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October 24, 2002

Members of the Board
Central Coast Water Authority

Robert W. Puddicombe
Chairman

Sam Arca
Vice Chairman

William Brennan
Executive Director

Hatch & Parent
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

The Comprehensive Annual Financial Report (CAFR) of the Central Coast Water Authority for the fiscal year (FY) ended June 30, 2002 is submitted as prepared by the Authority's Finance Department. The report is published to provide to our customers, the Authority Board, and the investment community detailed information about the financial condition and operating results of the Authority as measured by the financial activity of the Authority.

Responsibility for both the accuracy of the financial report and the completeness and fairness of the presentation rests with the Authority. To the best of our knowledge, the information presented is accurate in all material aspects and includes all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities.

GENERAL BACKGROUND INFORMATION

The Central Coast Water Authority is a public entity duly organized and existing under a Joint Exercise of Powers Agreement – Central Coast Water Authority, dated as of August 1, 1991, by and among nine public agencies in Santa Barbara County, two of which have subsequently merged. The members entered into the Agreement to exercise their common power to acquire, construct, operate and maintain works and facilities for the development and use of water resources and water rights including without limitation, works and facilities to divert, store, pump, treat and deliver water for beneficial uses. In particular, the members expressed their desire to create the Authority to finance, develop, operate and maintain the Authority facilities for their mutual benefit and to act on behalf of the members with respect to the Department of Water Resources (DWR) facilities. The Authority currently has a staff of 24 full time employees and one part-time employee.

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

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

The following table shows the voting percentage for each member of the CCWA Board of Directors.

City of Guadalupe	1.15%
City of Santa Maria	43.19%
City of Buellton	2.21%
Santa Ynez R.W.C.D., 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 currently three Central Coast Water Authority committees, which consist of the Finance, Operating and Personnel Committees.

The Operating Committee is composed of the general managers, city administrators or water supply managers from each of the various water districts and cities served by the Authority. The Operating Committee typically meets quarterly to act on matters such as construction, operations and financial issues and recommends actions to the Authority Board of Directors.

Santa Barbara County Project Participants

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

San Luis Obispo County Water Purchasers

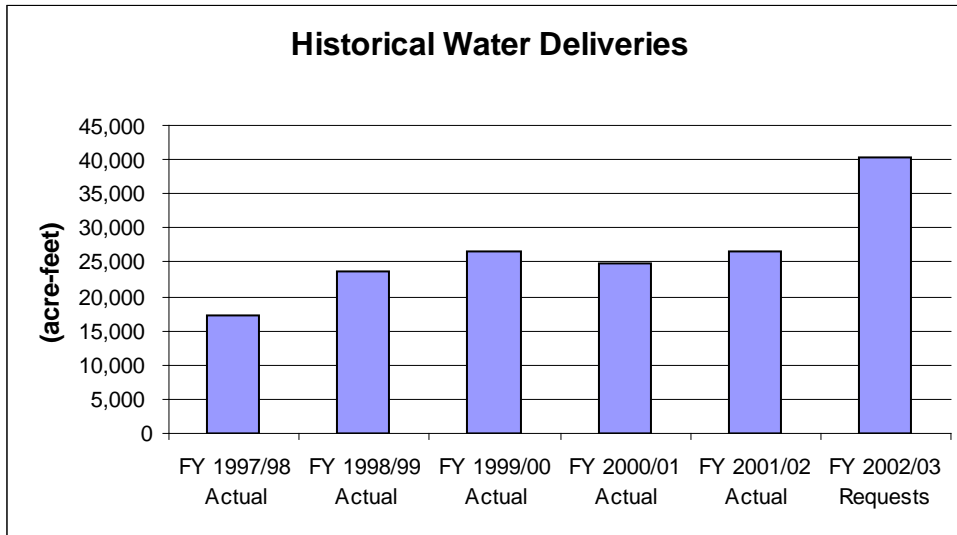
Each San Luis Obispo County water purchaser is a water purveyor or user located in San Luis Obispo County which obtained contractual rights from SLOCFCWCD to receive water from the State Water Project.

SIGNIFICANT ACCOMPLISHMENTS

State Water Deliveries

Total water deliveries for FY 2001/02 were 26,713 acre-feet. This compares to the projected deliveries of 40,123 acre-feet, or a difference of 13,410 acre-feet. This difference is due to decreased demand by certain project participants when compared to the requested water deliveries at the beginning of the year and a reduction in the DWR State water entitlement allocation percentage for calendar year 2002.

The following table shows the historical and projected State water deliveries since CCWA began water deliveries in August 1997.



Zurich Insurance Company Storm Damage Insurance Settlement

During FY 2001/02, CCWA received payment of approximately \$2.2 million from Zurich Insurance Company related to an insurance claim for the 1994-1995 storm damage during construction of the CCWA pipeline. The insurance settlement represents the culmination of efforts over a number of years and the proceeds will be used for future capital projects on the CCWA owned facilities.

CCWA Ten-Year Anniversary Celebration

On September 27, 2001, CCWA held an anniversary celebration to mark the ten-year anniversary of CCWA. Many individuals involved with bringing State Water to Santa Barbara and San Luis Obispo Counties were present to re-live memories of CCWA’s ten-year history. Additionally, a computer compact disk was presented to all individuals present at the ceremony which included project construction photographs, video clips, maps, schedules and costs.

Pipeline Repairs

In March 2001 a 150-foot section of the CCWA pipeline was exposed on the south side of the Santa Ynez River due to excessive rainfall and spill releases from Lake Cachuma. Severe erosion occurred on the banks on both sides of the river. Initial repairs were made to the exposed section of pipeline to mitigate against additional damage. Final repairs were completed in November 2001.

The Santa Barbara County Administrator signed a Proclamation for a Local Emergency for Santa Barbara County due to the severe storms in early March 2001. As a result, the County was granted a “Director’s Concurrence” from the Governor’s Office of Emergency Services. This Director’s Concurrence made CCWA eligible for 75% reimbursement for eligible repair costs under the Natural Disaster Assistance Act (NDAA). In 2002, CCWA received notice that \$298,959 of the project costs will be reimbursed under this program.

Water Treatment Plant Granular Activated Carbon Filter Media

During FY 2001/02, CCWA determined the granular activated carbon (GAC) filter media at the water treatment plant had been fully expended and needed to be replaced. Quotes were obtained for the replacement of the GAC and a contract executed with a qualified contractor. Work began on the GAC replacement project during FY 2001/02 and was completed during the first half of FY 2002/03.

Comprehensive Reach 5B/6 Inspection and Repairs

During the months of October and November 2001, CCWA conducted a comprehensive inspection of the Reach 5B/6 pipeline. The original Reach 5B/6 contractor assisted CCWA in the inspection. Repairs were made to damaged portions of the pipeline with the assistance of the contractor based on the results of the inspection. The total cost of the project was \$260,523, which was included in the FY 2001/02 budget, and is shown in the professional services portion of the operating expenses in this report.

Calendar Year 2002 Rate Management Credits

One of the components of the Monterey Amendments to the State Water Contract provides credits against the DWR charges each year called "rate management credits." Due to the unprecedented electrical crisis in the State of California during 2001, DWR stated it would be unable to provide the rate management credits in the 2002 Statement of Charges due to the severe cash shortage attributed to the high power costs.

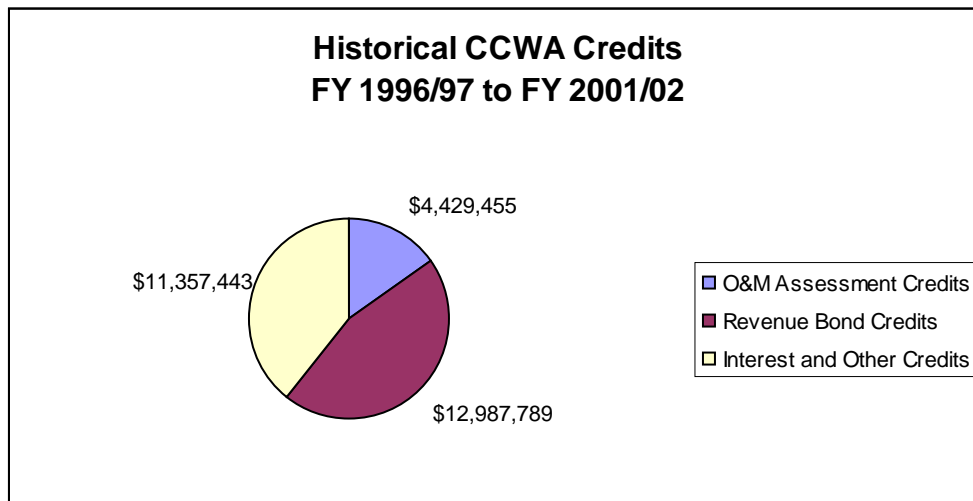
Through the State Water Contractors, staff was able to successfully negotiate with DWR to include the rate management credits in the 2002 Statement of Charges, of which CCWA's share is approximately \$3.8 million. These credits were excluded from the FY 2001/02 budget because a final determination was not made until after the CCWA Board adopted the FY 2001/02 budget. These credits have been applied against the FY 2002/03 DWR charges.

CCWA Staffing Changes

CCWA saw many staffing changes during FY 2001/02, including the resignation of Dan Masnada as Executive Director. All positions within CCWA have now been filled and we are confident the current CCWA team is fully qualified to carry on the mission of CCWA to "provide San Luis Obispo and Santa Barbara Counties with reliable, high quality, supplemental water."

CCWA Credits

For the sixth consecutive year, actual CCWA operating expenses were less than budgeted. For Fiscal Years 1996/97 to 2001/02, CCWA has provided approximately \$28.8 million in credits to its project participants. These credits include \$4.4 million for unexpended operating expenses, \$11.4 million for interest income and \$13.0 million for debt service and other credits. The following graph shows the credits by source that have been given to the CCWA project participants.



Budget Awards

Over the past year, CCWA received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award and the California Society of Municipal Finance Officers (CSMFO) "Award for Excellence in Operational Budgeting" for the FY 2001/02 Budget.

FINANCIAL INFORMATION

Accounting System

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

All proprietary fund-types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

In developing and maintaining the Authority's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding:

- (a) the safeguarding of assets against losses from unauthorized use or disposition, and
- (b) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control procedure should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe that the Authority's controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

FINANCIAL HIGHLIGHTS

For FY 2001/02, the Authority incurred a net loss of \$628,552. This loss is attributed to depreciation and amortization expense partially offset by investment income on the Authority's general fund balances.

- For FY 2001/02, the Authority realized total revenues of \$15.57 million compared to \$15.00 million for FY 2000/01, an increase of \$0.57 million.

The following table compares the revenue sources for FY 2001/02 and 2000/01:

<u>Description</u>	<u>FY 2001/02</u>	<u>FY 2000/01</u>	<u>Change</u>	<u>% Change</u>
Operating assessments from project participants ⁽¹⁾	\$ 2,608,414	\$ 1,601,303	\$ 1,007,111	62.89%
Debt service operating assessments	10,377,750	10,263,441	114,309	1.11%
Interest income	2,107,406	3,054,399	(946,993)	-31.00%
Other revenues	480,344	88,587	391,757	442.23%
Total Revenues	\$ 15,573,915	\$ 15,007,730	\$ 566,185	3.77%

(1) Net of operations and maintenance and interest credits payable to CCWA project participants.

Operating Assessments from project participants: Operating assessments paid by project participants totaled \$2.6 million for FY 2001/02 compared to \$1.6 million for FY 2000/01, an increase of \$1.00 million. The increase is attributed to the reduction in current year interest income and other credits payable to the CCWA project participants.

It is the Authority's policy to return O&M assessment surpluses and interest income earned on the Authority's general cash balances to the project participants in the form of credits against future assessments. For FY 2001/02, this credit totaled \$1.08 million compared to the FY 2000/01 credit of \$0.74 million.

Debt service operating assessments: Assessment income for debt service payments on the 1996 Revenue Bonds for FY 2001/02 was \$10.38 million compared to \$10.26 million for FY 2000/01, an increase of \$0.11 million.

Interest income: Interest income totaled \$2.10 million for FY 2001/02, a decrease of about \$0.95 million from the prior year due to lower interest rates earned on investment balances during the year.

Other revenues: Other revenues totaled \$0.48 million for FY 2001/02 representing the portion of the Zurich Insurance Company storm damage insurance proceeds allocated to repayment of legal and consulting fees associated with procuring the settlement.

OPERATING EXPENSES

Operating expenses for FY 2001/02 totaled \$8.04 million (includes depreciation and amortization) compared to \$7.48 million for FY 2000/01, an increase of \$0.56 million.

The following table compares the operating expenses for FY 2001/02 and 2000/01:

<u>Description</u>	<u>FY 2001/02</u>	<u>FY 2000/01</u>	<u>Change</u>	<u>% Change</u>
Personnel expenses	\$ 1,906,032	\$ 1,930,414	\$ (24,382)	-1.26%
Office expenses	21,315	24,197	(2,882)	-11.91%
General and administrative	175,181	98,775	76,406	77.35%
Professional services	714,794	475,221	239,573	50.41%
Supplies and equipment	522,278	434,747	87,531	20.13%
Monitoring expenses	59,998	54,504	5,494	10.08%
Repairs and maintenance	186,056	210,269	(24,213)	-11.52%
Utilities	429,528	223,234	206,294	92.41%
Depreciation and amortization	3,769,662	3,824,564	(54,902)	-1.44%
Other expenses	258,914	209,243	49,671	23.74%
Total Operating Expenses	8,043,758	7,485,168	558,590	7.46%
Interest expense	8,158,708	8,297,610	(138,902)	-1.67%
Total Expenses	\$ 16,202,467	\$ 15,782,778	\$ 419,689	2.66%

Personnel Expenses: Personnel expenses decreased \$24,382 from the previous year due to position vacancies for a portion of the year and capitalized personnel expenses associated with various construction projects undertaken by the Authority during the year.

Professional Services: Professional services increased \$239,573 from the previous year due to the Reach 5B/6 pipeline inspection and repair project, which were treated as an operating expense because the work was performed on portions of the pipeline owned by the Department of Water Resources.

Supplies and Equipment: Supplies and equipment expenses increased by \$87,531 for an increase in chemical costs during the year.

Utilities: Utilities expenses increased by \$206,294 for an increase in electrical costs during 2001.

NON-OPERATING EXPENSES

Interest Expense

Total interest expense for FY 2001/02 was \$8.16 million compared to the FY 2000/01 amount of \$8.30 million, a decrease of \$0.14 million.

OTHER INFORMATION

The Authority requires that its financial statements be audited by a Certified Public Accountant selected by the Authority's Board of Directors. This requirement has been satisfied, and the auditors' report is included in the financial section of this report.

Cash Management

Cash was invested in demand deposits, mutual funds, commercial paper, federal agencies, the State of California's Local Agency Investment Fund (LAIF) and the AIM money market accounts during FY 2001/02. At June 30, 2002, the Authority's investment portfolio had a weighted average maturity of 0 days (excluding the guaranteed investment contract) and a weighted average yield of 2.38%.

Risk Management

The Authority participates in the liability, property and fidelity bond insurance program organized by the Association of California Water Agencies, Joint Powers Insurance Authority (ACWA - JPIA). ACWA - JPIA is a joint powers insurance authority created to provide a self-insurance program to water agencies in the State of California. Workers' compensation insurance prior to June 30, 2002 was purchased through traditional commercial insurance providers and after June 30, 2002, was provided through the ACWA - JPIA workers' compensation insurance program.

The Authority also self-insures the dental and vision insurance provided for the benefit of its employees and their families. The self-funded dental/vision plan provides annual limits of \$2,500 per family. As of June 30, 2002, the Authority had incurred \$20,878 of expenses compared to the total allowance of \$63,433 for calendar year 2002.

Debt Administration

At June 30, 2002, the Authority had \$159,000,000 of outstanding 1996 Series A revenue bonds.

The Authority's 1996 revenue bond indenture and the Water Supply Agreements require that certain CCWA project participants and contractors maintain a ratio of net revenues to contract payments of at least 1.25. Additionally, the Authority has complied with the Securities and Exchange Commission Rule 15c12 which requires all local governments that bring municipal debt to market after July 3, 1995 to provide specified financial and operating information on an annual basis which mirrors the information provided in the 1996 revenue bond official statement.

As of June 30, 2002, the Authority had no arbitrage rebate liability on the 1996 revenue bonds.

The Comprehensive Annual Financial Report is presented in three sections: (1) **Introductory**, (2) **Financial** and (3) **Statistical**. The Introductory section includes this transmittal letter, the Authority's organization chart and a list of principal officials. The Financial section includes the accountant's report and the financial statements and corresponding notes to the financial statements. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Central Coast Water Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program

standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

We are pleased to present this report to the Board for formal adoption.

Respectfully submitted,



William Brennan
Executive Director



Ray A. Stokes
Deputy Director



Introductory Section

June 30, 2002

CENTRAL COAST WATER AUTHORITY BOARD OF DIRECTORS

Robert Puddicombe, Chairman	Montecito Water District
Leo Trujillo, Vice Chairman	City of Santa Maria
Sam Arca	City of Guadalupe
Harry De Witt	Goleta Water District
Harlan Burchardi	Santa Ynez River Water Conservation District, Improvement District No. 1
Neil Jones	City of Buellton
Frederick Lemere	Carpinteria Valley Water District
Iya Falcone	City of Santa Barbara

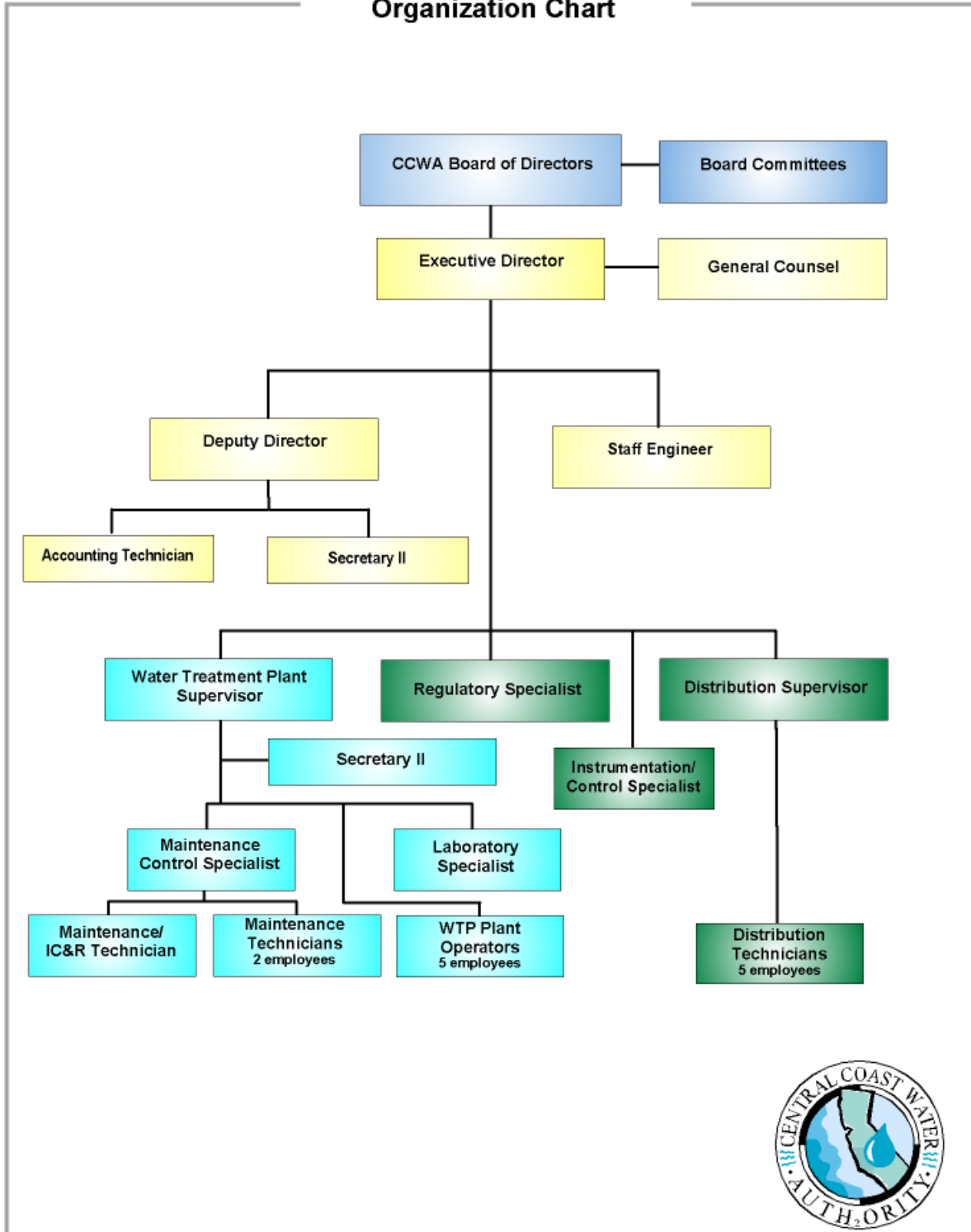
AUTHORITY STAFF

William Brennan	Executive Director
Ray Stokes	Deputy Director
Shannon Sweeney	Staff Engineer



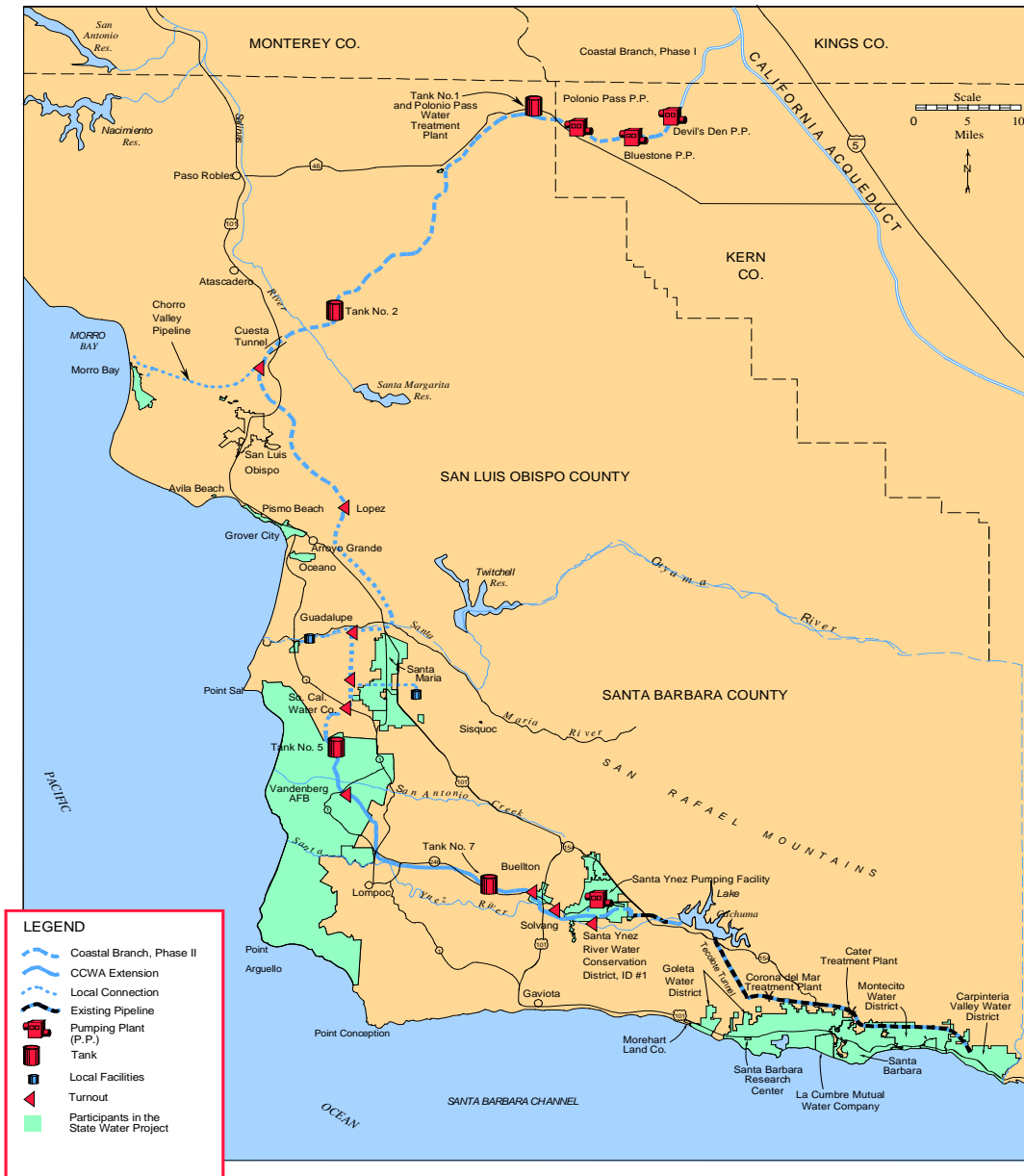
Introductory Section

Central Coast Water Authority
Organization Chart





Project Map



PROJECT MAP OF COASTAL BRANCH PHASE II

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central Coast Water Authority, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Pate
President

Jeffrey L. Essler
Executive Director

NASIF, HICKS, HARRIS & CO.

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM J. NASIF
STEVEN J. HICKS
JEFFERY P. HARRIS
BARBARA ROGERS SCOLLIN
MARIANNE F. BLOOM
JODY R. DOLAN

1111 GARDEN STREET, SUITE 200
SANTA BARBARA, CALIFORNIA 93101
TELEPHONE (805) 966-1521
FAX (805) 963-1780

Independent Auditors' Report

To the Member Agencies of the
Central Coast Water Authority

We have audited the accompanying balance sheets of the Central Coast Water Authority as of June 30, 2002 and 2001, and the related statements of revenues, expenses and changes in retained earnings and cash flows for the years then ended, as listed in the foregoing table of contents on pages 1 through 15. These financial statements are the responsibility of the management of the Central Coast Water Authority. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 2002 and 2001 financial statements referred to above present fairly, in all material respects, the financial position of the Central Coast Water Authority as of June 30, 2002 and 2001, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Nasif, Hicks, Harris & Co.

August 22, 2002



Balance Sheets

ASSETS	Year Ended	
	June 30, 2002	June 30, 2001
<u>Current Assets</u>		
Cash and investments	\$ 31,002,879	\$ 30,226,764
Accounts receivable	4,754	8,060
Accrued interest receivable	409,769	686,680
Other assets	117,324	89,110
Total Current Assets	31,534,726	31,010,614
<u>Restricted Assets</u>		
Cash and investments with fiscal agents	13,911,261	13,118,972
Cash and investments held for deposit	30,520,691	32,720,739
Total Restricted Assets	44,431,952	45,839,711
<u>Property, Plant and Equipment</u>		
Property, plant and equipment (Net of accumulated depreciation of \$11,919,387 for 2002 and \$9,478,982 for 2001)	126,430,413	129,945,173
Total Property, Plant and Equipment	126,430,413	129,945,173
<u>Other Assets</u>		
Unamortized bond issuance costs, net	15,574,422	16,863,501
Long-term accounts receivable	15,614,691	16,027,832
Total Other Assets	31,189,113	32,891,333
Total Assets	\$ 233,586,204	\$ 239,686,831

Continued

The notes to the financial statements are an integral part of these statements.



Balance Sheets

LIABILITIES AND FUND EQUITY	Year Ended	
	June 30, 2002	June 30, 2001
<u>Current Liabilities</u>		
Accounts payable	\$ 215,076	\$ 208,232
Deposits	30,520,691	32,720,739
Accrued interest payable	2,030,736	2,066,501
Other liabilities	564,426	588,621
Current portion of bonds payable	3,535,000	3,270,000
Rate coverage reserve fund	7,268,201	7,205,365
Prepaid project participant assessments	19,883,215	19,894,962
Total Current Liabilities	64,017,344	65,954,420
<u>Long-Term Liabilities</u>		
Bonds payable	155,465,000	159,000,000
Total Long-Term Liabilities	155,465,000	159,000,000
<u>Commitments and Uncertainties</u>		
<u>Fund Equity</u>		
Contributed capital, net	22,890,770	22,890,770
Retained deficit	(8,786,911)	(8,158,359)
Total Fund Equity	14,103,859	14,732,411
Total Liabilities and Fund Equity	\$ 233,586,204	\$ 239,686,831

The notes to the financial statements are an integral part of these statements.



Statements of Revenues, Expenses and Changes in Retained Earnings

	Year Ended	
	June 30, 2002	June 30, 2001
<u>Operating Revenues</u>		
Operating reimbursements		
from project participants	\$ 12,986,164	\$ 11,864,767
Other revenues	480,344	80,718
Total Operating Revenues	13,466,508	11,945,485
<u>Operating Expenses</u>		
Personnel expenses	1,906,032	1,930,414
Office expenses	21,315	24,197
General and administrative	175,181	98,775
Professional services	714,794	475,221
Supplies and equipment	522,278	434,747
Monitoring expenses	59,998	54,504
Repairs and maintenance	186,056	210,269
Utilities	429,528	223,234
Depreciation and amortization	3,769,662	3,824,564
Other expenses	258,914	209,243
Total Operating Expenses	8,043,758	7,485,168
Operating Income	5,422,749	4,460,317
<u>Non-Operating Revenues</u>		
Interest income	2,107,406	3,054,399
Gain on disposal of property, plant and equipment	-	7,869
Total Non-Operating Revenues	2,107,406	3,062,268
<u>Non-Operating Expenses</u>		
Interest expense	8,158,708	8,297,610
Total Non-Operating Expenses	8,158,708	8,297,610
Net Loss	(628,552)	(775,025)
<u>Retained Deficit</u>		
Retained deficit, at beginning of year	(8,158,359)	(7,383,334)
Retained deficit, at end of year	\$ (8,786,911)	\$ (8,158,359)

The notes to the financial statements are an integral part of these statements.



Statements of Cash Flows

	Year Ended	
	<u>June 30, 2002</u>	<u>June 30, 2001</u>
Cash Flows From Operating Activities		
Operating Income	\$ 5,422,749	\$ 4,460,317
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	3,769,662	3,824,564
Decrease in accounts receivable	416,446	405,494
(Increase) decrease in other assets	(28,214)	9,352
Increase (decrease) in accounts payable	6,844	(46,071)
Decrease in other liabilities	(24,195)	(70,254)
Increase (decrease) in prepaid project participant assessments	(11,747)	1,540,699
Net cash provided by operating activities	<u>9,551,545</u>	<u>10,124,101</u>
Cash Flows from Non-Capital Financing Activities		
Increase (decrease) in cash received for deposits	(2,200,048)	1,984,182
Increase in cash received for rate coverage fund deposits	62,836	153,650
Net cash provided (used) by non-capital financing activities	<u>(2,137,212)</u>	<u>2,137,832</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(734,218)	(611,624)
Interest paid on long-term debt	(8,194,474)	(8,329,215)
Principal payments on long-term debt	(3,270,000)	(3,010,000)
Proceeds received from insurance settlement for property, plant and equipment damage	1,768,397	-
Proceeds received from sale of fixed assets	-	21,800
Net cash used by capital and related financing activities	<u>(10,430,295)</u>	<u>(11,929,039)</u>
Cash Flows from Investing Activities		
Interest and dividends on investments	2,384,317	3,183,328
Net cash provided by investing activities	<u>2,384,317</u>	<u>3,183,328</u>
Net increase (decrease) in cash and cash equivalents	(631,645)	3,516,223
Cash and cash equivalents, beginning of year	<u>76,066,475</u>	<u>72,550,253</u>
Cash and investments	31,002,879	30,226,764
Cash and investments with fiscal agent	13,911,261	13,118,972
Cash and investments held for deposits	30,520,691	32,720,739
Cash and cash equivalents, end of year	<u>\$ 75,434,831</u>	<u>\$ 76,066,475</u>

Continued

The notes to the financial statements are an integral part of these statements.



Statements of Cash Flows

Supplemental Disclosures of Cash Flow Information

	Year Ended	
	<u>June 30, 2002</u>	<u>June 30, 2001</u>
<u>Schedule of Non-Cash Capital and Related Financing Activities</u>		
The Authority completed the construction of certain assets and transferred them from construction in progress to property, plant and equipment.	<u>\$ 80,287</u>	<u>\$ 11,033</u>
The Authority disposed of certain property, plant and equipment which were determined to no longer be usable.	<u>\$ 42,501</u>	<u>\$ 109,148</u>

The notes to the financial statements are an integral part of these statements.



Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Central Coast Water Authority ("Authority") conform to generally accepted accounting principles. The following summary of the Authority's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The primary purpose of the Central Coast Water Authority is to provide for the development, financing, construction, operation and maintenance of certain local (non-state owned) facilities required to deliver water from the State Water Project (the "SWP") to certain water purveyors and users in Santa Barbara County.

The Central Coast Water Authority was created by its members in August 1991. The Authority is presently composed of eight members, all of which are public agencies, as follows: the cities of Buellton, Guadalupe, Santa Barbara, and Santa Maria, Carpinteria Valley Water District, Goleta Water District, Montecito Water District and the Santa Ynez River Water Conservation District, Improvement District No. I (SYRWCD, ID#1, in which the City of Solvang is located). (A founding member of the Authority, the Summerland Water District, merged into the Montecito Water District.) In addition, the Authority has one associate member, the La Cumbre Mutual Water Company (together with the members, the "Purveyor Participants"). Each of the Purveyor Participants has entered into a Water Supply Agreement with the Authority, as have non-members: Vandenberg Air Force Base ("Vandenberg AFB"), Raytheon Systems Company (formerly Santa Barbara Research Center), Morehart Land Company and Southern California Water Company (the "Consumer Participants").

The Authority Participants are located in three different geographic areas of Santa Barbara County: North County (Guadalupe, Santa Maria, Southern California Water Company and Vandenberg AFB); the Santa Ynez Valley (Buellton and SYRWCD, ID#1); and the South Coast (Carpinteria, Goleta, La Cumbre Mutual Water Company, Montecito, Morehart Land Company, Santa Barbara and Raytheon Systems Company, formerly Santa Barbara Research Center). Historically, the North County has been an agricultural area but has seen significant urban development in the last twenty years and expects additional urban development in the future; the Santa Ynez Valley is a rural

agricultural area and tourist destination; and the South Coast is a generally developed urban area which does not expect significant growth in the future.

In October 1992, the Central Coast Water Authority entered into an agreement with San Luis Obispo (SLO) County to treat water delivered through the SWP. The entities covered by the agreement include: Avila Beach County Water District, Avila Valley Mutual Water Company, California Men's Colony, City of Morro Bay, City of Pismo Beach, County of San Luis Obispo Community Services Area #16, Irrigation District # 1, Cuesta College, Oceano Community Services District, San Luis Obispo County Operations Center, San Luis Coastal Unified School District and San Miguelito Mutual Water Company.

Facilities Constructed by the Authority

The facilities constructed by the Authority include a water treatment plant located at Polonio Pass in northern San Luis Obispo County and two pipeline extensions: (1) the Mission Hills Extension, a buried pipeline approximately eleven miles long running from the terminus of the Coastal Branch (Phase II) southerly to the vicinity of the Lompoc Valley, and (2) the Santa Ynez Extension, a buried pipeline approximately thirty-two miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley, to a terminus at Cachuma Lake and includes one pumping plant near Santa Ynez and one storage tank. Water transported to Lake Cachuma is transported through the existing Tecolote Tunnel, which traverses the Santa Ynez Mountains, to the South Coast of Santa Barbara County.

The water treatment plant receives raw water from the SWP and delivers treated water to purveyors and users located in San Luis Obispo and Santa Barbara Counties.

Contractual Relationships

The State of California Department of Water Resources ("DWR") entered into contracts (the "State Water Supply Contracts") with San Luis Obispo and Santa Barbara Counties in 1963 pursuant to which the counties received Table A amounts to water from the SWP. San Luis Obispo County's Table A amount was for 25,000 acre-feet per year and Santa Barbara County's Table A amount was for 57,700 acre-feet per year. In 1981, Santa Barbara County amended its contract to reduce its Table A amount to 45,486 acre-feet per year.

In 1983, Santa Barbara County entered into a series of Water Supply Retention Agreements ("WSRAs") with local water



Notes to Financial Statements

purveyors and users within Santa Barbara County. These WSRAs initially granted the purveyors and users an option to obtain an assignment of Santa Barbara County's State Water Supply Contract rights and, as of July 1, 1989, actually granted the full assignment of those rights. Thereafter, certain of the local water purveyors and users holding the WSRAs rights transferred those rights to the Authority, a newly formed joint powers authority, in consideration for Water Supply Agreements dated August 1, 1991, which provide for the delivery of SWP water by the Authority and the payment of required costs by the transferors. The Authority's obligation to make such payments to the DWR from the payments it receives pursuant to the Water Supply Agreements is senior to its obligation to make payments with respect to the Bonds. These transfers have been consented to by DWR and were validated by an agreement between Santa Barbara County and the Authority on November 12, 1991 (the "Transfer of Financial Responsibility Agreement").

The Water Supply Agreements

Each Project Participant has entered into a Water Supply Agreement to provide for the development, financing, construction, operation and maintenance of the Project. The purpose of the Water Supply Agreements is to assist in carrying out the purposes of the Authority with respect to the Project by: (1) requiring the Authority to sell, and the Project Participants to buy, a specified amount of water from the project, and (2) assigning the Project Participants' Table A amount rights in the Project to the Authority.

In accordance with the provisions of each Water Supply Agreement, the Authority fixes charges for each Project Participant to produce revenues from the Project equal to the amounts anticipated to be needed by the Authority to meet the costs of the Authority to deliver to each Project Participant its pro rata share of water from the Project as set forth in each Water Supply Agreement. Each Project Participant is required to pay to the Authority an amount equal to its share of the total Fixed Project Costs and certain other costs in the proportion established in accordance with the applicable Water Supply Agreement, including the Santa Barbara Project Participant's share of payments to DWR under the State Water Supply Contract, as amended (including capital, operation, maintenance, power and replacement costs of the DWR Facilities), debt service on the Bonds and all Authority operating and administrative costs. Such obligation is to be honored by each Project Participant whether or not water is furnished to it from the Project at all times or not at all and whether or not the Project is completed, operable, operated or retired. Such payments are not subject to any reduction and

are not conditioned upon performance by the Authority or any other Project Participant under any agreement.

The Water Supply Agreements set forth detailed provisions concerning the time and method of payment by each Contractor of certain costs, including Fixed Project Costs and other operation and maintenance costs, as well as the method of allocation of such costs and expenses and the remedies available to the Authority in the event a project participant defaults in its payments to the Authority.

B. Basis of Accounting

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

All proprietary fund-types utilize the accrual basis of accounting. Under this method, revenues are recognized when earned, regardless of when received, and expenses are recognized at the time the related liabilities are incurred, regardless of when paid.

This report has been prepared in conformance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Additionally, the Authority applies all Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) opinions, and Accounting Research Bulletins (ARB's) issued on or before November 30, 1989.

C. Investments

The Authority has developed an investment policy that exceeds the minimum requirements established by the State of California. The Authority believes that it has adhered to established policies for all investment activities. As of June 30, 2002, the investment portfolio has a weighted average maturity (excluding the guaranteed investment contract) of 0 days and a weighted average yield of 2.3844%.



Notes to Financial Statements

The Authority reports investments with a maturity at the time of purchase of less than one year at amortized cost. Investments with a maturity greater than one year at the time of purchase are reported at fair value. As of June 30, 2002 all investments are reported at amortized cost.

D. Property, Plant and Equipment

Property, plant and equipment purchased or constructed by the Authority is stated at cost. Depreciation has been computed over the estimated useful life of each asset using the straight-line method. Interest costs have been capitalized based on the average outstanding capital expenditures. In addition, certain technical and engineering related studies associated with the Project have also been capitalized and included in the basis of the assets. The ranges of depreciation rates are:

Furniture fixtures and equipment	5-10 years
Equipment	10-50 years
Buildings and structures	30-50 years
Underground pipeline	75 years

E. Inventories

Certain chemical purchases for use at the water treatment plant have been recorded to an inventory account to be expensed in proportion to the amount of water treated at the water treatment plant on a monthly basis.

F. Unamortized Bond Issuance Costs

Unamortized bond issuance costs are deferred and amortized over the term of the bonds in proportion to the interest expense recognized each period (see Note 4).

G. Deposits

Deposits include cash receipts from project participants for amounts payable to the Department of Water Resources (DWR) and Warren Act Charges payable to the U.S. Bureau of Reclamation and the Cachuma Operations and Maintenance Board (COMB).

H. Operating Reimbursements from Project Participants

Operating reimbursements from project participants include amounts paid for Authority operating expenses and debt service payments. Debt service operating assessment receipts for both principal and interest are recorded as operating revenues.

I. Unexpended Operating Assessments

It is the policy of the Authority to return unexpended operating assessments and interest income to the project participants after the close of each fiscal year. Unexpended operating assessments and investment income earned on the Authority's unrestricted cash balances are recorded as unearned revenue and returned to the project participants as a credit against the following years operating assessment.

J. Long-Term Accounts Receivable

Certain project participants requested that the Authority finance local facilities and other costs associated with the State water project owned and operated by the individual project participants. These costs are recorded as a long-term receivable on the Authority's balance sheet and repaid by the project participants in the form of revenue bond debt service payments to the Authority.

K. Rate Coverage Reserve Fund

In December 1997, the Authority adopted the rate coverage reserve fund policy to provide a mechanism to allow the Authority's project participants to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement to impose rates and charges sufficient to collect 125% of their contract payments as defined in the Water Supply Agreement.

Under the rate coverage reserve fund policy, a project participant may deposit with the Authority up to twenty five percent (25%) of its State water contract payments in a given year. Amounts on deposit in the rate coverage reserve fund are used to satisfy a portion of the rate coverage obligation found in the Water Supply Agreement.

<u>Project Participant</u>	<u>June 30, 2002</u>
Avila Beach CSD (SLO County)	\$27,703
City of Buellton	239,150
Carpinteria Valley Water District	755,372
City of Guadalupe	155,315
La Cumbre Mutual Water Company	346,320
Montecito Water District	963,170
Oceano CSD (SLO County)	176,714
City of Santa Maria	3,666,401
Shandon (SLO County)	14,572
Santa Ynez Water Conservation District, ID #1 (City of Solvang portion)	536,633
Santa Ynez WCD, ID #1	386,851
Total	<u>\$7,268,201</u>



Notes to Financial Statements

L. Self-Funded Dental/Vision Insurance Plan

The Authority maintains a self insured plan for dental and vision coverage offered to employees. Under the provisions of the plan, each full-time employee is provided \$2,500 per calendar year to pay dental and vision expenses for the employee and their qualified dependents. As of June 30, 2002, the calendar year 2002 maximum liability under the plan was \$63,433 and year-to-date claims paid were \$20,878.

The following table shows a summary of the claims liability and claims paid for the plan years ended December 31, 2000 and 2001.

	<u>2001</u>	<u>2000</u>
Maximum claims liability	\$64,375	\$61,562
Actual claims paid	(39,120)	(37,312)

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results will differ from those estimates.

Note 2: Cash and Investments

A. Demand Deposits

The Authority's demand deposits with a central California regional bank totaled \$136,131 and \$205,913 at June 30, 2002 and 2001, respectively. Such deposits are insured up to a maximum of \$100,000 by the Federal Deposit Insurance Corporation.

The California Government Code requires California banks and savings and loan associations to secure the Authority's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the Authority's deposits. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the Authority's total deposits.

Deposits are classified as to credit risk by three categories as follows:

Category 1: Insured or collateralized with securities held by the entity or by its agent in the Authority's name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3: Uncollateralized.

As of June 30, 2002, the reported amount of the Authority's demand deposits was \$136,131 and the bank balance was \$880,315. Of the bank balance, \$100,000 is considered category one deposits (insured or collateralized with securities held by the Authority or by its agent in the Authority's name) and the remaining balance is considered category three deposits (uncollateralized).

B. Cash and Investments

The Authority is authorized by its investment policy, in accordance with Section 53601 of the California Government Code, to invest in the following instruments: securities issued or guaranteed by the Federal Government or its agencies, commercial paper, money market funds, and the State Treasurer's Local Agency Investment Funds (LAIF).

The fair value of pooled investments is determined annually and is based on current market prices received from the securities custodian. The fair value of participants' position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal. LAIF is required to invest in accordance with State statutes. At June 30, 2002, the carrying value of the Authority's position in LAIF is \$40,447,946 and the fair value is \$40,560,396.

The investments that are represented by specific identifiable investment securities are classified as to credit risk into three categories as follows:

Category 1: Insured or registered, or securities held by the Authority or its agent in the Authority's name.

Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name.

Category 3: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Authority's name.



Notes to Financial Statements

Based upon the categories listed above, the Authority's securities are considered category three investments. These are uninsured and unregistered investments for which the securities are held by the counterparty trust department or agent, but not specifically in the Authority's name. LAIF funds, money market fund deposits and the guaranteed investment contract are not categorized.

C. Collateralized Investment Agreement

On December 23, 1998, the Authority entered into a collateralized investment agreement in the amount of \$12,758,750 for the revenue bond debt service reserve fund. The collateralized investment agreement pays interest semi-annually at a rate of 5.47% and matures on October 1, 2022. The underlying collateral for the investment agreement is held in trust by a third party collateral agent.

D. Cash and Investments with Fiscal Agent

The Authority has monies held by trustees or fiscal agents pledged to the payment or security of the bonds payable. The California Government Code provides that these monies, in absence of specific statutory provisions governing the issuance of bonds or certificates, may be invested in accordance with the indentures specifying the types of investment the trustees or fiscal agents may make.

E. Cash Equivalents

The Authority considers all pooled cash and investments to be cash equivalents.

F. Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under the terms of this plan, employees may defer amounts of income up to one hundred percent of salary or \$11,000 per year, whichever is less.

G. Pooling

The Authority follows the practice of pooling cash and investments for all funds under its direct daily control. Funds held by outside fiscal agents under provisions of the bond indenture are maintained separately. Interest income from cash and investments with fiscal agents is credited directly to the related accounts.

The carrying and market values of cash and investments consisted of the following at June 30:

	2002		2001
	Carrying Amount	Fair Value	Carrying Amount
Cash and Investments			
Cash in bank	\$135,431	\$135,431	\$205,213
Petty cash	700	700	700
Local Agency Investment Fund	39,997,691	40,108,890	29,664,695
Commercial Paper	-	-	7,823,137
U.S. Government Securities	-	-	25,143,493
Money Market Funds	21,389,748	21,389,748	110,265
	<u>61,523,570</u>	<u>61,634,769</u>	<u>62,947,503</u>
Less: cash and investments held for deposits	<u>(30,520,691)</u>	<u>(30,520,691)</u>	<u>(32,720,739)</u>
Total Cash and Investments	<u>31,002,879</u>	<u>31,114,078</u>	<u>30,226,764</u>
Cash and Investments with Fiscal Agents			
Money market funds	702,256	702,256	248,421
Local Agency Investment Fund	450,255	451,506	111,801
Guaranteed Investment Contract	12,758,750	12,758,750	12,758,750
Total Cash and Investments with Fiscal Agents	<u>13,911,261</u>	<u>13,912,512</u>	<u>13,118,972</u>
Total	<u>\$75,434,831</u>	<u>\$75,547,281</u>	<u>\$76,066,475</u>

Note 3: Property, Plant and Equipment

Property, plant and equipment consisted of the following at June 30:

	2002	2001
Land	\$ 3,148,500	\$3,148,500
Furniture fixtures and equipment	515,688	448,395
Equipment	27,180,151	27,092,226
Buildings and structures	48,329,636	48,975,212
Underground pipeline	58,211,713	59,315,696
Construction in progress	964,112	444,126
Total property, plant and equipment	138,349,800	139,424,155
Accumulated depreciation	(11,919,387)	(9,478,982)
Net property, plant and equipment	<u>\$126,430,413</u>	<u>\$129,945,173</u>



Notes to Financial Statements

Note 4: Long-Term Debt

On November 5, 1996, the Authority issued \$198,015,000 in revenue bonds with an average interest rate of 5.55% to advance refund \$177,120,000 of outstanding 1992 Revenue Bonds with an average interest rate of 6.64%. The net proceeds of \$189 million (after deducting \$6.5 million in original issue discount, \$1.9 million in underwriting fees and other issuance costs) were used to purchase State and Local Government Securities (SLGS). Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992 Revenue Bonds. As of June 30, 2002, \$160,570,000 of the 1992 Revenue Bonds are considered to be defeased.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$14.01 million. This difference, reported in the accompanying financial statements as unamortized bond issuance costs, is being charged to operations through the year 2022 in proportion to the bond interest expense incurred for each fiscal year. The Authority completed the advance refunding to reduce its total debt service payments over the next 25 years by \$10.3 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$5.97 million.

The 1992 Revenue Bonds were issued by the Authority for the benefit of its participants to finance a portion of the costs of developing a pipeline and water treatment plant, to reimburse certain project participants for costs incurred in connection with the State Water Project, and to finance certain other facilities. Each of the participants in the financing held elections authorizing issuance of revenue bonds for the construction of the State Water Project. In order to reduce issuance costs and insure the proceeds are available on a timely basis, the Authority issued the bonds for all the participants requiring financing.

The City of Santa Maria, Southern California Water Company, Vandenberg AFB, Avila Valley Mutual Water Company, San Luis Coastal Unified School District, and San Miguelito Mutual Water Company contributed cash for their proportionate share of capital costs. Such net contributions totaling \$22,890,770 at June 30, 2002 and 2001 have been accounted for as contributed capital. Under the Water Supply Agreements, each Project Participant is obligated to make payments to the Authority, with the payments pledged to secure the payment of the principal and interest of the bonds. The 1996 bonds are backed by a municipal bond insurance policy issued by AMBAC Indemnity. The Central Coast

Water Authority Note, issued June 1992 in the amount of \$23,545,000, was advance refunded from proceeds of the 1992 revenue bond issue.

The annual requirements to pay all debt outstanding, as of June 30, 2002, are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2003	\$8,043,405	\$3,535,000	\$11,578,405
2004	7,875,778	3,830,000	11,705,778
2005	7,663,638	4,135,000	11,798,638
2006	7,404,138	4,515,000	11,919,138
2007-2011	32,430,681	29,940,000	62,370,681
2012-2016	23,548,875	39,235,000	62,783,875
2017-2021	12,435,750	50,090,000	62,525,750
2022-2023	1,200,500	23,720,000	24,920,500
Total	<u>\$100,602,765</u>	<u>\$159,000,000</u>	<u>\$259,602,765</u>

The 1996 Revenue Bonds were issued in two series: Series A bonds totaled \$173,015,000 and Series B bonds totaled \$25,000,000. On October 1, 1998, the Authority exercised the optional Series B bond call in the principal amount of \$23,380,000 with excess construction proceeds.

Series A bonds outstanding bear interest ranging from 4.375% to 6.00%.

Note 5: Defined Benefit Pension Plan

A. Plan Description

The Central Coast Water Authority's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Central Coast Water Authority is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The Central Coast Water Authority selects optional benefits through local Board resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.



Notes to Financial Statements

B. Funding Policy

Active plan members in the Central Coast Water Authority are required to contribute 7% of their annual covered salary. However, the Authority pays this amount on behalf of the employees without requiring a contribution from the employees. The Authority is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2001/02 was 5.572%. The contribution rate is established and may be amended by CalPERS.

Funded Status of Plan			
Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability
6/30/98	\$562,234	\$744,561	\$(182,237)
6/30/99	\$806,320	\$1,101,798	\$(295,478)
6/30/00	\$1,078,549	\$1,428,532	\$(349,983)

Valuation Date	Funded Ratio	Annual Covered Payroll	UAAL As a Percentage of Payroll (1)
6/30/98	132.4%	\$1,203,077	(15.148%)
6/30/99	136.6%	\$1,336,880	(22.102%)
6/30/00	132.4%	\$1,350,684	(25.912%)

C. Annual Pension Costs

For fiscal year 2001/02, the Central Coast Water Authority's annual pension costs were \$169,945 and the Authority actually contributed \$169,945. The required contribution for fiscal year 2001/02 was determined as part of the June 30, 1999 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.20% for miscellaneous members, and (c) 3.50% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5%. The actuarial value of the Authority's plan assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. The Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period at June 30, 2000 was 15 years.

Three-Year Trend Information for the Central Coast Water Authority

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/98	\$87,776	100%	\$0
6/30/99	\$111,617	100%	\$0
6/30/00	\$194,715	100%	\$0

(1) UAAL: Unfunded Actuarial Accrued Liability

Note 6: Commitments and Uncertainties

The Authority has entered into long-term contracts with prime contractors for consultation and the construction of certain facilities. Remaining balances on construction contracts signed total \$385,160 at June 30, 2002.

The Authority leases equipment under non-cancelable operating leases. Minimum rental commitments for these operating leases in effect at June 30, 2002 were \$7,045 (2003) and \$7,547 thereafter, resulting in total minimum payments of \$14,592.

At June 30, 2002, the Authority was obligated on a promissory note with a local commercial bank in the amount of \$324,000 to support a letter of credit to the California Department of Fish and Game under a memorandum of understanding for ongoing mitigation efforts along the Authority's pipeline. As of June 30, 2002 there have been no draws against the letter of credit.

The Authority is involved in various legal proceedings, lawsuits and claims of a nature considered normal for its activities. It is the Authority's policy to accrue for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable.

The Authority is also involved in a lawsuit, *Santa Maria Valley Water Conservation District v. City of Santa Maria, et al., etc.* (Superior Court, County of Santa Clara, Case No. CV 770214). This is a complex water rights lawsuit involving the rights of the parties to pump from the Santa Maria Valley Groundwater Basin and to store and recapture imported water in the basin. There are currently approximately 700 parties to the lawsuit. They include five cities, three community



Notes to Financial Statements

services districts, two publicly-owned utilities, and many private entities and persons. Many cross-complaints have been filed in this action.

This case began with the filing by the Santa Maria Valley Water Conservation District (“District”) of a complaint against the City of Santa Maria after it entered into a contract with the Central Coast Water Authority to import 17,800 acre-feet of State Water Project water into the Santa Maria Valley. The District brought this lawsuit to stop the City from storing imported water in the basin and to prevent the City from pumping return flows from imported water. Since the Authority does not pump water from the basin or store water in the basin it is very unlikely that this action will have any financial impact on the Authority.

Planning and Conservation League, et al. v. Department of Water Resources and Central Coast Water Authority, Sacramento Superior Court Case No. 95CS03216, Court of Appeal, Third Appellate District, Case No. C024576

The Planning and Conservation League (PCL), Plumas County Flood Control and Water Conservation District, and Citizen Planning Association of Santa Barbara filed an action against the Department of Water Resources (DWR) and CCWA challenging the adequacy of the Environmental Impact Report prepared by CCWA on behalf of DWR and the various State Water Project contractors for a comprehensive amendment package (referred to as the “Monterey Amendments”) adopted by the State Water Project participants to modify the contract between DWR and the project participants to change water priorities, allow contractors to transfer water Table A amounts under the contract to others, modify financing packages, and change other aspects of the contract. The Monterey Amendments were an intensely negotiated effort to avoid litigation between DWR, the agricultural water contractors, and the domestic water contractors. The lawsuit also challenges the validity of the Monterey Amendment and the contract for transfer of the Kern Fan Element to Kern County Water Agency (KCWA). This latter contract was an integral part of the Monterey Amendment terms.

The Court of Appeal has ruled against DWR and CCWA as to the environmental impact report prepared for the Monterey Amendments. The immediate financial result of the plaintiffs/petitioners prevailing is that the defendants/respondents would be liable for attorneys fees and costs incurred by the plaintiffs/petitioners in the action. This sum is believed to be in excess of \$100,000 and will be shared by the State Water Project contractors. CCWA’s share of the expenses of this suit, and its obligation to pay part of the

plaintiffs/petitioners’ attorneys fees and costs, is 1.2035607% of the whole. The longer term implications of the case are difficult to assess because the Superior Court has conducted no further proceeding in the case.

The parties tentatively have agreed to settlement principles and are now in the process of drafting a settlement agreement. Because no settlement agreement has been signed, the settlement is not yet binding.

While it is not possible to predict with certainty the outcome of any case, it is the opinion of management that the lawsuits, claims and proceedings which are pending against the Authority are without merit or will not have a material adverse effect on the Authority’s operating results, liquidity or financial position.

All of the accounts receivable recorded by the Authority are payable by its local participants and the DWR under the agreements more fully described in Note 1.

Note 7: Contributed Capital

The following schedule provides changes in contributed capital for the fiscal year ended June 30, 2002:

	Beginning Balance 7/1/01	Refunds	Local Project Costs	Ending Balance 6/30/02
Avila Valley	\$ 15,056	-	-	\$ 15,056
San Luis Schools	5,285	-	-	5,285
San Miguelito	220,916	-	-	220,916
Santa Maria	13,628,648	-	-	13,628,648
Vandenberg AFB	8,070,158	-	-	8,070,158
So Cal Water	869,588	-	-	869,588
Guadalupe	81,119	-	-	81,119
Totals	<u>\$22,890,770</u>	<u>-</u>	<u>-</u>	<u>\$22,890,770</u>

Expenditures for the construction of local facilities on behalf of those project participants which contributed cash for their proportionate share of project costs are recorded as a reduction of contributed capital.



Notes to Financial Statements

Note 8: Joint Powers Insurance Authority

The Authority participates in the liability, property and fidelity bond insurance program organized by the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA - JPIA"). ACWA - JPIA is a joint powers insurance authority created to provide a self-insurance program to water agencies in the State of California.

ACWA - JPIA provides liability, property, workers' compensation, fidelity and boiler and machinery insurance for approximately 290 water agencies for losses in excess of the members' specified self-insurance retention levels. Individual claims (and aggregate public liability and property claims) in excess of specified levels are covered by excess insurance policies purchased from commercial carriers. ACWA - JPIA is governed by a board composed of members from participating members. The board controls the operations of ACWA - JPIA, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the board.

Each member shares surpluses and deficiencies proportionately to its participation in ACWA. The Authority has not incurred any settlements which exceeded insurance coverage for the past three fiscal years.





TABLE 1
General Governmental Revenues by Source

Fiscal Year	Operating Assessments	Debt Service Assessments	Other Revenues	Interest Income	Total Revenues
1992/93	\$ 1,463,823	\$ -	\$ 655,252	\$ 1,109,523	\$ 3,228,598
1993/94	1,176,743	-	295,333	1,541,382	3,013,458
1994/95	1,364,258	-	1,142	1,665,769	3,031,169
1995/96	1,798,493	-	2,713	1,145,103	2,946,309
1996/97	1,495,834	2,081,902	9,118	1,074,057	4,660,911
1997/98	1,545,147	8,689,624	7,548	4,374,272	14,616,591
1998/99 (1)	1,295,241	-	460	3,493,312	4,789,013
1999/00	1,963,376	7,779,256	2,598	2,924,419	12,669,649
2000/01	1,601,303	10,263,441	88,587	3,054,399	15,007,753
2001/02	2,608,414	10,377,750	480,344	2,107,406	15,573,914

Source: Central Coast Water Authority

(1) Fiscal year 1998/99 revenues decreased for debt service credits provided to the project participants from the project closeout.

Total Revenue Comparison

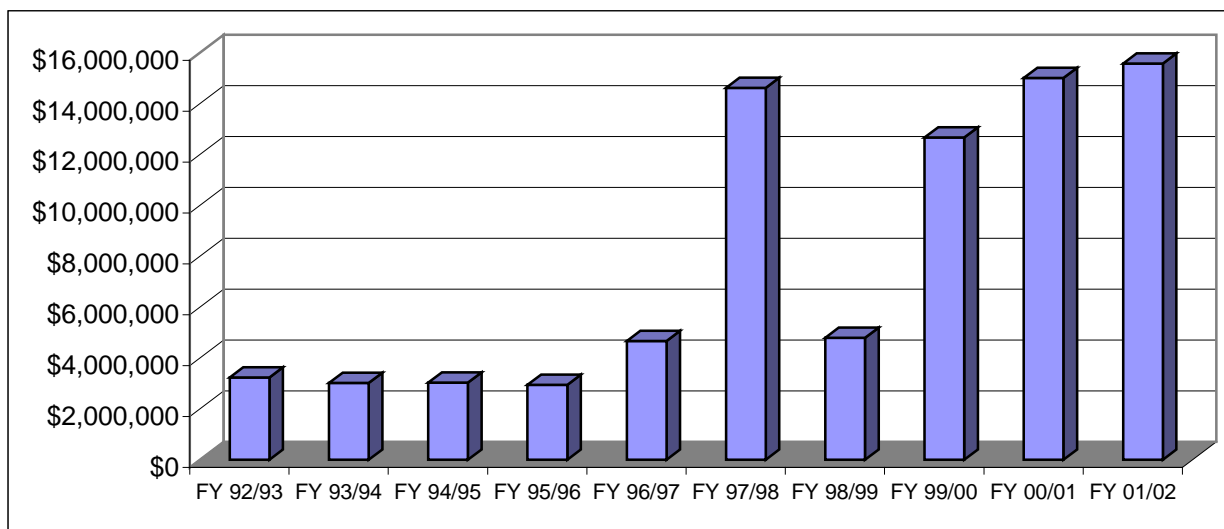




TABLE 2
General Governmental Expenditures by Function

Fiscal Year	Operating Expenses	Capital Improvements	Interest Expense	Other Expenses	Total Expenditures
1992/93	\$ 742,716	\$ 11,416,026	\$ -	\$ -	\$ 12,158,742
1993/94	893,418	18,288,545	-	-	19,181,963
1994/95	762,826	66,888,392	-	-	67,651,218
1995/96	975,003	39,318,423	-	-	40,293,426
1996/97	3,539,031	16,036,392	1,314,904	-	20,890,327
1997/98	6,718,882	3,922,279	9,865,258	-	20,506,419
1998/99	7,708,099	1,983,928	8,806,337	180,000	18,678,364
1999/00	7,260,069	318,601	8,447,925	-	16,026,595
2000/01	7,485,168	611,625	8,297,610	-	16,394,403
2001/02	8,043,758	734,218	8,158,708	-	16,936,684

Source: Central Coast Water Authority

Total Expenditures Comparison

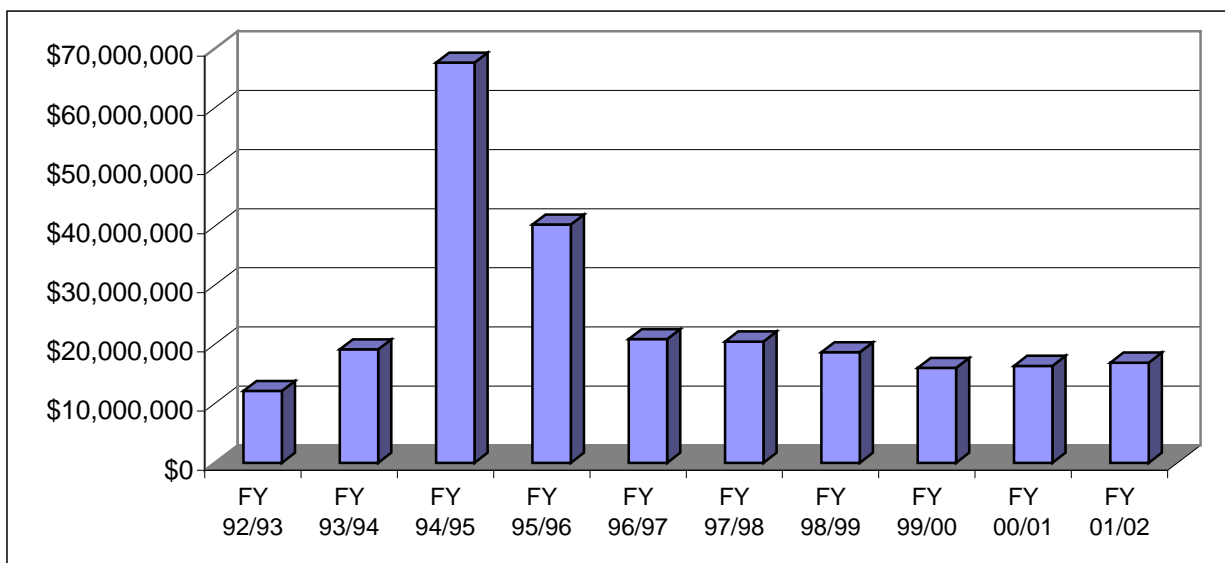




TABLE 3

**Ratio of Annual Debt Service
For Total Bonded Debt to Total Expenditures**

Fiscal Year	Bond Issue	Principal	Interest ⁽¹⁾	Total Debt Service	Total Expenditures	Ratio of Debt Service to Total Expenditures
1992/93	92 Bonds	-	5,645,065	5,645,065	12,158,742	46.43%
1993/94	92 Bonds	-	11,290,130	11,290,130	19,181,963	58.86%
1994/95	92 Bonds	-	11,290,130	11,290,130	67,651,218	16.69%
1995/96	92 Bonds	-	11,290,130	11,290,130	40,293,426	28.02%
1996/97	92 & 96 Bonds	-	7,922,882	7,922,882	20,890,327	37.93%
1997/98	96 Bonds	4,040,000	9,904,443	13,944,443	20,506,419	68.00%
1998/99 ⁽²⁾	96 Bonds	25,920,000	9,164,749	35,084,749	18,678,364	187.84%
1999/00	96 Bonds	2,775,000	8,447,925	11,222,925	16,026,595	70.03%
2000/01	96 Bonds	3,010,000	8,329,216	11,339,216	16,394,403	69.17%
2001/02	96 Bonds	3,270,000	8,194,474	11,464,474	16,936,684	67.69%

(1) Represents actual cash payment without regard to payments from the capitalized interest fund.

(2) FY 1998/99 bond principal payment includes the Series B bond call in the amount of \$23,380,000.

Source: Central Coast Water Authority

Ratio of Debt Service to Total Expenditures

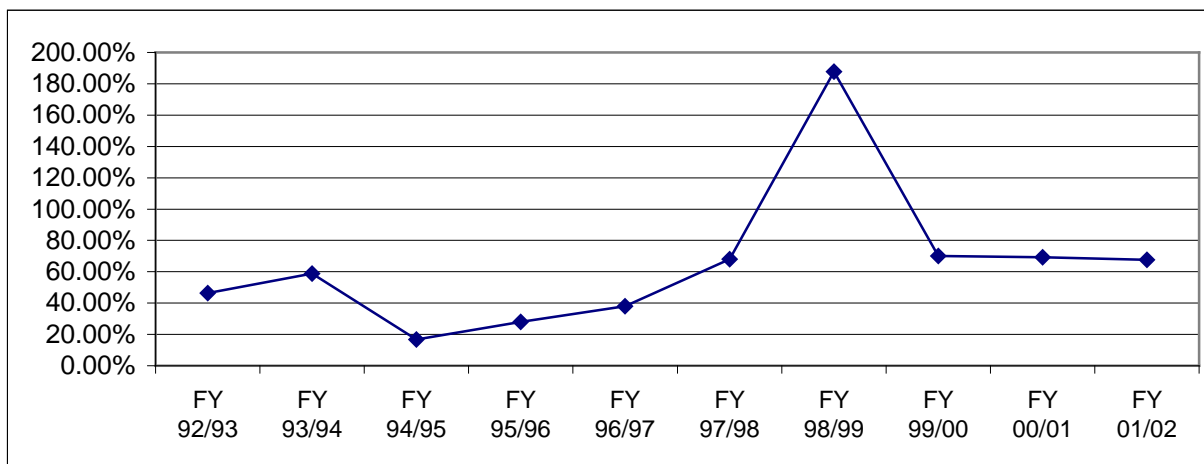




TABLE 4

FY 2001/02 Allocation of CCWA Operating Expenses

Project Participant	FY 2001/02 Unadjusted Operating Expenses ⁽¹⁾	Exchange Agreement Modifications ⁽²⁾	Regional Water Treatment Plant Modifications ⁽³⁾	FY 2001/02 Allocated Operating Expenses
Shandon (SLO County)	\$ 3,568	N/A	N/A	\$ 3,568
Chorro Valley Turnout (SLO County)	124,039	N/A	N/A	124,039
Lopez Turnout (SLO County)	136,216	N/A	N/A	136,216
City of Guadalupe	41,917	N/A	\$ 16,262	58,179
City of Santa Maria	1,171,284	N/A	479,657	1,650,941
Southern California Water Co.	39,749	N/A	14,466	54,216
Vandenberg Air Force Base	440,075	N/A	162,080	602,155
City of Buellton	51,904	N/A	17,386	69,290
City of Solvang	106,454	N/A	41,967	148,421
Santa Ynez Imp. District #1	31,549	277,087	86,541	395,177
Goleta Water District	503,962	(181,856)	(220,139)	101,967
Morehart Land Co.	17,345	N/A	(14,074)	3,271
La Cumbre Mutual Water Co.	130,187	-	(78,493)	51,694
Raytheon Systems Company	7,135	-	(3,989)	3,146
City of Santa Barbara	272,406	(17,778)	(200,391)	54,237
Montecito Water District	271,491	(38,727)	(187,285)	45,479
Carpinteria Valley Water District	165,364	(38,727)	(113,988)	12,649
TOTAL:	\$ 3,514,645	\$ 0	\$ 0	\$ 3,514,645

1. FY 2001/02 unadjusted operating expenses is equal to total operating expenses *minus* depreciation and amortization, interest income on the general operating fund for CCWA, miscellaneous and non-annual recurring expense income, plus capital expenditures paid from operating assessments.
2. Exchange agreement modifications represent cost adjustments between the Santa Ynez River Water Conservation District, ID#1 and the South Coast project participants for Cachuma Project water.
3. Regional Water Treatment Plant modifications represents fixed, capital and variable modifications pursuant to CCWA Resolutions 92-16 and 95-13.



TABLE 5

Deposits for Payments to the Department of Water Resources

Project Participant	Balance July 1, 2001	FY 2001/02 Project Participant Payments and DWR Credits	Payments to Department of Water Resources and Other Adjustments	Ending Balance June 30, 2002
City of Guadalupe	\$ 432,141	\$ 370,589	\$ (422,123)	\$ 380,607
City of Santa Maria	13,021,555	11,845,754	(13,046,049)	11,821,261
Southern California Water Co.	428,605	338,166	(387,450)	379,320
Vandenberg Air Force Base	4,676,261	4,526,468	(4,825,921)	4,376,807
City of Buellton	488,548	467,736	(498,052)	458,231
Santa Ynez ID#1 (Solvang only)	1,269,835	1,119,770	(1,132,935)	1,256,670
Santa Ynez ID#1 (excluding Solvang)	465,060	432,302	(437,016)	460,346
Goleta Water District	4,004,242	3,629,226	(3,940,272)	3,693,195
Morehart Land Co.	165,054	151,771	(156,388)	160,437
La Cumbre Mutual Water Co.	833,918	829,644	(865,038)	798,524
Raytheon Systems Company	42,227	36,222	(38,596)	39,853
City of Santa Barbara	2,385,351	2,268,378	(2,307,844)	2,345,884
Montecito Water District	2,428,015	2,312,978	(2,359,103)	2,381,890
Carpinteria Valley Water District	1,605,486	1,540,043	(1,582,010)	1,563,520
TOTAL:	\$ 32,246,296	\$ 29,869,048	\$ (31,998,798)	\$ 30,116,546

This table shows the project participant payments to the Authority for payment to DWR and the corresponding ending balance at June 30, 2002. The amounts shown above exclude Warren Act and Trust Fund MOU deposits payable to the U.S. Bureau of Reclamation and Cachuma Operations and Maintenance Board and DWR account interest income payable to the CCWA project participants as of June 30, 2002.



TABLE 6

FY 2001/02 Actual State Water Deliveries (acre feet)

Project Participant	Table A Deliveries	Exchange Agreement Deliveries	Total Deliveries
Chorro Valley Turnout (SLO County)	2,421	N/A	2,421
Lopez Turnout (SLO County)	1,951	N/A	1,951
City of Guadalupe	340	N/A	340
City of Santa Maria	11,454	N/A	11,454
Southern California Water Co.	217	N/A	217
Vandenberg Air Force Base	3,936	N/A	3,936
City of Buellton	503	N/A	503
City of Solvang	-	N/A	-
Santa Ynez Imp. Dist. #1	343	2,447	2,790
Goleta Water District	3,233	(1,606)	1,627
Morehart Land Co.	20	N/A	20
La Cumbre Mutual Water Co.	678	-	678
Raytheon (SBRC)	42	N/A	42
City of Santa Barbara	539	(157)	382
Montecito Water District	694	(342)	352
Carpinteria Valley Water District	342	(342)	-
TOTAL:	26,713	-	26,713

FY 2002/03 Requested State Water Deliveries (acre feet)

Project Participant	Table A Deliveries	Exchange Agreement Deliveries	Total Deliveries
Chorro Valley Turnout (SLO County)	2,450	N/A	2,450
Lopez Turnout (SLO County)	1,939	N/A	1,939
City of Guadalupe	585	N/A	585
City of Santa Maria	16,865	N/A	16,865
Southern California Water Co.	550	N/A	550
Vandenberg Air Force Base	6,050	N/A	6,050
City of Buellton	578	N/A	578
City of Solvang	1,500	N/A	1,500
Santa Ynez Imp. Dist. #1	817	2,551	3,368
Goleta Water District	4,950	(1,224)	3,726
Morehart Land Co.	108	N/A	108
La Cumbre Mutual Water Co.	1,100	-	1,100
Raytheon (SBRC)	55	N/A	55
City of Santa Barbara	1,030	(611)	419
Montecito Water District	1,230	(360)	870
Carpinteria Valley Water District	600	(356)	244
TOTAL:	40,407	-	40,407



TABLE 7

Selected Demographic Information

Santa Barbara County

<u>Population</u>	
<i>(In thousands of people)</i>	
Estimated, 2001	408.90
<u>Gender</u>	
Male	199.40
Female	195.80
Median Age (in years)	34.10
<u>Ethnicity</u>	
White	353.70
Black	12.20
Other	29.30
Hispanic, Any Race	136.20

<u>Average Salary by Sector in 2001</u>	
Agriculture	\$ 19,121
Mining	97,593
Construction	36,363
Durable Manufacturing	54,470
Non-Durable Manufacturing	32,924
Transportation, Communications and Utilities	40,450
Wholesale Trade	58,179
Retail Trade	18,878
Finance, Insurance and Real Estate	48,231
Services	33,517
Government	41,288

<u>Monthly Residential Water Cost as of June 2002</u>	
Buellton	\$ 47.75
Carpinteria	56.18
Goleta	41.10
Guadalupe	35.75
Montecito	47.52
Santa Barbara	48.11
Santa Maria	36.62
Santa Ynez	N/A
Solvang	78.92

Source: CCWA Project Participants

Source: University of Santa Barbara Economic Forecast Project



TABLE 8

**Santa Barbara County
Civilian Labor Force, Employment and Unemployment
Annual Averages**
(Amounts in Thousands)

	1997	1998	1999	2000	2001
Civilian Labor Force ⁽¹⁾	195.59	195.92	199.11	204.10	202.65
Employment	185.85	187.27	191.42	196.62	195.67
Unemployment	9.74	8.66	7.72	7.47	7.01
Unemployment Rate	4.98%	4.42%	3.88%	3.68%	3.47%
Wage and Salary Employment ⁽²⁾					
Total, all Industries	166.10	168.78	174.63	180.57	180.57
Agriculture	14.73	13.83	15.26	14.85	13.50
Non-Agriculture	151.37	154.95	159.37	164.65	166.34
Mining	1.03	0.92	0.82	0.71	0.80
Construction	6.67	6.84	7.68	8.20	8.41
Manufacturing	17.08	17.80	16.81	16.92	16.62
Transportation & Public Utilities	5.42	5.34	5.06	5.01	5.07
Trade	36.55	37.36	39.07	40.32	39.85
Finance, Ins. & Real Estate	7.21	7.47	7.57	7.90	8.25
Services	46.52	47.39	49.91	52.76	52.94
Government	30.88	31.82	32.44	32.83	34.41
Federal Government	3.72	3.97	3.89	3.88	3.80

Notes:

⁽¹⁾ Based on place of residence.

⁽²⁾ Based on place of employment.

Source: Economic Sciences Corporation



TABLE 9

Santa Barbara County Largest Employers

Company	Location	Type of Business	Number of Employees
University of California at Santa Barbara	Goleta	Education	9,500
Vandenberg Air Force Base (VAFB)	Lompoc	Defense	5,250
County of Santa Barbara	Santa Barbara	Government	4,467
Santa Barbara Cottage Hospital	Santa Barbara	Healthcare	1,951
Raytheon Electronic Systems	Goleta	Electronics Mfg.	1,875
Santa Maria-Bonia Schools	Santa Maria	Education	1,725
Lompoc Unified School District	Lompoc	Education	1,690
Santa Barbara City College	Santa Barbara	Education	1,570
Marian Medical Center	Santa Maria	Healthcare	1,300
Santa Barbara High School District	Santa Barbara	Education	1,230
Sansum Santa Barbara Medical Foundation	Santa Barbara	Healthcare	1,170
Lockheed Martin	VAFB	VAFB Launch Support	1,136
City of Santa Barbara	Santa Barbara	Government	1,069
U.S. Postal Service	Santa Barbara County	Postal Service	1,005
Alan Hancock College	Santa Maria & Lompoc	Education	988

Source: 2002 University of Santa Barbara Economic Forecast Project



**TABLE 10
Miscellaneous Statistical Information**

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	24.75
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
Number of water storage tanks	5
Number of turnouts	10

<u>Agency</u>	<u>Table A Amount (AFY)</u>
City of Buellton	578
Carpinteria Valley Water District	2,000
Goleta Water District	4,500
City of Guadalupe	550
La Cumbre Mutual Water Co.	1,000
Montecito Water District	3,000
Morehart Land Co.	200
City of Santa Barbara	3,000
Raytheon Systems Company	50
City of Santa Maria	16,200
Santa Ynez River W.C.D. #1	2,000
Southern California Water Co.	500
Vandenberg Air Force Base	5,500
Total Santa Barbara County *	39,078
Avila Beach C.S.D	100
Avila Valley Mutual Water Co., Inc.	20
California Mens Colony (State)	400
County of SLO C.S.A. No. 16 I.D. #1	100
County of SLO (Op. Center & Reg. Park)	425
City of Morro Bay	1,313
Oceano CSD	750
City of Pismo Beach	1,240
San Luis Coastal Unified School District	7
San Miguelito Mutual Water Co.	275
SLO Co. Comm. Coll. District (Cuesta College)	200
Total San Luis Obispo County	4,830
TOTAL TABLE A AMOUNT	43,908

Note: * Excludes CCWA drought buffer of Table A amount of 3,908 AfY and Goleta Water District additional Table A amount of 2,500 AfY.



TABLE 11

**Schedule of Insurance
Valued June 30, 2002**

<u>Company</u>	<u>Policy Period</u>	<u>Insurance Type</u>	<u>Limits</u>	<u>Coverages</u>
National Union Fire Insurance Company	4-1-02 to 4-1-03	Commercial Crime Coverage	\$ 2,000,000	Dishonesty and forgery coverage \$1,000,000 Faithful performance of duties to \$1,000,000
ACWA Joint Powers Insurance Authority	4-1-02 to 4-1-03	Property Insurance	\$ 48,569,200	Buildings (\$32,624,500); Personal property (\$1,199,500); Fixed Equipment (\$14,745,200)
ACWA Joint Powers Insurance Authority	10-1-01 to 10-1-02	General and Auto Liability	\$ 500,000	Liability JPIA pooled layer
Insurance Co. of the State of Pennsylvania #4198-4472	10-1-01 to 10-1-02	General and Auto Liability	\$ 4,500,000	Liability umbrella policy
Insurance Co. of the State of Pennsylvania #4198-4473	10-1-01 to 10-1-02	General and Auto Liability	\$ 35,000,000	Liability umbrella policy
AIU Insurance Co. # 3101437	10-1-01 to 10-1-02	General and Auto Liability	\$ 10,000,000	Liability umbrella policy
Lumbermans Mutual Casualty Company #9SR129376-00	10-1-01 to 10-1-02	General and Auto Liability	\$ 20,000,000	Liability umbrella policy



Statistical Section

San Luis Obispo County Improvement District #1 (SLO County)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	215	\$ 71,646	206
1993	230	76,587	180
1994	232	81,696	190
1995	236	122,699	202
1996	237	134,483	203
1997	243	148,173	195
1998	236	122,088	136
1999	234	143,398	229
2000	243	142,129	232
2001	244	153,167	253

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
Caltrans	1,029	\$ 4,041
Shandon School	868	3,659
Shandon Park	802	3,321
Residence	390	1,353
Residence	373	1,257
Residence	311	1,086
Residence	305	1,053
Residence	302	1,081
Residence	301	1,061
Residence	296	1,010
Total	4,977	\$ 18,922

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 80,581	\$ 80,105	\$ -	\$ 476	\$ -	N/A
1993	97,421	101,349	-	(3,928)	9,598	-
1994	94,489	103,171	-	(8,682)	10,392	-
1995	126,520	84,536	-	41,984	25,382	1.65
1996	153,587	81,174	-	72,413	40,083	1.81
1997	173,729	70,536	-	103,193	42,461	2.43
1998	139,720	76,756	-	62,964	41,765	1.51
1999	160,622	92,464	-	68,158	43,895	1.55
2000	162,963	94,342	12,500	81,121	55,135	1.47
2001	193,160	84,665	13,037	121,532	53,174	2.29

Source: San Luis Obispo County



Statistical Section

Avila Beach Community Services District

(SLO County)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	153	\$ 61,500	51
1993	153	62,500	57
1994	155	75,693	55
1995	155	76,627	54
1996	156	93,209	61
1997	157	88,922	54
1998	157	91,035	64
1999	157	89,043	51
2000	157	95,589	45
2001	169	114,721	38

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
Unocal Wharf	756	\$ 6,433
Villa Avila Apartments	895	4,892
Western Inns	879	3,733
Unocal Office	230	3,160
Unocal Plant	255	2,956
Dun Sailing Apartments	330	1,855
Construction Me	386	1,591
Top of Hill Apartments	264	1,585
F. Barbettini	106	1,350
R. Kennedy	264	1,348
Total	4,365	\$ 28,903

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 71,745	\$ 61,844	\$ -	\$ 9,901	\$ -	N/A
1993	81,939	79,379	-	2,560	12,271	0.21
1994	94,364	88,760	-	5,604	10,589	0.53
1995	88,831	64,988	-	23,843	21,198	1.12
1996	101,209	70,129	-	31,080	51,600	0.60
1997	174,362	69,672	-	104,690	72,284	1.45
1998	160,191	79,974	-	80,217	81,619	0.98
1999	176,286	81,951	-	94,335	88,339	1.07
2000	103,437	149,733	23,768	(22,528)	95,639	(0.24)
2001	119,315	114,265	24,785	29,835	91,338	0.33

Source: Avila Beach Community Services District



Statistical Section City of Pismo Beach (SLO County)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	4,068	\$ 1,077,307	1,831
1993	4,147	1,192,029	1,822
1994	4,162	1,294,703	1,843
1995	4,227	1,312,946	1,742
1996	4,257	1,433,899	1,803
1997	4,250	1,410,581	1,873
1998	4,359	1,018,641	1,803
1999	4,429	1,118,375	1,959
2000	4,410	1,632,551	2,078
2001	4,158	1,710,063	1,983

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
The Cliffs Hotel	17,793	\$ 24,706
Pismo Coast Village RV Park	5,153	11,804
Pismo Mobile Home Park	15,851	24,658
Hacienda del Pismo Mobile Home Park	11,486	18,314
Shore Cliff Lodge	14,368	20,179
Seacrest Motel	11,944	17,575
Oxford Suites	10,332	15,580
Motel 6	9,561	13,290
Whalers Inn	7,202	11,636
Kon Tiki Inn	6,432	9,348
Total	110,122	\$ 167,090

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt	Coverage
1992	\$ 1,273,022	\$ 992,808	\$ 280,214	\$ -	\$ 125,000	N/A
1993	1,402,310	1,000,975	401,335	119,005	125,000	1.64
1994	1,561,195	1,030,813	530,382	123,003	123,381	2.15
1995	1,660,079	1,009,780	650,299	374,526	123,544	1.31
1996	2,040,334	1,053,606	986,728	746,228	123,479	1.13
1997	2,232,597	1,192,153	1,040,444	894,779	-	1.16
1998	2,554,992	1,119,067	1,435,925	1,053,312	-	1.36
1999	2,950,803	1,074,072	1,876,731	1,029,404	-	1.82
2000	3,503,712	1,248,715	2,254,997	1,144,263	-	1.97
2001	3,086,559	1,265,673	1,820,886	1,110,301	-	1.64

Source: City of Pismo Beach



Statistical Section City of Morro Bay (SLO County)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	4,629	\$ 1,258,757	1,270
1993	4,722	1,433,350	1,375
1994	4,749	1,854,168	1,432
1995	4,810	2,355,151	1,409
1996	4,825	3,437,371	1,475
1997	4,887	3,606,969	1,546
1998	4,949	3,599,977	1,402
1999	5,010	3,585,083	1,363
2000	5,118	3,641,293	1,397
2001	5,198	3,785,189	1,238

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
San Luis Unified School District	2,647,000	\$ 272,655
City of Morro Bay	2,219,500	183,312
Pacific Care Center	959,100	115,037
Inn at Morro Bay	983,800	112,219
Mission Linen	798,000	87,676
St. Dept. of Recreation & Parks	692,900	63,356
Silver City Manor	432,400	38,580
Motel 6	396,700	38,507
Morro Dunes Trailer Park	397,200	34,551
Ascot Inn & Ascot Suite	313,300	25,234
Total	9,839,900	\$ 971,127

(1) In cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt	Coverage
1992	\$ 1,402,563	\$ 786,000	\$ 616,563	\$ -	\$ 5,000	N/A
1993	1,592,350	828,000	764,350	-	5,000	N/A
1994	1,903,743	928,300	975,443	154,816	5,000	6.10
1995	2,424,026	979,967	1,444,059	279,470	5,000	5.08
1996	3,489,231	719,098	2,770,133	1,789,687	7,000	1.54
1997	3,673,481	746,430	2,927,051	1,676,152	-	1.75
1998	3,578,066	716,505	2,861,561	1,493,155	-	1.92
1999	3,556,769	522,037	3,034,732	1,527,252	-	1.99
2000	3,726,625	573,398	3,153,227	1,745,066	-	1.80
2001	3,867,608	535,004	3,332,604	1,662,862	-	2.00

Source: City of Morro Bay



Statistical Section

Oceano Community Services District

(SLO County)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	1,771	\$ 451,213	725
1993	1,757	573,268	799
1994	1,778	633,020	802
1995	1,811	655,289	767
1996	1,817	758,775	818
1997	1,830	958,169	828
1998	1,848	1,057,473	799
1999	1,888	1,073,437	806
2000	1,913	1,094,398	841
2001	1,942	1,093,686	814

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
Casitas Corp/Mobile Home Park	12,611	\$ 36,067
Oceano 1 Condo Home Owners Assoc.	9,814	26,857
Lucia Mar Unified School District	7,469	25,043
Sand and Surf Transient RV Park	7,522	24,847
Duna Vista Mobile Home Park	6,266	20,676
State of California (Park Facility)	3,980	16,851
Porticos Mobile Home Park	5,751	16,636
POTI-Inc.-Pismo Sands RV Park	4,038	14,569
Pleasant Hill Mobile Home Manor	4,634	12,594
Pismo-Oceano Vegetable Exchange	2,449	8,921
Total	64,534	\$ 203,061

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Parity Debt	Coverage
1992	\$ 1,503,864	\$ 475,220	\$ -	\$ 1,028,644	\$ -	\$ 85,914	N/A
1993	705,833	485,260	-	220,573	-	85,580	N/A
1994	735,953	540,650	-	195,303	74,397	114,243	1.04
1995	830,054	526,257	-	303,797	158,986	80,203	1.27
1996	1,026,334	512,893	-	513,441	387,646	79,953	1.10
1997	1,068,942	497,567	-	571,375	520,938	-	1.10
1998	1,250,157	567,195	35,112	718,074	614,936	-	1.17
1999	1,233,299	559,699	-	673,600	598,998	-	1.12
2000	1,375,756	689,127	86,000	772,629	519,540	-	1.49
2001	1,448,331	642,433	90,715	896,613	638,696	-	1.40

Source: Oceano Community Services District



Statistical Section City of Guadalupe

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Municipal Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	1,579	\$ 260,751	598
1993	1,592	277,259	580
1994	1,637	375,331	541
1995	1,638	509,491	566
1996	1,705	573,212	562
1997	1,578	781,376	613
1998	1,577	809,553	730
1999	1,579	846,539	714
2000	1,592	870,771	711
2001	1,638	921,050	735

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
Apio Coller	35,849	\$ 116,512
Guadalupe Union School	4,674	15,191
Waller Genetics	3,630	11,799
Lupe Alvarez	3,195	10,385
P&M Properties	2,028	6,594
Guadalupe Cemetery	1,932	6,282
Simplot Soilbuilders	1,645	5,349
Far Western Tavern	1,584	5,151
Playa, Inc.	1,033	3,360
McKenzie Junior High	452	1,472
Total	56,022	\$ 182,095

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 322,649	\$ 222,975	\$ -	\$ 99,674	\$ 58,847	1.69
1993	415,276	202,830	-	212,446	32,201	6.60
1994	402,334	189,326	-	213,008	60,044	3.55
1995	569,345	203,581	-	365,764	138,671	2.64
1996	649,169	274,814	-	374,355	258,396	1.45
1997	845,468	190,000	-	655,468	493,298	1.33
1998	877,834	131,288	18,389	764,935	491,491	1.56
1999	883,908	131,634	18,916	771,190	454,395	1.70
2000	957,764	157,355	154,212	954,621	597,949	1.60
2001	1,081,498	209,025	154,212	1,026,685	597,890	1.72

Source: City of Guadalupe



Statistical Section City of Santa Maria

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Water Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	15,372	\$ 5,336,584	11,925
1993	15,415	5,941,248	11,778
1994	15,655	7,475,162	12,124
1995	15,864	6,899,319	11,750
1996	16,006	8,797,200	12,999
1997	16,198	10,671,207	12,876
1998	16,406	11,577,701	11,003
1999	16,586	12,518,274	12,807
2000	16,798	13,430,453	11,992
2001	17,189	14,985,470	12,216

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
City of Santa Maria	144,163	\$ 458,170
Santa Maria Elementary Schools	79,429	237,160
VG Apartments, LLC	59,189	158,560
Allan Hancock College	56,555	157,640
Casa Grande Mobile Homes	71,152	141,870
Pictsweet Frozen Foods	29,953	82,920
Mission Linen Supply	29,835	79,280
Marian Hospital	21,875	66,630
Meridian Apartments	21,657	62,520
Culligan Water Conditioning	20,714	55,040
Total	534,522	\$ 1,499,790

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues ⁽¹⁾	Operating Expenses	Rate Coverage Fund	Net Revenues	State Water Payments	Coverage
1992	\$ 5,813,594	\$ 4,045,530	\$ -	\$ 1,768,064	\$ 367,562	4.81
1993	6,243,663	3,286,457	-	2,957,206	816,427	3.62
1994	7,881,235	3,372,763	-	4,508,472	2,153,735	2.09
1995	8,396,554	3,102,670	-	5,293,884	3,248,105	1.63
1996	13,075,742	4,608,906	-	8,466,836	5,082,855	1.67
1997	14,270,631	5,637,937	-	8,632,694	9,335,682	0.92
1998	18,527,735	4,544,329	2,862,780	16,846,186	11,789,392	1.43
1999	19,926,823	5,345,513	3,250,757	17,832,067	10,890,688	1.64
2000	20,629,192	5,177,387	3,173,781	18,625,586	10,228,806	1.82
2001	22,413,302	5,150,615	3,573,420	20,836,107	12,940,418	1.61

(1) Includes wastewater fees and charges.

Source: City of Santa Maria



Statistical Section City of Buellton

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	949	\$ 367,839	964
1993	947	404,290	959
1994	950	456,120	918
1995	950	601,372	870
1996	965	769,590	922
1997	993	1,063,140	992
1998	1,043	964,878	821
1999	1,051	1,040,487	860
2000	1,082	1,111,867	940
2001	1,251	1,134,691	984

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
Ranch Club Mobile Estates	22,741	\$ 97,781
Rancho Santa Barbara Marriott	13,554	52,798
Zaca Creek Golf Course	342	48,043
Flying Flags Recreation Park	23,161	46,654
Rivergrove Mobile Home Park	12,212	44,185
Andersen's Restaurant	7,938	38,332
Days Inn	4,952	20,389
Andersen's Inn	4,992	18,144
Motel 6	4,838	16,697
Buellton Union School District	2,124	8,082
Total	96,854	\$ 391,105

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 322,649	\$ 222,975	\$ -	\$ 99,674	\$ 58,847	1.69
1993	415,276	202,830	0	212,446	32,201	6.60
1994	402,334	189,326	0	213,008	60,044	3.55
1995	569,345	203,581	0	365,764	138,671	2.64
1996	649,169	274,814	0	374,355	258,396	1.45
1997	1,285,504	345,222	0	940,282	638,885	1.47
1998	1,318,509	312,810	19,325	1,025,024	653,493	1.57
1999	1,185,623	330,644	19,879	874,858	606,157	1.44
2000	1,368,614	280,526	202,837	1,290,925	788,201	1.64
2001	1,669,930	298,585	214,262	1,585,607	809,805	1.96

Source: City of Buellton



Statistical Section

Santa Ynez River Water Conservation District, ID#1

(City of Solvang only)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	1,704	\$ 780,631	1,917
1993	1,757	927,667	1,852
1994	1,778	942,899	1,807
1995	1,810	1,246,985	1,710
1996	1,821	1,459,267	1,611
1997	1,836	1,942,808	1,556
1998	1,854	1,764,735	1,275
1999	1,887	1,857,632	1,558
2000	2,005	2,105,851	1,524
2001	1,890	2,616,048	1,549

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
Rancho Santa Ynez Mobile Estate	25,482	\$ 105,617
Alisal Guest Ranch	20,083	71,765
Royal Scandinavian Inn	7,627	41,293
Lutheran Home	9,882	45,991
Alisal Oak Apartments	6,048	44,341
Oak Park Apartments	4,636	33,852
Solvang School	8,904	25,374
Quality Inn	3,905	19,263
Danish Country Inn	5,487	16,766
Alisal Golf Course	1,610	12,661
Total	93,664	\$ 416,923

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 830,478	\$ 591,550	\$ -	\$ 238,928	\$ -	N/A
1993	856,987	792,654	-	64,333	138,343	0.47
1994	1,074,895	759,676	-	315,219	186,670	1.69
1995	1,566,935	747,567	-	819,368	422,594	1.94
1996	1,526,135	897,583	-	628,552	642,551	0.98
1997	2,106,802	1,259,466	-	847,336	1,666,389	0.51
1998	1,897,791	524,837	-	1,372,954	1,682,460	0.82
1999	1,921,077	583,976	456,044	1,793,145	1,597,628	1.12
2000	2,241,697	842,919	456,044	1,854,822	1,836,214	1.01
2001	2,721,479	730,837	480,244	2,470,886	1,933,392	1.28

Source: City of Solvang



Statistical Section

Santa Ynez River Water Conservation District, ID#1

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	2,103	\$ 1,198,864	5,644
1993	2,112	1,306,240	5,607
1994	2,160	1,524,806	5,750
1995	2,163	1,633,570	5,386
1996	2,157	1,926,000	5,979
1997	2,183	2,194,190	6,505
1998	2,220	2,370,258	4,542
1999	2,266	2,468,151	4,963
2000	2,262	2,944,843	5,650
2001	2,238	3,092,440	5,573

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
City of Solvang ⁽²⁾	362	\$ 253,250
Gainey Ranch/Vineyard	264	59,507
Ramirez Brothers	304	52,587
Rancho Marcelino Water Company	75	50,442
Dunn School	79	40,037
Old College Ranch/Indian Ditch Ranch	104	31,340
S.Y. Valley Union High School	59	23,091
AFJ Farming	111	21,133
Royal Oaks	111	19,171
Buttonwood Farm	86	15,683
Total	1,555	\$ 566,241

(1) In acre-feet per year.

(2) Exclusive of Solvang's payments for State Water Project.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 2,208,488	\$ 1,613,430	\$ -	\$ 595,058	\$ 200,000	2.98
1993	2,456,342	1,707,708	-	748,634	167,786	4.46
1994	2,955,216	1,440,247	-	1,514,969	280,128	5.41
1995	4,639,999	1,357,614	-	3,282,385	347,539	9.44
1996	4,152,336	1,604,014	-	2,548,322	912,287	2.79
1997 ⁽¹⁾	3,896,090	2,716,430	-	1,179,660	1,476,671	0.80
1998 ⁽¹⁾	7,454,547	1,993,633	246,045	5,706,959	2,669,473	2.14
1999 ⁽¹⁾	5,680,162	1,936,833	770,601	4,513,930	2,351,446	1.92
2000 ⁽¹⁾	7,808,188	2,092,409	783,813	6,499,592	2,688,507	2.41
2001 ⁽¹⁾	7,021,956	2,490,288	826,350	5,358,018	2,888,552	1.85

(1) Includes State water payments for the City of Solvang.

Source: Santa Ynez Improvement District #1



Statistical Section Goleta Water District

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	14,338	\$ 9,643,479	9,076
1993	14,388	11,328,524	12,172
1994	14,280	11,561,508	11,773
1995	14,281	12,077,792	11,701
1996	14,442	12,372,767	12,345
1997	14,489	13,661,494	13,508
1998	14,582	13,010,036	12,947
1999	14,827	14,065,684	12,641
2000	15,136	14,919,815	12,665
2001	15,621	14,263,374	12,727

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
University of California-Santa Barbara	707	\$ 991,165
County of Santa Barbara	296	371,923
Santa Barbara Municipal Airport	166	313,880
Glen Annie Golf Course	312	246,057
George Cavelleto	320	138,358
Towbes Group	91	129,159
Bacara Resort Services, Inc.	89	121,877
La Cumbre Golf Course	147	111,976
Goleta Union School District	88	109,720
Sandpiper Golf Course	260	102,360
Total	2,476	\$ 2,636,475

(1) In acre-feet per year.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 10,119,612	\$ 6,087,982	\$ -	\$ 4,031,630	\$ 558,102	7.22
1993	11,838,118	5,375,407	-	6,462,711	559,957	11.54
1994	12,221,845	5,215,154	-	7,006,691	510,533	13.72
1995	13,107,864	5,778,337	-	7,329,527	789,345	9.29
1996	14,089,421	7,316,341	-	6,773,080	1,523,313	4.45
1997	16,167,847	9,457,602	-	6,710,245	2,723,910	2.46
1998	21,635,460	7,383,382	1,497,654	15,749,732	5,686,052	2.77
1999	17,674,354	7,507,895	1,537,496	11,703,955	3,631,870	3.22
2000	19,926,953	8,221,986	-	11,704,967	6,360,512	1.84
2001	18,163,714	9,226,642	-	8,937,072	6,140,949	1.46

Source: Goleta Water District



Statistical Section

La Cumbre Mutual Water Company

Historic Water Connections and Sales Revenues

Fiscal Year Ending Dec. 31	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1991	1,343	\$ 880,518	1,010
1992	1,357	898,358	1,270
1993	1,383	1,043,531	1,276
1994	1,388	1,115,247	1,334
1995	1,391	1,188,044	1,238
1996	1,391	1,492,547	1,375
1997	1,425	1,980,613	1,633
1998	1,415	1,370,862	1,337
1999	1,421	1,637,358	1,541
2000	1,424	1,652,635	1,546

Largest Customers as of December 31, 2000

	Water Usage ⁽¹⁾	Annual Payment
La Cumbre Golf & County Club	27,840	\$ 72,156
ELK Trust	18,540	54,358
Mariposa Land Development Co.	12,144	27,262
Gael Trust	8,219	23,006
Stephen Redding	8,041	21,812
Carriage Hill Association	4,912	21,293
Stanford Farms	4,014	14,932
Laguna Blanca School	3,683	14,408
William Foley	4,756	12,879
Lewis Geysler	3,397	12,179
Total	95,546	\$ 274,285

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending Dec. 31	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1991	\$ 1,046,539	\$ 1,021,241	\$ -	\$ 25,298	\$ 66,853	0.38
1992	1,056,863	675,732	-	381,131	146,408	2.60
1993	1,219,519	667,019	-	552,500	88,301	6.26
1994	1,296,090	660,413	-	635,677	149,401	4.25
1995	1,426,908	641,474	-	785,434	233,241	3.37
1996	1,794,966	799,628	-	995,338	420,166	2.37
1997	2,209,613	715,858	308,434	1,802,189	945,127	1.91
1998	2,037,867	601,926	308,434	1,744,375	1,639,076	1.06
1999	2,457,960	701,705	325,688	2,081,943	635,697	3.27
2000	2,526,109	709,568	354,510	2,171,051	1,276,799	1.69

Source: La Cumbre Mutual Water Co.



Statistical Section City of Santa Barbara

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	24,473	\$ 14,017,897	9,520
1993	24,609	15,690,162	11,071
1994	24,653	15,841,994	11,438
1995	24,631	16,807,644	12,337
1996	24,702	17,979,681	13,055
1997	24,971	19,338,989	13,916
1998	25,076	18,220,227	13,124
1999	25,169	19,742,981	13,961
2000	25,233	21,196,803	14,881
2001	25,267	21,298,011	14,618

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
Fess Parker's Double Tree Inn	30,255	\$ 116,545
City of Santa Barbara	69,289	102,611
Montecito County Club	54,563	79,892
St. Francis Hospital	20,056	75,721
S.B. Cottage Hospital	16,954	69,084
S.B. Zoological Foundation	12,739	53,652
La Colina Jr. High School	11,643	47,666
Mission Linen Supply	10,057	38,103
Samarkand, Inc.	9,551	36,679
National Retail Partners, LLC	8,078	33,887
Total	243,185	\$ 653,840

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Net Revenues	State Water Payments	Parity Debt Service	Coverage
1992	\$ 18,234,000	\$ 9,552,760	\$ 8,681,240	\$ 88,200	\$ 2,490,425	3.37
1993	24,501,675	10,743,067	13,758,608	278,068	2,492,090	4.97
1994	24,505,519	10,853,926	13,651,593	552,394	1,732,171	5.98
1995	25,304,124	11,800,957	13,503,167	526,222	2,637,835	4.27
1996	26,423,864	11,763,687	14,660,177	728,922	2,399,248	4.69
1997	26,725,375	12,313,251	14,412,124	1,445,632	2,457,398	3.69
1998	21,662,821	10,061,553	11,601,268	3,625,606	2,394,212	1.93
1999	23,207,547	12,844,077	10,363,470	1,706,350	2,394,629	2.53
2000	26,214,255	8,503,542	17,710,713	3,952,515	2,397,796	2.78
2001	24,876,337	11,223,259	13,653,078	3,991,623	2,281,089	2.18

Source: City of Santa Barbara



Statistical Section Montecito Water District

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	3,509	\$ 3,256,273	2,866
1993	3,559	4,055,272	3,640
1994	3,595	3,780,815	3,544
1995	3,640	3,887,695	3,695
1996	4,118	4,627,755	4,369
1997	4,199	5,282,394	4,974
1998	4,238	4,633,281	4,310
1999	4,280	5,487,926	4,813
2000	4,339	6,234,169	5,337
2001	4,409	5,831,244	4,909

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
Four Seasons Hotel	43,529	\$ 195,479
Birnam Wood Golf Club	81,995	147,516
Westmont College	33,783	104,691
Casa Dorinda	20,090	69,523
Valley Club of Montecito	35,743	66,121
Santa Barbara Cemetery	21,766	62,855
Los Alisos Ranch	31,897	47,623
Jackson Ranch	15,474	31,299
Bill Meeker	14,353	26,734
Nesbitt Association, Inc.	13,613	21,952
Total	312,243	\$ 773,793

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 4,239,831	\$ 2,734,657	\$ -	\$ 1,505,174	\$ 126,918	11.86
1993	6,999,902	3,037,466	-	3,962,436	132,016	30.01
1994	5,190,442	2,410,016	-	2,780,426	320,726	8.67
1995	5,864,997	2,129,633	-	3,735,364	614,523	6.08
1996	6,219,739	2,585,257	-	3,634,482	1,284,698	2.83
1997	7,462,674	2,962,077	-	4,500,597	1,449,536	3.10
1998	7,169,644	2,743,341	767,671	5,193,974	2,706,621	1.92
1999	7,961,038	3,166,606	869,154	5,663,586	3,030,743	1.87
2000	8,967,822	3,267,293	905,573	6,606,102	3,382,482	1.95
2001	8,713,872	3,465,938	956,320	6,204,254	3,507,602	1.77

Source: Montecito Water District



Statistical Section Carpinteria Valley Water District

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	3,991	\$ 1,773,358	3,974
1993	4,019	2,312,030	4,179
1994	4,019	2,583,104	4,249
1995	4,042	2,650,897	4,097
1996	4,036	3,096,261	4,177
1997	4,074	4,989,024	4,445
1998	4,083	5,023,009	4,038
1999	4,112	5,439,578	4,364
2000	4,137	5,442,817	4,620
2001	4,146	5,428,686	4,135

Largest Customers as of June 30, 2001

	Water Usage ⁽¹⁾	Annual Payment
B&H Flowers (Nursery)	69,116	\$ 102,966
Casitas Village (Home Owners' Assn)	32,142	97,711
Villa Del Mar	29,683	95,701
Cate School (Private School)	24,783	66,963
Sandpiper Village (Mobile Home Park)	37,999	64,772
Ocean Breeze Nursery	26,686	64,156
Norman L. Francis	26,355	51,174
William Van Wingerden	32,194	43,618
Westerly Roses	28,418	43,273
H&M Roses	27,510	41,300
Total	334,886	\$ 671,634

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 2,191,208	\$ 1,545,480		\$ 645,728	\$ 272,980	2.37
1993	2,990,475	1,722,886		1,267,589	138,491	9.15
1994	3,343,760	1,919,052		1,424,708	191,233	7.45
1995	3,699,032	1,825,006		1,874,026	316,275	5.93
1996	4,464,274	2,152,633		2,311,641	683,621	3.38
1997	5,518,056	2,413,360		3,104,696	1,673,411	1.86
1998	5,717,569	2,243,307	750,000	4,224,262	2,321,529	1.82
1999	6,204,013	2,853,338	758,938	4,109,613	1,999,387	2.06
2000	6,275,281	2,614,898	750,000	4,410,383	2,182,036	2.02
2001	6,466,008	2,673,804	750,000	4,542,204	2,178,815	2.08

Source: Carpinteria Valley Water District