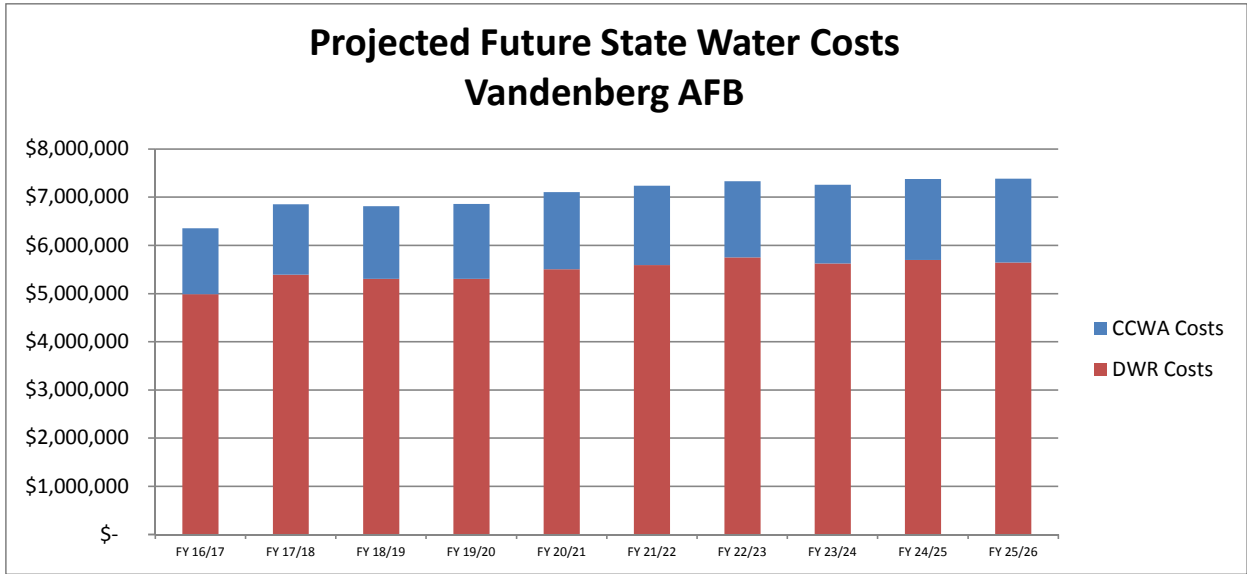
Total Projected State Water Costs	\$ 6,359,878	\$ 6,859,146	\$ 6,815,589	\$ 6,864,341	\$ 7,110,393	\$ 7,241,149	\$ 7,334,638	\$ 7,263,255	\$ 7,383,018	\$ 7,388,660
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Central Coast Water Authority
Vandenberg AFB
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 5,945,522	\$ 6,245,859	\$ 6,176,306	\$ 6,197,901	\$ 6,415,584	\$ 6,516,700	\$ 6,579,220	\$ 6,475,477	\$ 6,561,425	\$ 6,531,729
April 1st Variable Payment ⁽⁴⁾	167,151	247,400	257,887	268,842	280,286	292,243	304,735	317,789	331,430	345,686
July 1st Variable Payment	41,229	61,024	63,610	66,312	69,135	72,084	75,166	78,386	81,750	85,267
October 1st Variable Payment	79,710	117,979	122,980	128,204	133,662	139,363	145,321	151,546	158,051	164,849
January 1st Variable Payment	126,265	186,885	194,807	203,082	211,727	220,759	230,196	240,056	250,361	261,129

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.



Central Coast Water Authority
City of Buellton
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Water Deliveries-1st Quarter	184	184	184	184	184	184	184	184	184	184
Water Deliveries-2nd Quarter	127	127	127	127	127	127	127	127	127	127
Water Deliveries-3rd Quarter	119	119	119	119	119	119	119	119	119	119
Water Deliveries-4th Quarter	155	155	155	155	155	155	155	155	155	155
Total FY Water Deliveries (acre-feet)	585	585	585	585	585	585	585	585	585	585

CCWA Variable Cost per AF Assumptions	\$ 94	\$ 97	\$ 100	\$ 103	\$ 106	\$ 109	\$ 112	\$ 116	\$ 119	\$ 123
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 135,492	\$ 154,411	\$ 159,043	\$ 163,815	\$ 168,729	\$ 173,791	\$ 166,689	\$ 172,059	\$ 177,591	\$ 183,288
CCWA Variable O&M Costs ⁽⁵⁾	56,976	56,607	58,306	60,055	61,857	63,712	65,624	67,592	69,620	71,709
CCWA Bond Payments & O&M Credits	267,886	290,308	289,014	288,783	288,433	288,061	-	-	-	-
Subtotal: CCWA Costs	460,354	501,327	506,363	512,653	519,019	525,564	232,313	239,652	247,211	254,997

DWR Costs ⁽⁷⁾										
Transportation Capital	287,198	282,659	281,997	281,591	281,526	281,453	281,412	281,397	281,363	281,317
Coastal Branch Extension	66,525	67,981	50,562	41,626	59,626	61,451	72,866	52,766	53,707	43,296
Water System Revenue Bond Surcharge	23,817	23,824	19,594	23,457	20,412	21,018	19,982	20,356	19,341	17,226
Transportation Minimum OMP&R	47,846	105,354	114,023	115,164	116,315	117,478	118,653	119,840	121,038	122,248
Delta Water Charge	46,168	47,488	49,960	52,555	55,279	58,141	61,145	64,299	67,611	71,089
DWR Variable Costs ^{(5) (6)}	14,881	92,138	96,744	101,582	106,661	111,994	117,593	123,473	129,647	136,129
Subtotal: DWR Costs	\$ 486,435	\$ 619,444	\$ 612,880	\$ 615,974	\$ 639,820	\$ 651,534	\$ 671,652	\$ 662,132	\$ 672,707	\$ 671,305

DWR Future Capital Projects (BDGP) ⁽⁵⁾										
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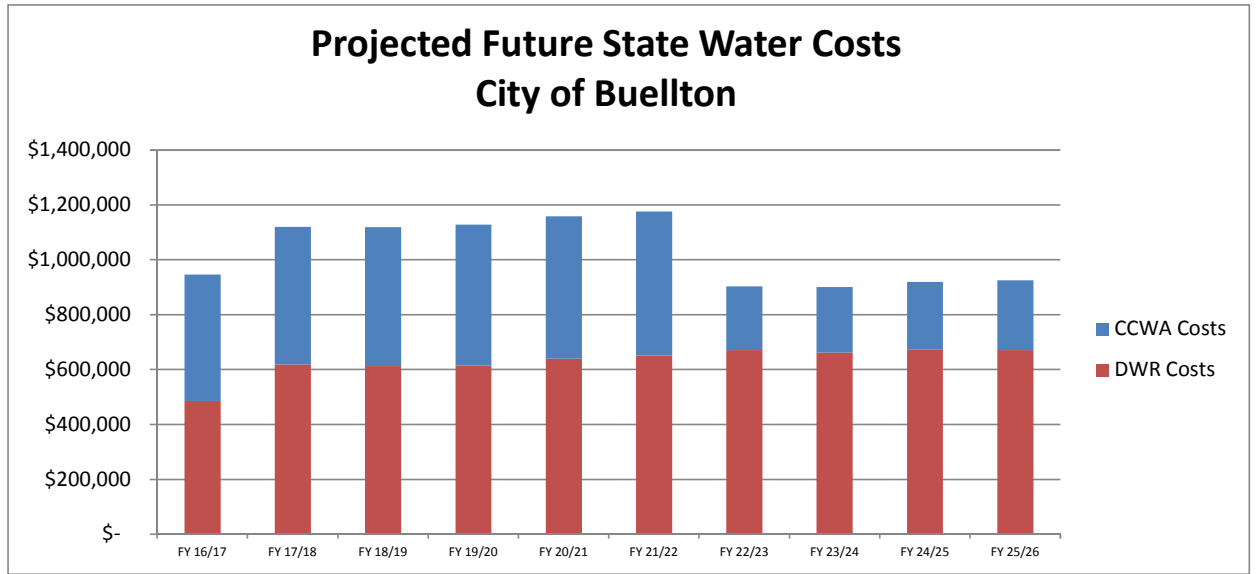
Total Projected State Water Costs	\$ 946,789	\$ 1,120,771	\$ 1,119,243	\$ 1,128,627	\$ 1,158,838	\$ 1,177,098	\$ 903,965	\$ 901,784	\$ 919,917	\$ 926,302
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Central Coast Water Authority
City of Buellton
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	874,933	\$	972,026	\$	964,193	\$	966,990	\$	990,321	\$	1,001,392	\$	720,748	\$	710,718	\$	720,651	\$	718,464
April 1st Variable Payment ⁽⁴⁾		22,601		46,785		48,768		50,840		53,004		55,265		57,627		60,096		62,675		65,371
July 1st Variable Payment		15,600		32,292		33,660		35,090		36,584		38,145		39,775		41,479		43,260		45,120
October 1st Variable Payment		14,617		30,258		31,540		32,880		34,280		35,742		37,270		38,866		40,535		42,278
January 1st Variable Payment		19,039		39,411		41,082		42,827		44,650		46,555		48,545		50,624		52,797		55,068

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.



Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Water Deliveries-1st Quarter	451	451	451	451	451	451	451	451	451	451
Water Deliveries-2nd Quarter	225	225	225	225	225	225	225	225	225	225
Water Deliveries-3rd Quarter	211	211	211	211	211	211	211	211	211	211
Water Deliveries-4th Quarter	364	364	364	364	364	364	364	364	364	364
Total FY Water Deliveries (acre-feet)	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251

CCWA Variable Cost per AF Assumptions	\$ 94	\$ 97	\$ 100	\$ 103	\$ 106	\$ 109	\$ 112	\$ 116	\$ 119	\$ 123
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 347,389	\$ 389,576	\$ 401,263	\$ 413,301	\$ 425,700	\$ 438,471	\$ 419,665	\$ 433,214	\$ 447,169	\$ 461,543
CCWA Variable O&M Costs ⁽⁵⁾	121,841	121,053	124,685	128,425	132,278	136,246	140,334	144,544	148,880	153,346
CCWA Bond Payments & O&M Credits	870,586	891,532	887,556	886,849	885,774	884,631	-	-	-	-
Subtotal: CCWA Costs	1,339,816	1,402,161	1,413,504	1,428,576	1,443,752	1,459,348	559,999	577,757	596,049	614,889

DWR Costs ⁽⁷⁾										
Transportation Capital	737,313	725,662	723,961	722,918	722,752	722,563	722,460	722,421	722,334	722,215
Coastal Branch Extension	172,643	176,466	131,248	108,052	154,778	159,513	189,145	136,971	139,412	112,386
Water System Revenue Bond Surcharge	59,926	59,943	49,302	59,021	51,358	52,884	50,277	51,219	48,664	43,343
Transportation Minimum OMP&R	120,064	264,391	286,147	289,008	291,898	294,817	297,765	300,743	303,750	306,788
Delta Water Charge	109,343	112,000	117,829	123,950	130,376	137,124	144,209	151,649	159,460	167,663
DWR Variable Costs ^{(5) (6)}	88,330	197,033	206,884	217,228	228,090	239,494	251,469	264,042	277,245	291,107
Subtotal: DWR Costs	\$ 1,287,620	\$ 1,535,494	\$ 1,515,371	\$ 1,520,177	\$ 1,579,252	\$ 1,606,396	\$ 1,655,326	\$ 1,627,045	\$ 1,650,864	\$ 1,643,502

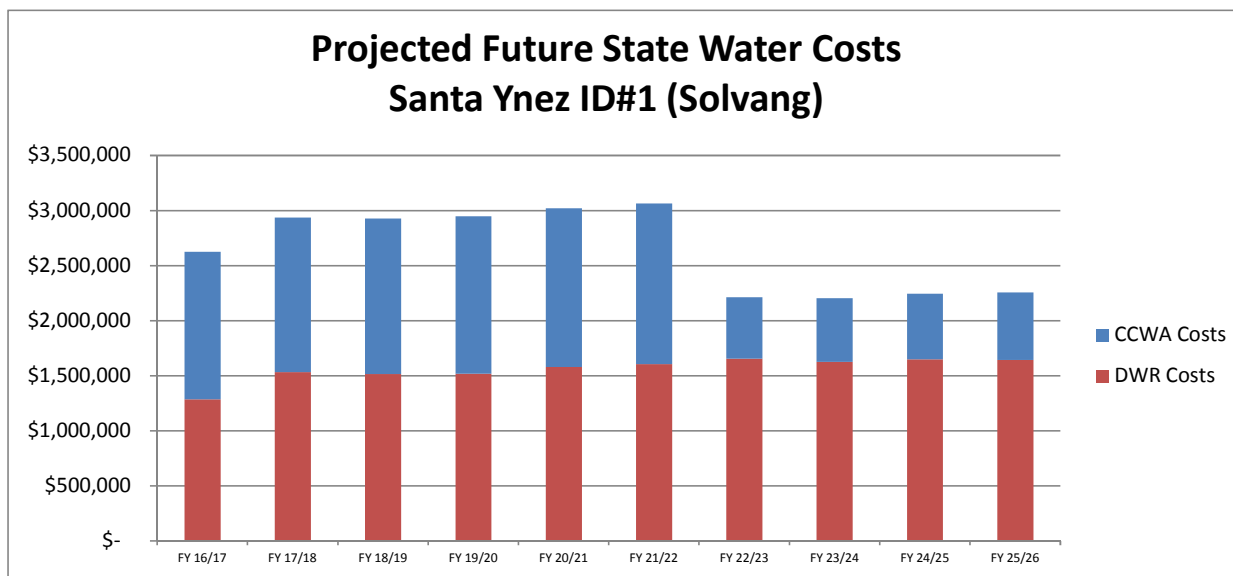
Total Projected State Water Costs	\$ 2,627,436	\$ 2,937,655	\$ 2,928,875	\$ 2,948,753	\$ 3,023,004	\$ 3,065,744	\$ 2,215,325	\$ 2,204,802	\$ 2,246,913	\$ 2,258,391
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Central Coast Water Authority
Santa Ynez ID#1 (Solvang)
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 2,417,265	\$ 2,619,570	\$ 2,597,306	\$ 2,603,099	\$ 2,662,636	\$ 2,690,003	\$ 1,823,522	\$ 1,796,216	\$ 1,820,789	\$ 1,813,938
April 1st Variable Payment ⁽⁴⁾	75,769	114,673	119,534	124,612	129,917	135,459	141,249	147,300	153,623	160,230
July 1st Variable Payment	37,801	57,210	59,635	62,168	64,814	67,579	70,468	73,487	76,641	79,938
October 1st Variable Payment	35,448	53,650	55,924	58,300	60,781	63,374	66,083	68,914	71,872	74,964
January 1st Variable Payment	61,153	92,552	96,476	100,574	104,855	109,328	114,002	118,885	123,988	129,321

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
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- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.



Central Coast Water Authority
Santa Ynez ID#1
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	125	125	125	125	125	125	125	125	125	125
Table A Water Deliveries-2nd Quarter	20	20	20	20	20	20	20	20	20	20
Table A Water Deliveries-3rd Quarter	20	20	20	20	20	20	20	20	20	20
Table A Water Deliveries-4th Quarter	85	85	85	85	85	85	85	85	85	85
Total FY Table A Deliveries (acre-feet)	250	250	250	250	250	250	250	250	250	250

Exchange Deliveries-1st Quarter	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405
Exchange Deliveries-2nd Quarter	175	175	175	175	175	175	175	175	175	175
Exchange Deliveries-3rd Quarter	100	100	100	100	100	100	100	100	100	100
Exchange Deliveries-4th Quarter	934	900	900	900	900	900	900	900	900	900
Total FY Exchange Deliveries (acre-feet)	2,614	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580	2,580

CCWA Variable Cost per AF Assumptions	\$ 94	\$ 97	\$ 100	\$ 103	\$ 106	\$ 109	\$ 112	\$ 116	\$ 119	\$ 123
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 639,387	\$ 731,291	\$ 753,230	\$ 775,827	\$ 799,101	\$ 823,074	\$ 585,969	\$ 611,402	\$ 637,598	\$ 664,580
CCWA Variable O&M Costs ⁽⁵⁾	278,939	273,845	282,060	290,522	299,238	308,215	317,461	326,985	336,795	346,898
CCWA Bond Payments & O&M Credits	89,433	334,818	333,325	333,059	332,655	332,226	-	-	-	-
Subtotal: CCWA Costs	1,007,759	1,339,954	1,368,615	1,399,408	1,430,994	1,463,515	903,430	938,387	974,392	1,011,478

DWR Costs ⁽⁷⁾										
Transportation Capital	254,346	250,327	249,740	249,380	249,323	249,258	249,222	249,209	249,179	249,138
Coastal Branch Extension	57,548	58,836	43,760	36,026	51,605	53,184	63,064	45,668	46,482	37,471
Water System Revenue Bond Surcharge	23,061	23,068	18,973	22,713	19,764	20,351	19,348	19,710	18,727	16,680
Transportation Minimum OMP&R	90,273	100,156	108,398	109,482	110,577	111,682	112,799	113,927	115,066	116,217
Delta Water Charge	49,897	52,267	54,987	57,843	60,842	63,991	67,298	70,769	74,415	78,243
DWR Variable Costs ^{(5) (6)}	(937)	39,375	41,344	43,411	45,581	47,861	50,254	52,766	55,405	58,175
Subtotal: DWR Costs	\$ 474,188	\$ 524,029	\$ 517,201	\$ 518,855	\$ 537,692	\$ 546,327	\$ 561,985	\$ 552,050	\$ 559,274	\$ 555,923

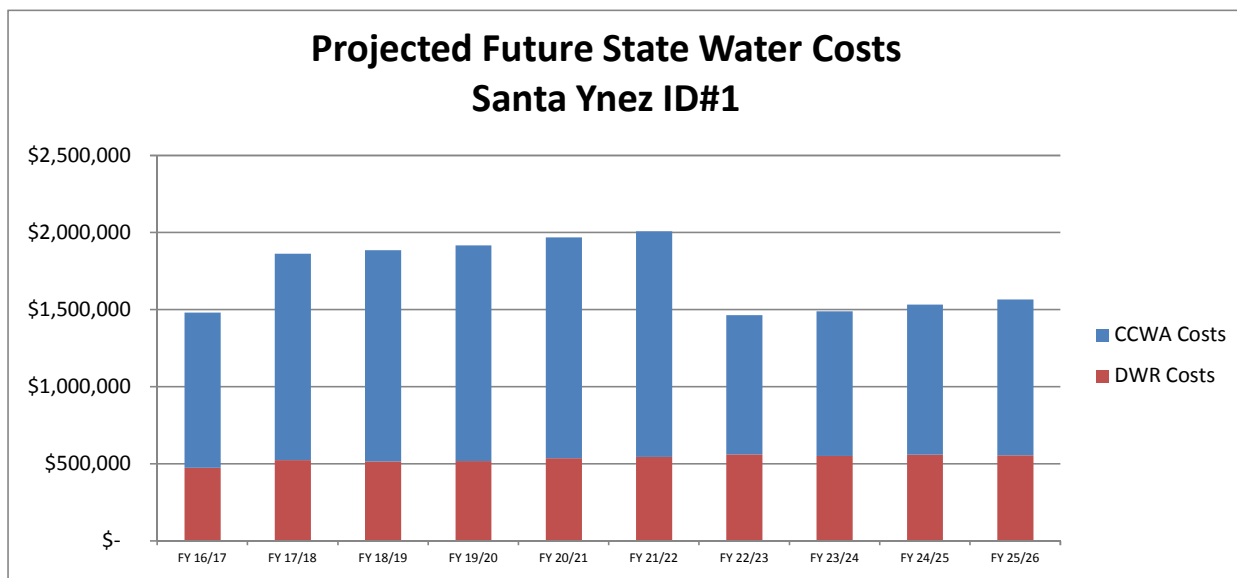
Total Projected State Water Costs	\$ 1,481,948	\$ 1,863,983	\$ 1,885,816	\$ 1,918,263	\$ 1,968,687	\$ 2,009,842	\$ 1,465,415	\$ 1,490,437	\$ 1,533,666	\$ 1,567,401
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Central Coast Water Authority
Santa Ynez ID#1
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 1,203,945	\$ 1,550,763	\$ 1,562,412	\$ 1,584,330	\$ 1,623,868	\$ 1,653,767	\$ 1,097,700	\$ 1,110,686	\$ 1,141,467	\$ 1,162,328
April 1st Variable Payment ⁽⁴⁾	148,514	167,738	173,164	178,772	184,569	190,562	196,758	203,163	209,786	216,633
July 1st Variable Payment	18,928	22,019	22,743	23,491	24,265	25,066	25,895	26,752	27,639	28,557
October 1st Variable Payment	11,648	14,762	15,268	15,792	16,335	16,898	17,482	18,086	18,713	19,363
January 1st Variable Payment	98,912	108,701	112,230	115,878	119,649	123,549	127,581	131,750	136,061	140,520

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is a reduction in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby reducing the Retreatment Fixed and Capital Charges.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.



Central Coast Water Authority
Goleta Water District
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	405	419	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066
Table A Water Deliveries-2nd Quarter	666	663	88	603	603	603	603	603	603	603
Table A Water Deliveries-3rd Quarter	1,367	1,969	1,435	1,969	1,969	1,969	1,969	1,969	1,969	1,969
Table A Water Deliveries-4th Quarter	825	898	898	898	898	898	898	898	898	898
Total FY Table A Deliveries (acre-feet)	3,263	3,950	3,487	4,536	4,536	4,536	4,536	4,536	4,536	4,536

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	506	506	506	506	506	506	506	506	506	506
Exchange Deliveries-2nd Quarter	63	63	63	63	63	63	63	63	63	63
Exchange Deliveries-3rd Quarter	36	36	36	36	36	36	36	36	36	36
Exchange Deliveries-4th Quarter	336	324	324	324	324	324	324	324	324	324
Total FY Exchange Deliveries (acre-feet)	941	929	929	929	929	929	929	929	929	929

CCWA Variable Cost per AF Assumptions	\$ 158	\$ 163	\$ 168	\$ 173	\$ 178	\$ 183	\$ 189	\$ 194	\$ 200	\$ 206
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 506,986	\$ 360,582	\$ 371,399	\$ 382,541	\$ 394,018	\$ 405,838	\$ 678,646	\$ 691,186	\$ 704,103	\$ 717,407
CCWA Variable O&M Costs ⁽⁵⁾	526,555	642,490	584,214	782,853	806,339	830,529	855,445	881,108	907,542	934,768
CCWA Bond Payments & O&M Credits	2,829,072	2,809,944	2,797,412	2,795,183	2,791,794	2,788,191	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	189,240	229,076	202,231	263,099	263,099	263,099	263,099	263,099	263,099	263,099
Subtotal: CCWA Costs	4,051,853	4,042,092	3,955,256	4,223,677	4,255,249	4,287,657	1,797,190	1,835,394	1,874,743	1,915,274

DWR Costs ⁽⁷⁾										
Transportation Capital	2,254,874	2,219,240	2,214,040	2,210,849	2,210,342	2,209,764	2,209,449	2,209,329	2,209,062	2,208,699
Coastal Branch Extension	517,928	529,353	393,711	324,129	464,295	478,499	567,390	410,878	418,201	337,131
Water System Revenue Bond Surcharge	218,787	218,847	179,997	215,482	187,505	193,076	183,559	186,998	177,667	158,244
Transportation Minimum OMP&R	725,821	940,798	1,018,211	1,028,393	1,038,677	1,049,064	1,059,554	1,070,150	1,080,851	1,091,660
Delta Water Charge	540,763	556,266	585,217	615,616	647,535	681,049	716,240	753,190	791,987	832,724
DWR Variable Costs ^{(5) (6)}	1,524	768,346	730,220	948,961	996,409	1,046,230	1,098,541	1,153,468	1,211,142	1,271,699
Subtotal: DWR Costs	\$ 4,259,698	\$ 5,232,850	\$ 5,121,396	\$ 5,343,431	\$ 5,544,762	\$ 5,657,682	\$ 5,834,732	\$ 5,784,013	\$ 5,888,910	\$ 5,900,156

DWR Future Capital Projects (BDPC) ⁽⁵⁾										
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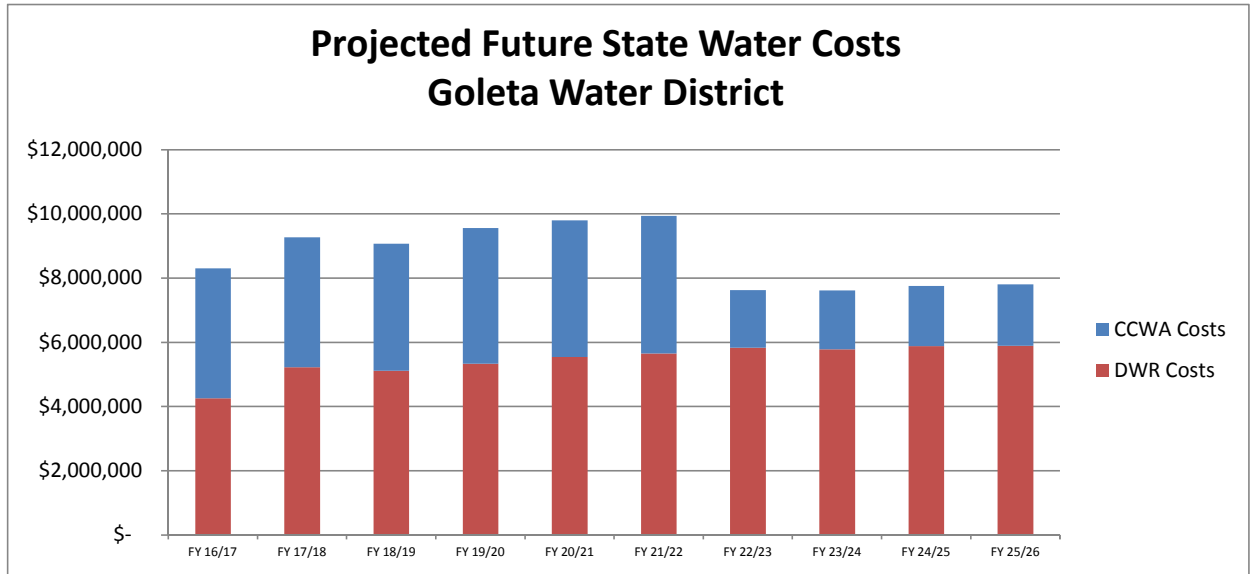
Total Projected State Water Costs	\$ 8,311,551	\$ 9,274,943	\$ 9,076,652	\$ 9,567,108	\$ 9,800,012	\$ 9,945,339	\$ 7,631,922	\$ 7,619,406	\$ 7,763,653	\$ 7,815,430
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Central Coast Water Authority
Goleta Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 7,594,231	\$ 7,635,030	\$ 7,559,988	\$ 7,572,194	\$ 7,734,165	\$ 7,805,481	\$ 5,414,837	\$ 5,321,730	\$ 5,381,871	\$ 5,345,864
April 1st Variable Payment ⁽⁴⁾	155,449	311,029	539,915	573,792	594,194	615,481	637,694	660,874	685,066	710,314
July 1st Variable Payment	124,394	244,063	51,870	243,113	251,758	260,777	270,189	280,010	290,260	300,958
October 1st Variable Payment	239,361	674,099	505,209	732,005	758,033	785,190	813,527	843,099	873,961	906,172
January 1st Variable Payment	198,116	410,722	419,672	446,004	461,863	478,409	495,675	513,693	532,496	552,122

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 are to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.



Central Coast Water Authority
Morehart Land Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	16	16	23	31	31	31	31	31	31	31
Table A Water Deliveries-2nd Quarter	7	7	11	14	14	14	14	14	14	14
Table A Water Deliveries-3rd Quarter	6	9	12	15	15	15	15	15	15	15
Table A Water Deliveries-4th Quarter	11	17	22	28	28	28	28	28	28	28
Total FY Table A Deliveries (acre-feet)	40	49	69	89	89	89	89	89	89	89

CCWA Variable Cost per AF Assumptions	\$ 158	\$ 163	\$ 168	\$ 173	\$ 178	\$ 183	\$ 189	\$ 194	\$ 200	\$ 206
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 24,387	\$ 23,138	\$ 23,832	\$ 24,547	\$ 25,283	\$ 26,042	\$ 37,515	\$ 38,320	\$ 39,149	\$ 40,003
CCWA Variable O&M Costs ⁽⁵⁾	6,455	7,906	11,494	15,291	15,749	16,222	16,708	17,210	17,726	18,258
CCWA Bond Payments & O&M Credits	107,026	129,035	128,460	128,358	128,202	128,036	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	2,320	2,819	3,979	5,139	5,139	5,139	5,139	5,139	5,139	5,139
Subtotal: CCWA Costs	140,189	162,898	167,765	173,334	174,373	175,439	59,363	60,668	62,014	63,399

DWR Costs ⁽⁷⁾										
Transportation Capital	98,976	97,412	97,184	97,044	97,022	96,996	96,983	96,977	96,966	96,950
Coastal Branch Extension	23,019	23,526	17,498	14,405	20,634	21,266	25,216	18,261	18,586	14,983
Water System Revenue Bond Surcharge	8,168	8,170	6,720	8,045	7,000	7,208	6,853	6,981	6,633	5,908
Transportation Minimum OMP&R	10,553	36,455	39,454	39,849	40,247	40,650	41,056	41,467	41,882	42,301
Delta Water Charge	15,967	16,427	17,282	18,179	19,122	20,112	21,151	22,242	23,388	24,591
DWR Variable Costs ^{(5) (6)}	(379)	7,655	11,345	15,385	16,154	16,962	17,810	18,700	19,635	20,617
Subtotal: DWR Costs	\$ 156,304	\$ 189,644	\$ 189,482	\$ 192,907	\$ 200,180	\$ 203,194	\$ 209,069	\$ 204,628	\$ 207,089	\$ 205,349
DWR Future Capital Projects (BDCP) ⁽⁵⁾										

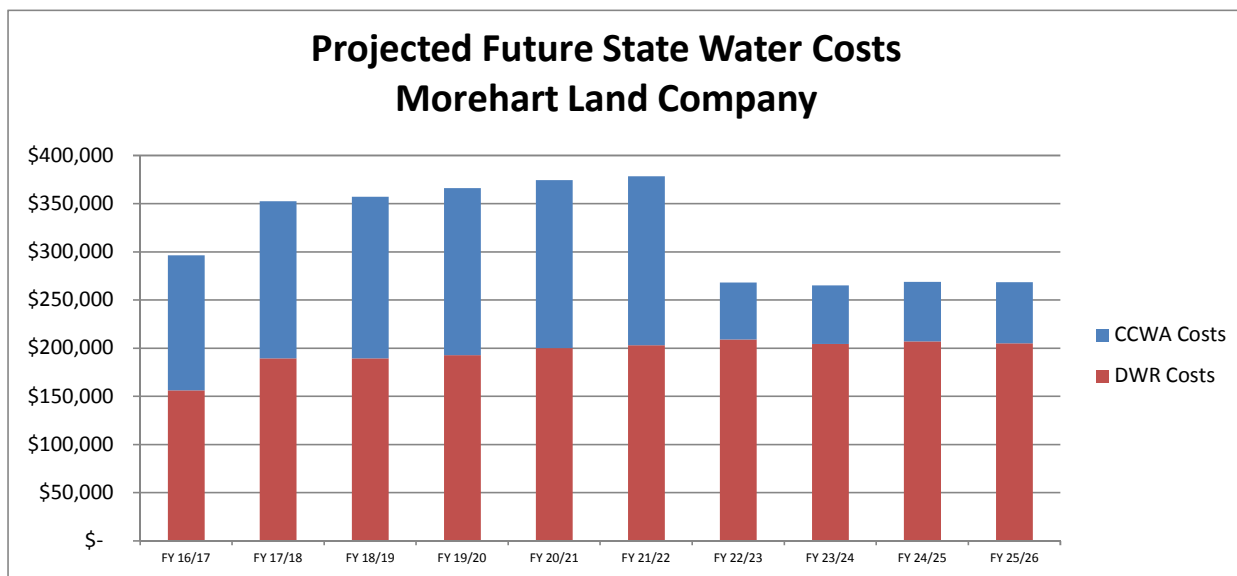
Total Projected State Water Costs	\$ 296,492	\$ 352,542	\$ 357,247	\$ 366,241	\$ 374,553	\$ 378,632	\$ 268,431	\$ 265,297	\$ 269,103	\$ 268,748
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Central Coast Water Authority
Morehart Land Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	288,096	\$	334,163	\$	330,429	\$	330,426	\$	337,511	\$	340,310	\$	228,774	\$	224,248	\$	226,603	\$	224,734
April 1st Variable Payment ⁽⁴⁾		3,274		5,899		9,148		12,612		13,044		13,495		13,965		14,455		14,966		15,499
July 1st Variable Payment		1,511		2,723		4,222		5,821		6,020		6,228		6,445		6,672		6,907		7,153
October 1st Variable Payment		1,259		3,404		4,691		6,063		6,271		6,488		6,714		6,950		7,195		7,452
January 1st Variable Payment		2,351		6,353		8,757		11,318		11,706		12,111		12,533		12,973		13,431		13,910

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and Trust Fund payments at \$43/AF.



Central Coast Water Authority
La Cumbre Mutual Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	211	205	419	419	419	419	419	419	419	419
Table A Water Deliveries-2nd Quarter	245	352	226	226	226	226	226	226	226	226
Table A Water Deliveries-3rd Quarter	262	223	223	223	223	223	223	223	223	223
Table A Water Deliveries-4th Quarter	229	232	232	232	232	232	232	232	232	232
Total FY Table A Deliveries (acre-feet)	948	1,012	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100

CCWA Variable Cost per AF Assumptions	\$ 158	\$ 163	\$ 168	\$ 173	\$ 178	\$ 183	\$ 189	\$ 194	\$ 200	\$ 206
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 121,937	\$ 78,660	\$ 81,020	\$ 83,451	\$ 85,954	\$ 88,533	\$ 144,651	\$ 147,387	\$ 150,205	\$ 153,107
CCWA Variable O&M Costs ⁽⁵⁾	152,917	164,699	184,308	189,837	195,533	201,399	207,441	213,664	220,074	226,676
CCWA Bond Payments & O&M Credits	607,209	617,767	615,012	614,522	613,777	612,985	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	54,957	58,722	63,800	63,800	63,800	63,800	63,800	63,800	63,800	63,800
Subtotal: CCWA Costs	937,020	919,849	944,140	951,610	959,064	966,716	415,892	424,851	434,078	443,583

DWR Costs ⁽⁷⁾										
Transportation Capital	496,778	488,927	487,781	487,078	486,967	486,839	486,770	486,743	486,685	486,605
Coastal Branch Extension	115,095	117,629	87,488	72,026	103,172	106,329	126,081	91,303	92,930	74,915
Water System Revenue Bond Surcharge	41,430	41,441	34,085	40,804	35,506	36,561	34,759	35,410	33,643	29,965
Transportation Minimum OMP&R	67,965	182,274	197,272	199,245	201,237	203,250	205,282	207,335	209,408	211,503
Delta Water Charge	79,849	82,133	86,408	90,896	95,609	100,558	105,754	111,209	116,938	122,953
DWR Variable Costs ^{(5) (6)}	79,821	159,462	181,913	191,008	200,559	210,586	221,116	232,172	243,780	255,969
Subtotal: DWR Costs	\$ 880,937	\$ 1,071,866	\$ 1,074,946	\$ 1,081,058	\$ 1,123,050	\$ 1,144,123	\$ 1,179,762	\$ 1,164,172	\$ 1,183,384	\$ 1,181,909
DWR Future Capital Projects (BDPC) ⁽⁵⁾										

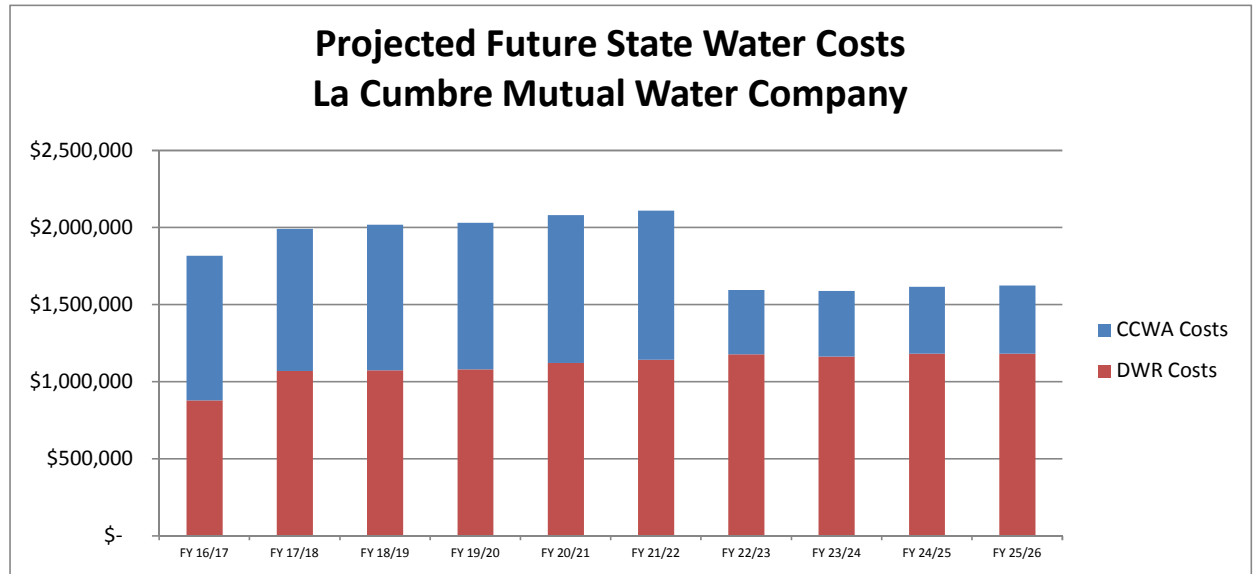
Total Projected State Water Costs	\$ 1,817,957	\$ 1,991,715	\$ 2,019,087	\$ 2,032,668	\$ 2,082,114	\$ 2,110,839	\$ 1,595,654	\$ 1,589,023	\$ 1,617,462	\$ 1,625,492
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Central Coast Water Authority
La Cumbre Mutual Water Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 1,530,262	\$ 1,608,832	\$ 1,589,066	\$ 1,588,022	\$ 1,622,223	\$ 1,635,054	\$ 1,103,297	\$ 1,079,388	\$ 1,089,809	\$ 1,079,047
April 1st Variable Payment ⁽⁴⁾	64,061	77,588	163,843	169,415	175,224	181,280	187,594	194,177	201,042	208,202
July 1st Variable Payment	74,469	133,287	88,368	91,373	94,506	97,772	101,178	104,728	108,431	112,293
October 1st Variable Payment	79,544	84,445	87,293	90,262	93,357	96,583	99,947	103,455	107,113	110,927
January 1st Variable Payment	69,621	87,563	90,517	93,595	96,804	100,150	103,638	107,275	111,068	115,023

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and



Central Coast Water Authority
Raytheon Systems Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	6	6	33	33	33	33	33	33	33	33
Table A Water Deliveries-2nd Quarter	33	-	-	-	-	-	-	-	-	-
Table A Water Deliveries-3rd Quarter	45	-	-	-	-	-	-	-	-	-
Table A Water Deliveries-4th Quarter	4	22	22	22	22	22	22	22	22	22
Total FY Table A Deliveries (acre-feet)	88	28	55	55	55	55	55	55	55	55

Exchange Deliveries-1st Quarter										
Exchange Deliveries-2nd Quarter										
Exchange Deliveries-3rd Quarter										
Exchange Deliveries-4th Quarter										
Total FY Exchange Deliveries (acre-feet)	-	-	-	-	-	-	-	-	-	-

CCWA Variable Cost per AF Assumptions	\$ 158	\$ 163	\$ 168	\$ 173	\$ 178	\$ 183	\$ 189	\$ 194	\$ 200	\$ 206
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 6,097	\$ 1,897	\$ 1,954	\$ 2,012	\$ 2,072	\$ 2,135	\$ 4,872	\$ 4,938	\$ 5,006	\$ 5,076
CCWA Variable O&M Costs ⁽⁵⁾	14,281	4,621	9,215	9,492	9,777	10,070	10,372	10,683	11,004	11,334
CCWA Bond Payments & O&M Credits	26,625	27,011	26,891	26,869	26,837	26,802	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	5,132	1,648	3,190	3,190	3,190	3,190	3,190	3,190	3,190	3,190
Subtotal: CCWA Costs	52,134	35,176	41,250	41,563	41,876	42,197	18,434	18,811	19,199	19,599

DWR Costs ⁽⁷⁾										
Transportation Capital	25,218	24,819	24,761	24,726	24,720	24,713	24,710	24,709	24,706	24,702
Coastal Branch Extension	5,755	5,892	4,383	3,608	5,168	5,326	6,316	4,574	4,655	3,753
Water System Revenue Bond Surcharge	2,189	2,190	1,801	2,156	1,876	1,932	1,837	1,871	1,778	1,584
Transportation Minimum OMP&R	2,971	9,114	9,864	9,962	10,062	10,162	10,264	10,367	10,470	10,575
Delta Water Charge	3,992	4,107	4,320	4,545	4,780	5,028	5,288	5,560	5,847	6,148
DWR Variable Costs ^{(5) (6)}	7,200	4,474	9,096	9,550	10,028	10,529	11,056	11,609	12,189	12,798
Subtotal: DWR Costs	\$ 47,325	\$ 50,596	\$ 54,225	\$ 54,547	\$ 56,635	\$ 57,692	\$ 59,470	\$ 58,689	\$ 59,645	\$ 59,559

DWR Future Capital Projects (BDCP) ⁽⁵⁾										
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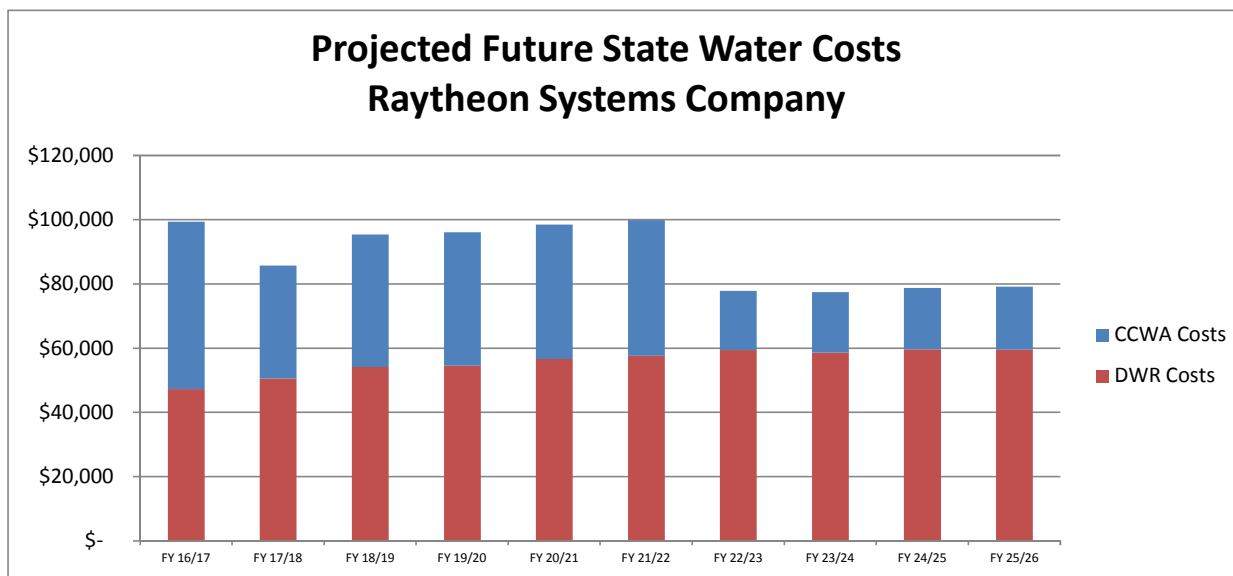
Total Projected State Water Costs	\$ 99,459	\$ 85,773	\$ 95,474	\$ 96,111	\$ 98,510	\$ 99,888	\$ 77,904	\$ 77,500	\$ 78,844	\$ 79,158
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Central Coast Water Authority
Raytheon Systems Company
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	72,846	\$	75,030	\$	73,973	\$	73,878	\$	75,516	\$	76,099	\$	53,286	\$	52,018	\$	52,462	\$	51,836
April 1st Variable Payment ⁽⁴⁾		1,940		2,269		12,741		13,175		13,626		14,097		14,588		15,100		15,634		16,191
July 1st Variable Payment		9,937		-		-		-		-		-		-		-		-		-
October 1st Variable Payment		13,534		-		-		-		-		-		-		-		-		-
January 1st Variable Payment		1,203		8,474		8,760		9,058		9,368		9,692		10,029		10,381		10,749		11,131

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and



Central Coast Water Authority
City of Santa Barbara
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	271	280	563	563	563	563	563	563	563	563
Table A Water Deliveries-2nd Quarter	585	903	708	708	708	708	708	708	708	708
Table A Water Deliveries-3rd Quarter	845	726	726	726	726	726	726	726	726	726
Table A Water Deliveries-4th Quarter	645	684	684	684	684	684	684	684	684	684
Total FY Table A Deliveries (acre-feet)	2,346	2,593	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	337	337	337	337	337	337	337	337	337	337
Exchange Deliveries-2nd Quarter	42	42	42	42	42	42	42	42	42	42
Exchange Deliveries-3rd Quarter	24	24	24	24	24	24	24	24	24	24
Exchange Deliveries-4th Quarter	224	216	216	216	216	216	216	216	216	216
Total FY Exchange Deliveries (acre-feet)	627	619	619	619	619	619	619	619	619	619

CCWA Variable Cost per AF Assumptions	\$ 158	\$ 163	\$ 168	\$ 173	\$ 178	\$ 183	\$ 189	\$ 194	\$ 200	\$ 206
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 337,991	\$ 231,948	\$ 238,907	\$ 246,074	\$ 253,456	\$ 261,060	\$ 442,647	\$ 450,713	\$ 459,022	\$ 467,580
CCWA Variable O&M Costs ⁽⁵⁾	378,534	421,832	449,176	462,651	476,531	490,827	505,551	520,718	536,339	552,430
CCWA Bond Payments & O&M Credits	1,722,567	1,727,360	1,719,657	1,718,287	1,716,203	1,713,988	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	136,042	150,402	155,486	155,486	155,486	155,486	155,486	155,486	155,486	155,486
Subtotal: CCWA Costs	\$ 2,575,134	\$ 2,531,542	\$ 2,563,226	\$ 2,582,498	\$ 2,601,676	\$ 2,621,361	\$ 1,103,684	\$ 1,126,918	\$ 1,150,848	\$ 1,175,496

DWR Costs ⁽⁷⁾										
Transportation Capital	1,488,437	1,464,915	1,461,482	1,459,376	1,459,042	1,458,660	1,458,452	1,458,373	1,458,197	1,457,957
Coastal Branch Extension	345,285	352,931	262,496	216,104	309,555	319,026	378,291	273,941	278,823	224,773
Water System Revenue Bond Surcharge	124,123	124,157	102,117	122,248	106,376	109,536	104,137	106,088	100,795	89,775
Transportation Minimum OMP&R	479,063	546,822	591,817	597,735	603,712	609,749	615,847	622,005	628,225	634,508
Delta Water Charge	239,541	246,400	259,224	272,689	286,828	301,673	317,261	333,628	350,813	368,858
DWR Variable Costs ^{(5) (6)}	264,521	505,942	545,738	573,024	601,676	631,759	663,347	696,515	731,340	767,907
Subtotal: DWR Costs	2,940,970	3,241,167	3,222,873	3,241,177	3,367,188	3,430,404	3,537,335	3,490,550	3,548,194	3,543,778
DWR Future Capital Projects (BDPC) ⁽⁵⁾										

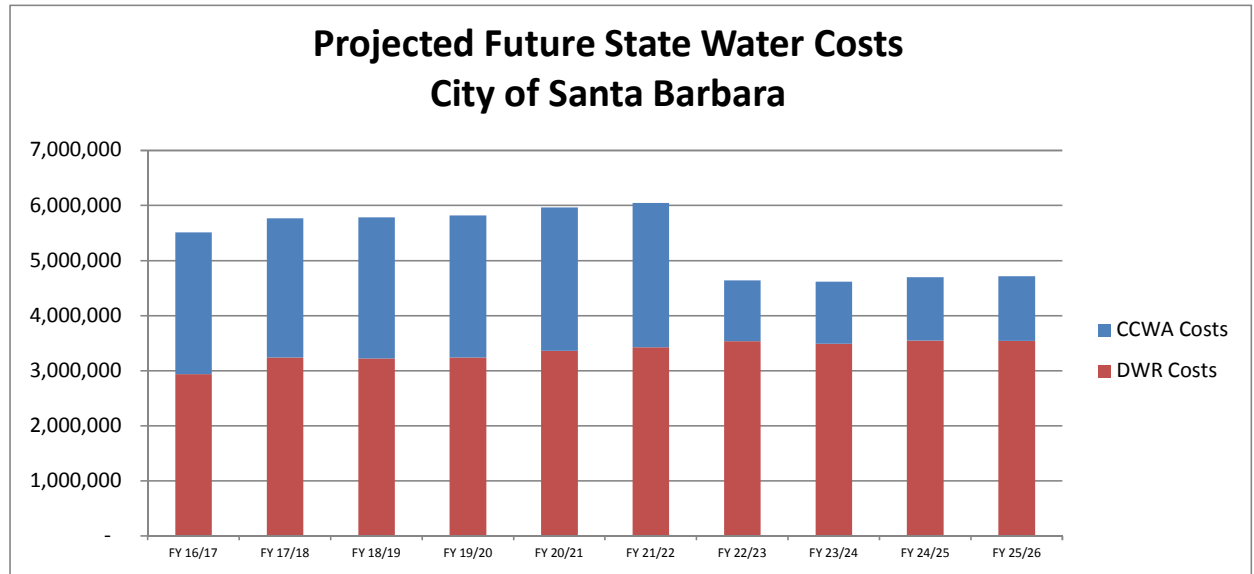
Total Projected State Water Costs	\$ 5,516,104	\$ 5,772,708	\$ 5,786,098	\$ 5,823,675	\$ 5,968,864	\$ 6,051,765	\$ 4,641,019	\$ 4,617,468	\$ 4,699,042	\$ 4,719,274
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Central Coast Water Authority
City of Santa Barbara
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 4,737,007	\$ 4,694,533	\$ 4,635,699	\$ 4,632,513	\$ 4,735,172	\$ 4,773,693	\$ 3,316,634	\$ 3,244,749	\$ 3,275,875	\$ 3,243,450
April 1st Variable Payment ⁽⁴⁾	159,335	207,254	313,745	324,862	336,462	348,565	361,196	374,378	388,136	402,497
July 1st Variable Payment	164,315	317,121	261,454	270,719	280,385	290,471	300,997	311,982	323,447	335,414
October 1st Variable Payment	227,605	251,727	261,454	270,719	280,385	290,471	300,997	311,982	323,447	335,414
January 1st Variable Payment	227,843	302,073	313,745	324,862	336,462	348,565	361,196	374,378	388,136	402,497

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and



Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	858	280	858	858	858	858	858	858	858	858
Table A Water Deliveries-2nd Quarter	583	630	583	583	583	583	583	583	583	583
Table A Water Deliveries-3rd Quarter	748	653	653	653	653	653	653	653	653	653
Table A Water Deliveries-4th Quarter	449	587	587	587	587	587	587	587	587	587
Total FY Table A Deliveries (acre-feet)	2,637	2,151	2,681	2,681	2,681	2,681	2,681	2,681	2,681	2,681

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	337	337	337	337	337	337	337	337	337	337
Exchange Deliveries-2nd Quarter	42	42	42	42	42	42	42	42	42	42
Exchange Deliveries-3rd Quarter	24	24	24	24	24	24	24	24	24	24
Exchange Deliveries-4th Quarter	224	216	216	216	216	216	216	216	216	216
Total FY Exchange Deliveries (acre-feet)	627	619	619	619	619	619	619	619	619	619

CCWA Variable Cost per AF Assumptions	\$ 158	\$ 163	\$ 168	\$ 173	\$ 178	\$ 183	\$ 189	\$ 194	\$ 200	\$ 206
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 337,991	\$ 217,502	\$ 224,027	\$ 230,748	\$ 237,670	\$ 244,800	\$ 425,899	\$ 433,464	\$ 441,255	\$ 449,280
CCWA Variable O&M Costs ⁽⁵⁾	425,602	349,908	449,176	462,651	476,531	490,827	505,551	520,718	536,339	552,430
CCWA Bond Payments & O&M Credits	2,022,276	2,030,290	2,021,235	2,019,625	2,017,176	2,014,572	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	152,958	124,758	155,486	155,486	155,486	155,486	155,486	155,486	155,486	155,486
Subtotal: CCWA Costs	2,938,826	2,722,457	2,849,924	2,868,510	2,886,863	2,905,686	1,086,937	1,109,668	1,133,081	1,157,196

DWR Costs ⁽⁷⁾										
Transportation Capital	1,488,437	1,464,915	1,461,482	1,459,376	1,459,042	1,458,660	1,458,452	1,458,373	1,458,197	1,457,957
Coastal Branch Extension	345,285	352,931	262,496	216,104	309,555	319,026	378,291	273,941	278,823	224,773
Water System Revenue Bond Surcharge	124,123	124,157	102,117	122,248	106,376	109,536	104,137	106,088	100,795	89,775
Transportation Minimum OMP&R	494,116	546,822	591,817	597,735	603,712	609,749	615,847	622,005	628,225	634,508
Delta Water Charge	239,541	246,400	259,224	272,689	286,828	301,673	317,261	333,628	350,813	368,858
DWR Variable Costs ^{(5) (6)}	218,323	436,306	545,738	573,024	601,676	631,759	663,347	696,515	731,340	767,907
Subtotal: DWR Costs	\$ 2,909,826	\$ 3,171,530	\$ 3,222,873	\$ 3,241,177	\$ 3,367,188	\$ 3,430,404	\$ 3,537,335	\$ 3,490,550	\$ 3,548,194	\$ 3,543,778

DWR Future Capital Projects (BDPC) ⁽⁵⁾										
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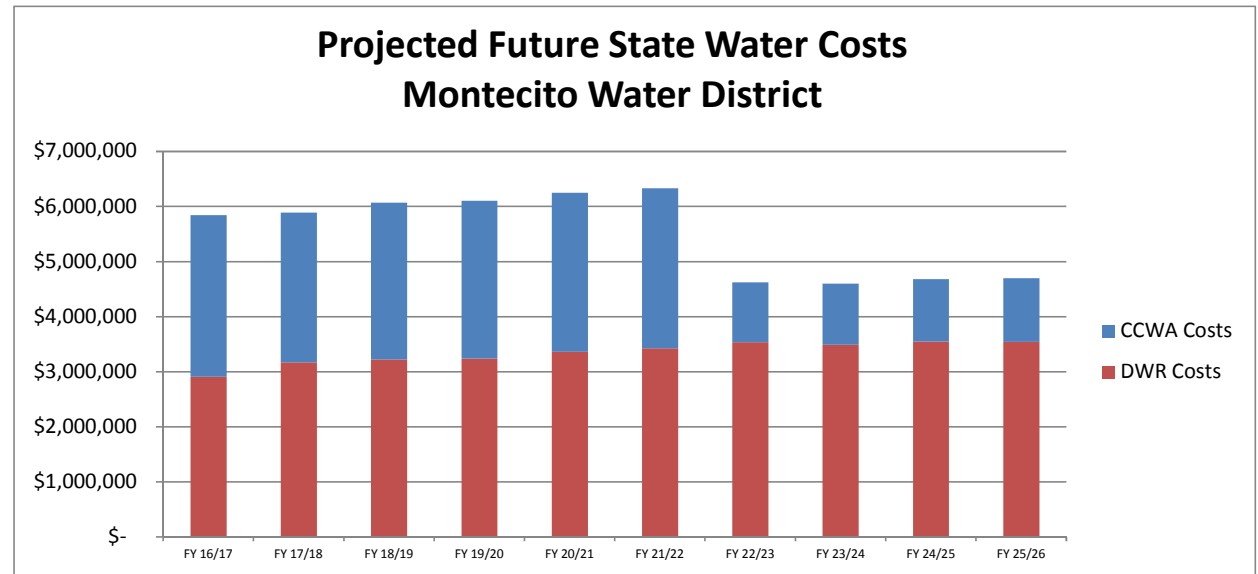
Total Projected State Water Costs	\$ 5,848,652	\$ 5,893,988	\$ 6,072,797	\$ 6,109,687	\$ 6,254,051	\$ 6,336,090	\$ 4,624,272	\$ 4,600,218	\$ 4,681,275	\$ 4,700,974
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Central Coast Water Authority
Montecito Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 5,051,769	\$ 4,983,016	\$ 4,922,397	\$ 4,918,525	\$ 5,020,358	\$ 5,058,017	\$ 3,299,887	\$ 3,227,499	\$ 3,258,108	\$ 3,225,150
April 1st Variable Payment ⁽⁴⁾	291,664	203,062	416,534	431,293	446,692	462,761	479,530	497,030	515,296	534,362
July 1st Variable Payment	152,545	221,144	217,853	225,573	233,627	242,031	250,801	259,955	269,508	279,480
October 1st Variable Payment	188,385	222,544	235,915	244,275	252,996	262,097	271,595	281,507	291,852	302,651
January 1st Variable Payment	164,289	264,222	280,097	290,022	300,377	311,183	322,459	334,227	346,510	359,331

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and



Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	173	173	212	212	212	212	212	212	212	212
Table A Water Deliveries-2nd Quarter	346	377	476	476	476	476	476	476	476	476
Table A Water Deliveries-3rd Quarter	370	291	291	291	291	291	291	291	291	291
Table A Water Deliveries-4th Quarter	113	59	59	59	59	59	59	59	59	59
Total FY Table A Deliveries (acre-feet)	1,002	900	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038

Small 1 and 2 acre-feet amounts are due to rounding differences.

Exchange Deliveries-1st Quarter	225	225	225	225	225	225	225	225	225	225
Exchange Deliveries-2nd Quarter	28	28	28	28	28	28	28	28	28	28
Exchange Deliveries-3rd Quarter	16	16	16	16	16	16	16	16	16	16
Exchange Deliveries-4th Quarter	149	144	144	144	144	144	144	144	144	144
Total FY Exchange Deliveries (acre-feet)	418	413	413	413	413	413	413	413	413	413

CCWA Variable Cost per AF Assumptions	\$ 158	\$ 163	\$ 168	\$ 173	\$ 178	\$ 183	\$ 189	\$ 194	\$ 200	\$ 206
DWR Variable Cost per AF Assumptions	\$ 150	\$ 158	\$ 165	\$ 174	\$ 182	\$ 191	\$ 201	\$ 211	\$ 222	\$ 233

CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 225,327	\$ 182,467	\$ 187,941	\$ 193,579	\$ 199,387	\$ 205,368	\$ 327,366	\$ 333,712	\$ 340,248	\$ 346,980
CCWA Variable O&M Costs ⁽⁵⁾	161,667	146,438	173,953	179,172	184,547	190,084	195,786	201,660	207,710	213,941
CCWA Bond Payments & O&M Credits	1,159,102	1,160,708	1,155,532	1,154,611	1,153,211	1,151,723	-	-	-	-
Warren Act and Trust Fund Charges ⁽⁸⁾	58,102	52,212	60,216	60,216	60,216	60,216	60,216	60,216	60,216	60,216
Subtotal: CCWA Costs	1,604,199	1,541,825	1,577,642	1,587,578	1,597,360	1,607,390	583,368	595,587	608,173	621,137

DWR Costs ⁽⁷⁾										
Transportation Capital	991,660	975,988	973,701	972,298	972,075	971,821	971,682	971,630	971,512	971,353
Coastal Branch Extension	230,190	235,258	174,976	144,052	206,345	212,658	252,163	182,605	185,859	149,830
Water System Revenue Bond Surcharge	82,220	82,242	67,642	80,978	70,464	72,557	68,981	70,273	66,767	59,468
Transportation Minimum OMP&R	297,362	364,548	394,544	398,490	402,475	406,500	410,565	414,670	418,817	423,005
Delta Water Charge	159,699	164,267	172,816	181,793	191,218	201,115	211,507	222,418	233,875	245,905
DWR Variable Costs ^{(5) (6)}	(1,435)	206,798	239,959	251,957	264,555	277,783	291,672	306,255	321,568	337,647
Subtotal: DWR Costs	\$ 1,759,694	\$ 2,029,101	\$ 2,023,639	\$ 2,029,567	\$ 2,107,132	\$ 2,142,433	\$ 2,206,569	\$ 2,167,852	\$ 2,198,399	\$ 2,187,207

DWR Future Capital Projects (BDPC) ⁽⁵⁾										
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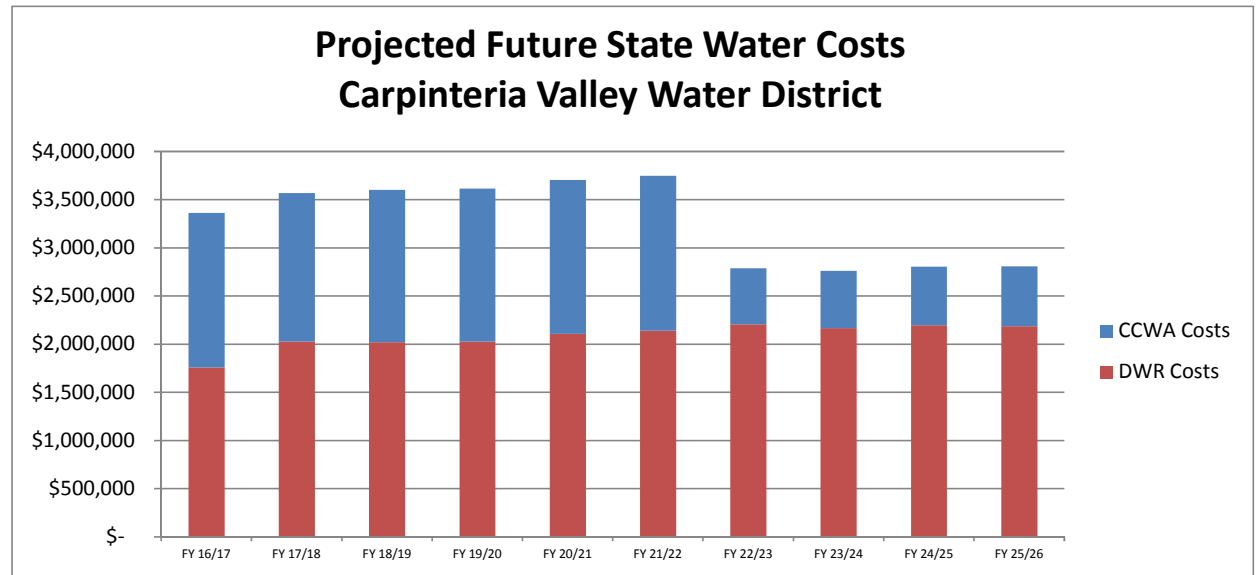
Total Projected State Water Costs	\$ 3,363,893	\$ 3,570,925	\$ 3,601,280	\$ 3,617,145	\$ 3,704,492	\$ 3,749,823	\$ 2,789,937	\$ 2,763,439	\$ 2,806,572	\$ 2,808,343
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Central Coast Water Authority
Carpinteria Valley Water District
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 3,145,559	\$ 3,165,478	\$ 3,127,152	\$ 3,125,800	\$ 3,195,174	\$ 3,221,742	\$ 2,242,263	\$ 2,195,308	\$ 2,217,079	\$ 2,196,540
April 1st Variable Payment ⁽⁴⁾	61,195	122,900	142,794	147,979	153,392	159,043	164,944	171,105	177,539	184,258
July 1st Variable Payment	57,505	125,062	164,687	170,667	176,910	183,427	190,233	197,338	204,759	212,508
October 1st Variable Payment	59,350	94,800	100,315	103,958	107,761	111,731	115,876	120,204	124,724	129,444
January 1st Variable Payment	40,284	62,685	66,332	68,741	71,255	73,881	76,621	79,483	82,472	85,593

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor. There is an increase in Fixed Costs reflected in fiscal years 2022/23 thru 2025/26 due to the payoff of CCWA Revenue Bond Debt, thereby increasing the Retreatment Fixed and Capital Charges to South Coast Participants.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e, the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor. CCWA variable costs include WTP Variable Retreatment charges and credits.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.
- (8) Warren Act Charges are \$58/AF and are based on water wheeled through Cachuma Project facilities. There are two components to these charges: Warren Act Charges at \$15/AF and



Central Coast Water Authority
Chorro Valley Turnout
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	542	556	562	569	569	569	569	569	569	569
Table A Water Deliveries-2nd Quarter	540	555	561	567	567	567	567	567	567	567
Table A Water Deliveries-3rd Quarter	554	560	567	567	567	567	567	567	567	567
Table A Water Deliveries-4th Quarter	556	562	569	569	569	569	569	569	569	569
Total FY Table A Deliveries (acre-feet)	2,194	2,234	2,258	2,270	2,270	2,270	2,270	2,270	2,270	2,270

CCWA Variable Cost per AF Assumptions	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83	\$ 85	\$ 88	\$ 90
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CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 222,491	\$ 229,165	\$ 236,040	\$ 243,122	\$ 250,415	\$ 257,928	\$ 265,665	\$ 273,635	\$ 281,845	\$ 290,300
CCWA Variable O&M Costs ⁽⁵⁾	159,561	159,445	166,008	171,915	177,073	182,385	187,856	193,492	199,297	205,276
CCWA Bond Payments & O&M Credits	1,040,381	1,038,753	1,034,121	1,033,297	1,032,044	1,030,712	-	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 1,422,433	\$ 1,427,364	\$ 1,436,169	\$ 1,448,333	\$ 1,459,532	\$ 1,471,024	\$ 453,522	\$ 467,128	\$ 481,141	\$ 495,576

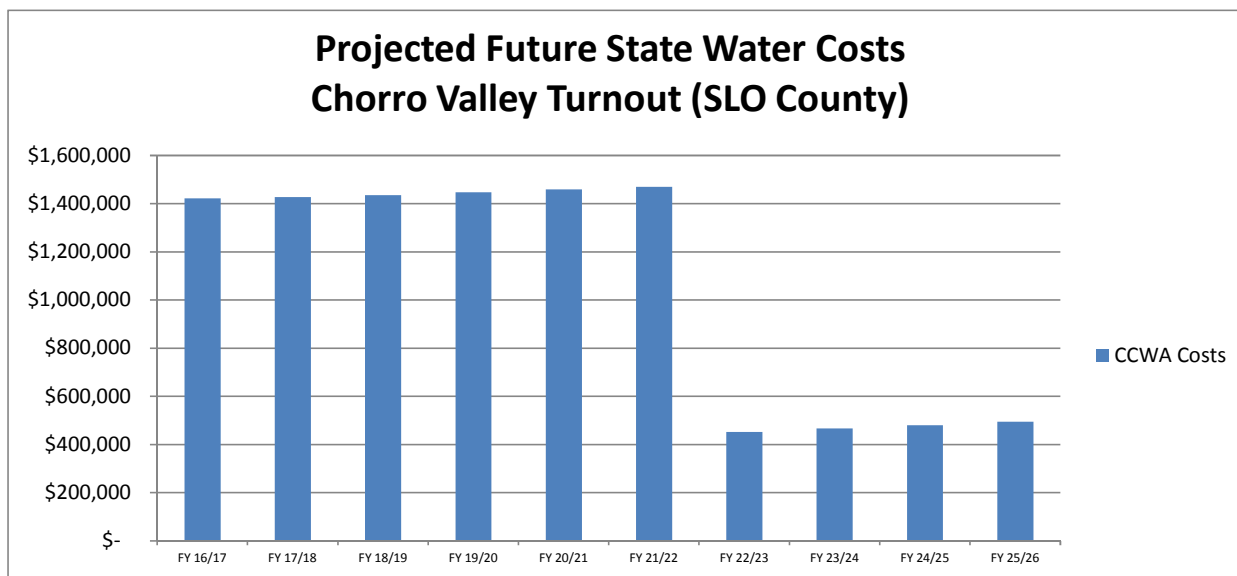
Total Projected State Water Costs	\$ 1,422,433	\$ 1,427,364	\$ 1,436,169	\$ 1,448,333	\$ 1,459,532	\$ 1,471,024	\$ 453,522	\$ 467,128	\$ 481,141	\$ 495,576
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Central Coast Water Authority
Chorro Valley Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>										
June 1st Fixed Payment ⁽³⁾	\$ 1,262,872	\$ 1,267,919	\$ 1,270,161	\$ 1,276,418	\$ 1,282,459	\$ 1,288,639	\$ 265,665	\$ 273,635	\$ 281,845	\$ 290,300
April 1st Variable Payment ⁽⁴⁾	39,444	39,718	41,350	43,054	44,345	45,676	47,046	48,457	49,911	51,408
July 1st Variable Payment	39,301	39,578	41,206	42,905	44,193	45,518	46,884	48,290	49,739	51,231
October 1st Variable Payment	40,335	40,003	41,653	42,902	44,189	45,515	46,881	48,287	49,736	51,228
January 1st Variable Payment	40,481	40,145	41,800	43,054	44,345	45,676	47,046	48,457	49,911	51,408

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.



Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	640	643	646	669	669	669	669	669	669	669
Table A Water Deliveries-2nd Quarter	287	290	293	300	300	300	300	300	300	300
Table A Water Deliveries-3rd Quarter	473	476	480	480	480	480	480	480	480	480
Table A Water Deliveries-4th Quarter	632	635	653	653	653	653	653	653	653	653
Total FY Table A Deliveries (acre-feet)	2,033	2,045	2,073	2,103	2,103	2,103	2,103	2,103	2,103	2,103

CCWA Variable Cost per AF Assumptions	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83	\$ 85	\$ 88	\$ 90
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CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 242,278	\$ 249,546	\$ 257,032	\$ 264,743	\$ 272,686	\$ 280,866	\$ 289,292	\$ 297,971	\$ 306,910	\$ 316,117
CCWA Variable O&M Costs ⁽⁵⁾	147,883	145,955	152,392	159,235	164,012	168,933	174,001	179,221	184,597	190,135
CCWA Bond Payments & O&M Credits	249,140	268,600	267,402	267,189	266,865	266,521	-	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 639,301	\$ 664,101	\$ 676,826	\$ 691,168	\$ 703,563	\$ 716,319	\$ 463,293	\$ 477,192	\$ 491,507	\$ 506,253

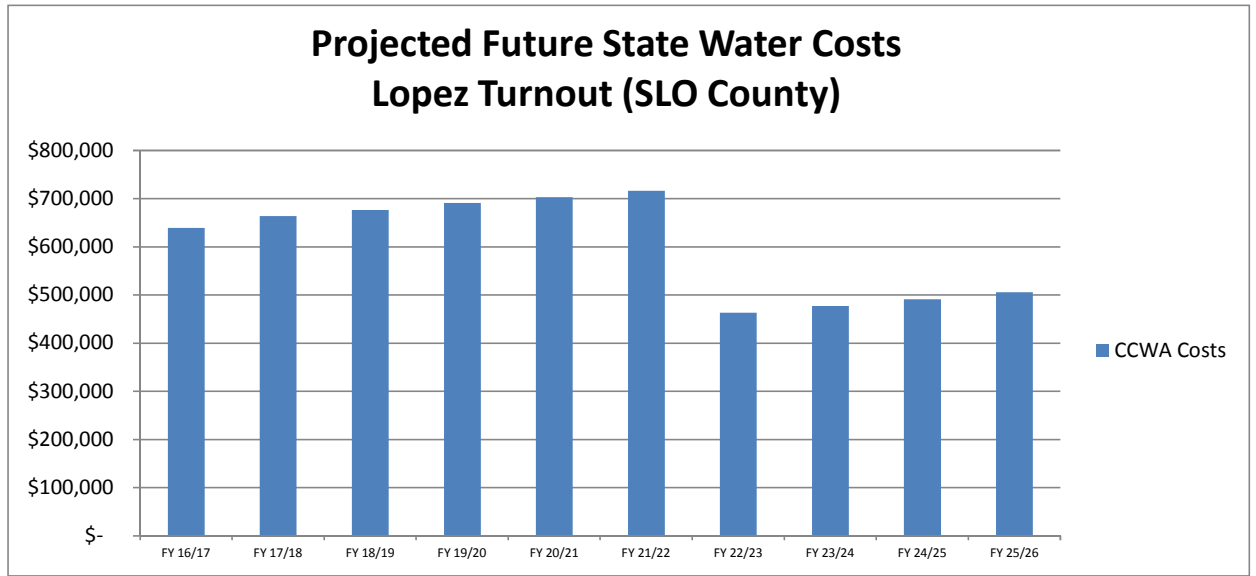
Total Projected State Water Costs	\$ 639,301	\$ 664,101	\$ 676,826	\$ 691,168	\$ 703,563	\$ 716,319	\$ 463,293	\$ 477,192	\$ 491,507	\$ 506,253
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Central Coast Water Authority
Lopez Turnout
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	491,418	\$	518,146	\$	524,434	\$	531,932	\$	539,551	\$	547,387	\$	289,292	\$	297,971	\$	306,910	\$	316,117
April 1st Variable Payment ⁽⁴⁾		46,573		45,910		47,508		50,675		52,195		53,761		55,373		57,035		58,746		60,508
July 1st Variable Payment		20,895		20,715		21,557		22,734		23,416		24,119		24,842		25,587		26,355		27,146
October 1st Variable Payment		34,425		33,991		35,304		36,364		37,454		38,578		39,735		40,928		42,155		43,420
January 1st Variable Payment		45,991		45,339		48,022		49,463		50,947		52,475		54,050		55,671		57,341		59,061

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.



Central Coast Water Authority
Shandon
State Water Cost Ten-Year Projections
Fiscal Year 2016/17 Budget

Water Deliveries-Fiscal Year Basis (AF) ⁽¹⁾	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Table A Water Deliveries-1st Quarter	19	24	25	25	25	25	25	25	25	25
Table A Water Deliveries-2nd Quarter	24	19	25	25	25	25	25	25	25	25
Table A Water Deliveries-3rd Quarter	29	25	25	25	25	25	25	25	25	25
Table A Water Deliveries-4th Quarter	29	25	25	25	25	25	25	25	25	25
Total FY Table A Deliveries (acre-feet)	100	93	100	100	100	100	100	100	100	100

CCWA Variable Cost per AF Assumptions	\$ 69	\$ 71	\$ 74	\$ 76	\$ 78	\$ 80	\$ 83	\$ 85	\$ 88	\$ 90
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CCWA Costs										
CCWA Fixed O&M Costs ⁽²⁾	\$ 9,392	\$ 9,674	\$ 9,964	\$ 10,263	\$ 10,571	\$ 10,888	\$ 11,215	\$ 11,551	\$ 11,898	\$ 12,255
CCWA Variable O&M Costs ⁽⁵⁾	7,238	6,636	7,324	7,544	7,770	8,003	8,243	8,491	8,745	9,008
CCWA Bond Payments & O&M Credits	13,015	13,039	12,981	12,971	12,955	12,938	-	-	-	-
Warren Act Charges										
Subtotal: CCWA Costs	\$ 29,645	\$ 29,350	\$ 30,270	\$ 30,778	\$ 31,296	\$ 31,830	\$ 19,458	\$ 20,042	\$ 20,643	\$ 21,263

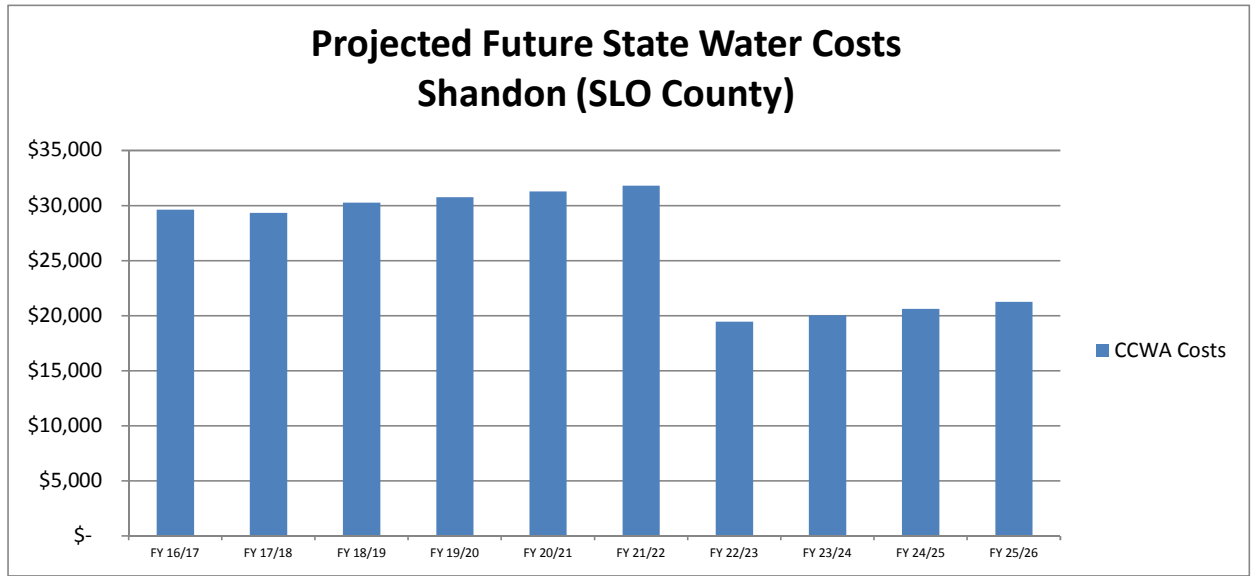
Total Projected State Water Costs	\$ 29,645	\$ 29,350	\$ 30,270	\$ 30,778	\$ 31,296	\$ 31,830	\$ 19,458	\$ 20,042	\$ 20,643	\$ 21,263
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Central Coast Water Authority
Shandon
 State Water Cost Ten-Year Projections
 Fiscal Year 2016/17 Budget

<u>Projected Payments by Due Date</u>																				
June 1st Fixed Payment ⁽³⁾	\$	22,407	\$	22,713	\$	22,945	\$	23,234	\$	23,526	\$	23,827	\$	11,215	\$	11,551	\$	11,898	\$	12,255
April 1st Variable Payment ⁽⁴⁾		1,382		1,713		1,837		1,892		1,949		2,007		2,068		2,130		2,194		2,259
July 1st Variable Payment		1,709		1,356		1,813		1,867		1,923		1,981		2,040		2,102		2,165		2,230
October 1st Variable Payment		2,073		1,784		1,837		1,892		1,949		2,007		2,068		2,130		2,194		2,259
January 1st Variable Payment		2,073		1,784		1,837		1,892		1,949		2,007		2,068		2,130		2,194		2,259

NOTES

- (1) Actual water delivery requests for the first four years and delivery estimates thereafter.
- (2) CCWA fixed costs are based on a 3% inflation factor.
- (3) June 1st fixed cost payment is paid in June BEFORE the beginning of the fiscal year shown (i.e., the FY 2016/17 fixed payment is paid on June 1, 2016).
- (4) April 1st quarterly variable payment is paid in April BEFORE the beginning of the fiscal year shown.
- (5) DWR and CCWA variable O&M costs are based on a 5% inflation factor.
- (6) Current fiscal year DWR Variable costs net of DWR account interest income credits and credits or additional charges due from prior periods.
- (7) The source for DWR costs is DWR's Revised 2016 Statement of Charges dated December 10, 2015.



Central Coast Water Authority
CCWA Fixed Costs
 Ten-Year Financial Plan Projections
 FY 2016/17 Budget

	Allocation Percentage	Base Year FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Base Fixed O&M Costs		7,567,627	7,567,627	7,794,656	8,028,496	8,269,351	8,517,431	8,772,954	9,036,143	9,307,227	9,586,444
Inflation Factor			3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Projected Fixed O&M		7,567,627	7,794,656	8,028,496	8,269,351	8,517,431	8,772,954	9,036,143	9,307,227	9,586,444	9,874,037
Capital Improvement Projects		-	-	-	-	-	-	-	-	-	-
Other Costs		-	-	-	-	-	-	-	-	-	-
TOTAL CCWA FIXED COSTS		7,567,627	7,794,656	8,028,496	8,269,351	8,517,431	8,772,954	9,036,143	9,307,227	9,586,444	9,874,037
Guadalupe	1.47%	105,223	114,525	117,961	121,500	125,145	128,899	121,047	125,030	129,132	133,358
Santa Maria	44.58%	3,070,138	3,475,097	3,579,349	3,686,730	3,797,332	3,911,252	3,683,416	3,804,274	3,928,757	4,056,975
Golden State Water	1.46%	98,886	113,609	117,017	120,527	124,143	127,868	121,050	125,001	129,071	133,263
Vandenberg AFB	15.80%	1,136,237	1,231,569	1,268,516	1,306,572	1,345,769	1,386,142	1,310,538	1,353,369	1,397,486	1,442,926
Buellton	1.98%	135,492	154,411	159,043	163,815	168,729	173,791	166,689	172,059	177,591	183,288
Santa Ynez (Solvang)	5.00%	347,389	389,576	401,263	413,301	425,700	438,471	419,665	433,214	447,169	461,543
Santa Ynez	9.38%	639,387	731,291	753,230	775,827	799,101	823,074	585,969	611,402	637,598	664,580
Goleta	4.63%	506,986	360,582	371,399	382,541	394,018	405,838	678,646	691,186	704,103	717,407
Morehart Land Co.	0.30%	24,387	23,138	23,832	24,547	25,283	26,042	37,515	38,320	39,149	40,003
La Cumbre	1.01%	121,937	78,660	81,020	83,451	85,954	88,533	144,651	147,387	150,205	153,107
Raytheon	0.02%	6,097	1,897	1,954	2,012	2,072	2,135	4,872	4,938	5,006	5,076
Santa Barbara	2.98%	337,991	231,948	238,907	246,074	253,456	261,060	442,647	450,713	459,022	467,580
Montecito	2.79%	337,991	217,502	224,027	230,748	237,670	244,800	425,899	433,464	441,255	449,280
Carpinteria	2.34%	225,327	182,467	187,941	193,579	199,387	205,368	327,366	333,712	340,248	346,980
Shandon	0.12%	9,392	9,674	9,964	10,263	10,571	10,888	11,215	11,551	11,898	12,255
Chorro Valley	2.94%	222,491	229,165	236,040	243,122	250,415	257,928	265,665	273,635	281,845	290,300
Lopez	3.20%	242,278	249,546	257,032	264,743	272,686	280,866	289,292	297,971	306,910	316,117
Total:	100.00%	7,567,627	7,794,656	8,028,496	8,269,351	8,517,431	8,772,954	9,036,143	9,307,227	9,586,444	9,874,037

(1) CCWA Fixed Costs for fiscal Years 2022/23 thru 2025/26 reflect changes due to the payoff of CCWA Revenue Bond Debt.

Central Coast Water Authority
CCWA & DWR Variable Cost Projections

Ten-Year Financial Plan Projections

FY 2016/17 Budget

	Base Year									
	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
CCWA Variable Costs/AF-North County	69	71	74	76	78	80	83	85	88	90
CCWA WTP Variable Retreatment Costs/AF	25	25	26	27	28	29	29	30	31	32
Inflation Factor		5%	5%	5%	5%	5%	5%	5%	5%	5%
Projected CCWA Variable \$/AF-North County	94	97	100	103	106	109	112	116	119	123
CCWA Variable Costs/AF-South County	206	212	219	225	232	239	246	253	261	269
CCWA WTP Variable Retreatment Costs/AF	25	25	26	27	28	29	29	30	31	32
South Coast Retreatment Credits/AF	(73)	(75)	(77)	(79)	(82)	(84)	(87)	(89)	(92)	(95)
Inflation Factor		5%	5%	5%	5%	5%	5%	5%	5%	5%
Projected CCWA Variable \$/AF-South County	158	163	168	173	178	183	189	194	200	206
Estimated DWR Variable \$/AF	150	150	158	165	174	182	191	201	211	222
Inflation Factor		5%	5%	5%	5%	5%	5%	5%	5%	5%
Projected DWR Variable \$/AF	150	158	165	174	182	191	201	211	222	233
Total Projected Variable Cost/AF										
CCWA & DWR Variable - North Coast \$/AF	244	254	265	276	288	300	313	327	341	355
CCWA & DWR Variable - South Coast \$/AF ⁽¹⁾	308	320	333	346	360	375	390	405	422	439

(1) South Coast total AF estimates do not include Warren Act charges.

Central Coast Water Authority
CCWA Bond Debt
 Ten-Year Financial Plan Projections
 FY 2016/17 Budget

	Allocation Percentage	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Principal Payment		8,825,000	9,265,000	9,640,000	10,125,000	10,630,000	11,160,000	-	-	-	-
Interest Payment		2,668,975	2,263,050	1,836,750	1,342,625	823,750	279,000	-	-	-	-
Other Costs (Credits)		(12,223)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-	-	-	-
TOTAL DEBT SERVICE PAYMENTS		11,481,752	11,503,050	11,451,750	11,442,625	11,428,750	11,414,000	-	-	-	-
Guadalupe	1.42%	163,580	163,883	163,152	163,022	162,825	162,614	-	-	-	-
Santa Maria	0.00%	-	-	-	-	-	-	-	-	-	-
Golden State Water	0.00%	-	-	-	-	-	-	-	-	-	-
Vandenberg AFB	0.00%	-	-	-	-	-	-	-	-	-	-
Buellton	2.52%	289,771	290,308	289,014	288,783	288,433	288,061	-	-	-	-
Santa Ynez (Solvang)	7.75%	889,886	891,532	887,556	886,849	885,774	884,631	-	-	-	-
Santa Ynez	2.91%	334,200	334,818	333,325	333,059	332,655	332,226	-	-	-	-
Goleta	24.43%	2,804,754	2,809,944	2,797,412	2,795,183	2,791,794	2,788,191	-	-	-	-
Morehart Land Co.	1.12%	128,797	129,035	128,460	128,358	128,202	128,036	-	-	-	-
La Cumbre	5.37%	616,613	617,767	615,012	614,522	613,777	612,985	-	-	-	-
Raytheon	0.23%	26,964	27,011	26,891	26,869	26,837	26,802	-	-	-	-
Santa Barbara	15.02%	1,724,208	1,727,360	1,719,657	1,718,287	1,716,203	1,713,988	-	-	-	-
Montecito	17.65%	2,026,601	2,030,290	2,021,235	2,019,625	2,017,176	2,014,572	-	-	-	-
Carpinteria	10.09%	1,158,438	1,160,708	1,155,532	1,154,611	1,153,211	1,151,723	-	-	-	-
Shandon	0.11%	13,015	13,039	12,981	12,971	12,955	12,938	-	-	-	-
Chorro Valley	9.03%	1,036,825	1,038,753	1,034,121	1,033,297	1,032,044	1,030,712	-	-	-	-
Lopez	2.34%	268,101	268,600	267,402	267,189	266,865	266,521	-	-	-	-
Total:	100.00%	11,481,752	11,503,050	11,451,750	11,442,625	11,428,750	11,414,000	-	-	-	-

Central Coast Water Authority
DWR Transportation Capital Charges
 Ten-Year Financial Plan Projections
 FY 2016/17 Budget

	Allocation Percentage	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Current Year Charges		22,855,114	22,891,086	22,846,325	22,818,863	22,814,499	22,809,528	22,806,813	22,805,779	22,803,484	22,800,358
Rate Management Credits (Over)/Under Payment		(2,837,351)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)	(3,020,625)
Miscellaneous Charges/(Credits)		159,402	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		19,407,865	19,101,161	19,056,400	19,028,938	19,024,574	19,019,603	19,016,888	19,015,854	19,013,559	19,010,433
Guadalupe	1.41%	273,607	269,283	268,652	268,265	268,203	268,133	268,095	268,080	268,048	268,004
Santa Maria	41.40%	8,034,146	7,907,182	7,888,653	7,877,285	7,875,478	7,873,420	7,872,296	7,871,868	7,870,918	7,869,624
Golden State Water	1.28%	248,389	244,463	243,891	243,539	243,483	243,420	243,385	243,372	243,342	243,302
Vandenberg AFB	14.06%	2,728,486	2,685,367	2,679,074	2,675,213	2,674,600	2,673,901	2,673,519	2,673,374	2,673,051	2,672,612
Buellton	1.48%	287,198	282,659	281,997	281,591	281,526	281,453	281,412	281,397	281,363	281,317
Santa Ynez (Solvang)	3.80%	737,313	725,662	723,961	722,918	722,752	722,563	722,460	722,421	722,334	722,215
Santa Ynez	1.31%	254,346	250,327	249,740	249,380	249,323	249,258	249,222	249,209	249,179	249,138
Goleta	11.62%	2,254,874	2,219,240	2,214,040	2,210,849	2,210,342	2,209,764	2,209,449	2,209,329	2,209,062	2,208,699
Morehart Land Co.	0.51%	98,976	97,412	97,184	97,044	97,022	96,996	96,983	96,977	96,966	96,950
La Cumbre	2.56%	496,778	488,927	487,781	487,078	486,967	486,839	486,770	486,743	486,685	486,605
Raytheon	0.13%	25,218	24,819	24,761	24,726	24,720	24,713	24,710	24,709	24,706	24,702
Santa Barbara	7.67%	1,488,437	1,464,915	1,461,482	1,459,376	1,459,042	1,458,660	1,458,452	1,458,373	1,458,197	1,457,957
Montecito	7.67%	1,488,437	1,464,915	1,461,482	1,459,376	1,459,042	1,458,660	1,458,452	1,458,373	1,458,197	1,457,957
Carpinteria	5.11%	991,660	975,988	973,701	972,298	972,075	971,821	971,682	971,630	971,512	971,353
Total:	100.00%	19,407,865	19,101,161	19,056,400	19,028,938	19,024,574	19,019,603	19,016,888	19,015,854	19,013,559	19,010,433

Central Coast Water Authority
DWR Coastal Branch Extension
 Ten-Year Financial Plan Projections
 FY 2016/17 Budget

	Allocation Percentage	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Principal		2,518,121	2,400,429	1,680,036	1,093,659	1,926,454	2,090,424	2,852,166	2,052,007	2,135,200	1,709,196
Interest		1,116,933	1,036,447	964,598	915,730	866,263	803,397	722,770	631,233	545,607	464,023
Bond Cover		894,052	769,170	587,862	606,447	718,676	818,673	793,714	681,209	616,951	553,054
Return of Prior Year Cover		(919,887)	(894,052)	(769,170)	(587,862)	(606,447)	(718,676)	(818,673)	(793,714)	(681,209)	(616,951)
Other Charges/(Credits)		(368,796)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		3,240,423	3,311,994	2,463,326	2,027,974	2,904,947	2,993,818	3,549,977	2,570,735	2,616,549	2,109,322
Guadalupe	0.00%	-	-	-	-	-	-	-	-	-	-
Santa Maria	21.80%	706,326	721,895	536,916	442,025	633,173	652,544	773,766	560,327	570,313	459,756
Golden State Water	0.67%	21,800	22,270	16,563	13,636	19,533	20,130	23,870	17,285	17,594	14,183
Vandenberg AFB	19.54%	633,023	647,026	481,231	396,182	567,506	584,867	693,518	502,215	511,165	412,074
Buellton	2.05%	66,525	67,981	50,562	41,626	59,626	61,451	72,866	52,766	53,707	43,296
Santa Ynez (Solvang)	5.33%	172,643	176,466	131,248	108,052	154,778	159,513	189,145	136,971	139,412	112,386
Santa Ynez	1.78%	57,548	58,836	43,760	36,026	51,605	53,184	63,064	45,668	46,482	37,471
Goleta	15.98%	517,928	529,353	393,711	324,129	464,295	478,499	567,390	410,878	418,201	337,131
Morehart Land Co.	0.71%	23,019	23,526	17,498	14,405	20,634	21,266	25,216	18,261	18,586	14,983
La Cumbre	3.55%	115,095	117,629	87,488	72,026	103,172	106,329	126,081	91,303	92,930	74,915
Raytheon	0.18%	5,755	5,892	4,383	3,608	5,168	5,326	6,316	4,574	4,655	3,753
Santa Barbara	10.66%	345,285	352,931	262,496	216,104	309,555	319,026	378,291	273,941	278,823	224,773
Montecito	10.66%	345,285	352,931	262,496	216,104	309,555	319,026	378,291	273,941	278,823	224,773
Carpinteria	7.10%	230,190	235,258	174,976	144,052	206,345	212,658	252,163	182,605	185,859	149,830
Total:	100.00%	3,240,423	3,311,994	2,463,326	2,027,974	2,904,947	2,993,818	3,549,977	2,570,735	2,616,549	2,109,322

Central Coast Water Authority
DWR Water System Revenue Bond Surcharge
 Ten-Year Financial Plan Projections
 FY 2016/17 Budget

	Allocation Percentage	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
WSRB Charge		2,960,021	2,952,326	2,656,045	2,793,209	2,642,633	2,618,381	2,535,960	2,525,623	2,450,730	2,271,340
Return of Prior Year Cover(44%)		(1,304,883)	(1,302,409)	(1,299,023)	(1,168,660)	(1,229,012)	(1,162,759)	(1,152,088)	(1,115,822)	(1,111,274)	(1,078,321)
Other Charges/(Credits)		(5,673)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		1,649,465	1,649,917	1,357,022	1,624,549	1,413,621	1,455,622	1,383,872	1,409,801	1,339,456	1,193,019
Guadalupe	1.37%	22,674	22,680	18,654	22,331	19,432	20,009	19,023	19,379	18,412	16,399
Santa Maria	40.66%	670,636	670,820	551,735	660,506	574,747	591,824	562,652	573,194	544,593	485,055
Golden State Water	1.26%	20,715	20,721	17,042	20,402	17,753	18,281	17,380	17,705	16,822	14,983
Vandenberg AFB	13.80%	227,595	227,657	187,243	224,157	195,053	200,848	190,948	194,526	184,820	164,614
Buellton	1.44%	23,817	23,824	19,594	23,457	20,412	21,018	19,982	20,356	19,341	17,226
Santa Ynez (Solvang)	3.63%	59,926	59,943	49,302	59,021	51,358	52,884	50,277	51,219	48,664	43,343
Santa Ynez	1.40%	23,061	23,068	18,973	22,713	19,764	20,351	19,348	19,710	18,727	16,680
Goleta	13.26%	218,787	218,847	179,997	215,482	187,505	193,076	183,559	186,998	177,667	158,244
Morehart Land Co.	0.50%	8,168	8,170	6,720	8,045	7,000	7,208	6,853	6,981	6,633	5,908
La Cumbre	2.51%	41,430	41,441	34,085	40,804	35,506	36,561	34,759	35,410	33,643	29,965
Raytheon	0.13%	2,189	2,190	1,801	2,156	1,876	1,932	1,837	1,871	1,778	1,584
Santa Barbara	7.53%	124,123	124,157	102,117	122,248	106,376	109,536	104,137	106,088	100,795	89,775
Montecito	7.53%	124,123	124,157	102,117	122,248	106,376	109,536	104,137	106,088	100,795	89,775
Carpinteria	4.98%	82,220	82,242	67,642	80,978	70,464	72,557	68,981	70,273	66,767	59,468
Total:	100.00%	1,649,465	1,649,917	1,357,022	1,624,549	1,413,621	1,455,622	1,383,872	1,409,801	1,339,456	1,193,019

Central Coast Water Authority
DWR Transportation Minimum OMP&R
 Ten-Year Financial Plan Projections
 FY 2016/17 Budget

	Allocation Percentage	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Current Year Charges		7,614,718	7,243,465	7,839,490	7,917,885	7,997,064	8,077,035	8,157,805	8,239,383	8,321,776	8,404,994
(Over)/Under Payment		(1,971,589)	-	-	-	-	-	-	-	-	-
Miscellaneous Charges/(Credits)		(916,808)	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS		4,726,321	7,243,465	7,839,490	7,917,885	7,997,064	8,077,035	8,157,805	8,239,383	8,321,776	8,404,994
Guadalupe	1.38%	46,965	100,251	108,500	109,585	110,681	111,787	112,905	114,034	115,175	116,326
Santa Maria	40.77%	1,537,137	2,952,837	3,195,810	3,227,768	3,260,046	3,292,646	3,325,573	3,358,829	3,392,417	3,426,341
Golden State Water	1.26%	25,169	91,137	98,636	99,622	100,619	101,625	102,641	103,668	104,704	105,751
Vandenberg AFB	13.84%	781,018	1,002,507	1,084,997	1,095,847	1,106,806	1,117,874	1,129,053	1,140,343	1,151,746	1,163,264
Buellton	1.45%	47,846	105,354	114,023	115,164	116,315	117,478	118,653	119,840	121,038	122,248
Santa Ynez (Solvang)	3.65%	120,064	264,391	286,147	289,008	291,898	294,817	297,765	300,743	303,750	306,788
Santa Ynez	1.38%	90,273	100,156	108,398	109,482	110,577	111,682	112,799	113,927	115,066	116,217
Goleta	12.99%	725,821	940,798	1,018,211	1,028,393	1,038,677	1,049,064	1,059,554	1,070,150	1,080,851	1,091,660
Morehart Land Co.	0.50%	10,553	36,455	39,454	39,849	40,247	40,650	41,056	41,467	41,882	42,301
La Cumbre	2.52%	67,965	182,274	197,272	199,245	201,237	203,250	205,282	207,335	209,408	211,503
Raytheon	0.13%	2,971	9,114	9,864	9,962	10,062	10,162	10,264	10,367	10,470	10,575
Santa Barbara	7.55%	479,063	546,822	591,817	597,735	603,712	609,749	615,847	622,005	628,225	634,508
Montecito	7.55%	494,116	546,822	591,817	597,735	603,712	609,749	615,847	622,005	628,225	634,508
Carpinteria	5.03%	297,362	364,548	394,544	398,490	402,475	406,500	410,565	414,670	418,817	423,005
Total:	100.00%	4,726,321	7,243,465	7,839,490	7,917,885	7,997,064	8,077,035	8,157,805	8,239,383	8,321,776	8,404,994

Central Coast Water Authority
DWR Delta Water Charge
 Ten-Year Financial Plan Projections
 FY 2016/17 Budget

		Table A & Drought Buffer %	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Delta Water Charge \$/AF-Base Inflation %			\$ 74	\$ 74	\$ 78	\$ 82	\$ 86	\$ 90	\$ 94	\$ 99	\$ 104	\$ 109
				5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Projected DWC-Base Charges			\$ 74	\$ 78	\$ 82	\$ 86	\$ 90	\$ 94	\$ 99	\$ 104	\$ 109	\$ 115
Rate Management Credits/AF Miscellaneous Charges/(Credits)			(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
TOTAL PAYMENTS			\$ 71	\$ 75	\$ 79	\$ 83	\$ 87	\$ 91	\$ 96	\$ 101	\$ 106	\$ 112
Guadalupe	605	1.33%	43,916	45,173	47,524	49,993	52,585	55,307	58,164	61,165	64,316	67,624
Santa Maria	17,820	39.18%	1,293,541	1,330,559	1,399,809	1,472,521	1,548,869	1,629,034	1,713,207	1,801,589	1,894,390	1,991,831
Golden State Water	550	1.21%	39,925	41,067	43,204	45,448	47,805	50,279	52,877	55,605	58,469	61,476
Vandenberg AFB	6,050	13.30%	439,164	451,733	475,244	499,930	525,850	553,067	581,644	611,651	643,157	676,239
Buellton	636	1.40%	46,168	47,488	49,960	52,555	55,279	58,141	61,145	64,299	67,611	71,089
Santa Ynez (Solvang)	1,500	3.30%	109,343	112,000	117,829	123,950	130,376	137,124	144,209	151,649	159,460	167,663
Santa Ynez	700	1.54%	49,897	52,267	54,987	57,843	60,842	63,991	67,298	70,769	74,415	78,243
Goleta	7,450	16.38%	540,763	556,266	585,217	615,616	647,535	681,049	716,240	753,190	791,987	832,724
Morehart Land Co.	220	0.48%	15,967	16,427	17,282	18,179	19,122	20,112	21,151	22,242	23,388	24,591
La Cumbre	1,100	2.42%	79,849	82,133	86,408	90,896	95,609	100,558	105,754	111,209	116,938	122,953
Raytheon	55	0.12%	3,992	4,107	4,320	4,545	4,780	5,028	5,288	5,560	5,847	6,148
Santa Barbara	3,300	7.25%	239,541	246,400	259,224	272,689	286,828	301,673	317,261	333,628	350,813	368,858
Montecito	3,300	7.25%	239,541	246,400	259,224	272,689	286,828	301,673	317,261	333,628	350,813	368,858
Carpinteria	2,200	4.84%	159,699	164,267	172,816	181,793	191,218	201,115	211,507	222,418	233,875	245,905
Total:	45,486	100.00%	\$ 3,301,306	\$ 3,396,286	\$ 3,573,047	\$ 3,758,647	\$ 3,953,526	\$ 4,158,150	\$ 4,373,004	\$ 4,598,602	\$ 4,835,479	\$ 5,084,200



Appendix

The Appendix to the FY 2016/17 Budget contains miscellaneous statistical information on the CCWA, and glossaries of acronyms and terms.

Central Coast Water Authority
Santa Barbara County Area Description
Fiscal Year 2016/17 Budget

Santa Barbara County is located on the Pacific coast of the southern portion of the U.S. state of California, just west of Ventura County. The estimated total population of the County as of January 2012 was 427,267 according to the Santa Barbara County website. 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.

Santa Barbara County, often branded as the American Riviera, is home to a beautiful landscape and great climate for living, playing and working. The County is well known for its strong sense of community, prime agricultural land, award winning wineries, and attractive cultural and tourism opportunities. However, Santa Barbara County also touts its talented and highly skilled workforce, and growing business sectors, from high tech to health care to design. Quality institutions like UC Santa Barbara and Vandenberg Airforce Base continue to attract high quality individuals to the County. It is these attributes that attract and retain businesses in the area.

Central Coast Water Authority
 Miscellaneous Statistical Information
 Fiscal Year 2016/17 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	30.25
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2016/17 Santa Barbara County requested deliveries	34,111 acre-feet
San Luis Obispo State water Table A	4,830 acre-feet
FY 2016/17 San Luis Obispo requested deliveries	4,116 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	1F
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	440,668
San Luis Obispo County	<u>41,000</u>
TOTAL	481,000

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2016/17 Budget

ACWA - Association of California Water Agencies

ADM - Administration

AF - Acre-Foot or Acre-Feet

AVEK - Antelope Valley/East Kern Water Agency

AWWA - American Water Works Association

BDCP - Bay Delta Conservation Plan

CAFR - Comprehensive Annual Finance Report

CalPERS - California Public Employees' Retirement System

CCR - Consumer Confidence Report

CCRB - Cachuma Conservation Release Board

CCWA - Central Coast Water Authority

CDF - California Department of Forestry

CDFW - California Department of Fish & Wildlife (Formerly CA Department of Fish & Game)

CEQA - California Environmental Quality Act

CIP - Capital Improvement Program

CMMS - Computerized Maintenance Management System

COMB - Cachuma Operations and Maintenance Board

CPI - Consumer Price Index

CY - Calendar Year

DBP - Disinfection By-Products

DCS - Distributive Control System

DHCCP - Delta Habitat Conservation Conveyance Plan

DI - Deionized or deionization

DIST - Distribution

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2016/17 Budget

- DO** - Dissolved oxygen
- DOT** - Department of Transportation
- DPH** - Department of Public Health
- DWR** - Department of Water Resources
- EAP** - Emergency Action Plan or Employee Assistance Program
- EAAP** - Employee Achievement Awards Program
- EBP** - Employee Benefits Program
- EDV** - Energy Dissipation Valve Vault
- EIR** - Environmental Impact Report
- ELAP** - Environmental Laboratory Accreditation Program (ELAP)
- E&O** - Errors and Omissions
- FOC** - Fiber Optic Cable
- FY** - Fiscal Year
- GAAP** - Generally Accepted Accounting Principles
- GASB** - Governmental Accounting Standards Board
- GFOA** - Government Finance Officers Association
- GIS** - Geographic Information System
- HDPE** - High-density Polyethylene
- HVAC** - Heating, Ventilation, and Air Conditioning
- IC&R** - Instrumentation Calibration & Repair
- IRC** - Internal Revenue Code
- IRWD** - Irvine Ranch Water District
- ISO** - International Standards Organization

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2016/17 Budget

ISP - Internet Service Provider

JPA - Joint Powers Authority

JPIA - Joint Powers Insurance Agency

LAFCO - (Santa Barbara) Local Agency Formation Commission

LAIF - Local Agency Investment Fund (California State Treasurer's Office)

LIMS - Laboratory Information Management System

LT2 - Long Term 2 Enhanced Surface Water Treatment Rule

MIB - 2-Methyl Isoborneol

MWD - Metropolitan Water District of Southern California

MWQI - Municipal Water Quality Investigations

NACE - Nomenclature general des Activites (industrial classification)

NPDES - National Pollutant Discharge Elimination System

O&M - Operations & Maintenance

OMP&R - Operations, Maintenance, Power and Replacement

OPEB - Other Post Employment Benefits

OSHA - Occupational Safety and Health Administration

PAC - Powdered Activated Carbon

PG&E - Pacific Gas & Electric

PEPRA - California Public Employees' Pension Reform Act

PERS - California Public Employees' Retirement System

PLC - Process Logic Controllers

PPWTP - Polonio Pass Water Treatment Plant

RAS - Replacement Accounting System

RFB - Request for Bid

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2016/17 Budget

RFP - Request for Proposal

RFQ - Request for Qualifications

ROW - Right-of-Way

RPP - Remote Process Logic Controller Panel

RWQCB - Regional Water Quality Control Board

SAN - Storage Area Network

SBCFC&WCD - Santa Barbara County Flood Control and Water Conservation District

SCADA - Supervisory Control and Data Acquisition

SCBA - Self Contained Breathing Apparatus

SFCWA - State and Federal Contractors Water Agency

SLOCFCWCD - San Luis Obispo County Flood Control and Water Conservation District

SOC - Statement of Charges (Department of Water Resources)

SQL - Structured Query Language

SWC - State Water Contractors

SWP - State Water Project

SWPAO - State Water Project Analysis Office

SWPC - State Water Project Contractor

SWPCA - State Water Project Contractors Authority

SWPP - Supplemental Water Purchase Program

SWRCB - State Water Resources Control Board

SY ID#1 or **SYRWCD ID#1** - Santa Ynez River Water Conservation District, Improvement District #1

SYPF - Santa Ynez Pumping Facility

SYPP - Santa Ynez Pumping Plant

Central Coast Water Authority
Glossary of Acronyms
Fiscal Year 2016/17 Budget

TDS - Total Dissolved Solids

THM - Total Trihalomethane

TOC - Total Organic Carbon

UPS - Uninterruptable Power Supply

USBR - United States Bureau of Reclamation

UWMP - Urban Water Management Plan

VAFB - Vandenberg Air Force Base

VFD - Variable Frequency Drive

WRF - Water Research Foundation

WSA - Water Supply Agreement

WSRA - Water Supply Retention Agreement

WSRB - Water System Revenue Bond Surcharge

WTP - Water Treatment Plant

Central Coast Water Authority
Glossary of Terms
Fiscal Year 2016/17 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 2016/17 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,

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deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

G

General Fund - The Authority's cash balance net of reserve balances.

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J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

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O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

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

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

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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.

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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. 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. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the

federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The

change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings. CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting

from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, 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. CCWA has built both the organization and infrastructure that will support this vision well into the future.

July 1998

Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies
(and year of initial water delivery)**

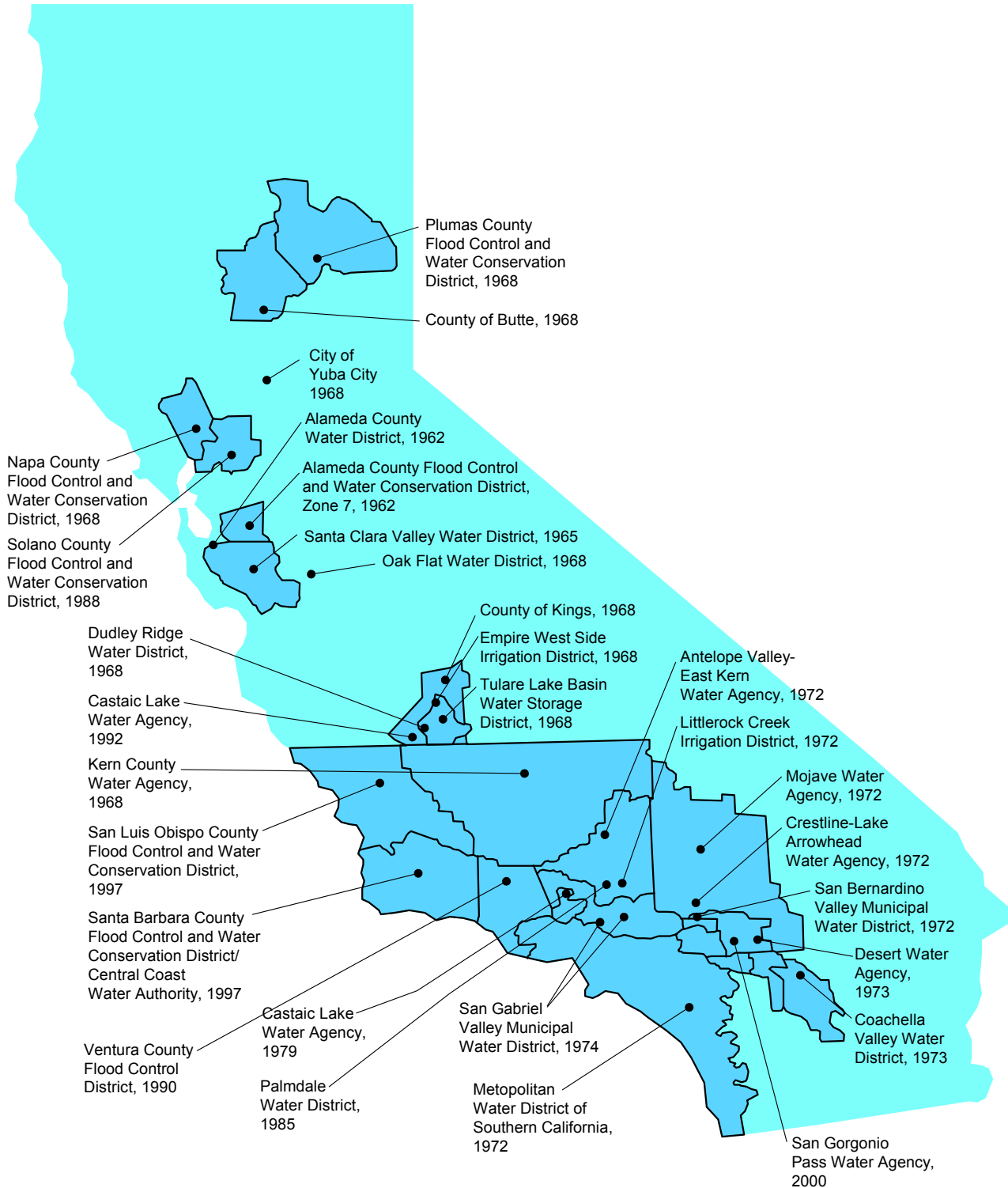


Table 1

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.