

fiscal year

2010/11 BUDGET



**CENTRAL
COAST**
WATER AUTHORITY

A CALIFORNIA JOINT POWERS AUTHORITY

Central Coast Water Authority

Mission:

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

Objectives:

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





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Coast Water Authority
California**

For the Fiscal Year Beginning

July 1, 2009

President

Executive Director

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Security Cameras at Tank 7

Budget Foreword

The Budget Foreword section of the FY 2010/11 Budget contains the Budget Transmittal Letter, narrative discussion on the financial policies, goals and objectives of the Authority, an overview of the Authority's organizational structure, and the budget process.

Highlights

General Information

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

Operational Information

• Polonio Pass Water Treatment Plant design capacity	43 million gallons per day
• Authority Pipeline (in miles)	42
• Coastal Branch Phase II Pipeline (in miles)	101
• Number of water storage tanks	5
• Number of turnouts	10
• Number of full-time equivalent Positions	28.50

Central Coast Water Authority
Reader's Guide
Fiscal Year 2010/11 Budget

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

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

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

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



April 22, 2010

Board of Directors
Central Coast Water Authority

Dear Members of the Board:

L. J. Lavagnino
Chairman

Fred Lemere
Vice Chairman

William Brennan
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Submitted herewith is the Fiscal Year (FY) 2010/11 Budget for the Central Coast Water Authority. This letter of transmittal presents the budget highlights and addresses the main points and major decisions made in compiling this document. As CCWA's policy makers, you play a critical role in making decisions regarding the direction the organization will take in FY 2010/11.

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

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

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

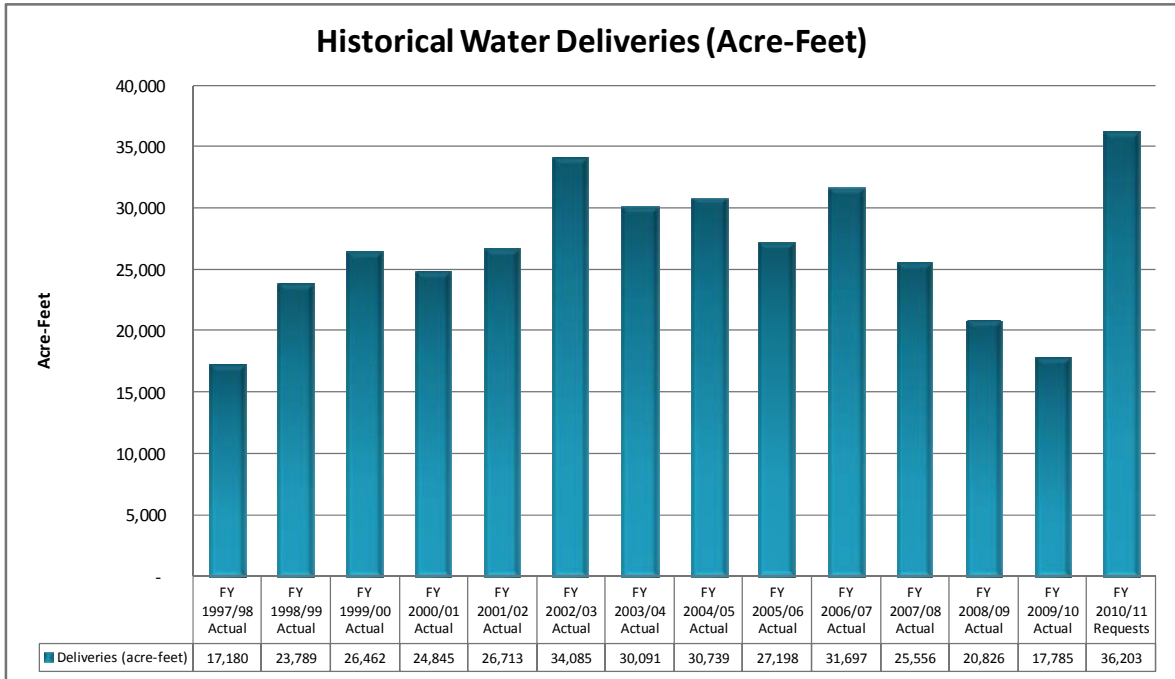
For twelve consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2010/11 Budget for consideration of the GFOA budget award.

AN OVERVIEW OF LAST FISCAL YEAR

The following are some of the major highlights from FY 2009/10:

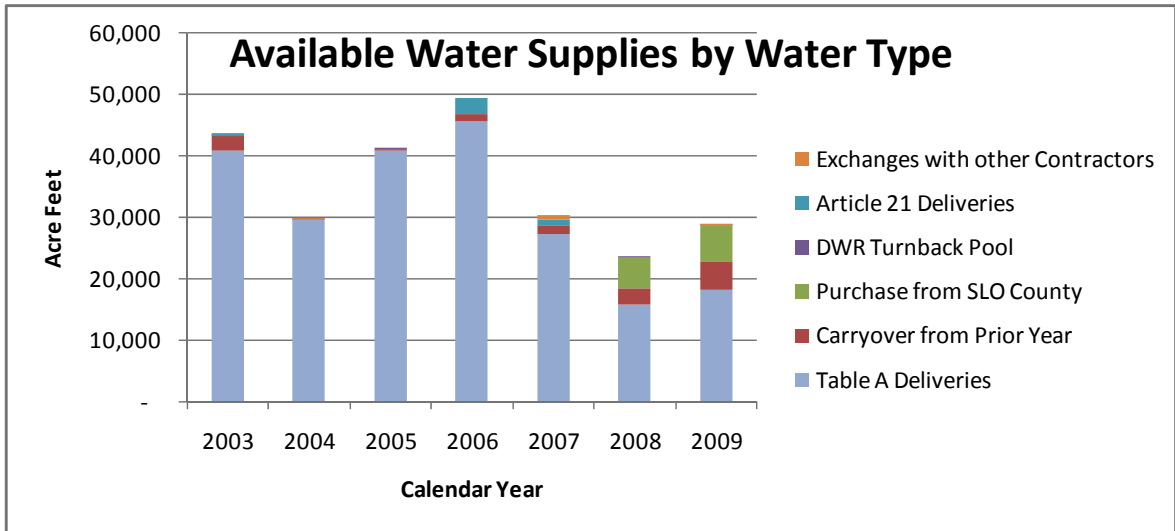
Water Deliveries

Total deliveries during FY 2009/10 by CCWA to the Santa Barbara and San Luis Obispo County project participants are 17,785 acre-feet compared to the actual FY 2008/09 deliveries of 20,826 acre-feet. The graph on the following page shows water deliveries since CCWA commenced operations in August 1997.

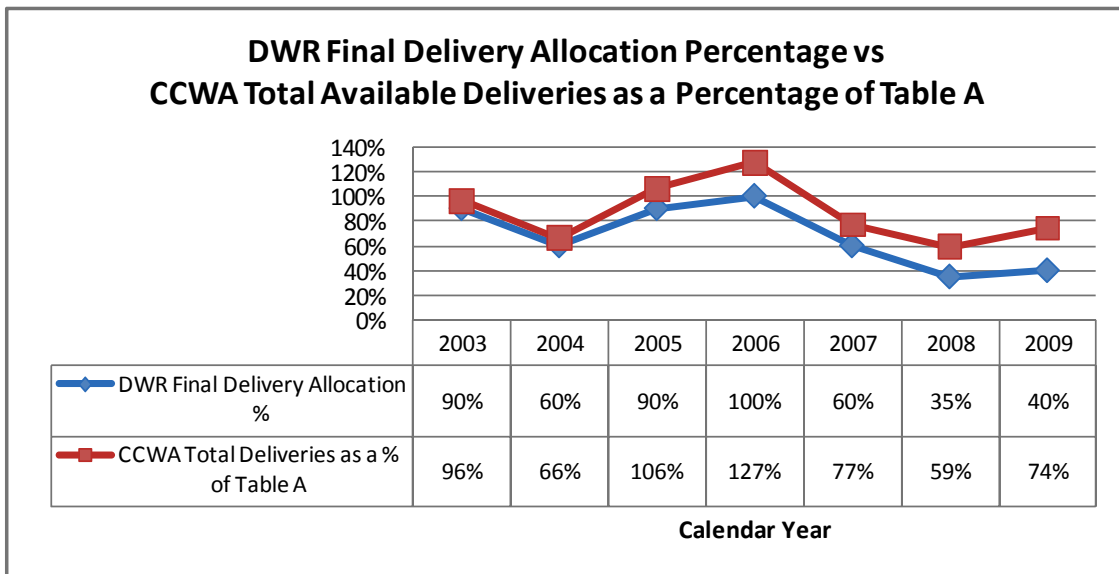


Maximization of Water Deliveries through Alternative Water Sources

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



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

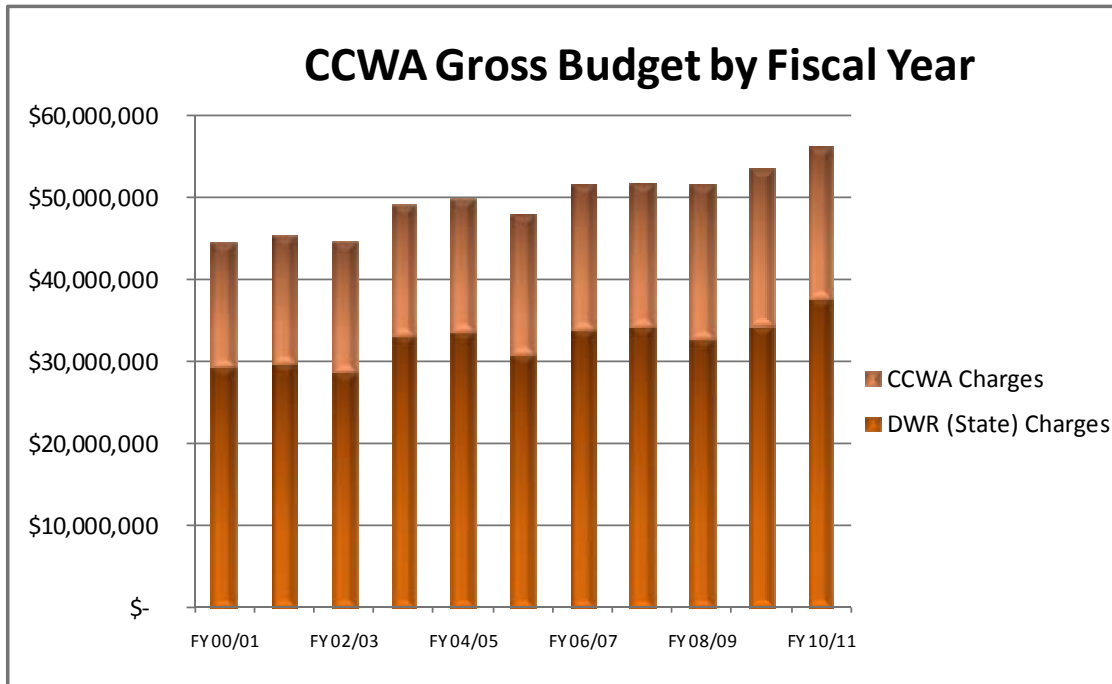


CCWA Credits

Actual CCWA operating expenses for FY 2009/10 are anticipated to be approximately \$2 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2010/11. Additionally, it is estimated that CCWA will earn approximately \$0.4 million in interest income which serves to offset the payments from the project participants. Total estimated credits for FY 2009/10 are estimated to be approximately \$2.4 million.

CCWA Budget History

The following graph shows the CCWA gross budget (total budget excluding CCWA credits and prepayments) broken down between CCWA costs and DWR costs from FY 2000/01 to FY 2010/11.



Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2009/10 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2008/09 Comprehensive Annual Financial Report.

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

AN OVERVIEW OF THIS FISCAL YEAR

Water Delivery Projections

For calendar years 2010 and 2011, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 36,051 and 37,190 acre-feet, respectively.

California Drought

In June 2008, Governor Arnold Schwarzenegger declared a California statewide drought in response to two straight years of historically low rainfall and very low snowfall runoff. As a result of the low precipitation in California and various judicially mandated pumping restrictions, DWR's delivery allocation percentage for 2008 was 35% and 40% for 2009.

At the beginning of calendar year 2010, DWR announced its initial delivery allocation percentage of 5%, the lowest initial delivery allocation percentage in the history of the State Water project. However, during the late winter and spring, both the rainfall and snowfall steadily increased such that DWR was able to make various allocation percentage changes through late May 2010, with the final delivery allocation percentage of 50%.

CCWA continues to explore options for meeting the demand of its project participants through various programs including the San Luis Obispo County dry year water purchase program, DWR and State Water Contractors drought water bank programs, reacquisition of the 12,214 AF of suspended Table A amount and transfers between project participants.

Department of Water Resources Activities and Related Costs

During FY 2010/11, CCWA staff will continue to work through the State Water Contractor (SWC) board and committees that interact with the Department of Water Resources (DWR) which impact CCWA and the California water agencies as a whole. There are many significant issues on which DWR and the SWC are working which have water supply, operational, and fiscal impacts on CCWA. Some of these activities could potentially have a significant fiscal impact to CCWA in the current and future years. Therefore, staff will place a high priority on working through the various available venues to minimize the fiscal impacts to CCWA and ensure that we continue to meet our goal of providing reliable, high quality supplemental water.

DWR Costs and Financial Issues

In FY 2010/11, CCWA staff will continue the efforts begun in 2009 to fully audit the Statement of Charges from DWR to ensure the costs allocated to CCWA are correct and appropriate based on the State Water Project Contract. The following is a list of the most significant errors remaining to be corrected in the Statement of Charges for calendar years 2010 and 2011:

- CCWA has challenged, and DWR agrees, that DWR's allocation of revenue bond debt service payments to CCWA for the Coastal Branch Extension is incorrect. Total construction and finance related costs were around \$35 million for the project, but DWR had allocated approximately \$46 million in revenue bond principal payments to CCWA. DWR has agreed to correct this error and provide both a revised invoice for the calendar year 2011 Coastal

Branch Extension debt service payments as well as adjustments to future debt amortization schedules to account for both the principal and interest reductions associated with the error.

- One of the most significant DWR billing issues in FY 2010/11 will be to obtain cost information on the Transportation Minimum OMP&R cost component. The calendar year 2011 amounts calculated by DWR to be paid by CCWA is approximately \$11.1 million, or \$5.4 million higher than the anticipated amount used to prepare the FY 2010/11 CCWA budget. Therefore, significant resources will be devoted to researching the reasons for this increase during the year and obtaining an adjustment to the invoiced amount if it is determined a correction is warranted.

DWR Energy Issues

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

- Completing an electrical strategic resource plan that will guide both short-term and long-term energy purchases and acquisitions
- Completing the Lodi Energy Center and ensure DWR's participation in effectively utilizing this gas fired power generating facility through the Northern California Power Association.
- Assisting DWR in completing its contract obligations with the Nevada Power Authority and to discontinue use of the coal fired Reid Gardner power facility.
- Assisting DWR in cost effectively acquiring renewable energy resources over a planned horizon consistent with the strategic resource planning effort.

CCWA Operating Expense Budget Reductions for FY 2010/11

For the second year in a row, in response to the financial hardships being faced by many CCWA project participants, the CCWA Board of Directors requested that CCWA staff review its Operating Expense Budget to identify expenses and projects which could be postponed or eliminated to provide a cost reduction for FY 2010/11.

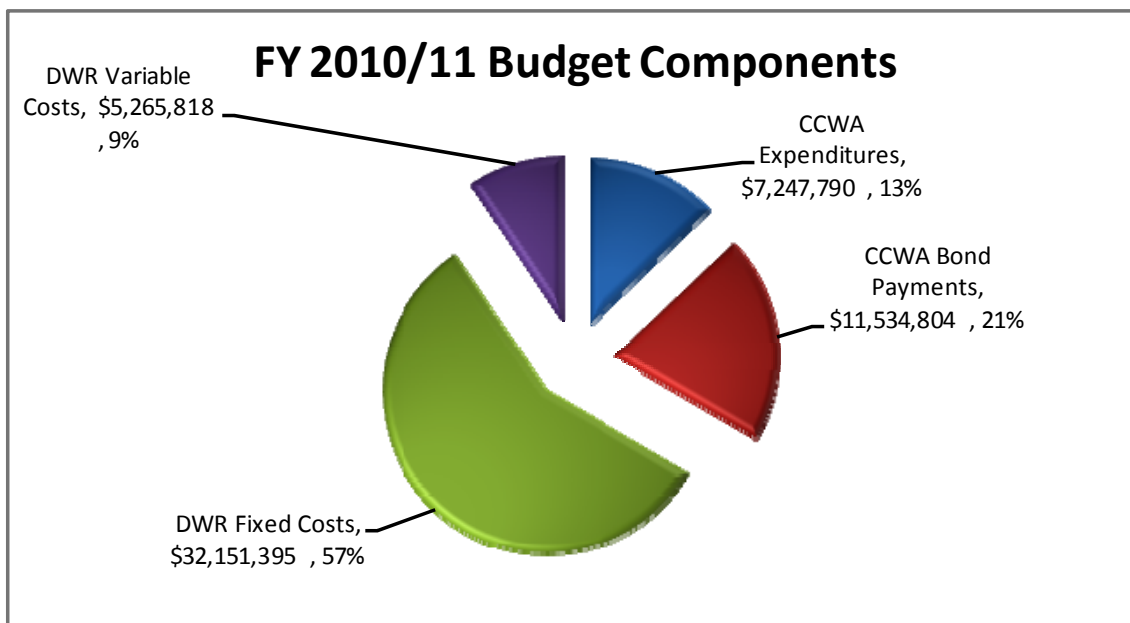
One of the main cost saving measures recommended by CCWA staff was to change the response to the taste and odor episodes. Previously, the granular activated carbon (GAC) in the filters at the Water Treatment Plant was changed periodically to permit the effective removal of Methylisoborneol (MIB) and Geosmin in the water and thereby eliminate or reduce the taste and odor in the water.

However, replacement of the GAC is very expensive and staff proposed that instead of changing the GAC, powdered activated carbon (PAC) could be used which is less

expensive and may be applied only when taste and odor episodes are encountered, to the which the CCWA Board agreed. Further, it was recommended that in the event PAC is needed, that the CCWA O&M Reserve Fund be used to initially fund the expenses until such time that funds may be collected from the project participants. This change resulted in a reduction of the FY 2010/11 budget of \$250,000.

FY 2010/11 BUDGET SUMMARY

The FY 2010/11 budget calls for total project participant payments of \$55.9 million compared to the FY 2009/10 budget of \$51.9 million, a \$4.0 million increase. These amounts include \$0.2 million in CCWA credits for FY 2010/11 and \$1.6 million for FY 2009/10. The following graph shows the breakout of the various cost components in the CCWA FY 2010/11 Budget:



The following table compares the FY 2010/11 Budget and the FY 2009/10 Budget:

Budget Item	Final FY 2009/10 Budget	Final FY 2010/11 Budget	Increase (Decrease)
<u>CCWA Expenses</u>			
CCWA Operating Expenses	\$ 7,464,165	\$ 6,890,793	\$ (573,372)
Revenue Bond Debt Service Payments	11,454,063	11,534,804	80,741
Capital Improvement Projects	195,488	117,306	(78,182)
Non-Annual Recurring Expenses	-	-	-
Total CCWA Expenses:	19,113,716	18,542,903	(570,813)
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	29,953,767	32,151,395	2,197,628
DWR Variable Costs	3,974,069	5,265,818	1,291,749
Warren Act and Trust Fund Payments	472,301	239,691	(232,610)
Total Pass-Through Expenses:	34,400,137	37,656,903	3,256,766
Subtotal Gross Budget:	53,513,853	56,199,806	2,685,953
CCWA Credits	(1,570,351)	(234,864)	1,335,487
TOTAL:	\$ 51,943,502	\$ 55,964,943	\$ 4,021,440

CCWA Operating Expense Budget

The FY 2010/11 CCWA operating expense budget totals \$6,890,793, which is \$573,372 less than the FY 2009/10 operating expense budget, a 7.68% decrease.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2010/11 and FY 2009/10.

	Final FY 2009/10 Budget	Final FY 2010/11 Budget	Increase	Percentage Change
Fixed O&M	\$ 5,295,225	\$ 5,418,498	\$ 123,273	2.33%
Variable O&M	2,168,940	1,472,294	(696,646)	-32.12%
Total:	\$ 7,464,165	\$ 6,890,793	\$ (573,372)	-7.68%

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

Personnel Expenses

Personnel expenses are increasing about \$210,000, which includes the following changes from the prior year:

- The FY 2010/11 Budget includes a \$111,816 salary pool (suspended for FY 2010/11).
- PERS Retirement expenses are increasing by about \$28,000 for an increase in employee salaries (suspended) and a slight increase in the PERS contribution rate.
- Health insurance expenses are increasing by about \$35,000 due to an estimated 10% increase in premium amounts for 2011.

Supplies and Equipment

Supplies and equipment expenses are decreasing by about \$518,000 due primarily to a reduction in chemical costs. For FY 2010/11, chemical costs are based on \$30.13 per acre-foot compared to the prior year amount of \$40.16 per acre-foot.

Professional Services

Professional services expenses are decreasing by about \$53,500 due to a \$25,000 reduction in anticipated legal expenses, coupled with a \$23,000 reduction in accounting services due to elimination of the Ernst & Young contract to audit the DWR Statement of Charges which will now be performed by CCWA staff.

Utilities

Utilities are decreasing by about \$212,000 due to a decrease in electrical costs primarily associated with a large reduction in requested water deliveries into Lake Cachuma by the South Coast project participants.

CCWA Capital Improvement Projects

The FY 2010/11 Budget includes \$117,306 for capital improvements entirely funded from project participant assessments.

Please refer to the "Capital Improvements" section of the FY 2010/11 Budget for additional information.

Regional Water Treatment Plant Allocation and Exchange Agreement Modifications

The FY 2010/11 fixed, capital and variable regional water treatment plant allocation (and associated credit) is \$1,631,173. The FY 2010/11 fixed, capital and variable exchange agreement modifications total \$370,103.

CCWA 2006A Revenue Bond Debt Service

CCWA 2006A revenue bond debt service for FY 2010/11 totals \$11.5 million, which is \$0.1 million more than the prior year amount.

Warren Act and Trust Fund Payments

The FY 2010/11 Budget includes \$239,691 for Warren Act and Trust Fund MOU payments based on \$58 per acre-foot.

CCWA Credits

The FY 2010/11 budget includes the following credits:

CCWA O&M Credits	\$	216,040
O&M Reserve Fund Interest Income		6,886
Rate Coverage Reserve Fund Interest		7,695
Prepayments and Other Credits		4,244
	\$	<u>234,864</u>

DWR Charges

The FY 2010/11 DWR fixed charges total \$32,151,395, which is \$1,978,988 more than the FY 2009/10 Budget. The DWR variable charges total \$5,265,818, which is \$1,291,749 higher than the prior year amount.

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

CONCLUSION

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

Sincerely,

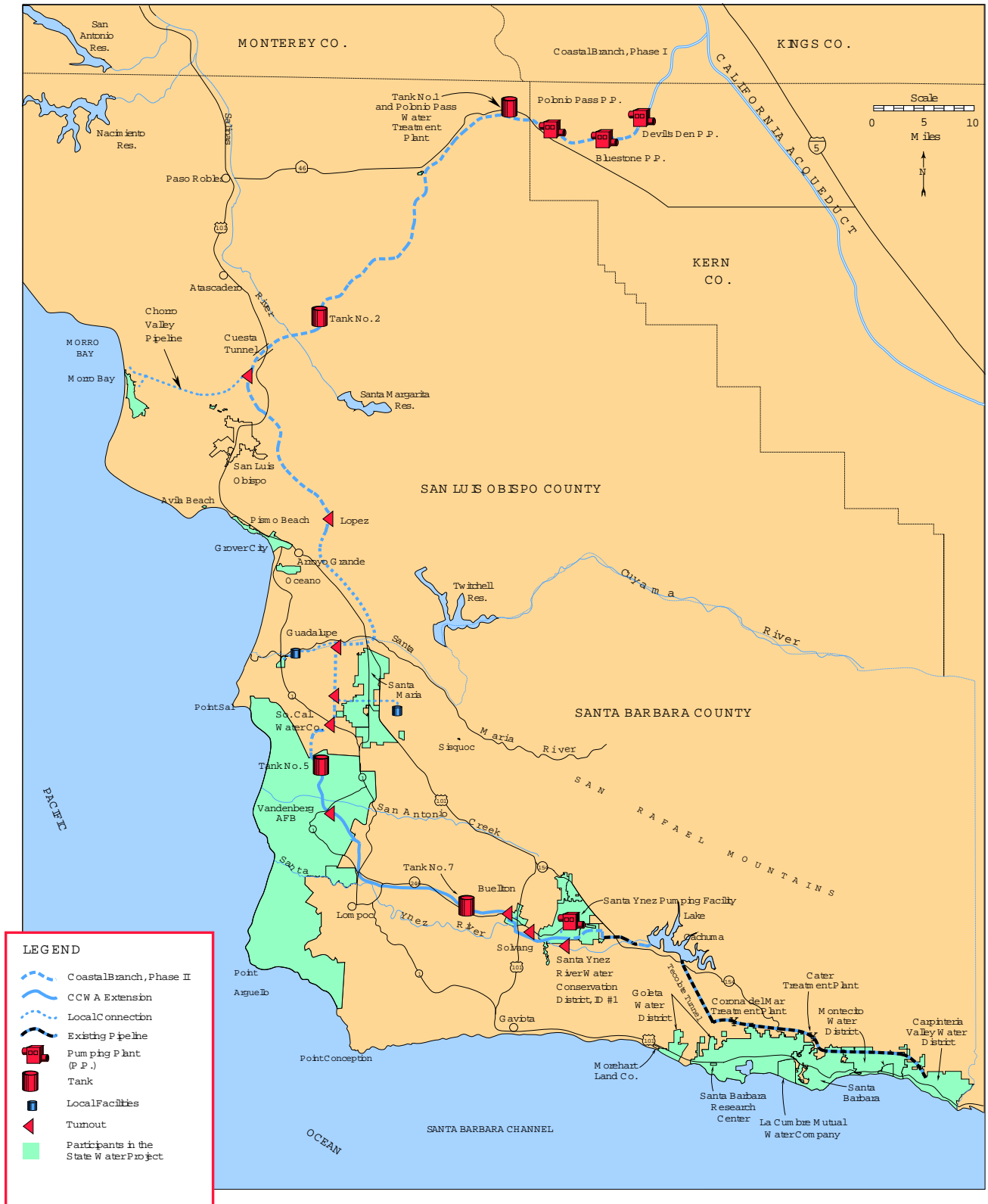


William Brennan
Executive Director



Ray A. Stokes
Deputy Director

Project Map



PROJECT MAP OF COASTAL BRANCH PHASE II

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2010/11 Budget

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

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

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2010/11 Budget

Board of Directors Voting Percentages

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

CCWA Committees

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

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

Santa Barbara County Project Participants

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
 Fiscal Year 2010/11 Budget

Santa Barbara County Project Participant Table A Amounts

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

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

San Luis Obispo County Water Purchasers

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

San Luis Obispo County Project Participant Table A Amounts

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2010/11 Budget

Water Supply Agreements

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

Local Water Treatment Agreements

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

State Water Project

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

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

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

Central Coast Water Authority
Organization Overview, Structure and Staffing
Fiscal Year 2010/11 Budget

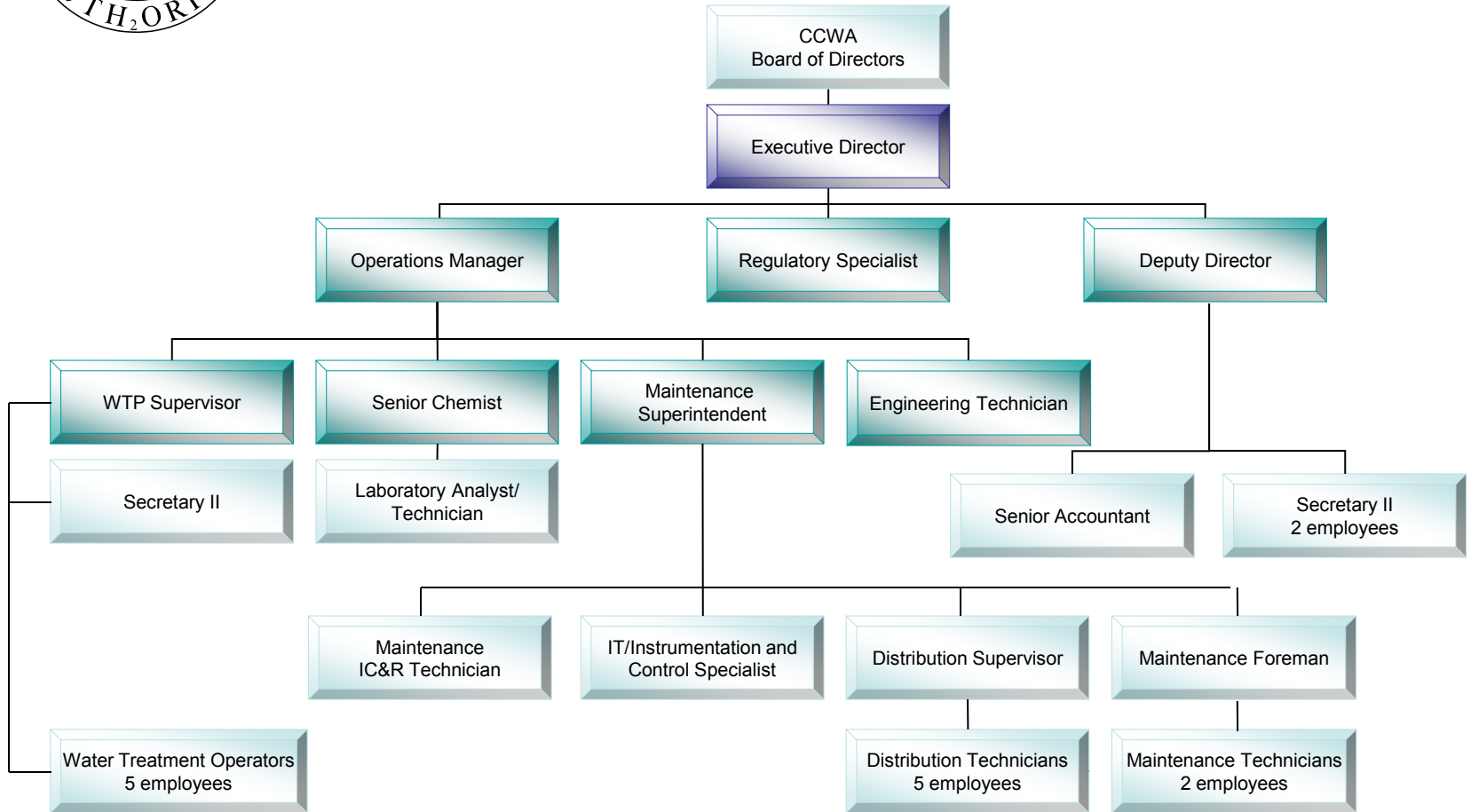
mountains to and through the County of San Luis Obispo to a terminus in northern Santa Barbara County. Its largest diameter is 57 inches between the Devils Den Pumping Plant and Tank 1 and its smallest diameter is 42 inches along the southerly-most 48 miles.

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

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

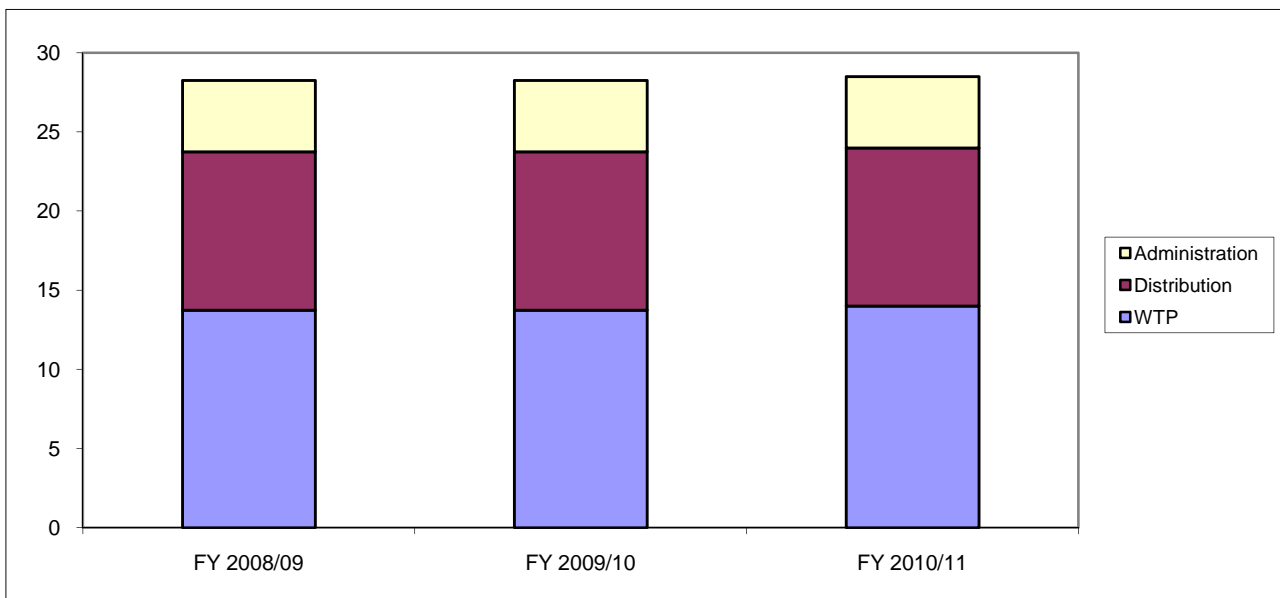


Central Coast Water Authority Organization Chart FY 2010/11



Central Coast Water Authority
Personnel Count Summary
All Departments
 Fiscal Year 2010/11 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Authorized FY 2008/09	Authorized FY 2009/10	Requested FY 2010/11	Over FY 2008/09	Over FY 2009/10
Executive Director	1.00	1.00	1.00	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager	1.00	1.00	1.00	-	-
Regulatory Specialist	1.00	1.00	1.00	-	-
Senior Accountant	1.00	1.00	1.00	-	-
Secretary II	2.50	2.50	2.50	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst/Technician	0.75	0.75	1.00	0.25	0.25
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	1.00	1.00	1.00	-	-
WTP Operator	5.00	5.00	5.00	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	28.25	28.25	28.50	0.25	0.25



Central Coast Water Authority
Budget Process
Fiscal Year 2010/11 Budget

Fiscal Year Budget

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

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

Four Year Financial Plan

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

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

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

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

Central Coast Water Authority
Budget Process
Fiscal Year 2010/11 Budget

Committee Review of the Budget

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

Board Adoption of the Fiscal Year Budget

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

Budget Amendment Process

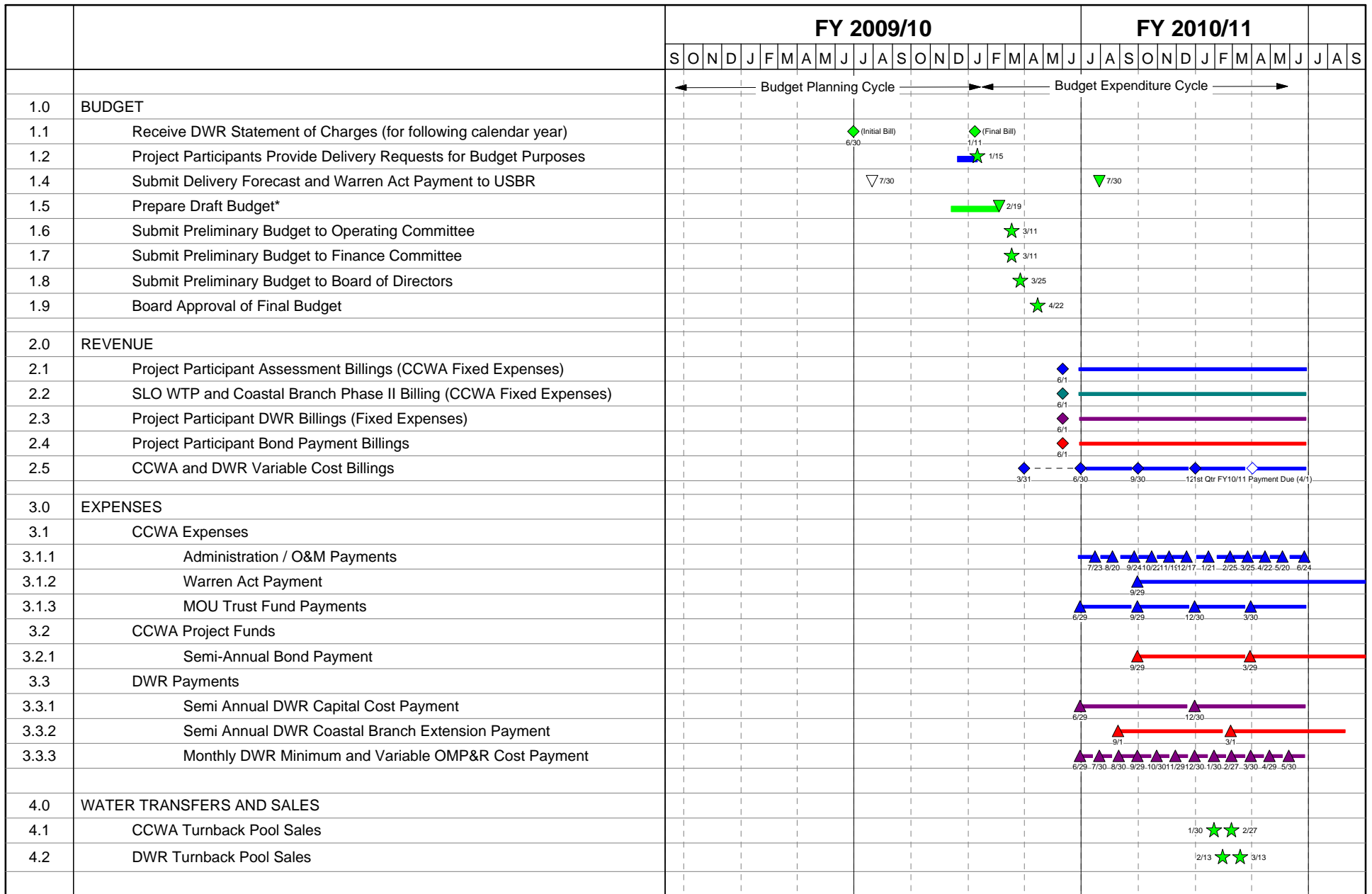
The budget may only be amended during the year by Board action. This process involves requests by staff to the Board for additional funding. The Board considers the requests of staff at regularly scheduled meetings and approves or rejects the requests by motion and majority vote.

CCWA Financial Schedule FY 2010/11

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

CCWA FINANCIAL SCHEDULE

FISCAL YEAR 2010/2011



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*Contains the FY 2010/2011 Budget and the Four-Year Financial Plan for FY 2010/11 through FY 2013/14

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

Central Coast Water Authority
Financial Reporting Basis
Fiscal Year 2010/11 Budget

Budget Reporting

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

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

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

Administration

Water Treatment Plant

Distribution

CCWA Reaches

Mission Hills II
Santa Ynez I
Santa Ynez II

DWR Reaches

Reach 33B
Reach 34
Reach 35
Reach 37
Reach 38

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

Financial Statement Reporting

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2010/11 Budget

The Fiscal Year 2010/11 Budget document has been prepared after analyzing, evaluating, and justifying both the financial and non-financial objectives and goals of the Authority for the current year and beyond. The Authority's budget is a comprehensive document which enables the Board of Directors and Authority staff to evaluate the Authority's past and future.

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

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

BUDGET POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2010/11 Budget

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2010/11 Budget

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

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

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

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2010/11 Budget

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

CAPITAL IMPROVEMENTS POLICY

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

DEBT POLICY

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2010/11 Budget

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

RESERVE POLICY

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

INVESTMENT POLICY

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

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

ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

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

Central Coast Water Authority
Budget Policy and Strategy
Fiscal Year 2010/11 Budget

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

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Bradbury Repeater

Budget Summary

The Budget Summary section of the FY 2010/11 Budget includes tables and graphs which summarize all revenues and expenditures included in the budget document. Additionally, graphs and tables showing the projected expenditures through FY 2013/14 are included in this section as well as cost per acre-foot amounts based on the FY 2010/11 Budget.

Highlights

Budget Summary

• FY 2010/11 Gross Budget	\$ 56,199,806
• FY 2009/10 Gross Budget	<u>\$ 53,513,853</u>
Increase:	\$ 2,685,953
• FY 2010/11 CCWA Credits	\$ 234,863
• FY 2009/10 CCWA Credits	<u>\$ 1,570,352</u>
Decrease:	\$ (1,335,489)
• FY 2010/11 Net Budget (After CCWA Credits)	\$ 55,964,943
• FY 2009/10 Net Budget (After CCWA Credits)	<u>\$ 51,943,502</u>
Increase:	\$ 4,021,440

Significant Budget Changes

- DWR Fixed cost increase of \$2.2 million
- DWR Variable cost increase of \$1.3 million
- CCWA Fixed O&M Expense budget increase of \$124,000
- CCWA Variable O&M Expense budget decrease of \$(697,000)
- Revenue bond debt service payment increase of \$80,000

Central Coast Water Authority
Budget Summary
Fiscal Year 2010/11 Budget

	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Change from FY 2009/10 Est. Actual
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
SOURCES OF CASH						
CCWA Operating Expenses	7,258,469	7,464,165	7,464,165	6,890,793	(573,372)	(573,372)
Debt Service Payments	11,340,542	11,454,063	11,454,063	11,534,804	80,741	80,741
Capital Improvement Projects	280,951	195,488	195,488	117,306	(78,182)	(78,182)
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	234,713	-	100,000	-	-	(100,000)
CCWA Credits	(2,409,110)	(1,570,351)	(1,589,291)	(234,863)	1,335,488	1,354,428
Subtotal Revenues	16,705,565	17,543,365	17,624,425	18,308,040	764,675	683,615
<i>Pass-Through Expenses</i>						
DWR Fixed Costs	28,152,407	29,953,767	29,953,767	32,151,395	2,197,628	2,197,628
DWR Variable Costs	3,600,874	3,974,069	3,974,069	5,265,818	1,291,749	1,291,749
Warren Act Charges	353,135	472,301	472,301	239,691	(232,610)	(232,610)
Subtotal Pass-Through Expenses	32,106,416	34,400,137	34,400,137	37,656,903	3,256,766	3,256,766
TOTAL SOURCES OF CASH	48,811,981	51,943,502	52,024,562	55,964,944	4,021,441	3,940,381
USES OF CASH						
<i>CCWA Operating Expenses</i>						
Personnel	3,286,226	3,497,685	3,316,902	3,707,459	209,773	390,556
Office Expenses	22,371	24,560	14,641	23,600	(960)	8,959
Supplies and Equipment	932,762	1,806,966	755,539	1,288,571	(518,395)	533,032
Monitoring Expenses	68,516	83,230	58,593	78,630	(4,600)	20,037
Repairs and Maintenance	194,580	199,166	181,564	207,558	8,392	25,994
Professional Services	412,346	361,200	271,192	307,730	(53,470)	36,538
General and Administrative	228,354	250,807	237,403	259,518	8,711	22,115
Utilities	447,946	714,379	292,649	502,520	(211,859)	209,871
Other Expenses	807,507	526,172	401,916	515,208	(10,964)	113,292
Total Operating Expenses	6,400,608	7,464,165	5,530,398	6,890,793	(573,372)	1,360,395
<i>Other Expenditures</i>						
Warren Act Charges	353,135	472,301	472,301	239,691	(232,610)	(232,610)
Capital Improvement Projects ⁽¹⁾	269,016	195,488	195,488	117,306	(78,182)	(78,182)
CCWA Credits	(2,409,110)	(1,570,351)	(1,589,291)	(234,863)	1,335,488	1,354,428
2006 Revenue Bond Debt Service	11,340,542	11,454,063	11,454,063	11,534,804	80,741	80,741
Unexpended O&M Assessments	1,104,509	-	2,033,767	-	-	-
Total Other Expenditures	10,658,092	10,551,501	12,566,328	11,656,938	1,105,437	1,124,377
Total CCWA Expenditures	17,058,700	18,015,666	18,096,726	18,547,731	532,064	2,484,772
<i>DWR Charges</i>						
Fixed DWR Charges	28,152,407	29,953,767	29,953,767	32,151,395	2,197,628	2,197,628
Variable DWR Charges	3,600,874	3,974,069	3,974,069	5,265,818	1,291,749	1,291,749
Total DWR Charges	31,753,280	33,927,836	33,927,836	37,417,212	3,489,376	3,489,376
TOTAL USES OF CASH	48,811,981	51,943,502	52,024,562	55,964,943	4,021,441	5,974,148
Ending Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 0	-
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ 0	\$ (0)	\$ (0)	\$ -		

(1) Includes NARES expenditures.

Central Coast Water Authority
Total Expenditures Summary
 Fiscal Year 2010/11 Budget

Project Participant	Unadjusted	Unadjusted	Exchange	Exchange	Regional	Regional	Adjusted	Warren Act	2006A		Non-Annual	CCWA	Total
	Fixed CCWA	Variable CCWA	Agreement	Agreement	WTP	WTP			Revenue	Bond Debt			
	Operating	Operating	Adjustment	Adjustment	Allocation	Allocation	Charge	Charges ⁽²⁾	Service	FY 2010/11	Expenses	Credits	FY 2010/11
	Expense ⁽¹⁾	Expense	Cap. & Fixed	Variable		Credit				CCWA			CCWA
Guadalupe	60,832	20,596	-	-	\$23,653	\$0	\$105,081	-	164,349	\$269,430	-	(\$6,827)	\$ 262,603
Santa Maria	1,760,550	540,267	-	-	\$688,057	-	2,988,874	-	-	2,988,874	-	38,927	3,027,801
Golden State Water	58,368	17,532	-	-	\$21,348	-	97,248	-	-	97,248	-	(3,800)	93,448
Vandenberg AFB	672,253	205,962	-	-	\$236,527	-	1,114,742	-	-	1,114,742	-	(40,848)	1,073,894
Buellton	82,485	20,324	-	-	\$24,685	-	127,494	-	291,133	418,627	-	1,341	419,968
Santa Ynez (Solvang)	209,834	46,469	-	-	\$63,247	-	319,551	-	894,065	1,213,616	-	15,492	1,229,108
Santa Ynez	70,880	14,468	293,165	76,938	\$117,141	-	572,593	-	335,769	908,362	-	(81,405)	826,956
Goleta	746,450	27,734	(105,539)	(27,698)	\$140,605	(\$478,210)	303,342	0	2,817,925	3,121,267	-	(134,313)	2,986,954
Morehart Land	33,176	20,256	-	0	\$8,601	(\$33,433)	28,599	12,760	129,402	170,761	-	(15,840)	154,921
La Cumbre	165,878	101,281	-	0	\$43,005	(\$167,167)	142,997	63,800	619,446	826,242	-	29,800	856,043
Raytheon	8,294	5,064	-	0	\$2,150	(\$8,358)	7,150	3,190	27,091	37,431	-	(1,734)	35,697
Santa Barbara	497,633	18,428	(70,360)	(18,465)	\$93,733	(\$318,784)	202,186	(0)	1,732,266	1,934,452	-	(1,769)	1,932,683
Montecito	497,633	272,366	(70,360)	(18,465)	\$105,929	(\$412,675)	374,428	159,941	2,035,721	2,570,090	-	(5,492)	2,564,598
Carpinteria	331,756	12,347	(46,906)	(12,310)	\$62,492	(\$212,545)	134,833	0	1,164,039	1,298,872	-	2,306	1,301,178
Shandon	6,672	-	-	-	-	-	6,672	-	13,071	19,743	-	(2,008)	17,736
Chorro Valley	159,202	79,964	-	-	-	-	239,166	-	1,041,276	1,280,442	-	5,698	1,286,140
Lopez	173,908	69,235	-	-	-	-	243,142	-	269,252	512,395	-	(34,392)	478,003
TOTAL:	5,535,804	\$1,472,294	(\$0)	\$0	\$1,631,173	(\$1,631,173)	\$7,008,099	\$239,691	\$11,534,804	\$18,782,594	\$0	(234,863)	\$18,547,731

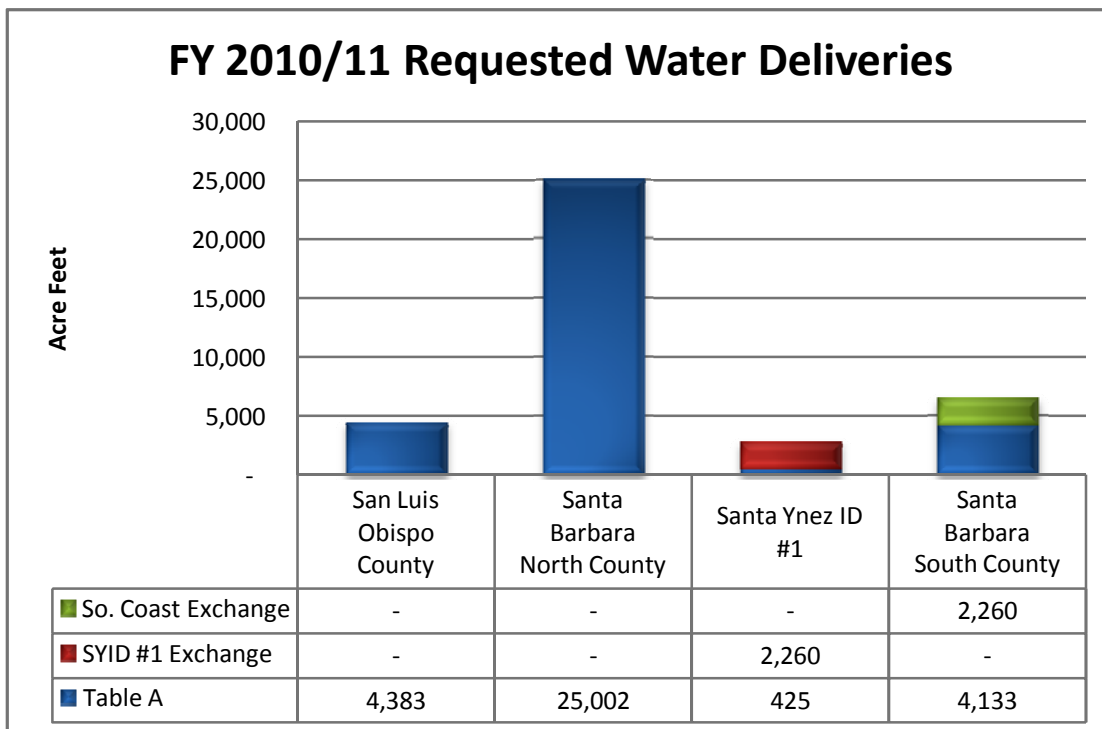
(1) Includes capital improvement projects.

Project Participant	DWR FIXED CHARGES						DWR VARIABLE CHARGES						TOTAL DWR and CCWA
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable	DWR Interest Income	Total DWR Charges	
Guadalupe	\$ 296,524	\$ -	\$ -	\$ 80,564	\$ 22,317	\$ 24,022	\$ 423,426	\$ 6,928	\$ 62,380	\$ 69,308	\$ -	\$ 492,734	\$ 755,337
Santa Maria	8,733,979	400,296	-	2,372,967	657,325	707,556	12,872,123	838,604	1,754,858	2,593,462	-	15,465,586	18,493,387
Golden State Water	269,567	12,355	-	73,240	20,288	21,838	397,288	26,752	57,715	84,467	-	481,755	575,203
Vandenberg AFB	2,965,240	135,903	222,850	805,637	223,166	240,220	4,593,016	170,909	677,179	848,089	-	5,441,105	6,514,998
Buellton	311,620	14,282	23,420	84,667	23,453	25,253	482,694	27,111	67,668	94,779	-	577,473	997,441
Santa Ynez (Solvang)	801,659	37,064	60,777	212,858	59,221	59,824	1,231,405	109,518	151,996	261,514	-	1,492,919	2,722,027
Santa Ynez	276,610	12,355	20,259	80,101	21,930	27,528	438,783	21,359	35,807	57,166	-	495,948	1,322,905
Goleta	2,426,105	111,193	182,332	683,197	182,590	196,543	3,781,961	175,326	106,314	281,640	-	4,063,601	7,050,555
Morehart Land	107,827	4,942	8,104	29,296	8,115	8,735	167,019	382	14,385	14,766	-	181,785	336,706
La Cumbre	539,134	24,710	40,518	146,479	40,576	43,676	835,094	103,831	131,170	235,001	-	1,070,094	1,926,137
Raytheon	26,957	1,235	2,026	7,324	2,029	2,184	41,755	2,408	5,317	7,725	-	49,480	85,177
Santa Barbara	1,617,403	74,129	121,555	439,438	121,727	131,029	2,505,281	62,438	37,454	99,892	-	2,605,173	4,537,856
Montecito	1,617,403	74,129	121,555	439,438	121,727	131,029	2,505,281	116,026	430,615	546,641	-	3,051,922	5,616,521
Carpinteria	1,078,269	49,419	81,036	292,959	81,151	87,353	1,670,188	41,813	29,555	71,368	-	1,741,556	3,042,734
Goleta 2500 AF	21,171	-	-	66,100	21,770	97,041	206,081	-	-	-	-	206,081	206,081
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	17,736
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,286,140
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	478,003
TOTAL:	\$ 21,089,469	\$ 952,013	\$ 884,432	\$ 5,814,264	\$ 1,607,385	\$ 1,803,831	\$ 32,151,395	\$ 1,703,404	\$ 3,562,414	\$ 5,265,818	\$ -	\$ 37,417,212	\$ 55,964,943

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Central Coast Water Authority
FY 2010/11 Delivery Requests (Acre Feet)

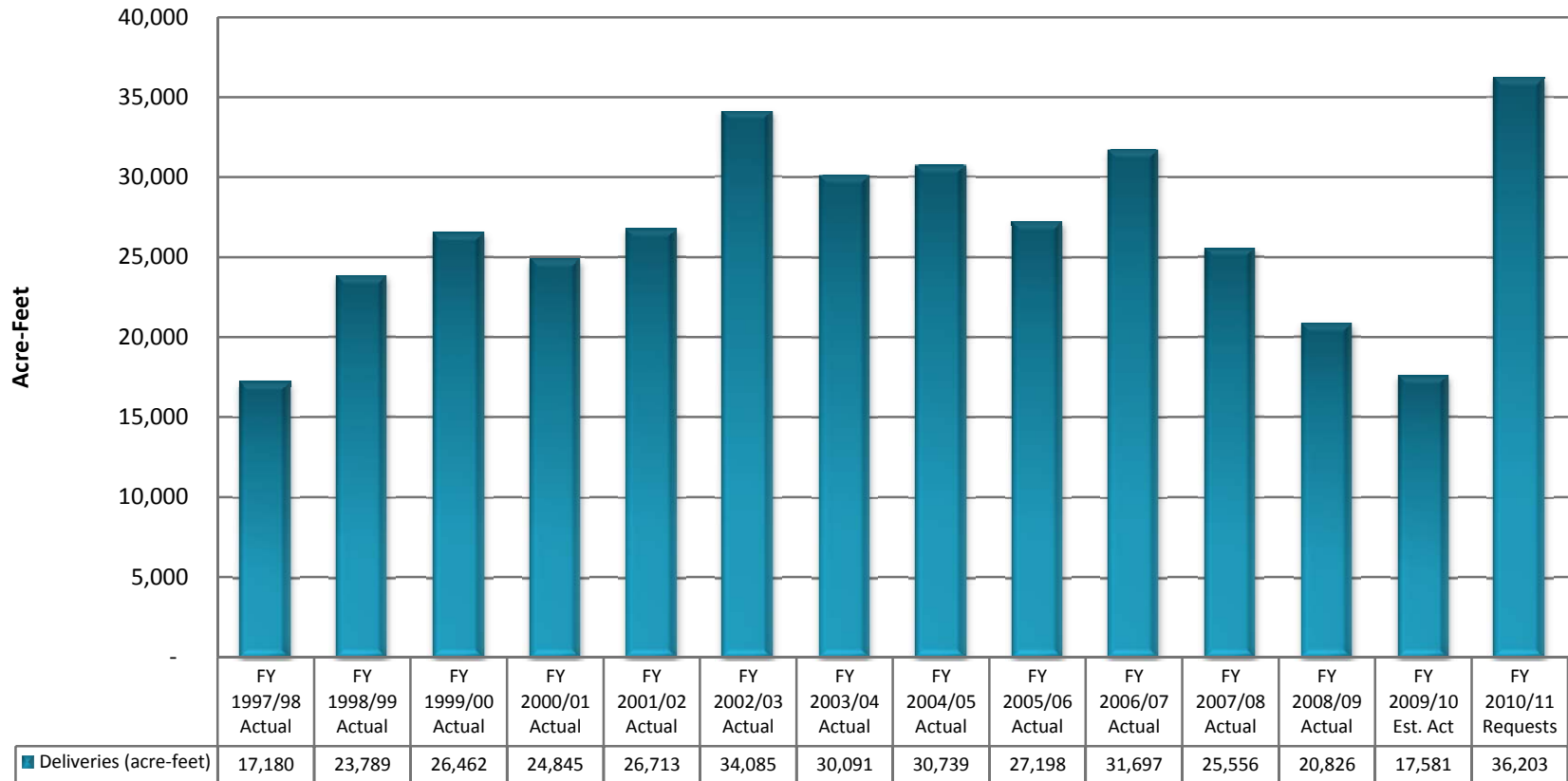
Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	2,034	-	2,034
Chorro Valley	2,349	-	2,349
Guadalupe	605	-	605
Santa Maria	15,870	-	15,870
Golden State Water	515	-	515
VAFB	6,050	-	6,050
Buellton	597	-	597
Solvang	1,365	-	1,365
Santa Ynez	425	2,260	2,685
Goleta	814	(814)	0
Morehart	220	-	220
La Cumbre	1,100	-	1,100
Raytheon	55	-	55
Santa Barbara	542	(542)	(0)
Montecito	3,300	(542)	2,758
Carpinteria	362	(362)	0
TOTAL:	36,203	-	36,203



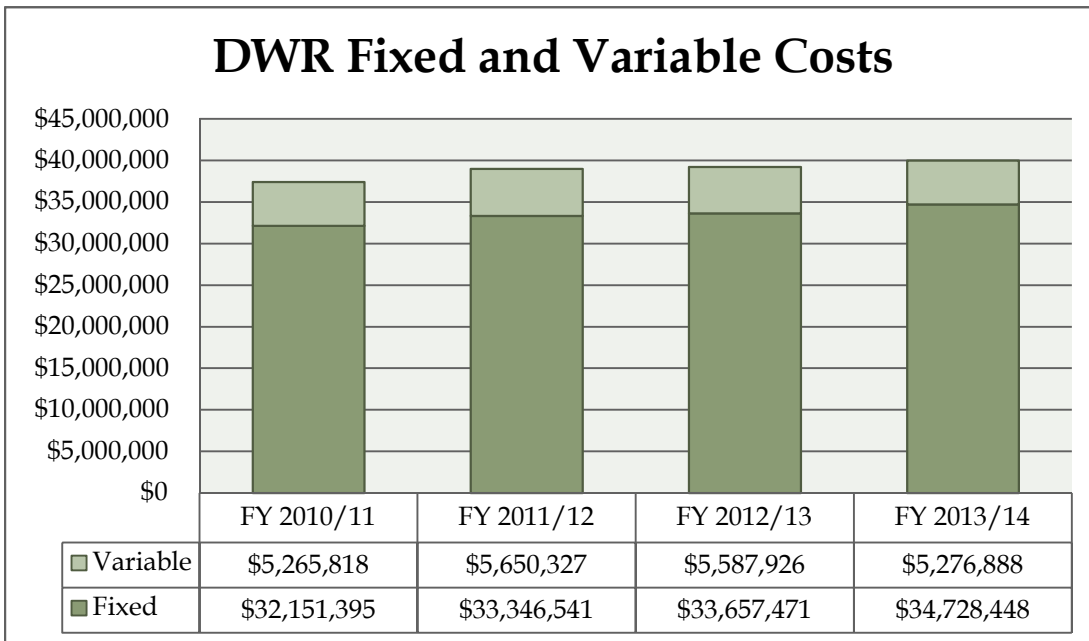
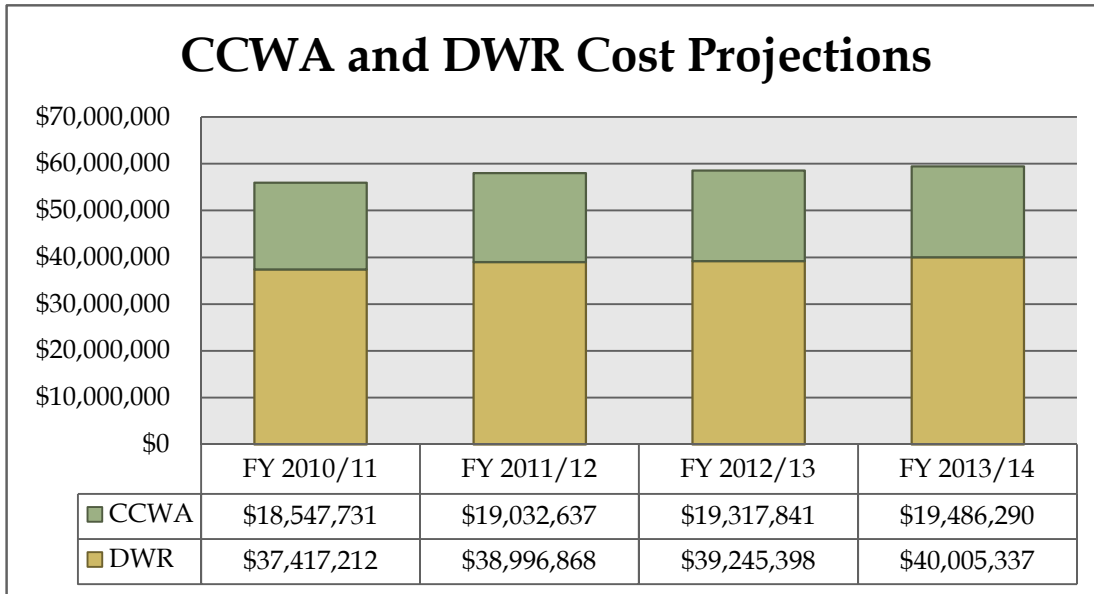
Santa Ynez ID#1 exchanges its Lake Cachuma entitlement for an equal amount of the Santa Barbara County south coast project participant State water. The amounts in the graph above show both the Santa Ynez ID#1 exchanged State water and the South coast Cachuma water taken in the exchange.

Central Coast Water Authority
Water Delivery History

Historical Water Deliveries (Acre-Feet)

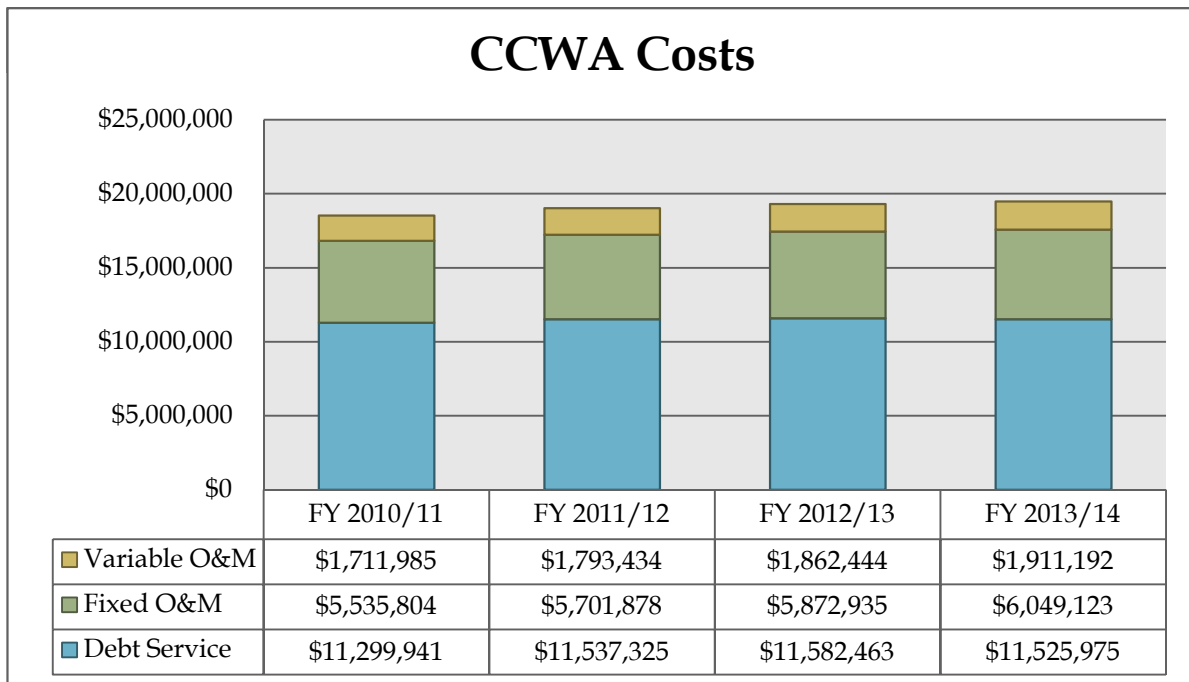
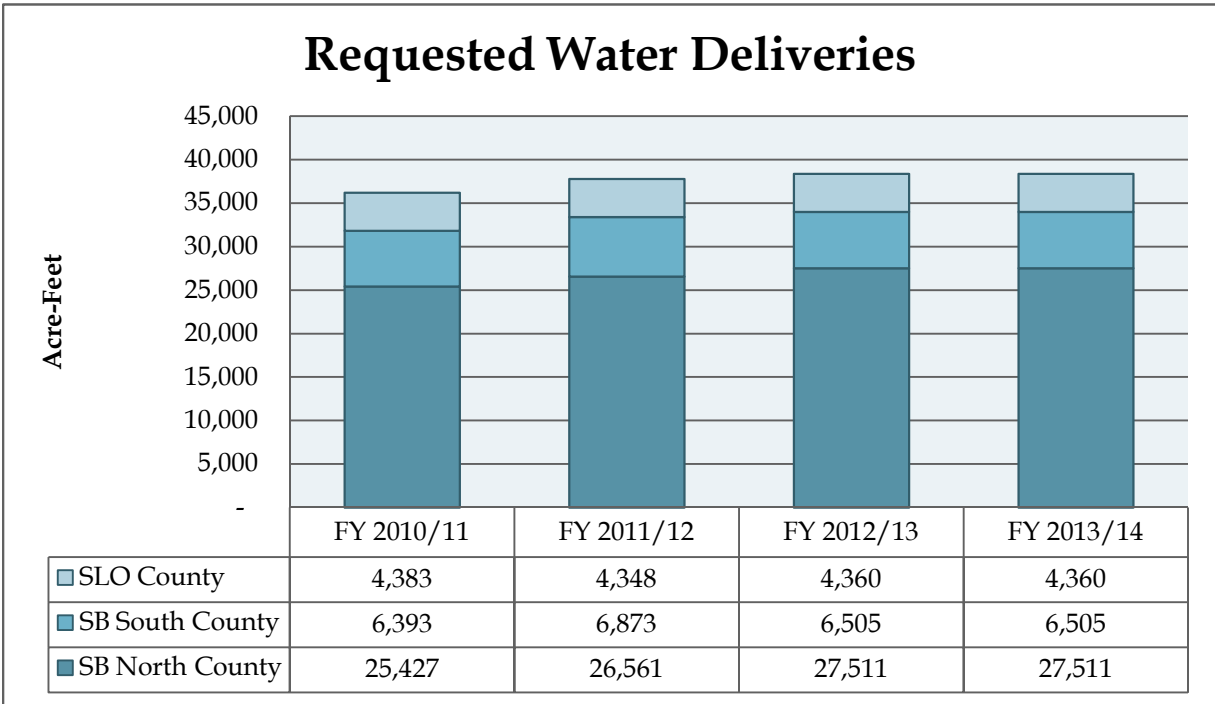


Central Coast Water Authority
Projected Future State Water Costs
 FY 2010/11 to 2013/14



FY 2010/11 charges net of CCWA credits.

Central Coast Water Authority
Projected Future State Water Costs
 FY 2010/11 to 2013/14



Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2010/11 Budget

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

Cost-Types

The two cost-types are fixed and variable costs.

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

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

Water-Types

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

FY 2010/11 Table A Fixed Cost Per Acre-Foot

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

Project Participant	Table A Amount	Fixed Cost Per Acre-Foot	
		Fixed Costs Excluding CCWA Credits	Fixed Cost Per Acre-Foot
Guadalupe	550	\$ 669,585	\$ 1,217.43
Santa Maria	16,200	15,250,556	941.39
Golden State Water C	500	474,726	949.45
VAFB	5,500	5,475,044	995.46
Buellton	578	878,358	1,519.65
Santa Ynez (Solvang)	1,500	2,392,516	1,595.01
Santa Ynez ⁽¹⁾	500	950,701	1,729.00
Goleta	4,500	6,903,227	1,534.05
Morehart	200	324,041	1,620.20
La Cumbre	1,000	1,592,639	1,592.64
Raytheon	50	75,751	1,515.01
Santa Barbara	3,000	4,439,735	1,479.91
Montecito	3,000	4,903,154	1,634.38
Carpinteria	2,000	2,969,057	1,484.53
TOTAL:	39,078	\$ 47,299,089	

Central Coast Water Authority
Cost Per Acre-Foot Analysis
Fiscal Year 2010/11 Budget

Fixed Cost Per Acre-Foot Difference Between Project Participants

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

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

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

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

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

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

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2010/11 Budget

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

FY 2010/11 Table A Variable Cost Per Acre-Foot

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

Project Participant	FY 2010/11 Requested Deliveries			Variable Cost Per Acre-Foot TABLE A DELIVERIES							Table A Variable Cost/AF
	Requested Deliveries	Exchange Deliveries	Net Deliveries	CCWA WTP Variable	CCWA SYPF Variable	Retreatment Variable Charge	Retreatment Variable Credit	DWR Variable	Warren Act Charges	Total Variable	
Guadalupe	605	-	605	\$ 20,596		\$ 2,675		\$ 101,311		\$ 124,583	\$ 205.92
Santa Maria	15,870	-	15,870	540,267		70,174		2,657,534		3,267,975	205.92
Golden State Water C	515	-	515	17,532		2,277		86,240		106,050	205.92
VAFB	6,050	-	6,050	205,962		26,752		1,013,112		1,245,825	205.92
Buellton	597	-	597	20,324		2,640		99,971		122,935	205.92
Santa Ynez (Solvang)	1,365	-	1,365	46,469		6,036		228,578		281,083	205.92
Santa Ynez ⁽¹⁾	425	2,260	2,685	14,468		11,872		71,169		97,510	205.92
Goleta	814	(814)	0	27,711	-	2	(14)	136,310	23	164,032	-
Morehart	220	-	220	7,490	12,767	973	(7,490)	36,840	12,760	63,340	287.91
La Cumbre	1,100	-	1,100	37,448	63,833	4,864	(37,448)	184,202	63,800	316,699	287.91
Raytheon	55	-	55	1,872	3,192	243	(1,872)	9,210	3,190	15,835	287.91
Santa Barbara	542	(542)	(0)	18,451	-	(2)	14	90,761	(23)	109,202	-
Montecito	3,300	(542)	2,758	112,343	160,024	12,193	(93,878)	552,606	159,941	903,229	287.91
Carpinteria	362	(362)	0	12,324	-	2	(14)	60,619	23	72,954	-
TOTAL:	31,820	-	31,820	\$ 1,083,258	\$ 239,815	\$ 140,701	\$ (140,701)	\$ 5,328,464	\$ 239,714	\$ 6,891,251	

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

Central Coast Water Authority
Cost Per Acre-Foot Analysis
 Fiscal Year 2010/11 Budget

FY 2010/11 Exchange Variable Cost Per Acre-Foot

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

Project Participant	Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES					Exchange Variable Cost/AF
	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	2,260	\$ 76,938	\$ 293,165	-	\$ 370,103	\$ 163.76
Goleta	(814)			\$ 136,243	136,243	167.46
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(542)			90,828	90,828	167.46
Montecito	(542)			90,828	90,828	167.46
Carpinteria	(362)			60,552	60,552	167.46
TOTAL:	-	\$ 76,938	\$ 293,165	\$ 378,452	\$ 748,554	

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

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

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Forebay at Devils Den Pump Station

Revenues and Sources of Cash

The Revenues and Sources of Cash section of the FY 2010/11 Budget includes information on the Authority's revenues, pass-through receipts and a narrative explanation on the Authority's billing procedures and cash management.

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2010/11 Budget

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

Assumptions for Revenue Projections

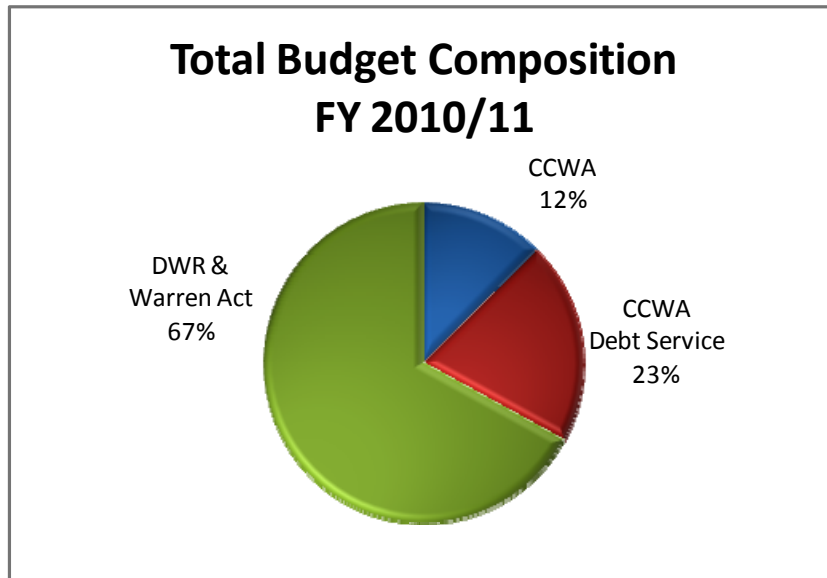
Since the Authority is a "pass-through" organization, ***all revenues are equal to the expenditures included in the budget.*** As such, there is no difference between the revenue estimates and the expenditures because the revenues are equal to the expenditures.

Revenues and Other Sources of Cash

Revenues	FY 2008/09 Actual	FY 2009/10 Estimated Actual	FY 2010/11 Budget
CCWA Operating Expenses ⁽¹⁾	\$ 7,258,469	\$ 7,464,165	\$ 6,890,793
Debt Service Payments	11,340,542	11,454,063	11,534,804
Capital Improvement Projects (CIP)	280,951	195,488	117,306
Non-Annual Recurring Expenses	-	-	-
Investment Income	234,713	100,000	-
Subtotal Revenues	19,114,675	19,213,716	18,542,903
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	28,690,331	30,231,568	32,151,395
DWR Variable Costs	3,600,874	3,974,069	5,265,818
DWR Account Interest	(537,925)	(277,801)	-
Warren Act Charges ⁽¹⁾	353,135	472,301	239,691
Subtotal Pass Through Expenses	32,106,416	34,400,137	37,656,903
Gross Budget Before Credits	51,221,091	53,613,853	56,199,806
Credits and Prepayments	(2,409,110)	(1,589,291)	(234,863)
TOTAL SOURCES OF CASH	\$48,811,981	\$52,024,562	\$55,964,944
<small>(1) Adjusted for Santa Ynez Exchange Agreement modifications.</small>			

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2010/11 Budget

Revenues and Other Sources of Cash



FY 2009/10 Actual Cash Receipts

The actual cash receipts for FY 2009/10 are anticipated to be less than the actual expenditures for the year because of credits given to the project participants for (1) unexpended operating expense assessments for FY 2008/09, (2) interest income for FY 2008/09, and (3) differences between the DWR actual fixed payments and the budgeted fixed payments.

CCWA Operating Expense Revenues

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

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

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2010/11 Budget

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

***TOTAL CCWA FY 2010/11 OPERATING EXPENSES
AND CAPITAL IMPROVEMENT PROJECTS***

Project Participant	CCWA	CCWA	Regional	Regional	Exchange	Exchange	Adjusted
	Fixed	Variable	Regional	WTP	Agreement	Agreement	CCWA
	Operating	Operating	WTP	Allocation	Adjustment	Adjustment	Operating
	Expenses	Expenses	Allocation	Credit	Cap. and Fixed	Variable	Expenses
Guadalupe	\$ 60,832	\$ 20,596	\$ 23,653	\$ -	\$ -	\$ -	\$ 105,081
Santa Maria	1,760,550	540,267	688,057	-	-	-	2,988,874
Golden State Water Co.	58,368	17,532	21,348	-	-	-	97,248
Vandenberg AFB	672,253	205,962	236,527	-	-	-	1,114,742
Buellton	82,485	20,324	24,685	-	-	-	127,494
Santa Ynez (Solvang)	209,834	46,469	63,247	-	-	-	319,551
Santa Ynez	70,880	14,468	117,141	-	293,165	76,938	572,593
Goleta	746,450	27,734	140,605	(478,210)	(105,539)	(27,698)	303,342
Morehart Land	33,176	20,256	8,601	(33,433)	-	-	28,599
La Cumbre	165,878	101,281	43,005	(167,167)	-	-	142,997
Raytheon	8,294	5,064	2,150	(8,358)	-	-	7,150
Santa Barbara	497,633	18,428	93,733	(318,784)	(70,360)	(18,465)	202,186
Montecito	497,633	272,366	105,929	(412,675)	(70,360)	(18,465)	374,428
Carpinteria	331,756	12,347	62,492	(212,545)	(46,906)	(12,310)	134,833
Shandon	6,672	-	-	-	-	-	6,672
Chorro Valley	159,202	79,964	-	-	-	-	239,166
Lopez	173,908	69,235	-	-	-	-	243,142
TOTAL:	\$5,535,804	\$1,472,294	\$1,631,173	(\$1,631,173)	\$ -	\$ -	\$ 7,008,099

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2010/11, are **\$7,008,099**.

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

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2010/11 Budget

Debt Service Payments

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

For FY 2010/11, total net revenue for debt service payments will be \$10,781,070 or about \$51,000 more than the FY 2009/10 revenues. The following table shows each financing participant's share of the debt service. Please refer to the "CCWA Bond Debt" section of this budget for additional information regarding the debt payments from the CCWA financing participants.

Financing Participant	FY 2010/11 Debt Service Payments ⁽¹⁾	Local Project Debt Service Payments ⁽²⁾	FY 2010/11 Net Debt Service Revenue
Avila Beach	\$ 13,202	\$ (1,723)	\$ 11,478
California Men's Colony	115,471	(38,495)	76,976
County of SLO	123,007	(41,053)	81,954
Cuesta College	57,740	(19,250)	38,490
Morro Bay	745,057	(294,471)	450,586
Oceano	96,523	(11,741)	84,781
Pismo Beach	159,528	(19,385)	140,143
Shandon	13,071	(1,387)	11,684
Guadalupe	164,349	(50,065)	114,284
Buellton	291,133	(8,149)	282,984
Santa Ynez (Solvang)	894,065	(21,737)	872,328
Santa Ynez	335,769	(9,633)	326,137
Goleta	2,817,925	(123,754)	2,694,170
Morehart Land	129,402	(570)	128,832
La Cumbre	619,446	(2,849)	616,597
Raytheon	27,091	(752)	26,338
Santa Barbara	1,732,266	(27,017)	1,705,249
Montecito	2,035,721	(42,980)	1,992,741
Carpinteria	1,164,039	(38,723)	1,125,316
TOTAL:	\$ 11,534,804	\$ (753,734)	\$ 10,781,070
(1) 2006A revenue bond principal and interest, minus FY 2009/10 debt service account interest income credits plus bond trustee fees.			
(2) Payments from project participants for local facilities financed with CCWA revenue bonds.			

Central Coast Water Authority
Revenues and Sources of Cash
 Fiscal Year 2010/11 Budget

FY 2010/11 CCWA Credits

The following table shows a summary of the FY 2010/11 credits for each project participant. Certain project participants have elected to apply their credits against Authority assessments over a number of years.

Project Participant	CCWA O&M Credits	O&M Reserve Fund Interest Credits	Rate Coverage Reserve Fund Interest Credit	Prepayments and Miscellaneous Interest Credits	Total CCWA Credits
Guadalupe	\$5,933	\$295	\$ 599		\$6,827
Santa Maria	(40,311)	226	1,158		(38,927)
Golden State Water Co.	3,533	268	-		3,800
Vandenberg AFB	40,848	-	-		40,848
Buellton	(1,419)	8	70		(1,341)
Santa Ynez (Solvang)	(15,677)	21	164		(15,492)
Santa Ynez	79,644	268	1,493		81,405
Goleta	131,902	2,411	-		134,313
Morehart Land	12,276	107	-	3,457	15,840
La Cumbre	(29,920)	14	106		(29,800)
Raytheon	921	27	-	786	1,734
Santa Barbara	162	1,607	-		1,769
Montecito	-	1,607	3,885		5,492
Carpinteria	(2,554)	28	220		(2,306)
Shandon	2,008				2,008
Oceano CSD					-
Avila Beach CSD			-		-
Pismo Beach			-		-
Avila Valley Water Co.					-
San Miguelito Water Co.					-
San Luis School					-
Chorro Valley	(5,698)		-		(5,698)
Lopez	34,392	-	-	-	34,392
TOTAL:	\$216,040	\$6,886	\$7,695	\$4,243	\$234,863

Investment Income and Cash Management

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

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

Central Coast Water Authority
Revenues and Sources of Cash
Fiscal Year 2010/11 Budget

Bank Account Cash Balances

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

Debt Service Payments

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

Investment Income

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

DWR Payment Investments

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

CCWA Operating Expense Revenue

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

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Pass-Through Expenses

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

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

Warren Act Charges

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

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

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2010/11.

Warren Act and Trust Fund Charges

Project Participant	Total FY 2010/11 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	0	\$ 0
Morehart Land Co.	220	12,760
La Cumbre	1,100	63,800
Raytheon	55	3,190
Santa Barbara	(0)	(0)
Montecito	2,758	159,941
Carpinteria	0	0
TOTAL:	4,133	\$239,691

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The following table represents the Fiscal Year 2010/11 DWR and Warren Act charges to be collected and paid by the Authority (*see the Department of Water Resources section of this document for further information on the DWR charges*).

Project Participant	FY 2010/11 DWR Fixed Charges	FY 2010/11 DWR Variable Charges	FY 2010/11 Interest Income	FY 2010/11 Warren Act Charges ⁽¹⁾	Total Pass-Through Expenses
Guadalupe	\$423,426	\$69,308	\$0	\$ -	\$492,734
Santa Maria	12,872,123	2,593,462	-	-	15,465,586
Golden State Water Co.	397,288	84,467	-	-	481,755
Vandenberg AFB	4,593,016	848,089	-	-	5,441,105
Buellton	482,694	94,779	-	-	577,473
Santa Ynez (Solvang)	1,231,405	261,514	-	-	1,492,919
Santa Ynez	438,783	57,166	-	-	495,948
Goleta	3,988,043	281,640	-	0	4,269,683
Morehart Land	167,019	14,766	-	12,760	194,545
LaCumbre	835,094	235,001	-	63,800	1,133,894
Raytheon	41,755	7,725	-	3,190	52,670
Santa Barbara	2,505,281	99,892	-	(0)	2,605,173
Montecito	2,505,281	546,641	-	159,941	3,211,863
Carpinteria	1,670,188	71,368	-	0	1,741,556
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
TOTAL:	\$32,151,395	\$5,265,818	\$0	\$239,691	\$37,656,903

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

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Authority Billing Procedures

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

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

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

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

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

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

Water Delivery Requests and Variable O&M Cost Invoices

Water Delivery Requests from Project Participants

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

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

- (1) The “seller’s track”, which means that any SWPC water that is available to that contractor above their requested amount will be made available for sale through one of the DWR “turnback pools.” The turnback pools are a pool of unused water available by individual SWPC for sale to all SWPC and allocated in proportion to the Table A amount for each contractor requesting to buy the Turnback Pool water. The price received for water sold in Turnback pool A is one-half of the delta water rate (about \$19/AF for 2010) and one-quarter the delta water rate (about \$9.50/ for 2010) for Turnback pool B.
- (2) The “storer’s track”, which means the individual contractor wishes to store its unused current year water allocated by DWR in San Luis Reservoir to be used in the next calendar year.

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

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

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

Variable O&M Cost Billings to Project Participants

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

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

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

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

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

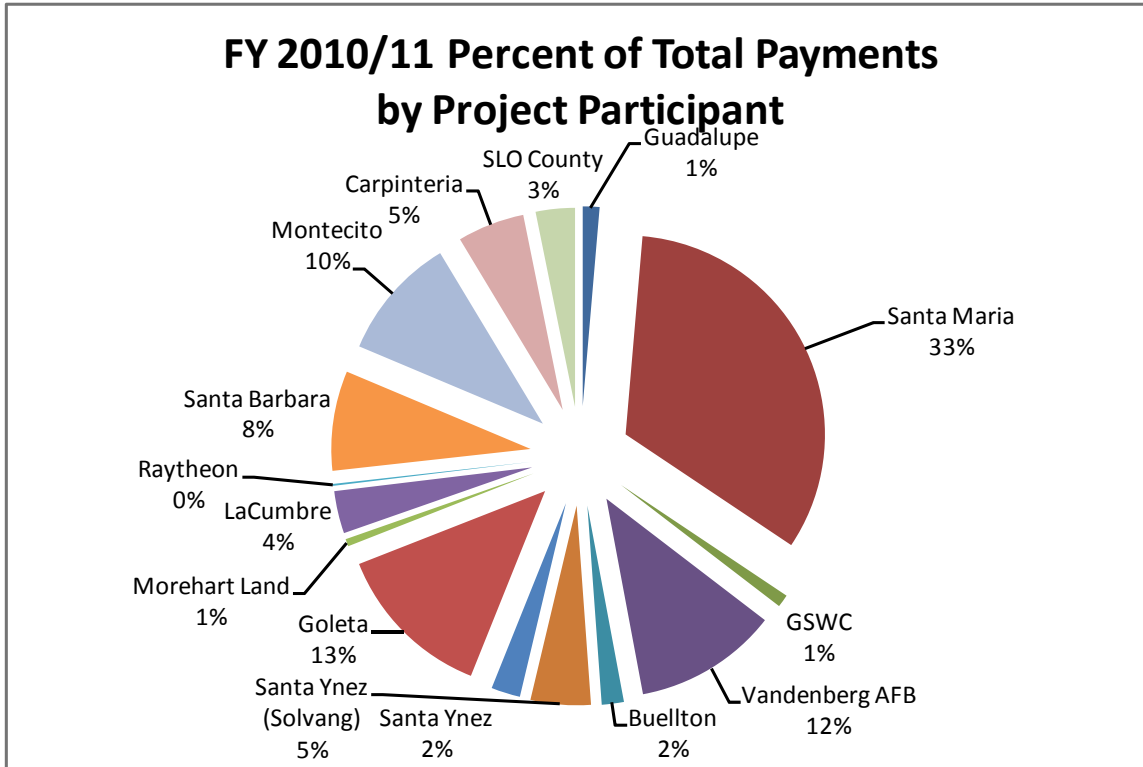
At the end of each fiscal year, a true-up and reconciliation of the entire fiscal year budget is performed. This reconciliation calculates the difference between the amounts billed to each project participant based on the budget and the actual costs incurred for the year. The result, either a credit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

The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2010/11 for each project participant.

Central Coast Water Authority Revenues and Sources of Cash Fiscal Year 2010/11 Budget

Project Participant	FY 2010/11 Operating Expenses ⁽¹⁾	FY 2010/11 Debt Service Payments	FY 2010/11 DWR Costs	FY 2010/11 Warren Act Charges ⁽²⁾	FY 2010/11 CCWA Credits	FY 2010/11 Total Payments
Guadalupe	\$105,081	\$ 164,349	\$492,734	\$0	\$ (6,827)	\$755,337
Santa Maria	2,988,874	-	15,465,586	-	38,927	18,493,387
Golden State Water Co.	97,248	-	481,755	-	(3,800)	575,203
Vandenberg AFB	1,114,742	-	5,441,105	-	(40,848)	6,514,998
Buellton	127,494	291,133	577,473	-	1,341	997,441
Santa Ynez (Solvang)	319,551	894,065	1,492,919	-	15,492	2,722,027
Santa Ynez	572,593	335,769	495,948	-	(81,405)	1,322,905
Goleta	303,342	2,817,925	4,269,683	0	(134,313)	7,256,637
Morehart Land	28,599	129,402	181,785	12,760	(15,840)	336,706
La Cumbre	142,997	619,446	1,070,094	63,800	29,800	1,926,137
Raytheon	7,150	27,091	49,480	3,190	(1,734)	85,177
Santa Barbara	202,186	1,732,266	2,605,173	(0)	(1,769)	4,537,856
Montecito	374,428	2,035,721	3,051,922	159,941	(5,492)	5,616,521
Carpinteria	134,833	1,164,039	1,741,556	0	2,306	3,042,734
Shandon	6,672	13,071	N/A	-	(2,008)	17,736
Chorro Valley	239,166	1,041,276	N/A	-	5,698	1,286,140
Lopez	243,142	269,252	N/A	-	(34,392)	478,003
TOTAL:	\$7,008,099	\$11,534,804	\$37,417,212	\$239,691	(\$234,863)	\$55,964,944

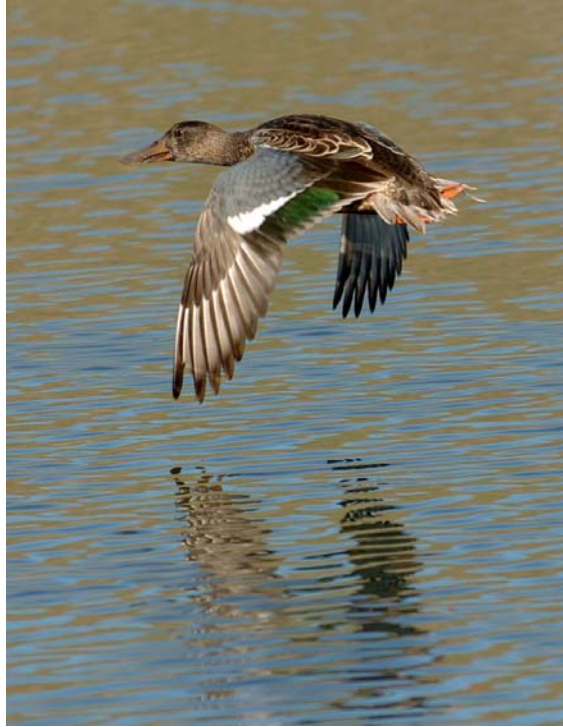
(1) Adjusted for Santa Ynez Exchange Agreement Modifications and Regional WTP Treatment Allocation.
(2) Adjusted for Santa Ynez Exchange Agreement Modifications.



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Ducks are among the wildlife common to the Delta
(Photo courtesy of the California Department of Water Resources)

Department of Water Resources Charges

The Department of Water Resources (DWR) section of the FY 2010/11 Budget provides information on the Authority's payments to DWR. This section includes information on the allocation of the fixed and variable DWR costs and other information regarding the FY 2010/11 DWR charges.

Highlights

Total FY 2010/11 DWR Charges **\$ 37,417,212**

- DWR Fixed Charges \$ 32,151,395
- DWR Variable Charges \$ 5,265,818
- Interest Income Credits \$ -0-

Fixed Charge Highlights

- Total fixed charge increase over FY 2009/10 of \$1,978,988.
- Increase in Transportation Capital charges \$1,196,211 due to change in rate management credits.

Variable Charge Highlights

- Total variable charge increase over FY 2009/10 of \$1,291,749.
- Estimated Variable OMP&R unit rate for 2010 and 2011: \$129.32.

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

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

DWR Billing Procedures

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

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

Summary of FY 2010/11 DWR Charges

The DWR charges for the first half of FY 2010/11 are based on the 2010 Statement of Charges. The DWR charges for the second half of FY 2010/11 are based on forecasts prepared by the DWR State Water Project Analysis Office. DWR transportation capital charges starting in 1998 are based on a Coastal Branch Phase II project cost of approximately \$481 million. Coastal Branch Extension capital charges are based on the allocation share of debt service principal and interest payments from the various DWR revenue bond debt issues allocated to repay the capital costs of the Coastal Branch Phase II.

The fixed DWR charges are allocated to the various project participants based on their State water Table A allocation. The variable DWR charges are allocated in proportion to the project participant requested deliveries. San Luis Obispo County pays DWR directly for its DWR costs. The table on page 80 shows fixed and variable DWR costs for each project participant.

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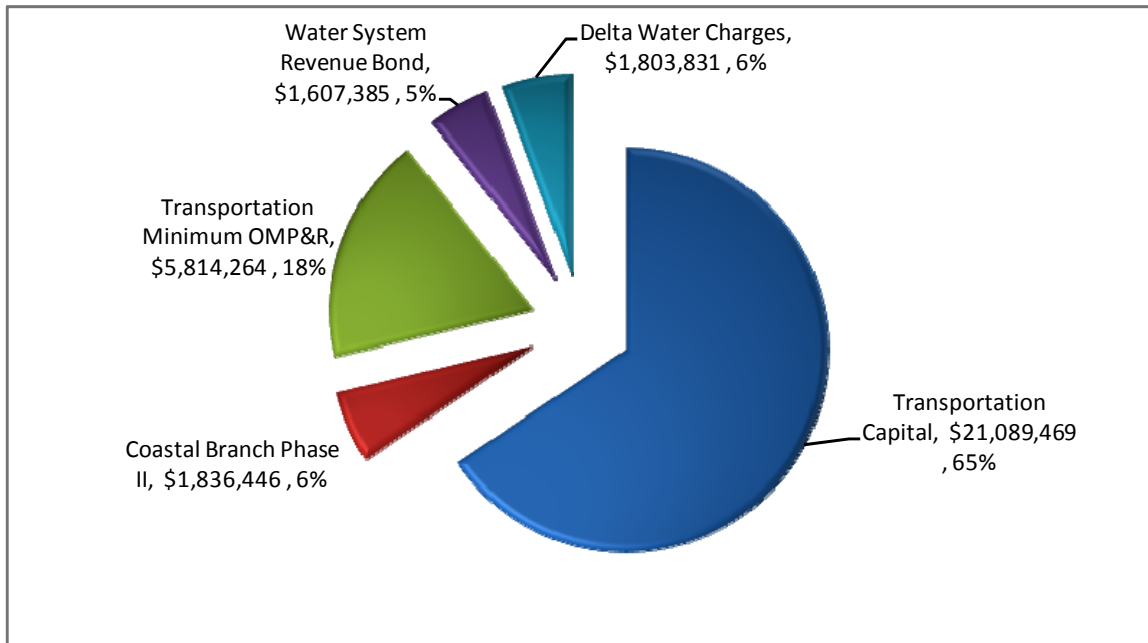
The following table provides a comparison of the FY 2008/09 to FY 2010/11 DWR charges.

DWR Fixed and Variable Cost Comparison					
Cost Component	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Est. Actual ⁽¹⁾	FY 2010/11 Budget	FY 2010/11 Budget to FY 2009/10 Budget Increase (Decrease)
Transportation Capital	\$ 20,866,007	\$ 19,893,258	\$ 20,003,321	\$ 21,089,469	\$ 1,196,211
Coastal Branch Phase II	2,043,599	1,328,702	1,735,719	1,836,446	507,744
Transportation Minimum OMP&R	5,385,720	6,093,446	6,397,380	5,814,264	(279,182)
Water System Revenue Bond	1,948,325	1,551,883	1,552,076	1,607,385	55,502
Delta Water Charges	1,289,270	1,305,118	1,519,195	1,803,831	498,713
Subtotal Fixed DWR Charges	<u>31,532,921</u>	<u>30,172,407</u>	<u>31,207,691</u>	<u>32,151,395</u>	<u>1,978,988</u>
Off-Aqueduct Charges	694,109	1,458,433	1,334,358	1,703,404	244,971
Variable OMP&R	1,872,202	2,515,636	2,071,114	3,562,414	1,046,778
Subtotal Variable DWR Charges	<u>2,566,311</u>	<u>3,974,069</u>	<u>3,405,472</u>	<u>5,265,818</u>	<u>1,291,749</u>
DWR Account Investment Income	(344,859)	(218,639)	(277,801)	-	218,639
Total DWR Charges	<u>\$ 33,754,373</u>	<u>\$ 33,927,837</u>	<u>\$ 34,335,362</u>	<u>\$ 37,417,212</u>	<u>\$ 3,489,376</u>

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

DWR FIXED COSTS

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

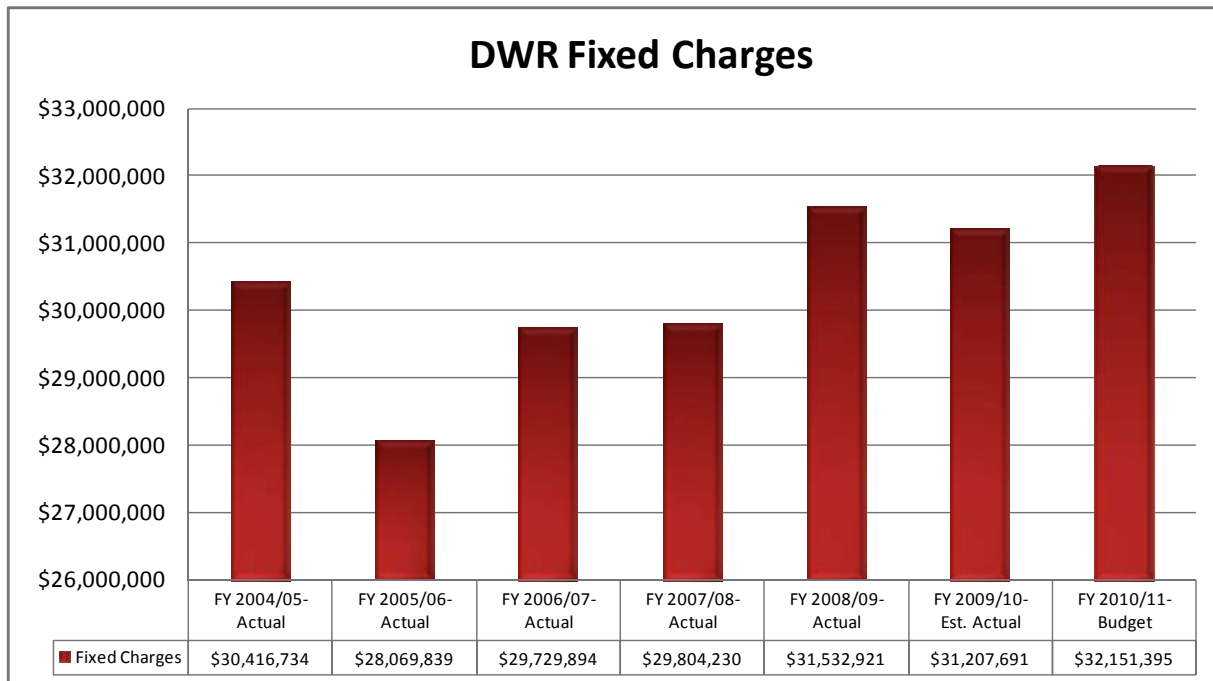


The FY 2010/11 DWR fixed charges total \$32,151,395, which is \$1,978,988 more than the FY 2009/10 Budget. The reasons for the cost component variances are described later in this section.

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The FY 2010/11 DWR fixed charges total \$32,151,395, which is \$1,978,988 more than the FY 2009/10 Budget. The reasons for the cost component variances are described later in this section.

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

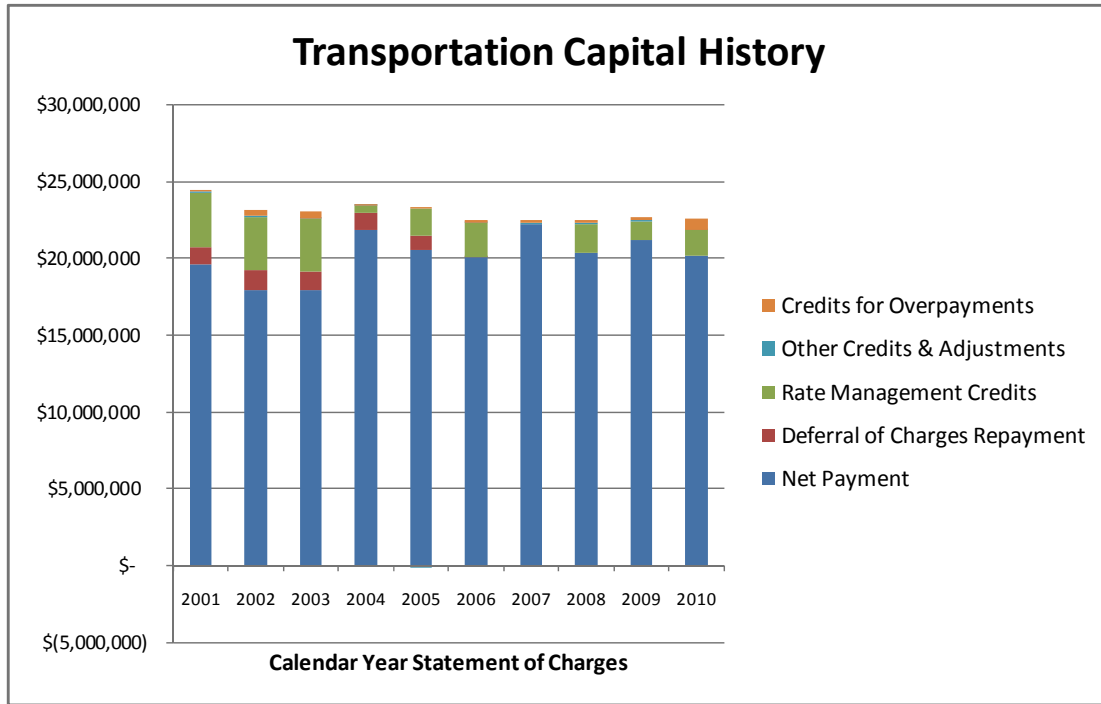


Transportation Capital

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

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

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The following table shows the allocation of the FY 2010/11 Transportation Capital charges to each of the CCWA project participants:

TRANSPORTATION CAPITAL CHARGES

Project Participant	Table A	Percentage	Reaches 1 to 35 ⁽¹⁾	One-Shot Adjustment	Rate Management Funds Credit	Prior Year DWR Credits for Overpayments ⁽²⁾	FY 2010/11 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 317,957	\$ 17	\$ (11,420)	\$ (10,030)	\$ 296,524
Santa Maria	16,200	41.46%	9,365,285	486	(336,366)	(295,426)	8,733,979
Golden State Water Co.	500	1.28%	289,052	15	(10,382)	(9,118)	269,567
VAFB	5,500	14.07%	3,179,572	165	(114,198)	(100,299)	2,965,240
Buellton	578	1.48%	334,144	17	(12,001)	(10,541)	311,620
Santa Ynez (Solvang) ⁽³⁾	1,500	3.84%	859,625	45	(30,894)	(27,117)	801,659
Santa Ynez ⁽³⁾	500	1.28%	296,583	15	(10,633)	(9,356)	276,610
Goleta	4,500	11.52%	2,601,468	135	(93,435)	(82,063)	2,426,105
Morehart	200	0.51%	115,621	6	(4,153)	(3,647)	107,827
La Cumbre	1,000	2.56%	578,104	30	(20,763)	(18,236)	539,134
Raytheon	50	0.13%	28,905	2	(1,038)	(912)	26,957
Santa Barbara	3,000	7.68%	1,734,312	90	(62,290)	(54,709)	1,617,403
Montecito	3,000	7.68%	1,734,312	90	(62,290)	(54,709)	1,617,403
Carpinteria	2,000	5.12%	1,156,208	60	(41,527)	(36,472)	1,078,269
Subtotal:	39,078	100.00%	\$ 22,591,148	\$ 1,174	\$ (811,390)	\$ (712,634)	\$ 21,068,298
Goleta Additional Table A	2,500	5.50%	22,959	-	(1,063)	(724)	21,171
CCWA Drought Buffer	3,908	-	-	-	-	-	-
TOTAL:	45,486		\$ 22,614,107	\$ 1,174	\$ (812,453)	\$ (713,358)	\$ 21,089,469

- (1) Reach 36 was deleted during project design. DWR Reaches to the end of Coastal Branch Phase II consist of Reaches 1 to 35. The Coastal Branch extension consists of Reaches 37 and 38.
- (2) Credits for prior year(s) overpayments amortized by DWR through the year 2035.
- (3) Adjusted for transfer of the Solvang 150 acre foot drought buffer Table A to Santa Ynez.

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The FY 2010/11 Transportation capital charges are increasing by \$1,196,208 due to the following:

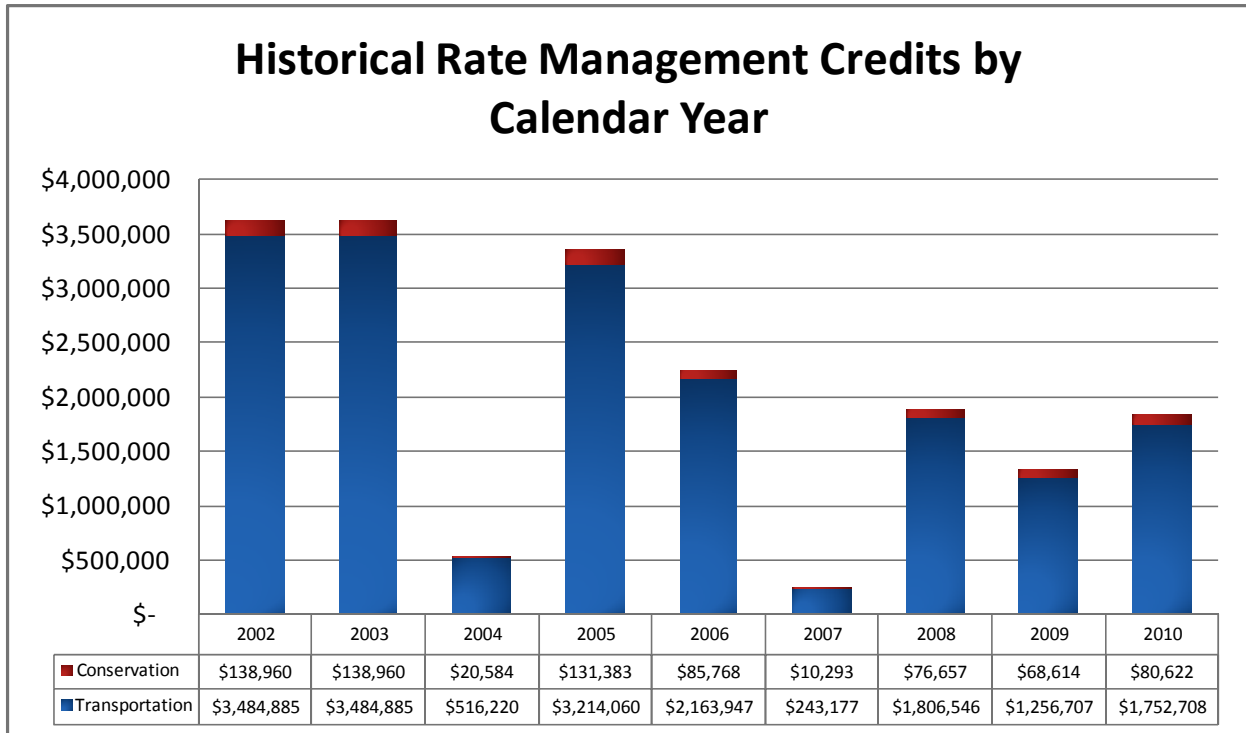
Transportation Capital Budget-to-Budget Changes			
	FY 2009/10	FY 2010/11	Change
Calculated Component	\$ 22,678,803	\$ 22,614,107	\$ (64,696)
Rate Management Credits	(1,935,084)	(812,453)	1,122,631
Excess Reserve Fund Credits	(719,846)	-	719,846
Prior Year Overcollection Credit	(84,766)	(713,358)	(628,592)
Other Adjustments	(45,846)	1,174	47,020
Total:	<u>\$ 19,893,261</u>	<u>\$ 21,089,469</u>	<u>\$ 1,196,208</u>

Rate Management Credits

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

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

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The calendar year 2010 rate management credits total \$1,833,330 (both Transportation Capital and Conservation Capital), one half of which is applied in the FY 2010/11 budget. This compares to the actual 2009 rate management credits of \$1,325,321, an increase of \$508,000. Consistent with the CCWA Board policy adopted in FY 2008/09, the fiscal year budget does not include projections for the second half of the fiscal year rate management credits, but only includes the credits that are actually provided by DWR.

The calendar year 2009 rate management credits were originally projected to be \$2,141,729, which was included in the FY 2009/10 Budget. However, subsequent to adoption of the CCWA Budget, DWR revised the calendar year 2009 rate management credits for certain corrections and adjustments in the calculations which resulted in a decrease of \$816,408 to CCWA and a corresponding increase in the charges payable to DWR. This increase was covered in FY 2009/10 through FY 2008/09 CCWA O&M credits held over from the yearend reconciliation of O&M costs at the end of FY 2008/09.

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DWR Revenue Bond Excess Reserve Fund Credits

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

The FY 2009/10 Budget included total revenue bond reserve fund credits allocated to CCWA of approximately \$2,295,000, with about \$996,000 allocated to the Coastal Branch Extension payments and \$1.3 million allocated as a credit against the Transportation Capital payments.

DWR allocated a portion of the revenue bond reserve fund credits against the 2008 and first half of 2009 Transportation Capital payments. The estimated remaining balance of \$1.27 million was included in the CCWA FY 2009/10 budget as a credit against the July 2009 capital payments with \$552,000 allocated to the Coastal Branch Extension and \$720,000 allocated to the Transportation Capital payments. However, DWR discovered a serious error in the allocation methodology used to allocate the credits to the Contractors and has not yet provided a final allocation of the credit. It is anticipated that the allocation will be completed during the first quarter of calendar year 2010, which may result in CCWA owing additional funds because of a potential overpayment during 2008 and 2009.

Prior Year(s) Over-Collections Credits

Through the annual audit of the DWR Statement of Charges by CCWA staff, it was discovered that DWR had miscalculated the actual payments received by DWR from CCWA in determining the annual over/under payment amounts. Essentially, DWR failed to take into account certain other payments and credits from CCWA which adjusted the actual payments by CCWA, but which should not have been used in determining over/under reconciliation.

The revised calculation resulted in an overpayment by CCWA of approximately \$7.9 million, including interest. Consistent with DWR policy, this credit will be applied against all future Transportation Capital payments with interest through the year 2035. The annual credit is approximately \$713,000.

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Coastal Branch Extension-Transportation Capital Reach 37 and 38

This represents the debt service for the Coastal Branch Extension bonds issued by DWR for the Coastal Branch Extension facilities in Santa Barbara County south of the Santa Maria River. CCWA is solely responsible for repayment of the debt service on these bonds to DWR. The charges are allocated according to DWR's actual construction costs for the project with 51.84% allocated to Reach 37 and 48.16% allocated to Reach 38.

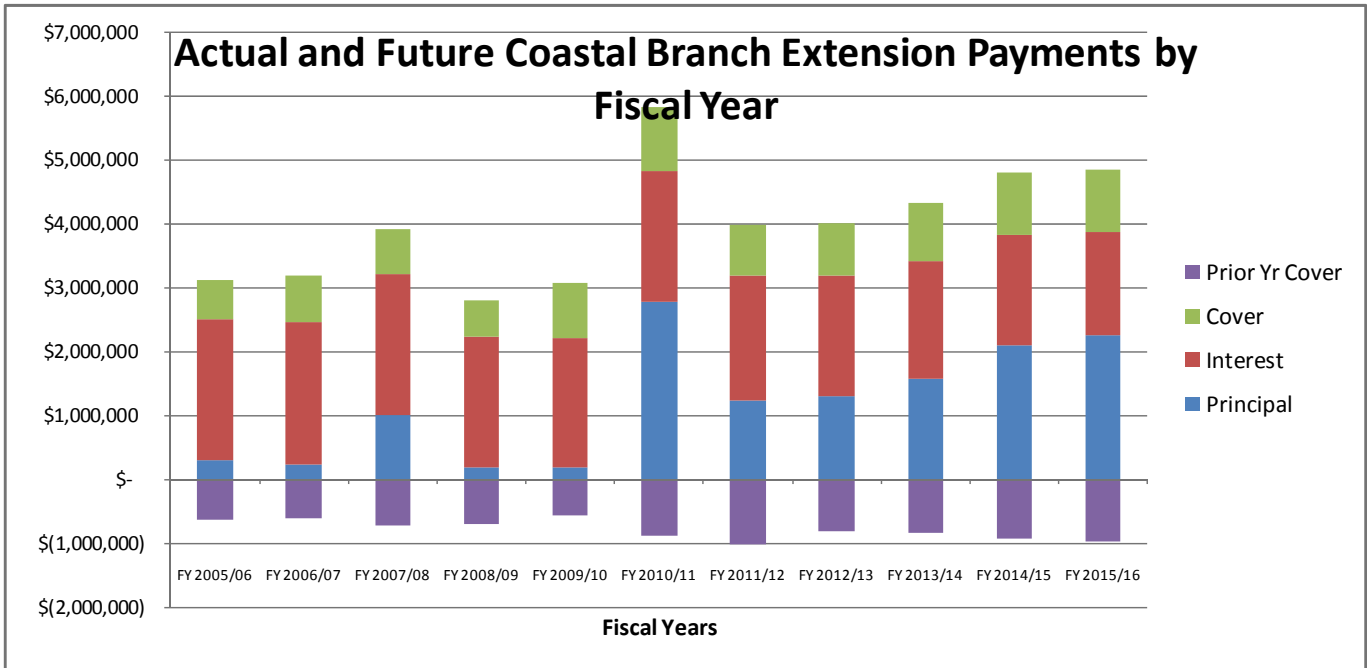
Coastal Branch Extension debt service payments for FY 2010/11 total \$1,836,446, which is \$507,744 higher than the prior year amount due to the following:

Coastal Branch Extension Debt Service				
	FY 2009/10	FY 2010/11	Change	
Principal Payments	\$ 185,359	\$ 2,790,199	\$	2,604,840
Interest Payments	2,154,113	2,029,687		(124,425)
Bond Cover	910,473	1,010,857		100,384
Rate Management Credits	(124,994)	(63,901)		61,093
Return of Prior Year Cover	(586,605)	(902,714)		(316,109)
Excess Reserve Fund Credits	(551,876)	-		551,876
Fiscal Yearend Credits	(657,768)	-		657,768
One-Time Extraordinary Credits	-	(3,027,682)		(3,027,682)
Total:	\$ 1,328,702	\$ 1,836,446	\$	507,744

Principal, Interest and Bond Cover Changes

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

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

Coastal Branch Extension Bond Allocation

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

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

Additionally, DWR had failed to revise invoices to CCWA for Coastal Branch Extension debt service bond payments which revised due to the issuance of refunding revenue bonds. This resulted in an additional \$0.3 million reduction. The total FY 2010/11 Coastal Branch Extension debt service

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payment budget is about \$3 million lower than the amount shown in the graph above.

Excess Reserve Fund Credits

Please refer to the prior discuss under “Transportation Capital” regarding the “DWR Excess Reserve Fund Credits.”

The following tables show the allocation of the DWR Coastal Branch Extension debt service amounts for FY 2010/11.

TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION

Project Participant	Reach 37				Net Reach 37 Transp. Costs
	Table A	Percentage	Transportation Capital	Reach 37 Credits ⁽¹⁾	
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	1,270,947	(870,651)	400,296
Golden State Water Co.	500	1.30%	39,227	(26,872)	12,355
VAFB	5,500	14.28%	431,494	(295,591)	135,903
Buellton	578	1.50%	45,346	(31,064)	14,282
Santa Ynez (Solvang)	1,500	3.89%	117,680	(80,616)	37,064
Santa Ynez	500	1.30%	39,227	(26,872)	12,355
Goleta	4,500	11.68%	353,041	(241,847)	111,193
Morehart	200	0.52%	15,691	(10,749)	4,942
La Cumbre	1,000	2.60%	78,454	(53,744)	24,710
Raytheon	50	0.13%	3,923	(2,687)	1,235
Santa Barbara	3,000	7.79%	235,361	(161,232)	74,129
Montecito	3,000	7.79%	235,361	(161,232)	74,129
Carpinteria	2,000	5.19%	156,907	(107,488)	49,419
Total:	38,528	100.00%	3,022,657	(2,070,644)	\$ 952,013

Project Participant	Reach 38				FY 2010/11	
	Table A	Percentage	Transportation Capital	Reach 38 Credits ⁽¹⁾	Net Reach 38 Transp. Costs	Transportation Capital Charges
Guadalupe	-	0.00%	-	-	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	400,296
Golden State Water Co.	-	0.00%	-	-	-	12,355
VAFB	5,500	25.20%	707,553	(484,703)	222,850	358,753
Buellton	578	2.65%	74,357	(50,938)	23,420	37,702
Santa Ynez (Solvang)	1,500	6.87%	192,969	(132,192)	60,777	97,842
Santa Ynez	500	2.29%	64,323	(44,064)	20,259	32,614
Goleta	4,500	20.62%	578,907	(396,575)	182,332	293,526
Morehart	200	0.92%	25,729	(17,626)	8,104	13,046
La Cumbre	1,000	4.58%	128,646	(88,128)	40,518	65,228
Raytheon	50	0.23%	6,432	(4,406)	2,026	3,261
Santa Barbara	3,000	13.74%	385,938	(264,383)	121,555	195,684
Montecito	3,000	13.74%	385,938	(264,383)	121,555	195,684
Carpinteria	2,000	9.16%	257,292	(176,256)	81,036	130,456
Total:	21,828	100.00%	2,808,086	(1,923,653)	\$ 884,432	\$ 1,836,446

(1) Includes credits for the return of bond cover of \$902,714, Rate Management Funds Credits of \$63,901 and one-time extraordinary credits of \$3,027,682 for DWR bond allocation errors.

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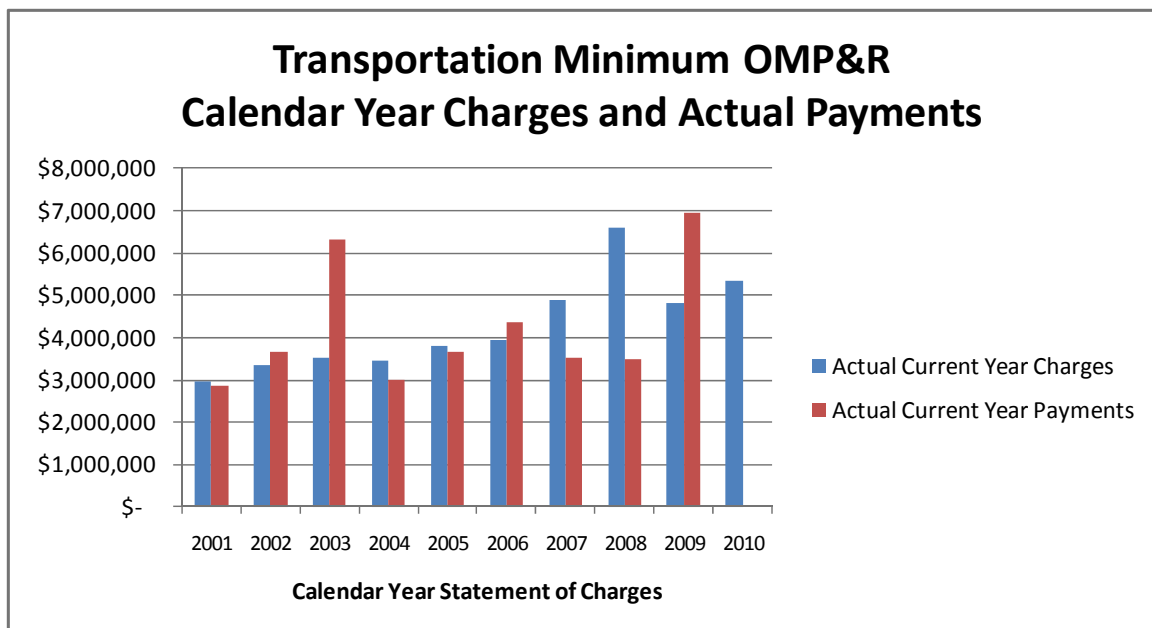
Transportation Minimum OMP&R

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

For FY 2010/11, total Transportation Minimum OMP&R charges are \$5,814,264, which is \$279,182 lower than the prior year amount due to the following:

<i>Transportation Minimum OMP&R</i>			
	FY 2009/10	FY 2010/11	Change
Calculated Component	\$ 4,533,304	\$ 5,476,861	\$ 943,557
Prior Year (Over)/Under Collection	1,230,536	(99,983)	(1,330,519)
DHCCP Costs	318,705	426,485	107,780
Monterey EIR Litigation Costs	10,901	10,901	-
Total:	\$ 6,093,446	\$ 5,814,264	\$ (279,181)

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



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As the above graph shows, both the calendar year 2007 and 2008 payments by CCWA were less than the actual costs incurred by DWR in those years. The 2009 amount shows that CCWA paid more than the actual costs incurred by DWR in that year.

Prior Year Overhead Charges to Coastal Branch Facilities

As part of the annual audit of the DWR Statement of Charges, CCWA staff discovered that DWR was charging a portion of its general overhead costs to those portions of the pipeline owned by DWR, but operated and maintained by CCWA. Generally, DWR overhead is allocated in proportion to the actual DWR staff time spent in each financial reach, and since DWR staff do not operate Reaches 33B through 38, overhead costs should not be charged to those reaches.

DWR agreed to reverse these overhead charges in the 2010 Statement of Charges which resulted in a reduction in the actual charges of \$4.7 million.

DHCCP and Monterey Litigation Costs

DWR has also entered into agreements with many of the State Water Project Contractors to fund costs associated with the “Delta Habitat Conservation and Conveyance Project” (DHCCP). Basically, these are costs associated with the initial planning and design for alternative conveyance facilities in the Sacramento-San Joaquin delta. The CCWA Board of Directors voted to participate in this program for FY 2009/10 but has not yet authorized participation beyond calendar year 2010. However, for budgeting purposes, CCWA’s estimated share of the costs for calendar year 2011 are included in these budget amounts as shown below pending Board approval.

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FY 2010/11 DHCCP & Monterey Litigation Cost Allocation

Project Participant	Table A		DHCCP Costs	Monterey Litigation Costs		TOTAL
	& Drought Buffer	Percentage				
Guadalupe	605	1.33%	\$ 5,673	\$ 145	\$ 5,818	
Santa Maria	17,820	39.18%	167,084	4,271	171,354	
Golden State Water Co.	550	1.21%	5,157	132	5,289	
VAFB	6,050	13.30%	56,726	1,450	58,176	
Buellton	636	1.40%	5,963	152	6,116	
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.30%	14,064	359	14,424	
Santa Ynez ⁽¹⁾	700	1.54%	6,563	168	6,731	
Goleta	7,450	16.38%	69,853	1,785	71,638	
Morehart	220	0.48%	2,063	53	2,115	
La Cumbre	1,100	2.42%	10,314	264	10,577	
Raytheon	55	0.12%	516	13	529	
Santa Barbara	3,300	7.25%	30,941	791	31,732	
Montecito	3,300	7.25%	30,941	791	31,732	
Carpinteria	2,200	4.84%	20,628	527	21,155	
	45,486	100.00%	\$ 426,485	\$ 10,901	\$ 437,386	

The following table shows the allocation of the FY 2010/11 Transportation Minimum OMP&R charges to each of the CCWA project participants.

TRANSPORTATION MINIMUM OMP&R

Project Participant	Table A		Calculated Component FY 2010/11	Prior Year(s) Overcollections	DHCCP Costs and Litigation Costs ⁽²⁾	FY 2010/11 Transportation Minimum OMP&R
	Table A	Percentage				
Guadalupe	550	1.41%	\$ 76,137	\$ (1,391)	\$ 5,818	\$ 80,564
Santa Maria	16,200	41.46%	2,242,573	(40,961)	171,354	2,372,967
Golden State Water Co.	500	1.28%	69,215	(1,264)	5,289	73,240
VAFB	5,500	14.07%	761,367	(13,906)	58,176	805,637
Buellton	578	1.48%	80,013	(1,461)	6,116	84,667
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	202,130	(3,696)	14,424	212,858
Santa Ynez ⁽¹⁾	500	1.28%	74,731	(1,361)	6,731	80,101
Goleta	4,500	11.52%	622,937	(11,378)	71,638	683,197
Morehart	200	0.51%	27,686	(506)	2,115	29,296
La Cumbre	1,000	2.56%	138,430	(2,528)	10,577	146,479
Raytheon	50	0.13%	6,922	(126)	529	7,324
Santa Barbara	3,000	7.68%	415,291	(7,585)	31,732	439,438
Montecito	3,000	7.68%	415,291	(7,585)	31,732	439,438
Carpinteria	2,000	5.12%	276,861	(5,057)	21,155	292,959
Subtotal:	39,078	100.00%	\$ 5,409,585	\$ (98,806)	\$ 437,386	\$ 5,748,165
Goleta Additional Table A	2,500	-	67,276	(1,176)	-	\$ 66,100
CCWA Drought Buffer	3,908	-	-	-	-	-
TOTAL:	45,486		\$ 5,476,861	\$ (99,983)	\$ 437,386	\$ 5,814,264

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

(2) DHCCP and Monterey litigation costs allocated in proportion to Table A amounts and drought buffer amounts.

See the table above for a breakdown of the allocation by project participant.

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Water System Revenue Bond Surcharge

The Water System Revenue Bond Surcharge (WSRB) represents the difference between the capital payments to DWR from the Contractors and the actual revenue bond debt service payments paid by DWR. For FY 2010/11, the WSRB is increasing by about \$55,502.

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

WATER SYSTEM REVENUE BOND SURCHARGE

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover ⁽²⁾	FY 2010/11 WSRB Charges
Guadalupe	550	1.41%	\$ 36,507	\$ (14,190)	\$ 22,317
Santa Maria	16,200	41.46%	1,075,294	(417,969)	657,325
Golden State Water Co.	500	1.28%	33,188	(12,900)	20,288
VAFB	5,500	14.07%	365,069	(141,903)	223,166
Buellton	578	1.48%	38,365	(14,913)	23,453
Santa Ynez (Solvang) ⁽¹⁾	1,500	3.84%	96,874	(37,652)	59,221
Santa Ynez ⁽¹⁾	500	1.28%	35,879	(13,949)	21,930
Goleta	4,500	11.52%	298,693	(116,102)	182,590
Morehart	200	0.51%	13,275	(5,160)	8,115
La Cumbre	1,000	2.56%	66,376	(25,801)	40,576
Raytheon	50	0.13%	3,319	(1,290)	2,029
Santa Barbara	3,000	7.68%	199,129	(77,402)	121,727
Montecito	3,000	7.68%	199,129	(77,402)	121,727
Carpinteria	2,000	5.12%	132,752	(51,601)	81,151
Subtotal	<u>39,078</u>	<u>100.00%</u>	<u>\$ 2,593,848</u>	<u>\$ (1,008,233)</u>	<u>\$ 1,585,615</u>
Goleta Additional Table A	2,500	-	\$ 35,697	(13,927)	\$ 21,770
CCWA Drought Buffer	3,908	-	-	-	-
TOTAL:	<u><u>45,486</u></u>		<u><u>\$ 2,629,545</u></u>	<u><u>\$ (1,022,160)</u></u>	<u><u>\$ 1,607,385</u></u>

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

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Delta Water Charge

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

No Table A reductions are assumed for FY 2010/11.

The FY 2010/11 Delta Water Charge totals \$1,803,831, which is \$498,713 higher than the prior year amount for the following reasons.

<i>Delta Water Charge</i>			
	FY 2009/10	FY 2010/11	Change
Rate per acre-foot	\$ 30.48	\$ 40.59	\$ 10.11
Delta Water Charge	1,386,500	1,846,225	459,725
Rate Management Credits	(81,382)	(42,394)	38,988
Total:	\$ 1,305,118	\$ 1,803,831	\$ 498,713

As the table above shows, the FY 2010/11 rate per acre-foot totals \$40.59, which is \$10.11/AF higher than the prior year amount.

The reason for the increase in the cost per acre-foot is due to DWR's revision of its projections for out-year conservation minimum operating costs to the year 2035 which increases the current year rate. Additionally, the FY 2010/11 rate includes an estimated \$5.00/AF increase for calendar year 2011 for potential other conservation and delta related facilities (\$2.50/AF on a fiscal year basis).

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The following table shows the allocation of the FY 2010/11 Delta Water Charge to each of the CCWA project participants.

DELTA WATER CHARGE

Project Participant	Table A		Gross Delta Water Charges	Rate Management Funds Credit	FY 2010/11 Delta Water Charges
	Including Drought Buffer	Percentage			
Guadalupe	605	1.41%	\$ 24,556	(534)	\$ 24,022
Santa Maria	17,820	41.46%	723,293	(15,737)	707,556
Golden State Water Co.	550	1.28%	22,324	(486)	21,838
VAFB	6,050	14.07%	245,563	(5,343)	240,220
Buellton	636	1.48%	25,815	(562)	25,253
Santa Ynez (Solvang)	1,500	3.49%	60,883	(1,059)	59,824
Santa Ynez	700	1.63%	28,412	(884)	27,528
Goleta	4,950	11.52%	200,915	(4,372)	196,543
Morehart	220	0.51%	8,930	(194)	8,735
La Cumbre	1,100	2.56%	44,648	(971)	43,676
Raytheon	55	0.13%	2,232	(49)	2,184
Santa Barbara	3,300	7.68%	133,943	(2,914)	131,029
Montecito	3,300	7.68%	133,943	(2,914)	131,029
Carpinteria	2,200	5.12%	89,295	(1,943)	87,353
Subtotal	42,986	100.00%	\$ 1,744,752	\$ (37,962)	\$ 1,706,790
Goleta Additional Table A	2,500	5.50%	\$ 101,472	(4,431)	\$ 97,041
TOTAL:	45,486	-	\$ 1,846,225	\$ (42,394)	\$ 1,803,831

2010 COST PER AF:	\$ 38.0889
Increase for 2011 SOC per AF /2	\$ 2.5000
Estimated rate for FY 2010/11	\$ 40.5889

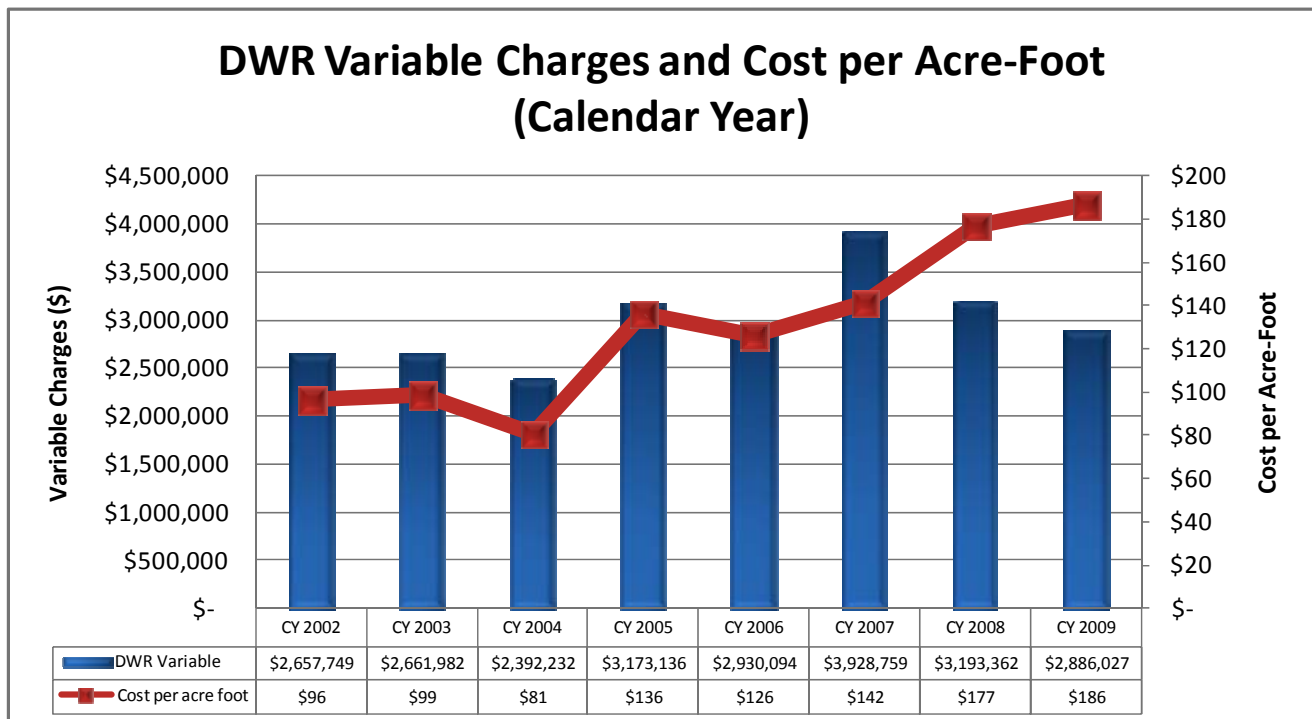
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DWR VARIABLE COSTS

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

- Off-Aqueduct Charge
- Variable OMP&R

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



The DWR variable charges for FY 2010/11 total \$5,265,818, which is \$1,291,749 higher than the budgeted FY 2009/10 variable payments.

Off-Aqueduct Charges

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

For FY 2010/11, the off-aqueduct charges total \$1,703,404, which is \$244,971 higher than the prior year budget.

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The following table shows the allocation of off-aqueduct charges for FY 2010/11.

OFF-AQUEDUCT CHARGES

Project Participant	Table A Allocation		2010		2011		FY 2009/10	TOTAL
	Table A	Allocation Percentage	Off-Aqueduct ^(1 & 2)	One-Half Year	Off-Aqueduct ⁽³⁾	One-Half Year	(Credits) Charges ⁽⁴⁾	FY 2010/11 Off-Aqueduct
Guadalupe	605	1.33%	\$ 22,909	\$ 11,454	\$ 23,236	\$ 11,618	\$ (16,145)	\$ 6,928
Santa Maria	17,820	39.18%	674,763	337,381	684,420	342,210	159,013	838,604
Golden State Water Co.	550	1.21%	20,826	10,413	21,124	10,562	5,777	26,752
VAFB	6,050	13.30%	229,086	114,543	232,365	116,182	(59,816)	170,909
Buellton	636	1.40%	24,082	12,041	24,427	12,214	2,856	27,111
Santa Ynez (Solvang) ⁽⁵⁾	1,500	3.30%	56,798	28,399	57,611	28,806	52,313	109,518
Santa Ynez ⁽⁶⁾	700	1.54%	26,506	13,253	26,885	13,443	(5,337)	21,359
Goleta	7,450	16.38%	282,098	141,049	286,135	143,068	(108,791)	175,326
Morehart	220	0.48%	8,330	4,165	8,450	4,225	(8,008)	382
La Cumbre	1,100	2.42%	41,652	20,826	42,248	21,124	61,881	103,831
Raytheon	55	0.12%	2,083	1,041	2,112	1,056	310	2,408
Santa Barbara	3,300	7.25%	124,956	62,478	126,744	63,372	(63,413)	62,438
Montecito	3,300	7.25%	124,956	62,478	126,744	63,372	(9,824)	116,026
Carpinteria	2,200	4.84%	83,304	41,652	84,496	42,248	(42,087)	41,813
	45,486	100.00%	\$ 1,722,349	\$ 861,175	\$ 1,747,000	\$ 873,500	\$ (31,271)	\$ 1,703,404

(1) Off-aqueduct charges are billed to the project participants in four equal installments based on the calendar year DWR charges.

(2) Source: DWR invoice dated July 1, 2010.

(3) Source: Attachment #3, January 1, 2009 DWR Invoice.

(4) Credits for reconciliation of 2009 off-aqueduct charges, return of bond cover and SMIF interest.

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

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

Annual Off-Aqueduct Allocation and Reconciliation

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

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

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Variable OMP&R Charges

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

For FY 2010/11, the variable OMP&R charges total \$3,562,414 which is \$1,046,778 more than the prior year amount. The budget is based on estimated water deliveries of 31,820 acre-feet.

The increase is due to significantly lower water deliveries in the later part of FY 2008/09 than was used for the FY 2008/09 budget, thereby creating a large credit of \$2.13 million to off-set the FY 2009/10 charges. The cost per acre-foot for all water deliveries in FY 2010/11 is estimated to be \$129.32/AF.

The following table shows the allocation of the FY 2010/11 variable OMP&R costs.

VARIABLE OMP&R CHARGES										
Project Participant	July 1, 2010 to Dec 31, 2010 ⁽¹⁾			\$129.32/AF ⁽²⁾	Jan 1, 2011 to June 30, 2011 ⁽³⁾			\$129.32/AF ⁽⁴⁾		TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2010 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2011 Var OMP&R	FY 2009/10 Credits ⁽⁵⁾	FY 2010/11 Var. OMP&R
Guadalupe	301	-	301	\$ 38,925	304	-	304	\$ 39,313	\$ (15,859)	\$ 62,380
Santa Maria	7,970	-	7,970	1,030,680	7,900	-	7,900	1,021,628	(297,450)	1,754,858
Golden State Water Co.	262	-	262	33,882	253	-	253	32,718	(8,885)	57,715
VAFB	3,155	-	3,155	408,005	2,895	-	2,895	374,381	(105,207)	677,179
Buellton	287	-	287	37,115	310	-	310	40,089	(9,536)	67,668
Santa Ynez (Solvang)	660	-	660	85,351	705	-	705	91,171	(24,525)	151,996
Santa Ynez ⁽⁶⁾	270	1,478	1,748	34,916	155	782	937	20,045	(19,154)	35,807
Goleta	531	(532)	(1)	68,669	283	(282)	1	36,598	1,048	106,314
Morehart	109	-	109	14,096	111	-	111	14,355	(14,066)	14,385
La Cumbre	561	-	561	72,549	539	-	539	69,703	(11,082)	131,170
Raytheon	38	-	38	4,914	17	-	17	2,198	(1,795)	5,317
Santa Barbara	354	(355)	(1)	45,779	188	(188)	0	24,312	(32,637)	37,454
Montecito	1,650	(355)	1,295	213,378	1,650	(188)	1,462	213,378	3,859	430,615
Carpinteria	236	(236)	(0)	30,520	126	(125)	1	16,294	(17,259)	29,555
Total	16,384	-	16,384	\$ 2,118,779	15,436	-	15,436	\$ 1,996,184	\$ (552,548)	\$ 3,562,414

(1) 2010 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.

(2) Source: July 1, 2009 Statement of Charges for calendar year 2010.

(3) 2010 Requested Deliveries based on a 100% delivery allocation.

(4) Source: Estimate of invoice rate for 2011.

(5) Credits for FY 2009/10 actual deliveries compared to budgeted deliveries and DWR Variable OMP&R credits.

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

Central Coast Water Authority
Department of Water Resources Charges
Fiscal Year 2010/11 Budget

Other DWR Charges and Credits

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

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

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

CCWA Turnback Pool

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

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

Central Coast Water Authority
DWR Charges
 Fiscal Year 2010/11 Budget

Project Participant	DWR FIXED CHARGES							DWR VARIABLE CHARGES			DWR Account Interest	Total DWR Charges
	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueduct Charges	Variable OMP&R	Total Variable		
Guadalupe	\$ 296,524	\$ -	\$ -	\$ 80,564	\$ 22,317	\$ 24,022	\$ 423,426	\$ 6,928	\$ 62,380	\$ 69,308	\$ -	\$ 492,734
Santa Maria	8,733,979	400,296	-	2,372,967	657,325	707,556	12,872,123	838,604	1,754,858	2,593,462	-	15,465,586
Golden State Water Co.	269,567	12,355	-	73,240	20,288	21,838	397,288	26,752	57,715	84,467	-	481,755
Vandenberg AFB	2,965,240	135,903	222,850	805,637	223,166	240,220	4,593,016	170,909	677,179	848,089	-	5,441,105
Buellton	311,620	14,282	23,420	84,667	23,453	25,253	482,694	27,111	67,668	94,779	-	577,473
Santa Ynez (Solvang)	801,659	37,064	60,777	212,858	59,221	59,824	1,231,405	109,518	151,996	261,514	-	1,492,919
Santa Ynez	276,610	12,355	20,259	80,101	21,930	27,528	438,783	21,359	35,807	57,166	-	495,948
Goleta	2,426,105	111,193	182,332	683,197	182,590	196,543	3,781,961	175,326	106,314	281,640	-	4,063,601
Morehart Land	107,827	4,942	8,104	29,296	8,115	8,735	167,019	382	14,385	14,766	-	181,785
La Cumbre	539,134	24,710	40,518	146,479	40,576	43,676	835,094	103,831	131,170	235,001	-	1,070,094
Raytheon	26,957	1,235	2,026	7,324	2,029	2,184	41,755	2,408	5,317	7,725	-	49,480
Santa Barbara	1,617,403	74,129	121,555	439,438	121,727	131,029	2,505,281	62,438	37,454	99,892	-	2,605,173
Montecito	1,617,403	74,129	121,555	439,438	121,727	131,029	2,505,281	116,026	430,615	546,641	-	3,051,922
Carpinteria	1,078,269	49,419	81,036	292,959	81,151	87,353	1,670,188	41,813	29,555	71,368	-	1,741,556
Goleta 2500 AF	21,171	-	-	66,100	21,770	97,041	206,081	-	-	-	-	206,081
Total	\$ 21,089,469	\$ 952,013	\$ 884,432	\$ 5,814,264	\$ 1,607,385	\$ 1,803,831	\$ 32,151,395	\$ 1,703,404	\$ 3,562,414	\$ 5,265,818	\$ -	\$ 37,417,212

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Clarifier Turbine Repair

Operating Expenses

The Operating Expenses section of the FY 2010/11 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

Highlights

Summary Information

- **Total FY 2010/11 Operating Expenses** \$ 6,890,793
- Fixed expense increase \$ 123,273
- Variable expense decrease \$ (696,646)
- Decrease over FY 2009/10 Budget \$ (573,372)
- Percentage decrease (7.68)%

Significant Operating Expense Changes

- Includes a salary pool for FY 2010/11 of \$111,816 (*suspended for FY 2010/11*).
- Chemical costs budgeted at \$30.13 an acre-foot (excluding Santa Ynez Pumping facility chemical costs)
- Budgeted employee benefits percentage for FY 2010/11: 39.64%

Central Coast Water Authority
Operating Expense Overview
Fiscal Year 2010/11 Budget

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

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

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

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

The Operations and Maintenance staff comprise the bulk (25) of the 29 Authority employees. They are charged with the mission of providing San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water and the objectives of protecting the environment, cost effectively operating and maintaining all facilities and ensuring the water supply meets or exceeds health and safety standards.

Operating Expense Budget and Exchange Agreement Modifications

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2010/11. These expenses are billed to the project participants based on the individual Water Supply Agreements for each agency (*see the Revenues and Sources of Cash section of this document for further information on billings*).

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

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2010/11 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2010/11 budget are as follows:

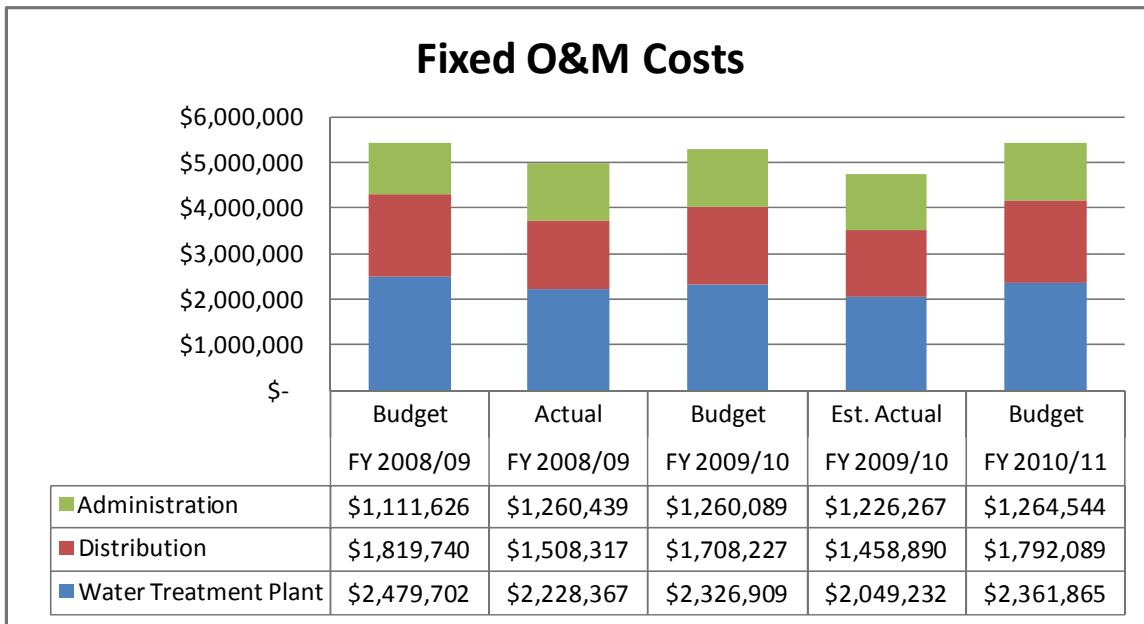
- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$131,148.
- Decrease in Warren Act charges of \$131,080 (Warren Act charges are not included in the Operating Expense budget and are treated as a pass-through expense).

Fixed and Variable Operating Expenses

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

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

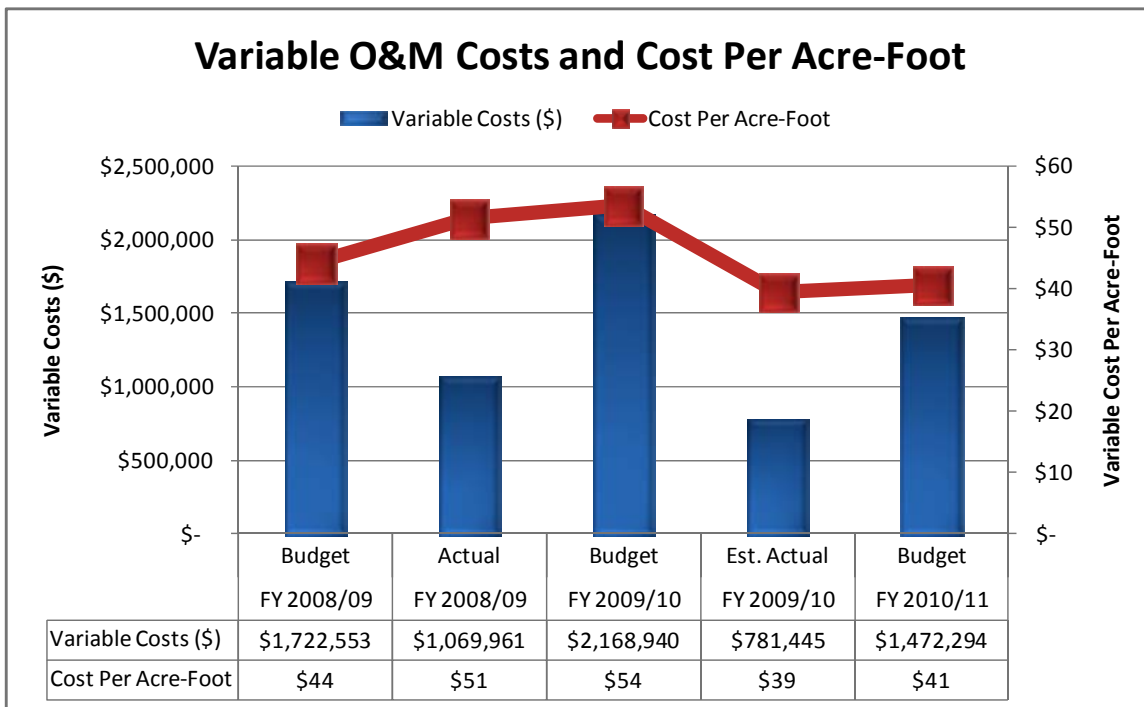
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2010/11 Budget

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

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



The Fiscal Year 2010/11 Consolidated Departmental Operating Expense Budget totals \$6,890,793, which is \$573,372 lower than the Fiscal Year 2009/10 Budget, a 7.68% decrease. Explanations for the various changes within the budget are found in the departmental operating expense budgets that follow.

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

The chart on page 87 provides a detailed breakdown of the components of the FY 2010/11 budget.

Central Coast Water Authority
Operating Expense Overview
 Fiscal Year 2010/11 Budget

CCWA Employee Benefits Percentage

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

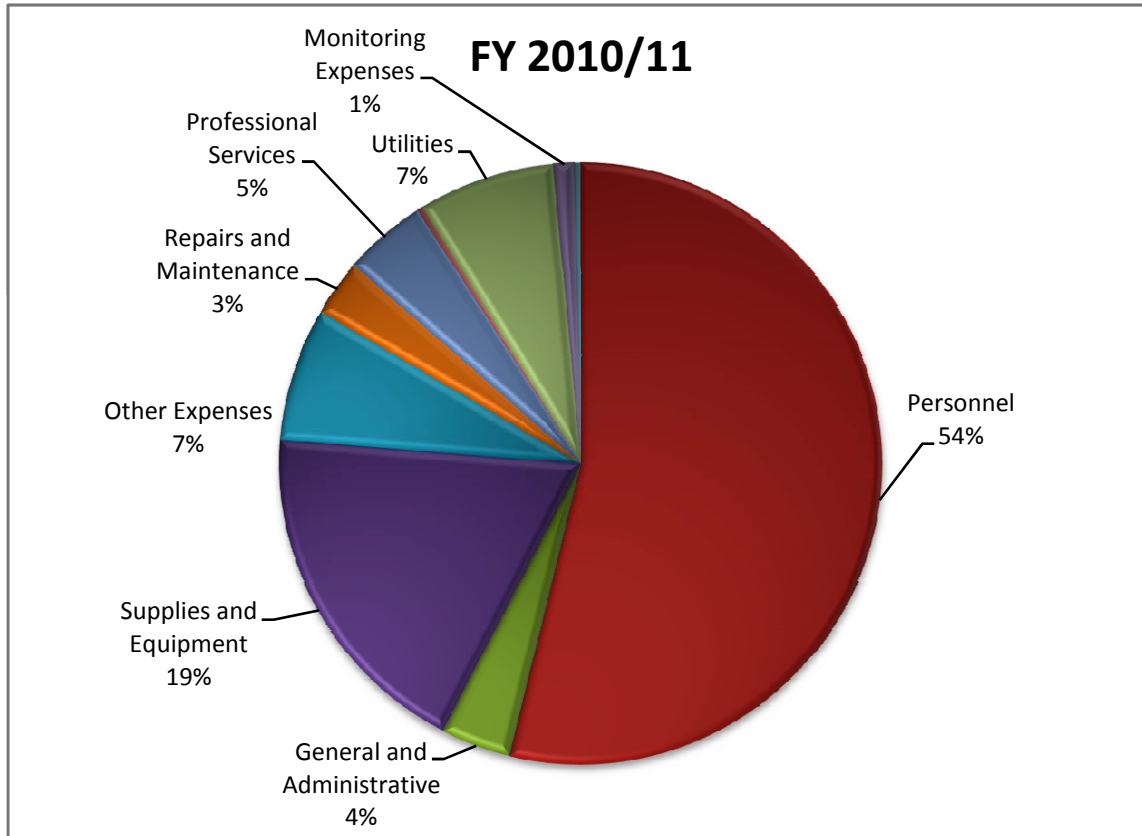
Employee Benefits Funding Benchmark: The Authority will calculate the Employee Benefits Percentage (EBP) in conjunction with the Budget preparation. The EBP calculation will include PERS retirement, health insurance, cafeteria plan benefits, dental/vision insurance, long-term disability and life insurance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

The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2008/09 through 2010/11.

	FY 2008/09 Actual	FY 2009/10 Est. Actual	FY 2010/11 Budget
Total Regular Salaries	\$ 2,222,002	\$ 2,153,253	\$ 2,425,980
<u>Benefits</u>			
PERS Retirement	437,491	410,828	463,052
Health Insurance	338,303	352,038	409,577
Cafeteria Plan Benefits	31,216	31,609	21,390
Dental/Vision Plan	46,174	57,599	48,554
Long-Term Disability	9,196	9,382	10,048
Life Insurance	10,219	10,326	9,034
Total Benefits:	<u>\$ 872,599</u>	<u>\$ 871,782</u>	<u>\$ 961,655</u>
Employee Benefits Percentage	39.27%	40.49%	39.64%

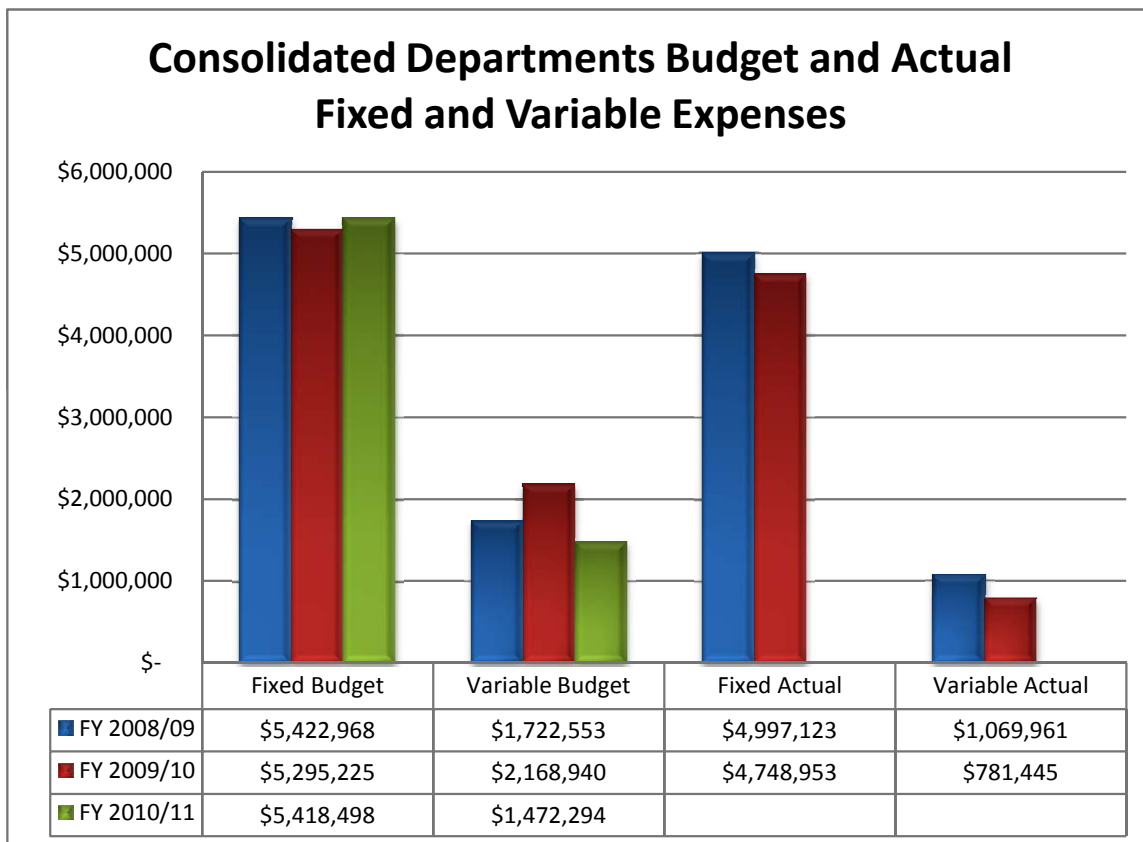
Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2010/11 Budget

Item	FY 2010/11 Budget
Personnel	\$ 3,707,459
Office Expenses	23,600
Supplies and Equipment	1,288,571
Monitoring Expenses	78,630
Repairs and Maintenance	207,558
Professional Services	307,730
General and Administrative	259,518
Utilities	502,520
Other Expenses	493,137
Turnouts	22,071
TOTAL:	\$ 6,890,793



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2010/11 Budget

Item	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget
Personnel	\$ 3,402,328	\$ 3,252,234	\$ 3,497,685	\$ 3,316,902	\$ 3,707,459
Office Expenses	25,760	22,371	24,560	14,641	23,600
Supplies and Equipment	1,326,821	932,765	1,806,966	755,539	1,288,571
Monitoring Expenses	85,100	68,516	83,230	58,593	78,630
Repairs and Maintenance	203,233	194,580	199,166	181,564	207,558
Professional Services	330,600	412,347	361,200	271,192	307,730
General and Administrative	239,010	228,353	250,807	237,403	259,518
Utilities	739,120	447,945	714,379	292,649	502,520
Other Expenses	768,200	486,407	499,715	375,459	493,137
Turnouts	25,350	21,566	26,457	26,457	22,071
Total:	\$ 7,145,521	\$ 6,067,084	\$ 7,464,165	\$ 5,530,398	\$ 6,890,793



Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 2,210,759	\$ 2,184,403	\$ 2,285,997	\$ 2,153,253	\$ 2,425,980	\$ 139,983	6.12%
1300.60	Capitalized Wages and Overtime	(507)	(72,150)	-	-	-	-	N/A
5000.20	Overtime	102,525	97,669	104,508	106,748	110,359	5,851	5.60%
5000.40	Standby Pay	43,625	44,646	44,326	42,287	45,902	1,577	3.56%
5000.50	Shift Differential Pay	11,500	13,319	11,500	12,170	13,500	2,000	17.39%
5100.10	PERS Retirement	413,309	416,678	435,327	410,828	463,052	27,725	6.37%
5100.15	Medicare Taxes	34,791	33,640	35,472	33,598	37,638	2,166	6.11%
5100.20	Health Insurance	354,340	324,721	374,745	352,038	409,577	34,832	9.29%
5100.25	Workers' Compensation	72,986	61,250	70,886	72,753	84,873	13,987	19.73%
5100.30	Vehicle Expenses	11,400	17,997	18,000	17,031	18,000	-	0.00%
68 5100.35	IRC 457-Employer Paid	31,000	851	-	-	-	-	N/A
5100.40	Cafeteria Plan Benefits	27,986	31,216	33,521	31,609	21,390	(12,130)	-36.19%
5100.45	Dental/Vision Plan	45,084	46,174	55,350	57,599	48,554	(6,796)	-12.28%
5100.50	Long-Term Disability	9,644	8,824	9,521	9,382	10,048	527	5.54%
5100.55	Life Insurance	8,782	9,776	8,933	10,326	9,034	101	1.13%
5100.60	Employee Physicals	1,650	485	950	-	900	(50)	-5.26%
5000.30	Temporary Services	15,000	671	-	-	-	-	N/A
5100.70	Employee Incentive Programs	6,400	3,015	6,400	6,525	6,400	-	0.00%
5100.65	Employee Education Reimbursement	2,250	227	2,250	-	2,250	-	0.00%
1300.60	Capitalized Employee Benefits	(198)	28,822	-	755	-	-	N/A
Total Personnel Expenses:		3,402,328	3,252,234	3,497,685	3,316,902	3,707,459	209,773	6.00%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	15,240	13,007	14,040	6,467	13,080	(960)	-6.84%
5200.30	Misc. Office Expenses	10,520	9,364	10,520	8,174	10,520	-	0.00%
Total Office Expenses:		25,760	22,371	24,560	14,641	23,600	(960)	-3.91%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	16,830	10,751	16,830	10,683	16,830	-	0.00%
5500.15	Minor Tools and Equipment	15,000	15,282	10,000	4,200	10,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	9,500	3,496	5,500	295	5,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
06 5500.31	Chemicals-Variable	1,187,337	808,955	1,671,636	654,531	1,136,520	(535,117)	-32.01%
5500.35	Maintenance Supplies/Hardware	20,000	17,728	20,000	12,677	20,000	-	0.00%
5500.40	Safety Supplies	12,000	10,796	10,000	6,328	11,000	1,000	10.00%
5500.45	Fuel and Lubricants	53,654	56,692	60,500	64,285	76,221	15,721	25.99%
5500.50	Seed/Erosion Control Supplies	12,000	8,850	12,000	1,772	12,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	215	500	767	500	-	0.00%
Total Supplies and Equipment:		1,326,821	932,765	1,806,966	755,539	1,288,571	(518,395)	-28.69%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	38,000	41,486	42,000	37,407	43,000	1,000	2.38%
5600.20	Lab Tools and Equipment	15,500	14,275	9,950	1,440	4,350	(5,600)	-56.28%
5600.30	Lab Testing	31,600	12,755	31,280	19,746	31,280	-	0.00%
Total Monitoring Expenses:		85,100	68,516	83,230	58,593	78,630	(4,600)	-5.53%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	125,280	130,839	123,700	114,150	129,400	5,700	4.61%
5700.20	Vehicle Repairs and Maintenance	19,420	8,746	15,000	15,782	15,000	-	0.00%
5700.30	Building Maintenance	47,285	45,301	48,586	42,239	51,218	2,632	5.42%
5700.40	Landscape Maintenance	11,248	9,694	11,880	9,393	11,940	60	0.51%
Total Repairs and Maintenance:		203,233	194,580	199,166	181,564	207,558	8,392	4.21%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	131,600	86,957	96,850	39,793	91,050	(5,800)	-5.99%
5400.20	Legal Services	80,000	247,205	185,000	171,514	160,000	(25,000)	-13.51%
5400.30	Engineering Services	21,000	1,251	11,000	8,277	10,000	(1,000)	-9.09%
5400.40	Permits	18,500	12,378	20,100	16,989	21,700	1,600	7.96%
5400.50	Non-Contractual Services	46,500	33,269	3,250	2,620	2,980	(270)	-8.31%
5400.60	Accounting Services	33,000	31,287	45,000	32,000	22,000	(23,000)	-51.11%
Total Professional Services:		330,600	412,347	361,200	271,192	307,730	(53,470)	-14.80%

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Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meetings and Travel	54,050	49,050	46,500	42,137	48,500	2,000	4.30%
5300.20	Mileage Reimbursement	1,650	1,716	1,150	205	1,150	-	0.00%
5300.30	Dues and Memberships	132,230	140,867	169,627	164,803	175,488	5,861	3.45%
5300.40	Publications	4,830	4,371	3,530	2,759	3,780	250	7.08%
5300.50	Training	27,750	21,448	15,000	16,773	15,000	-	0.00%
5300.60	Advertising	5,000	-	4,000	-	3,500	(500)	-12.50%
5300.70	Printing and Binding	4,000	4,101	3,000	4,465	4,600	1,600	53.33%
5300.80	Postage	9,500	6,800	8,000	6,262	7,500	(500)	-6.25%
Total General and Administrative:		239,010	228,353	250,807	237,403	259,518	8,711	3.47%

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<u>UTILITIES</u>								
5800.20	Natural Gas	6,370	4,760	6,970	4,384	7,245	275	3.95%
5800.30	Electric-Fixed	162,244	154,687	177,245	136,903	128,590	(48,655)	-27.45%
5800.35	Electric-Variable	535,216	261,006	497,304	126,914	335,775	(161,529)	-32.48%
5800.40	Water	2,550	2,189	2,550	2,262	2,410	(140)	-5.49%
5800.50	Telephone	24,240	16,922	20,810	14,394	18,820	(1,990)	-9.56%
5800.60	Waste Disposal	8,500	8,381	9,500	7,793	9,680	180	1.89%
Total Utilities:		739,120	447,945	714,379	292,649	502,520	(211,859)	-29.66%

Central Coast Water Authority
Consolidated Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>OTHER EXPENSES</u>								
5900.10	Insurance	133,074	124,494	132,495	132,495	133,388	893	0.67%
5900.30	Non-Capitalized Projects	289,755	207,276	29,628	38,230	28,589	(1,040)	-3.51%
5900.40	Equipment Rental	33,840	22,042	38,740	31,218	33,252	(5,488)	-14.17%
5900.50	Non-Capitalized Equipment	25,000	11,819	22,500	5,892	17,500	(5,000)	-22.22%
5900.60	Computer Expenses	148,358	120,776	130,514	167,623	145,727	15,213	11.66%
5900.70	Appropriated Contingency	138,172	-	145,837	-	134,681	(11,157)	-7.65%
Total Other Expenses:		768,200	486,407	499,715	375,459	493,137	(6,578)	-1.32%
	Turnout Expenses	25,350	21,566	26,457	26,457	22,071	(4,386)	-16.58%
TOTAL OPERATING EXPENSES		\$ 7,145,521	\$ 6,067,084	\$ 7,464,165	\$ 5,530,398	\$ 6,890,793	\$ (573,372)	-7.68%

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Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2010/11 Budget

Project Participant	<u>Administration Department</u>			<u>Water Treatment Plant Department Fixed Costs</u>						Turnout Costs
	Table A	Percentage	Administration Expenses	Table A	Percentage	WTP Fixed	WTP Fixed and Capital Retreatment	Exchange Fixed and Capital Adjustments	Total Fixed WTP Costs	
Shandon	-	-	\$ -	100	0.23%	\$ 5,495	-	-	5,495	\$ -
Chorro Valley	-	-	-	2,338	5.32%	128,472	-	-	128,472	3,200
Lopez	-	-	-	2,392	5.45%	131,439	-	-	131,439	2,503
Guadalupe	550	1.41%	18,055	550	1.25%	30,222	20,978	-	51,200	1,965
Santa Maria	16,200	41.46%	531,798	16,200	36.90%	890,181	617,883	-	1,508,064	2,809
Golden State Water Co.	500	1.28%	16,414	500	1.14%	27,475	19,070	-	46,545	4,117
VAFB	5,500	14.07%	180,549	5,500	12.53%	302,222	209,775	-	511,997	2,000
Buellton	578	1.48%	18,974	578	1.32%	31,761	22,045	-	53,806	2,282
Santa Ynez (Solvang)	1,500	3.84%	49,241	1,500	3.42%	82,424	57,211	-	139,636	1,695
Santa Ynez	500	1.28%	16,414	500	1.14%	27,475	105,269	293,165	425,909	1,500
Goleta	4,500	11.52%	147,722	4,500	10.25%	247,272	(337,594)	(105,539)	(195,861)	-
Morehart Land	200	0.51%	6,565	200	0.46%	10,990	(18,316)	-	(7,326)	-
La Cumbre	1,000	2.56%	32,827	1,000	2.28%	54,949	(91,578)	-	(36,629)	-
Raytheon (SBRC)	50	0.13%	1,641	50	0.11%	2,747	(4,579)	-	(1,831)	-
Santa Barbara	3,000	7.68%	98,481	3,000	6.83%	164,848	(225,062)	(70,360)	(130,574)	-
Montecito	3,000	7.68%	98,481	3,000	6.83%	164,848	(225,062)	(70,360)	(130,574)	-
Carpinteria	2,000	5.12%	65,654	2,000	4.55%	109,899	(150,042)	(46,906)	(87,049)	-
TOTAL:	39,078	100.00%	\$ 1,282,814	43,908	100.00%	\$ 2,412,719	\$ (0)	(0)	\$ 2,412,719	\$ 22,071

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Project Participant	<u>Distribution Department Fixed Costs</u>									Total Fixed Distribution Costs	Total Fixed Operating & CIP Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II			
Shandon	1,178	-	-	-	-	-	-	-	-	1,178	6,672
Chorro Valley	27,530	-	-	-	-	-	-	-	-	27,530	159,202
Lopez	28,166	11,800	-	-	-	-	-	-	-	39,966	173,908
Guadalupe	6,476	2,713	1,401	-	-	-	-	-	-	10,590	81,810
Santa Maria	190,756	79,914	41,256	23,836	-	-	-	-	-	335,763	2,378,433
Golden State Water Co.	5,888	2,466	1,273	736	-	-	-	-	-	10,363	77,439
VAFB	64,763	27,131	14,007	8,093	18,831	54,658	-	-	-	187,483	882,028
Buellton	6,806	2,851	1,472	850	1,979	5,744	9,766	-	-	29,468	104,531
Santa Ynez (Solvang)	17,663	7,399	3,820	2,207	5,136	14,907	25,343	-	-	76,475	267,046
Santa Ynez	5,888	2,466	1,273	736	1,712	4,969	8,448	-	-	25,492	469,314
Goleta	52,988	22,198	11,460	6,621	15,407	44,721	76,029	122,032	-	351,456	303,317
Morehart Land	2,355	987	509	294	685	1,988	3,379	5,424	-	15,620	14,860
La Cumbre	11,775	4,933	2,547	1,471	3,424	9,938	16,895	27,118	-	78,101	74,300
Raytheon (SBRC)	589	247	127	74	171	497	845	1,356	-	3,905	3,715
Santa Barbara	35,325	14,799	7,640	4,414	10,271	29,814	50,686	81,354	-	234,304	202,211
Montecito	35,325	14,799	7,640	4,414	10,271	29,814	50,686	81,354	-	234,304	202,211
Carpinteria	23,550	9,866	5,093	2,943	6,848	19,876	33,791	54,236	-	156,203	134,808
TOTAL:	517,021	204,569	99,519	56,690	74,735	216,924	275,869	372,874	-	1,818,200	\$ 5,535,804

Central Coast Water Authority
Operating Expense and CIP Expense Allocation by Department
 Fiscal Year 2010/11 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs				Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING & CIP COSTS	Summary of Total Costs	
	Santa Ynez II	WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs				
Shandon	\$ -	\$ -			\$ -	\$ -	\$ 6,672	Fixed O&M Costs	
Chorro Valley	-	79,964			79,964	79,964	239,166	Administration	\$ 1,264,544
Lopez	-	69,235			69,235	69,235	243,142	Water Treatment Plant	2,361,865
Guadalupe	-	20,596	2,675		23,271	23,271	105,081	Distribution	1,792,089
Santa Maria	-	540,267	70,174		610,441	610,441	2,988,874	Total Fixed O&M Costs	5,418,498
Golden State Water Co.	-	17,532	2,277		19,810	19,810	97,248	Variable O&M Costs	
VAFB	-	205,962	26,752		232,714	232,714	1,114,742	Water Treatment Plant	1,232,456
Buellton	-	20,324	2,640		22,964	22,964	127,494	Distribution	239,838
Santa Ynez (Solvang)	-	46,469	6,036		52,505	52,505	319,551	Total Variable O&M Costs	1,472,294
Santa Ynez	-	14,468	11,872	76,938	103,279	103,279	572,593	Capital Improvement Projects	
Goleta	23	27,711	(12)	(27,698)	2	25	303,342	117,306	
Morehart Land	12,767	7,490	(6,517)	0	973	13,739	28,599	Total O&M and CIP Costs:	
La Cumbria	63,833	37,448	(32,584)	0	4,864	68,697	142,997	\$ 7,008,099	
S.B. Research	3,192	1,872	(1,629)	0	243	3,435	7,150		
Santa Barbara	(23)	18,451	12	(18,465)	(2)	(25)	202,186		
Montecito	160,024	112,343	(81,684)	(18,465)	12,193	172,217	374,428		
Carpinteria	23	12,324	(12)	(12,310)	2	25	134,833		
TOTAL:	\$ 239,838	\$ 1,232,456	\$ (0)	\$ -	1,232,456	1,472,294	\$ 7,008,099		

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Clarifier Turbine

Administration Department

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

Highlights

Department Information

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

Budget Information

- Total FY 2010/11 O&M Budget \$1,264,544
- O&M Budget increase over FY 2009/10 \$ 4,455
- Percentage increase over FY 2009/10 0.35%

Significant Accomplishments During FY 2009/10

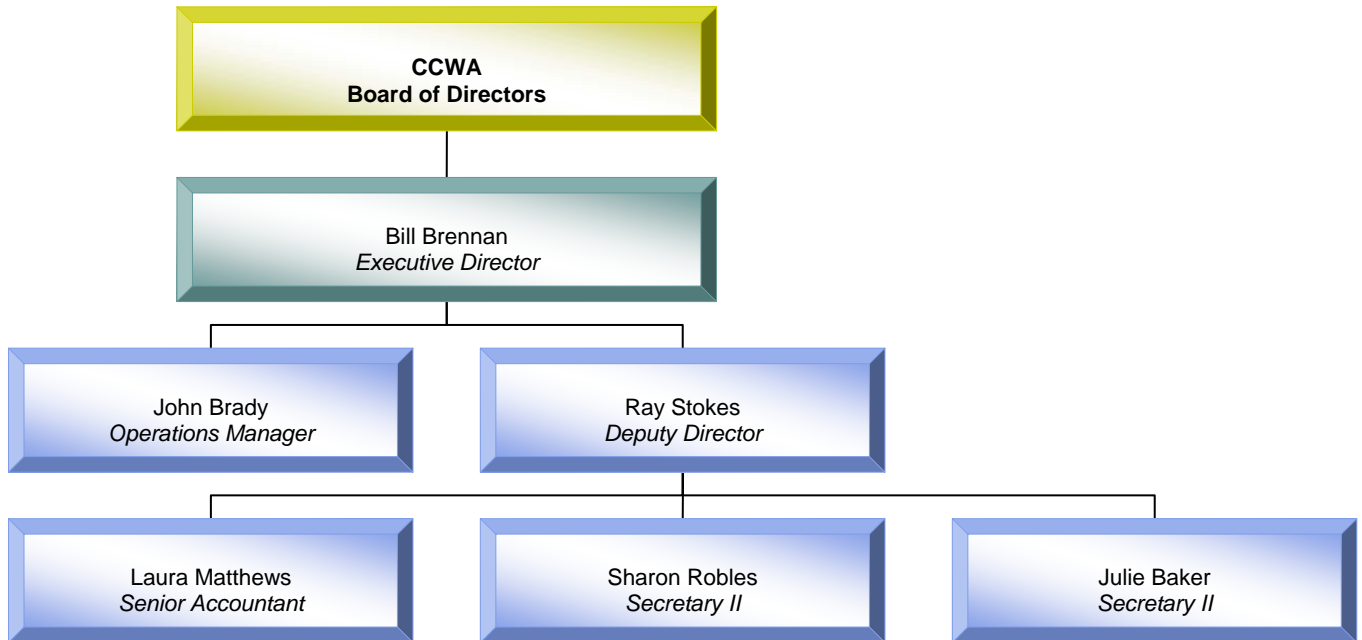
- Through the audit of the DWR Statement of Charges, CCWA staff found errors in the billings to CCWA from DWR of approximately \$13 million. DWR reduced the calendar year 2010 Statement of Charges by \$4.7 million for the Transportation Minimum OMP&R correction with the balance, \$8.3 million for a correction to the Transportation Capital component to be repaid to CCWA each year, with interest, through the end of the contract term (2035), or about \$750,000 per year.
- Convinced DWR to include an inflation factor on the Conservation Minimum out year projections which served to shore-up the revenues available for Rate Management Credits to CCWA resulting in 2010 rate management credits of \$1.8 million for CCWA which would not have been available had DWR not changed its calculation methodology on the conservation minimum cost projections.

Significant Goals for FY 2010/11

- Continue efforts to reacquire the Santa Barbara 12,214 acre-feet of suspended water with DWR.
- CCWA staff to fully audit the DWR Statement of Charges without utilizing the services of Ernst & Young.

Central Coast Water Authority
Administration Department
Fiscal Year 2010/11 Budget

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



EXECUTIVE DIRECTOR

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

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

Central Coast Water Authority
Administration Department
Fiscal Year 2010/11 Budget

DEPUTY DIRECTOR

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

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

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

ENGINEERING

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



Installation of drain line

Central Coast Water Authority
Administration Department
Fiscal Year 2010/11 Budget

2009 ACCOMPLISHMENTS AND 2010 GOALS

The following pages list all of the Authority's 2009 goals and their status (i.e., "Accomplishments") and the Authority's 2010 goals. The 2009 accomplishments and 2010 goals that are the responsibility of the Water Treatment Plant and Distribution Departments are repeated in the Water Treatment Plant and Distribution Department sections of this budget. Also included is a table of performance indicators ("Service Efforts and Accomplishments") for the Administration Department.

Administration and Accounting

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

Status In process. CCWA staff found that DWR was charging costs to Reaches operated by CCWA. DWR has reversed those costs from the year 2000 through 2009. Additional findings include improper accounting for DWR encroachment permits and DWR is not charging SLO County for Reach 33A operating or capital costs (still in the process of researching).

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

Status DWR has agreed to change the out-year projections and will include this adjustment in the 2010 Statement of Charges. This change will most likely result in full funding of rate management credits in 2010.

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

Status The scope of the Ernst & Young audit engagement for FY 2009/10 was completely revised to address concerns from prior audits. However, it is still questionable on whether CCWA receives a benefit from this audit. As such, staff will make a recommendation to the Board after receipt of the audit report regarding the continuation of the contract.

Ray is on the Board of Directors for the SWC, chairs the Audit Finance Committee, and leads several ad hoc groups.

John sits on the Water Quality Investigations committee.

Central Coast Water Authority
Administration Department
Fiscal Year 2010/11 Budget

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

Status In progress. Evaluating alternative health plans.

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

Status In progress. Workshop with County Board of Supervisors on 1/19/10.

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

Status The program is ongoing with over 5,924 AF acquired by CCWA project participants.

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

Status Irvine Ranch Water District has expressed an interest in offering its two for one banking program to all CCWA project participants.

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

Status In progress. Currently working on the “Assessment Invoice Preparation” chapter.

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

Status In progress. Submitted to GFOA.

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

Status In progress. Submitted to GFOA.

Contracts

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

Status Final EIR scheduled for February 2009 release.

Central Coast Water Authority
Administration Department
Fiscal Year 2010/11 Budget

DWR Coordination

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

Status A full interior inspection of the water treatment plant was completed and an internal pipeline inspection of north and south portals of the Cuesta Tunnel was completed during the 2009 DWR winter shutdown.

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

Status Received and reviewed the draft Flow Capacity Report from Berrenda Mesa Irrigation District. CCWA is in agreement with the findings and conclusions of the report.

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

Status It is anticipated that DWR will be able to pay full rate management credits for 2010. However, the final amount is not yet known.

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

Status Convinced DWR to use off the shelf replacements for six old pumps on the Coastal Branch Extension for a savings of nearly \$7.5 million over the next two years.

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

Status Completed Strategic Resource Plan and renewable energy controlled acquisition plan.

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

Status Bill and Ray are fully engaged in all of the committees and meetings related to this topic.

Central Coast Water Authority
Administration Department
Fiscal Year 2010/11 Budget

Post 2009 Goals

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

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

Status CCWA staff are fully engaged in the DHCCP program and continue to work on reacquiring SB County suspended water.

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

Status CCWA staff offered the State Drought Water Bank, the IRWD banking program, and the San Luis Obispo County transfer program this year.

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

Status DWR has been responsive in developing the San Luis Obispo County transfer program. However, there is no certainty at this time that it will allow the program to continue into the future.

Central Coast Water Authority
Administration Department
Fiscal Year 2010/11 Budget

2010 Goals

Administration and Accounting

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

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

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

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

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

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

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

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

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

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

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

Central Coast Water Authority
Administration Department
Fiscal Year 2010/11 Budget

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

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

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

Contracts

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

DWR Coordination

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

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

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

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

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

Post 2010 Goals

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

Identify and implement mechanisms to offset shortages due to drought.

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

Central Coast Water Authority
Administration Department
Fiscal Year 2010/11 Budget

ADMINISTRATION DEPARTMENT OPERATING EXPENSE OVERVIEW

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

The Administration Department operating expense budget for FY 2010/11 is increasing by \$4,455 or 0.35% when compared to the FY 2009/10 Budget. The total FY 2010/11 budget is \$1,264,544 compared to the FY 2009/10 budget of \$1,260,089. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$26,000 due to the following:

- Administration Department FY 2010/11 salary pool allocation of \$22,990 based on a salary pool percentage of 4.83% (suspended for FY 2010/11)
- PERS retirement expense increase of \$4,600 for higher salary amount for FY 2010/11.
- Health insurance increase of about \$5,000 for an anticipated 10% increase in premiums on January 1, 2011.
- Decreases in cafeteria plan benefit payments of \$6,800 for changes in personnel dependent status.

Professional Services The professional services budget is decreasing by \$48,000 due to a \$25,000 decrease in the legal services budget due to the completion of the Hyatt-Thermalito litigation. Note, the FY 2010/11 legal expenses budget includes \$50,000 for potential litigation associated with the DWR Statement of Charges. Additionally, accounting services expenses are decreasing by \$23,000 due to a CCWA staff recommendation to not participate in the Ernst & Young audit engagement on the annual DWR Statement of Charges. It is recommended that CCWA staff audit the Statement of Charges specifically for CCWA instead of using the services of Ernst and Young.

General and Administrative The General and Administrative expenses are increasing by about \$19,400 primarily attributed to an increase in the dues and memberships budget for anticipated increases in the State Water Contractors and State Water Project Contractors Authority JPA expenses. Additionally, the budget includes an additional \$5,500 for the Prop 84 administrative fee for participating in the Prop 84 program.

Other Expenses Other expenses are increasing by about \$6,700 due to small increase in the computer expenses budget.

Central Coast Water Authority
Personnel Services Summary
Administration Department
Fiscal Year 2010/11 Budget

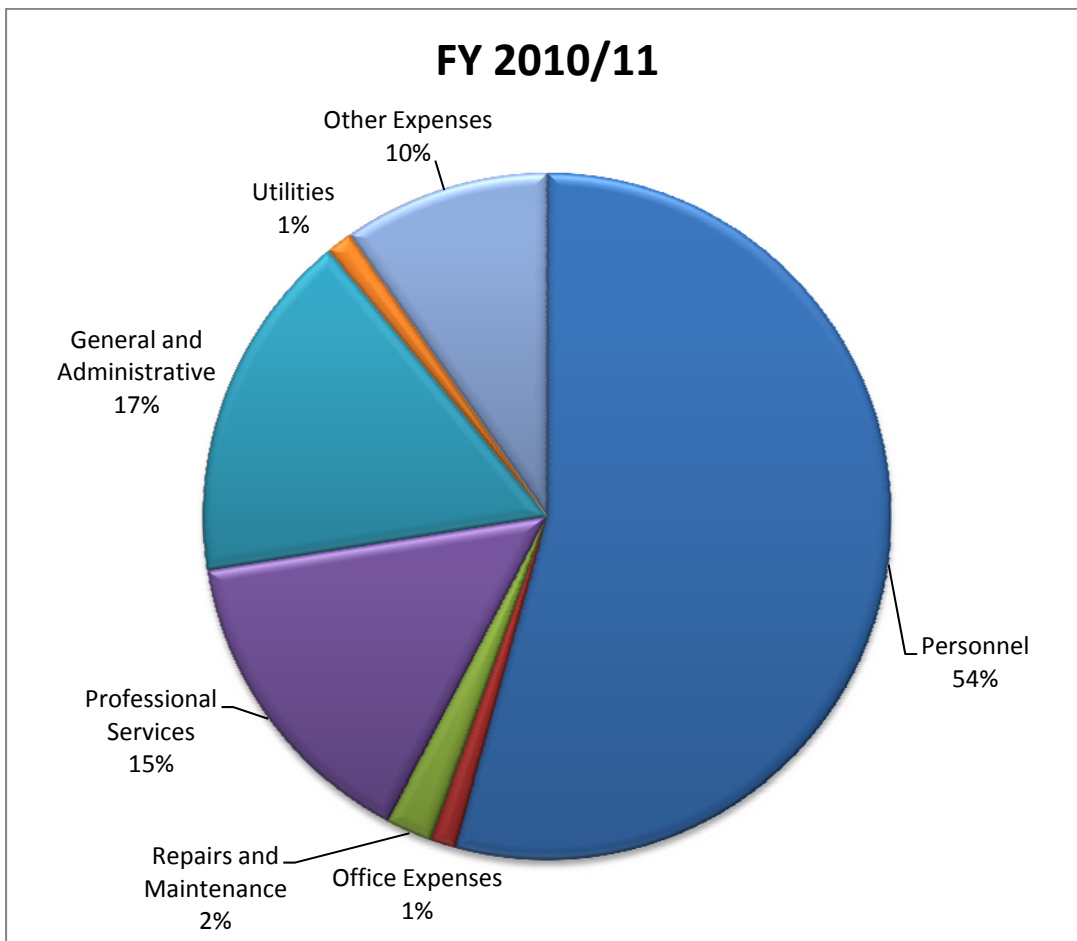
PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2008/09	Number Auth. FY 2009/10	Number Requested FY 2010/11	Change Over FY 2008/09	Change Over FY 2009/10
Executive Director ⁽¹⁾	0.50	0.50	0.50	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager ⁽¹⁾	0.25	0.25	0.25	-	-
Senior Accountant	1.00	1.00	1.00	-	-
Accounting Specialist	-	-	-	-	-
Secretary II	1.75	1.75	1.75	-	-
TOTAL:	4.50	4.50	4.50	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2009/10 Total Annual Salary	Allocation to Admin Department
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 194,293	\$ 97,147
Deputy Director	1	N/A	N/A	N/A	\$ 171,142	\$ 171,142
Operations Manager ⁽¹⁾	1	25	\$ 9,184	\$ 11,204	\$ 118,227	\$ 29,557
Senior Accountant	1	18	\$ 6,361	\$ 7,761	\$ 78,582	\$ 78,582
Secretary II	2	11	\$ 4,447	\$ 5,425	\$ 99,372	\$ 99,372
FY 2010/11 Salary Pool (<i>suspended for FY 2010/11</i>)						\$ 22,990
TOTAL:						\$ 498,791

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

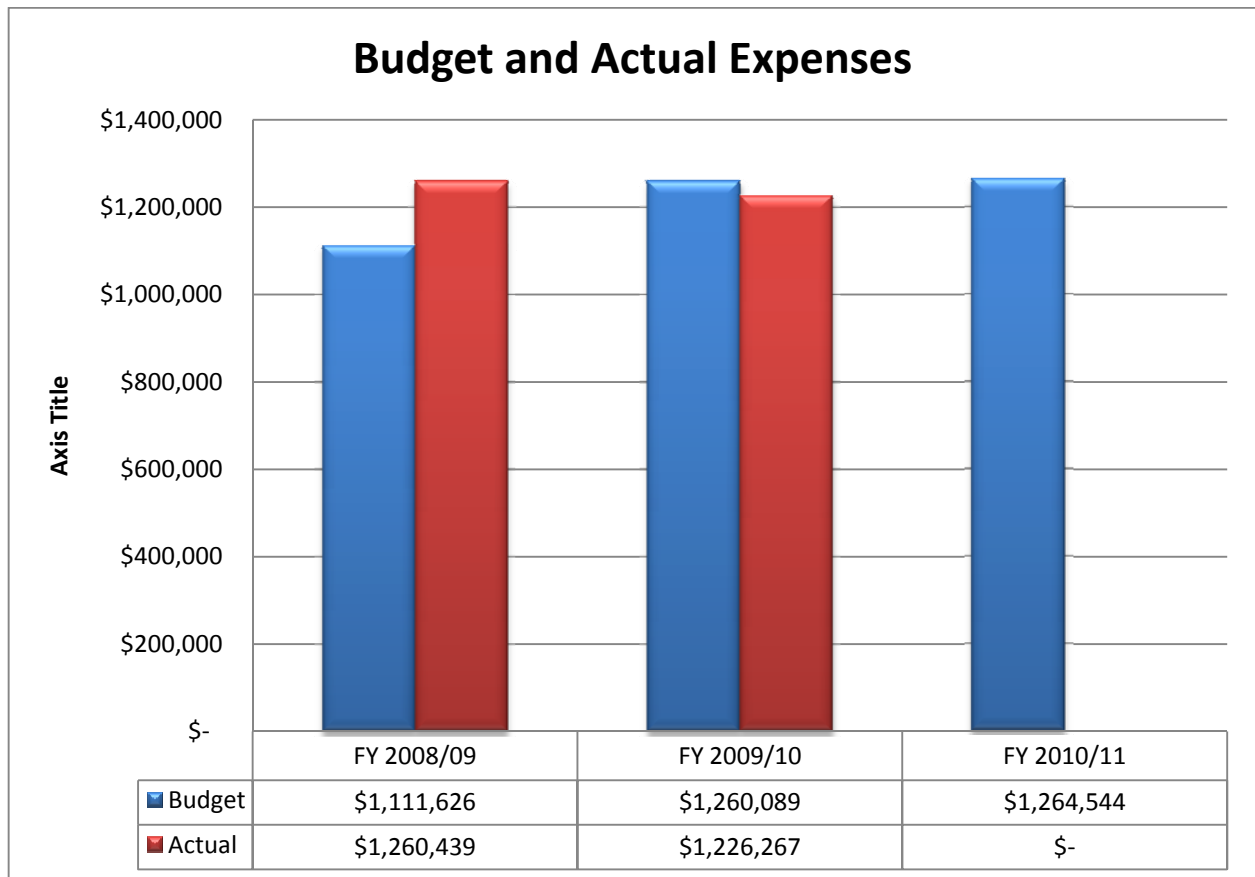
Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2010/11 Budget

Item	FY 2010/11 Budget
Personnel	\$ 686,617
Office Expenses	15,040
Repairs and Maintenance	27,608
Professional Services	187,460
General and Administrative	209,368
Utilities	15,458
Other Expenses	122,993
TOTAL:	<u>\$ 1,264,544</u>



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2010/11 Budget

Item	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget
Personnel	\$ 620,010	\$ 667,010	\$ 660,899	\$ 673,382	\$ 686,617
Office Expenses	17,200	14,717	16,000	11,556	15,040
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	27,160	26,647	26,266	24,618	27,608
Professional Services	119,700	287,231	235,630	209,745	187,460
General and Administration	168,360	171,990	189,957	189,715	209,368
Utilities	18,260	12,044	15,080	12,477	15,458
Other Expenses	140,936	80,800	116,257	104,775	122,993
TOTAL:	\$1,111,626	\$1,260,439	\$1,260,089	\$ 1,226,267	\$ 1,264,544



Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 440,265	\$ 479,071	\$ 475,834	\$ 483,732	\$ 498,791	\$ 22,956	4.82%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	2,000	3,411	2,000	2,040	2,000	-	0.00%
5000.40	Standby Pay	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	83,897	95,050	92,407	94,232	97,035	4,628	5.01%
5100.15	Medicare Taxes	6,750	8,182	6,929	7,828	7,261	333	4.80%
5100.20	Health Insurance	24,452	29,190	34,809	39,543	39,707	4,897	14.07%
5100.25	Workers' Compensation	3,963	4,175	4,104	5,388	4,856	752	18.33%
5100.30	Vehicle Expenses	11,400	17,997	18,000	17,031	18,000	-	0.00%
5100.35	IRC 457-Employer Paid	23,250	639	-	-	-	-	N/A
5100.40	Cafeteria Plan Benefits	11,934	14,008	12,946	11,022	6,100	(6,846)	-52.88%
5100.45	Dental/Vision Plan	7,384	9,674	9,066	7,306	7,953	(1,113)	-12.28%
5100.50	Long-Term Disability	1,890	1,873	1,956	1,940	2,053	98	4.99%
5100.55	Life Insurance	1,373	1,504	1,399	1,516	1,411	13	0.90%
5100.60	Employee Physicals	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	671	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,200	666	1,200	1,049	1,200	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	-	250	-	0.00%
5100.86	Non-Capitalized Projects Overhead	-	899	-	755	-	-	N/A
Total Personnel Expenses:		620,010	667,010	660,899	673,382	686,617	25,718	3.89%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	10,200	8,121	9,000	5,212	8,040	(960)	-10.67%
5200.30	Miscellaneous Office Expenses	7,000	6,596	7,000	6,344	7,000	-	0.00%
Total Office Expenses:		17,200	14,717	16,000	11,556	15,040	(960)	-6.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	-	-	-	-	-	-	N/A
5500.15	Minor Tools and Equipment	-	-	-	-	-	-	N/A
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	-	-	-	-	-	-	N/A
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	-	-	-	-	-	-	N/A
5500.40	Safety Supplies	-	-	-	-	-	-	N/A
5500.45	Fuel and Lubricants	-	-	-	-	-	-	N/A
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		-	-	-	-	-	-	N/A
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	-

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	5,280	5,017	3,700	2,958	4,400	700	18.92%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	18,780	19,236	19,686	19,248	20,268	582	2.96%
5700.40	Landscape Maintenance	3,100	2,394	2,880	2,412	2,940	60	2.08%
Total Repairs and Maintenance:		27,160	26,647	26,266	24,618	27,608	1,342	5.11%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	3,200	2,324	3,200	3,611	3,400	200	6.25%
5400.20	Legal Services	80,000	246,440	185,000	171,514	160,000	(25,000)	-13.51%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	3,500	7,180	2,430	2,620	2,060	(370)	-15.23%
5400.60	Accounting Services	33,000	31,287	45,000	32,000	22,000	(23,000)	-51.11%
Total Professional Services:		119,700	287,231	235,630	209,745	187,460	(48,170)	-20.44%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	31,300	32,488	29,500	28,802	29,500	-	0.00%
5300.20	Mileage Reimbursement	1,000	1,016	500	205	500	-	0.00%
5300.30	Dues and Memberships	119,030	125,703	146,427	147,094	163,988	17,561	11.99%
5300.40	Publications	2,530	2,096	2,530	2,592	2,780	250	9.88%
5300.50	Training	5,000	2,923	3,000	2,500	3,000	-	0.00%
5300.60	Advertising	1,000	-	500	-	500	-	0.00%
5300.70	Printing and Binding	4,000	4,101	3,000	4,465	4,600	1,600	53.33%
5300.80	Postage	4,500	3,663	4,500	4,058	4,500	-	0.00%
Total General and Administrative:		168,360	171,990	189,957	189,715	209,368	19,411	10.22%

Central Coast Water Authority
Administration Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	420	235	420	209	420	-	0.00%
5800.30	Electric-Fixed	6,600	5,784	7,200	6,945	8,478	1,278	17.75%
5800.35	Electric-Variable	-	-	-	-	-	-	N/A
5800.40	Water	1,200	836	1,200	856	960	(240)	-20.00%
5800.50	Telephone	7,440	2,790	3,660	1,952	2,820	(840)	-22.95%
5800.60	Waste Disposal	2,600	2,399	2,600	2,515	2,780	180	6.92%
Total Utilities:		18,260	12,044	15,080	12,477	15,458	378	2.51%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	20,111	18,662	20,729	20,729	20,135	(594)	-2.86%
5900.30	Non-Capitalized Projects	-	80	-	-	-	-	N/A
5900.40	Equipment Rental	6,840	5,941	6,740	6,451	6,752	12	0.18%
5900.50	Non-Capitalized Equipment	5,000	59	2,500	-	2,500	-	0.00%
5900.60	Computer Expenses	87,188	56,058	61,580	77,595	68,811	7,231	11.74%
5900.70	Appropriated Contingency	21,797	-	24,708	-	24,795	87	0.35%
Total Other Expenses:		140,936	80,800	116,257	104,775	122,993	6,737	5.79%
TOTAL OPERATING EXPENSES		\$ 1,111,626	\$ 1,260,439	\$ 1,260,089	\$ 1,226,267	\$ 1,264,544	\$ 4,455	0.35%

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

Description: Funds for the Administration Department regular employees. Includes \$22,990 for the FY 2010/11 salary pool.

FY 10/11 Requested Budget	498,791
FY 09/10 Estimated Actual	483,732
Increase (Decrease)	15,058

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

Description: Overtime expenses for non-exempt Administration employees.

FY 10/11 Requested Budget	2,000
FY 09/10 Estimated Actual	2,040
Increase (Decrease)	(40)

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

Description: Not funded.

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

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

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 19.454% contribution rate for FY 2010/11

FY 10/11 Requested Budget	97,035
FY 09/10 Estimated Actual	94,232
Increase (Decrease)	2,803

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

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

FY 10/11 Requested Budget	7,261
FY 09/10 Estimated Actual	7,828
Increase (Decrease)	(567)

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

Description: Funds for the employer provided portion of medical insurance coverage for Administration employees. Budget amount is based on actual medical insurance election for the Administration Department. Includes an increase for 2011 estimated at 5%.
Family: \$ 17,453
Emp+1: \$ 15,064
Emp: \$ 6,384

FY 10/11 Requested Budget	39,707
FY 09/10 Estimated Actual	39,543
Increase (Decrease)	163

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

Description: Funds for Workers' Compensation insurance for the Administration Department. Based on an X-Mod rate of 100%. Based on a 5% premium increase over FY 2009/10.

FY 10/11 Requested Budget	4,856
FY 09/10 Estimated Actual	5,388
Increase (Decrease)	(532)

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

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

FY 10/11 Requested Budget	18,000
FY 09/10 Estimated Actual	17,031
Increase (Decrease)	969

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

Description: Not funded

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

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

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

FY 10/11 Requested Budget	6,100
FY 09/10 Estimated Actual	11,022
Increase (Decrease)	(4,922)

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

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,990 per year per family for dental and vision expenses. Budgeted amount is \$1,674 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 10/11 Requested Budget	7,953
FY 09/10 Estimated Actual	7,306
Increase (Decrease)	647

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

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

FY 10/11 Requested Budget	2,053
FY 09/10 Estimated Actual	1,940
Increase (Decrease)	113

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

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

FY 10/11 Requested Budget	1,411
FY 09/10 Estimated Actual	1,516
Increase (Decrease)	(105)

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

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

FY 10/11 Requested Budget	250
FY 09/10 Estimated Actual	-
Increase (Decrease)	250

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

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

FY 10/11 Requested Budget	1,200
FY 09/10 Estimated Actual	1,049
Increase (Decrease)	151

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

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

Description: Funds for Office supplies for the Administration Department. Based on \$670 per month in office supply expenses.

FY 10/11 Requested Budget	8,040
FY 09/10 Estimated Actual	5,212
Increase (Decrease)	2,828

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

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

FY 10/11 Requested Budget	7,000
FY 09/10 Estimated Actual	6,344
Increase (Decrease)	656

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

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

FY 10/11 Requested Budget	29,500
FY 09/10 Estimated Actual	28,802
Increase (Decrease)	698

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

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

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

FY 10/11 Requested Budget	500
FY 09/10 Estimated Actual	205
Increase (Decrease)	295

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

Description: Funds for professional dues.

FY 10/11 Requested Budget	163,988
FY 09/10 Estimated Actual	147,094
Increase (Decrease)	16,894

\$	106,500	SWC Bay Delta Charges
\$	14,000	SWPCA JPA & SFCWA JPA Dues
\$	16,853	MWQI Charges for 2010 Calendar Year
\$	15,385	ACWA
\$	500	SWPCA Delta Specific Project Committee
\$	2,250	Support various water education programs
\$	5,500	Prop 84 Fee
\$	3,000	Employee Professional Dues and Misc.
\$	163,988	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

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

FY 10/11 Requested Budget	2,780
FY 09/10 Estimated Actual	2,592
Increase (Decrease)	189

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

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

FY 10/11 Requested Budget	3,000
FY 09/10 Estimated Actual	2,500
Increase (Decrease)	500

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

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

FY 10/11 Requested Budget	500
FY 09/10 Estimated Actual	-
Increase (Decrease)	500

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

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

FY 10/11 Requested Budget	4,600
FY 09/10 Estimated Actual	4,465
Increase (Decrease)	135

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

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

FY 10/11 Requested Budget	4,500
FY 09/10 Estimated Actual	4,058
Increase (Decrease)	442

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

Description: Funds for miscellaneous consultants and other services.
 \$ 2,400 Administration office alarm system
 \$ 1,000 Other services
 \$ 3,400 **TOTAL**

FY 10/11 Requested Budget	3,400
FY 09/10 Estimated Actual	3,611
Increase (Decrease)	(211)

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

Description: Funds for CCWA legal services.
 \$ 100,000 Brownstein Hyatt Farber General Counsel
 10,000 Sheppard Mullin Personnel Counsel
 50,000 DWR Statement of Charges Legal Action
 \$ 160,000 **TOTAL**

FY 10/11 Requested Budget	160,000
FY 09/10 Estimated Actual	171,514
Increase (Decrease)	(11,514)

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

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

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

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

FY 10/11 Requested Budget	2,060
FY 09/10 Estimated Actual	2,620
Increase (Decrease)	(560)

\$	1,320	IRC 125 Plan administraton fees (\$110 per mo)
\$	240	Employee Assistance Program
\$	500	Other miscellaneous
\$	2,060	TOTAL

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

Description: Funds for the annual audit of the FY 2009/10 Financial Statements. Does not include funds for participation in the annual audit of the DWR Statement of Charges with Ernst & Young. It is recommended that CCWA staff audit the annual Statement of Charges rather than using Ernst & Young.

FY 10/11 Requested Budget	22,000
FY 09/10 Estimated Actual	32,000
Increase (Decrease)	(10,000)

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

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

FY 10/11 Requested Budget	4,400
FY 09/10 Estimated Actual	2,958
Increase (Decrease)	1,442

\$	3,400	Copier maintenance agreement
\$	1,000	Other misc. equipment repairs
\$	4,400	TOTAL

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

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

FY 10/11 Requested Budget	20,268
FY 09/10 Estimated Actual	19,248
Increase (Decrease)	1,020

\$	528	Monthly Pest Control
\$	14,250	Janitorial services and supplies
\$	4,000	Building repairs (includes \$2,000 for HVAC)
\$	1,490	HVAC quarterly maintenance
\$	20,268	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

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

FY 10/11 Requested Budget	2,940	\$	2,100	Gardener (\$175 per month)
FY 09/10 Estimated Actual	2,412	\$	540	Irrigation Water (\$45 per month)
Increase (Decrease)	528	\$	300	Miscellaneous
		\$	2,940	TOTAL

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

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

FY 10/11 Requested Budget	420			
FY 09/10 Estimated Actual	539			
Increase (Decrease)	(119)			

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

Description: Funds for electrical service to the Administration building (\$706.50 per month).

FY 10/11 Requested Budget	8,478			
FY 09/10 Estimated Actual	6,945			
Increase (Decrease)	1,533			

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

Description: Funds for water and sewer service for the Administration building (\$80 per month).

FY 10/11 Requested Budget	960			
FY 09/10 Estimated Actual	856			
Increase (Decrease)	104			

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

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

FY 10/11 Requested Budget	2,820	\$	180	Long distance (\$15 per month)
FY 09/10 Estimated Actual	1,952	\$	1,440	Local long distance (\$120 per month)
Increase (Decrease)	868	\$	1,200	Cell phone airtime (\$100 per month)
		\$	2,820	TOTAL

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

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

FY 10/11 Requested Budget	2,780	\$	2,580	Waste Disposal service (\$215 per month)
FY 09/10 Estimated Actual	2,515	\$	200	Hazardous Waste Disposal
Increase (Decrease)	265	\$	2,780	TOTAL

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

Description: Funds for insurance related expenses.

FY 10/11 Requested Budget	20,135	\$	1,399	Property and auto insurance based on allocation provided by JPIA
FY 09/10 Estimated Actual	20,729	\$	14,986	General Liability and E&O apportioned by payroll percentages
Increase (Decrease)	(594)	\$	3,750	Employee fidelity bond
		\$	20,135	TOTAL

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

Description: Funds for rental of equipment.

FY 10/11 Requested Budget	6,752	\$	1,740	Postage meter (\$435 per quarter)
FY 09/10 Estimated Actual	6,451	\$	4,512	Copier lease (\$376 per month)
Increase (Decrease)	302	\$	500	Other
		\$	6,752	TOTAL

**CENTRAL COAST WATER AUTHORITY
ADMINISTRATION FY 2010/11 BUDGET**

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

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

FY 10/11 Requested Budget	2,500
FY 09/10 Estimated Actual	-
Increase (Decrease)	2,500

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

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

FY 10/11 Requested Budget	68,811
FY 09/10 Estimated Actual	77,595
Increase (Decrease)	(8,784)

\$	53,601	CompuVision, Annual Service Agreements and Software Subscriptions
\$	15,210	Software and other computer services
\$	68,811	TOTAL

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

Description: 2.0% of operating expenses

FY 10/11 Requested Budget	24,795
FY 09/10 Estimated Actual	-
Increase (Decrease)	24,795

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Polonio Pass Water Treatment Plant Gate

Water Treatment Plant Department

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

Highlights

Department Information

- Number of employees 14
- Polonio Pass Water Treatment Plant design capacity 49.44 million gallons per day
- FY 2010/11 requested water deliveries 35,883 acre-feet

Budget Information

- Total FY 2010/11 O&M Budget \$ 3,594,322
- O&M Budget decrease over FY 2009/10 \$ (448,756)
 - Fixed cost increase over FY 2009/10 \$ 34,956
 - Variable cost decrease over FY 2009/10 \$ (483,713)
- Percentage decrease (11.10)%
- Fixed O&M Expenses \$ 2,361,865
- Variable O&M Expenses \$ 1,232,456
- FY 2010/11 budgeted chemical cost \$ 30.13 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
 - Fixed and Capital \$ 38.14
 - Variable \$ 4.42
- Exchange Agreement Modifications Per AF:
 - Fixed and Capital \$ 130.00
 - Variable \$ 34.04

Significant Accomplishments During FY 2009/10

- WTP staff contributed to the design installation and operation of the dual column pilot filter study which indicated that the GAC replacement can be postponed, when coupled with a specific MIB response plan.
- Treatment plant staff contributed to the various special studies addressing nitrification control and the conclusions were incorporated into the CCWA nitrification response plan.

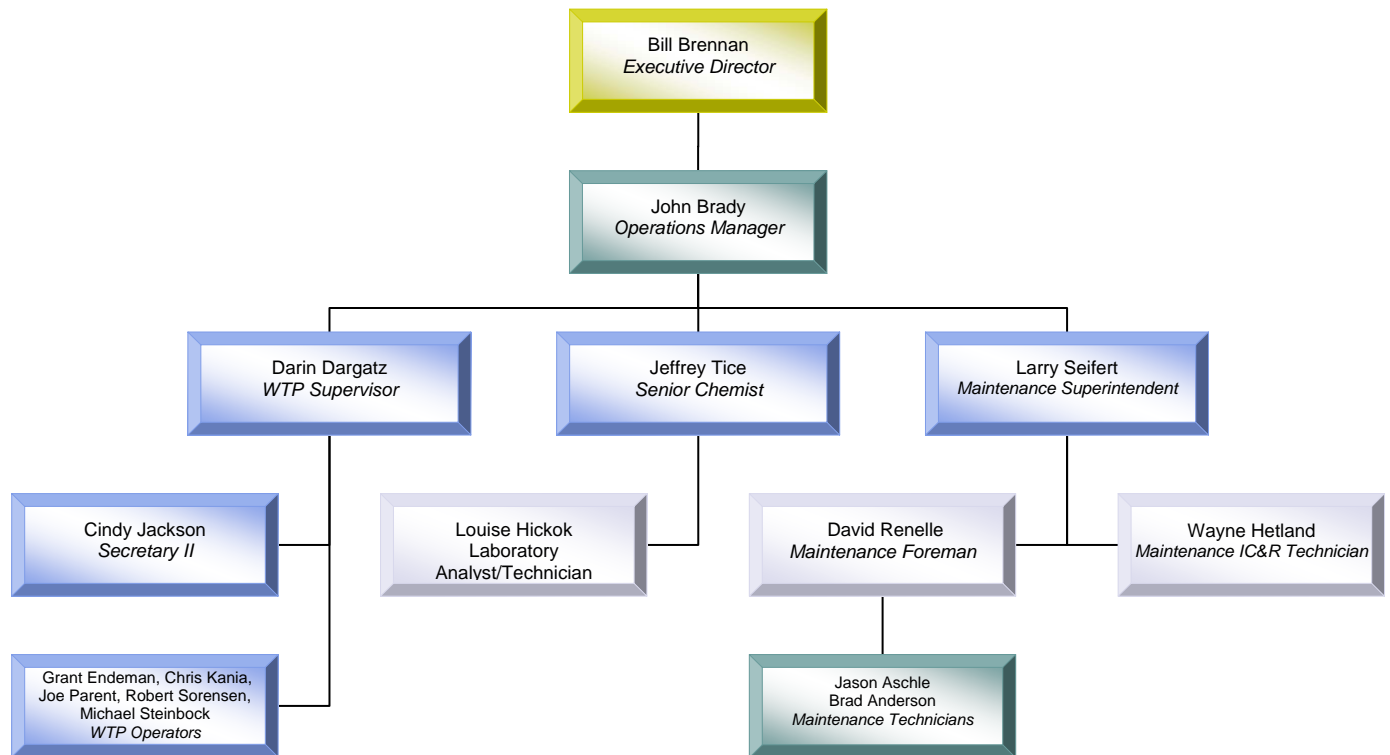
Significant Goals for FY 2010/11

- Develop a MIB response plan and study to enhance understanding of why MIB concentrations increase along the length of the raw water pipeline as it approaches the treatment plant.
- The Laboratory Information System (LIMS) will be updated to include data from ongoing special studies from the Tank 5 and 7 chlorination systems.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2010/11 Budget

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

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



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

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

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

Central Coast Water Authority
Water Treatment Plant Department
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Pilot Filter

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

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

The following pages list the 2009 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2010 goals for the Water Treatment Plant Department.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2010/11 Budget

2009 ACCOMPLISHMENTS

- Goal** Implement the MIB study, which is designed to enhance understanding of why MIB increases along the length of the raw water pipeline. [10/09]
- Status** No occurrence of MIB to date. Once MIB is detected, the study will proceed.
- Goal** Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [12/09]
- Status** The monitoring data indicates that TOC and ammonia levels are reduced immediately following sludge removal from the pumping station forebays. In addition, the monitoring data indicates that water quality is significantly impacted by the way the canal is operated. High TOC and ammonia levels are routinely observed when the canals are dewatered.
- Goal** Implement the full scale performance monitoring plan for the filters with fresh GAC installed. [2/09]
- Status** This study continues and reveals that TOC removal efficiencies of new GAC are essentially the same as older GAC after a 6 month period. A pilot filter study has been initiated. The testing apparatus has been designed and installed. The study will evaluate if the filter TOC removal is due to sorption or mechanical filtration mechanisms.
- Goal** Conduct a chlorite treatment pilot study at Tank 5 to evaluate the effectiveness of chlorite in controlling nitrification in the southern portion of the pipeline. [6/09]
- Status** Two chlorite jar studies have been completed and both suggest that chlorite can control nitrification. Efforts to identify a full scale chlorite treatment system indicate that these systems are rare. However, in conducting the chlorite jar testing, it was also found that re-chloramination was equally as effective as chlorite treatment and this nitrification treatment has been successfully put into full scale use at Tank 5 and 7.
- Goal** Install additional pressure transmitters within the distribution system and connect to SCADA as an aid in the Leak Detection program. [10/09]
- Status** Two pressure transmitters were purchased. One transmitter was installed at the inlet of Santa Ynez Pumping Plant and connected to SCADA. The second transmitter will be installed at Tank 5 and connected to SCADA in first quarter 2010.

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

Status A full internal pipeline inspection of north and south portals of the Cuesta Tunnel was completed during the 2009 DWR winter shutdown.

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

Status No progress due to being a non-budgeted item. However, a draft Standard Operating Procedure for using the existing security cameras has been developed. In addition, additional training on the camera software was provided to an IC&R Technician so that we can understand the full capabilities of the existing system.

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

Status Evaluating Demand Response Contracts for the Santa Ynez Pumping Plant.

Enhanced communication abilities through the installation of phones at key CCWA facilities, using the CCWA fiber optic network. Pagers were also eliminated and replaced with the on-call operator smart phone. Also, cell phone reception issues at the water treatment plant were addressed through purchasing a repeater/amplifier for the plant. Installation of the repeater/amplifier equipment is planned for first quarter 2010.

A propane fueled electrical generator was purchased and installed at the Tank 5 site to enhance reliability of the instrumentation at that location.

Implemented a 9/80 working schedule for the Distribution Supervisor and Water Treatment Plant Maintenance staff, which optimized use of staff time.

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

Status A review of the existing chlorine and aqua ammonia systems was conducted to compare existing conditions and the current engineering records for consistency. Engineering records were updated accordingly.

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2010/11 Budget

Several nitrification bench studies were completed, along with a detailed analysis of historic nitrification events. The results of the studies have been incorporated into the CCWA Nitrification Response Plan.

A full AWWA disinfection of the pipeline downstream of Tank 5 was performed during the 2009 winter shutdown.

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

Status Developed High Total Organic Carbon Response Plan as a measure to minimize disinfection by-product formation (DBP). This measure will assist participants in complying with the Stage 2 DBP Rule.

2010 Goals

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

Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [throughout 2010]

Initiate monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. [throughout 2010]

Demolish existing Sodium Bisulfite Storage and Dosing System at the Santa Ynez Pumping Plant and construct new replacement system, according to the final engineered drawings. [06/10]

Coordinate the installation of a gate and security camera at the Santa Ynez Pumping Plant. [12/10]

Conduct internal pipeline inspection to look at previous repairs in Reach B and C as part of the annual system shutdown. [11/10]

Repair the waste wash water 42-inch pipeline from the filters to the equalization basins at the WTP. [11/10]

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

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

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2010/11 Budget

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

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

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2010/11 Budget

WATER TREATMENT PLANT DEPARTMENT OPERATING EXPENSE OVERVIEW

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

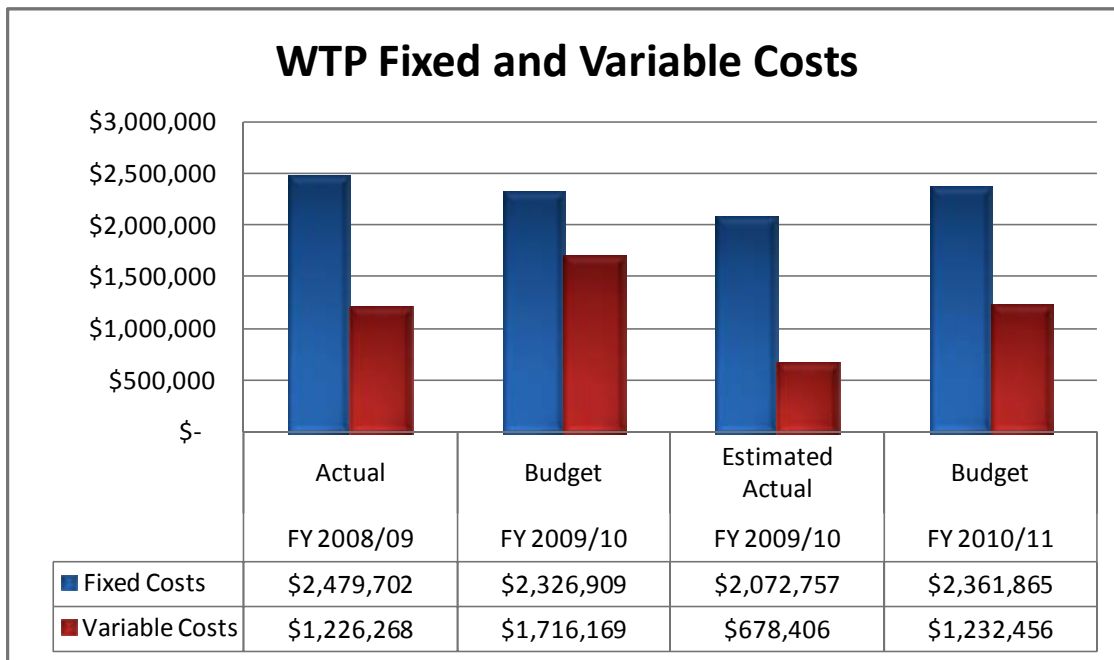
Fixed O&M Costs are costs of the treatment plant that do not vary with the amount of water processed at the treatment plant. These include personnel costs, professional services, general and administrative costs.

For FY 2010/11, the Water Treatment Plant fixed O&M costs total \$2,361,865 or \$34,956 more than the FY 2009/10 budget.

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

For FY 2010/11, the Water Treatment Plant variable O&M costs total \$1,232,456, or \$483,713 less than the FY 2009/10 budget. The FY 2010/11 variable O&M budget is comprised of \$1,136,520 for chemical expenses and \$95,937 for electrical costs based on treatment and delivery of 36,203 acre-feet of water for the year.

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



Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2010/11 Budget

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

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

Fiscal Year 2010/11 Operating Expense Budget

The FY 2010/11 water treatment plant operating expense budget is \$3,594,322 which is \$448,756 lower than the previous year's budget of \$4,043,078, an 11.10% decrease.

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

Personnel Expenses Total personnel expenses are increasing by about \$108,000 (excluding capitalized salaries and benefits) when compared to the FY 2009/10 budget for the following reasons.

- An increase in full-time regular wages for the FY 2010/11 salary pool allocation of \$51,015 (suspended for FY 2010/11).
- Modification to the Lab Analyst/Technician's duties resulting in a proposal to revise the position title to "Chemist", convert the position from a part-time, ¾ time position to a full-time position, and an increase in the pay grade from 11 to 13.
- Health insurance expense increase of approximately \$13,000 for a projected 10% increase effective January 1, 2011.
- PERS retirement expense increase of about \$14,000 for an increase in the employee annual salaries.

Supplies and Equipment Total supplies and equipment expenses for FY 2010/11 are about \$528,000 lower than the previous year primarily due to a 4,205 AF decrease in requested water deliveries compared to the prior year coupled with a decrease in the estimated chemical cost per acre-foot from \$40.16/AF last year to \$30.13/AF this fiscal year (excludes Santa Ynez Pumping Facility chemical costs).

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2010/11 Budget

Other Expenses Other expenses are decreasing by approximately \$26,000 due to decreases in non-capitalized projects, non-capitalized equipment, equipment rental and appropriated contingency amounts.

FY 2010/11 Taste and Odor Action Plan

Beginning with FY 2010/11, CCWA staff is proposing a change in the actions to be taken to address taste and odor problems of the water, which do not occur on an annual basis, but could potentially reoccur in late summer or early fall.

Prior efforts to mitigate against taste and odor problems involved the replacement of the granular activated carbon (GAC) in the carbon filters at the Polonio Pass Water Treatment Plant. However, CCWA staff have prepared additional analyses and studies indicating this may not be the most efficient and least costly method to address the taste and odor issues.

As a result of these studies, staff recommends that if funds are needed for future taste and odor efforts, that the existing Operations and Maintenance Reserve Fund be drawn upon in the event CCWA experiences taste and odor episodes in the future and that the funds be used to apply powdered carbon to the water as opposed to the replacement of the GAC in the filters at the water treatment plant.

Non-Capitalized Projects

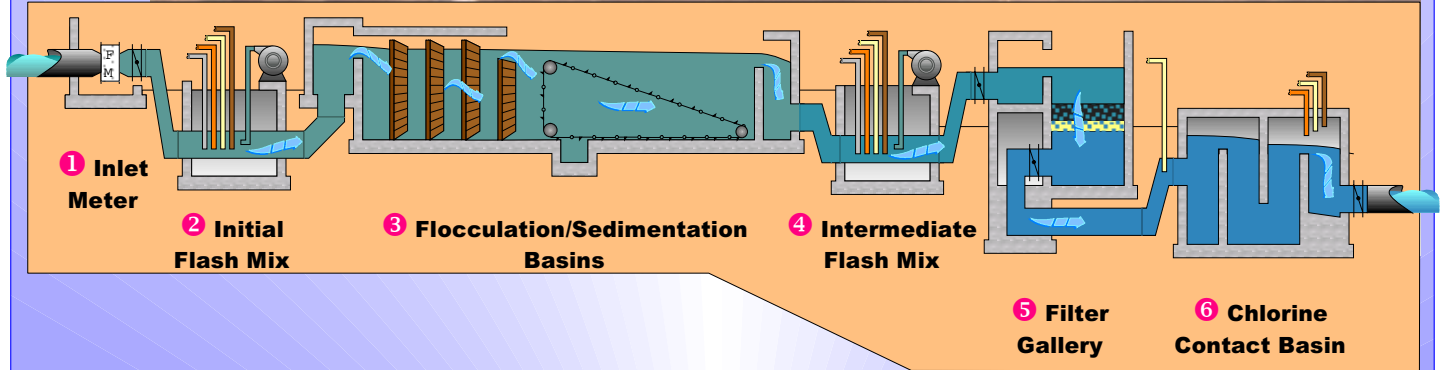
CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension is funded through the CCWA O&M assessments. Additionally, certain portions of the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

Central Coast Water Authority
Water Treatment Plant Department
 Fiscal Year 2010/11 Budget

The following table is a summary of the FY 2010/11 Water Treatment Plant Non-Capitalized Projects.

<i>Non-Capitalized Projects-Reach Specific</i>		
Project Description	Financial Reach	Amount ⁽¹⁾
Settled Water, Filter Water and Conditioned Pipe Repairs	WTP	5,824
TOTAL:		\$ 5,824
(1) Excludes CCWA labor and overhead costs.		

Description:	Water Treatment Plant Piping Repairs
Department:	WTP
Expanded Description	As part of the routine internal inspection of the water treatment plant during the annual winter maintenance shutdown, several areas of the plant's piping have been observed that require repairs. The repairs will include addressing identified joint separation, pipe lining de-lamination and other minor areas of damage.
Estimated Charge - Materials	\$5,100
Sales Tax	<u>\$446</u>
Contingency (5%)	<u>\$277</u>
Subtotal without CCWA Labor	\$5,824
Labor and overhead	\$5,900
Total Cost	\$11,724
Operating Budget Impact:	The pipe damage identified during the plants routine internal inspection requires repair to prevent the condition from worsening. If the damage significantly worsens, then large volumes of water could potentially be released onto the plant ground. The costs for repairing damage arising from a major leak or release of water would be far greater than the proposed preventative repair project.



Polonio Pass Water Treatment Plant

Central Coast Water Authority 6

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2010/11 Budget

Regional Water Treatment Plant Allocation

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

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

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

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

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

The following tables show the calculation of the FY 2010/11 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority
**Regional Water Treatment Plant Allocation and Credit
 FY 2010/11 Budget**

Project Participant	Allocated Table A ⁽¹⁾				Unadjusted Fixed & Capital			Adjusted Fixed & Capital ⁽⁴⁾			Fixed & Capital Retirement Charge ⁽⁵⁾		
	Table A	Exchange	Allocated	Allocated	WTP Fixed	Imputed	Total	Capital	Fixed O&M	Total	Allocated	Fixed & Capital	Cost Per AF
	Amount	Deliveries	Table A	Table A	Operating	WTP Debt	Unadjusted	Retirement	Retirement	Adjusted	Table A %	Retirement	of Allocated
			Percentage	Costs ⁽²⁾	Service Costs ⁽³⁾	Fixed & Cap.	Adjustment	Adjustment	Fixed & Capital	SB County	Adjustments	Table A Amount	
Guadalupe	550		550	1.25%	\$ 30,222	\$ 41,123	\$ 71,345	\$ 53,215	\$ 39,108	\$ 92,323	1.41%	20,978	\$ 38.14
Santa Maria	16,200		16,200	36.90%	890,181	1,211,268	2,101,449	1,567,414	1,151,918	2,719,332	41.46%	617,883	38.14
Golden State Water	500		500	1.14%	27,475	37,385	64,860	48,377	35,553	83,930	1.28%	19,070	38.14
VAFB	5,500		5,500	12.53%	302,222	411,233	713,455	532,147	391,083	923,230	14.07%	209,775	38.14
Buellton	578		578	1.32%	31,761	43,217	74,978	55,924	41,099	97,023	1.48%	22,045	38.14
Santa Ynez (Solvang)	1,500		1,500	3.42%	82,424	112,154	194,579	145,131	106,659	251,790	3.84%	57,211	38.14
Santa Ynez	500	2,260	2,760	6.29%	151,660	37,385	189,045	267,041	196,253	463,294	7.06%	105,269	38.14
Goleta	4,500	(814)	3,686	8.40%	202,566	336,463	539,029	356,674	262,125	618,799	9.43%	140,603	38.14
Morehart	200	-	200	0.46%	10,990	14,954	25,944	19,351	14,221	33,572	0.51%	7,628	38.14
La Cumbre	1,000	-	1,000	2.28%	54,949	74,770	129,719	96,754	71,106	167,860	2.56%	38,141	38.14
Raytheon	50	-	50	0.11%	2,747	3,738	6,486	4,838	3,555	8,393	0.13%	1,907	38.14
Santa Barbara	3,000	(542)	2,458	5.60%	135,044	224,309	359,353	237,783	174,750	412,533	6.29%	93,735	38.14
Montecito	3,000	(542)	2,458	5.60%	135,044	224,309	359,353	237,783	174,750	412,533	6.29%	93,735	38.14
Carpinteria	2,000	(362)	1,638	3.73%	90,029	149,539	239,568	158,522	116,500	275,022	4.19%	62,490	38.14
SB County Subtotal:	39,078	-	39,078	89.00%	2,147,313	2,921,848	5,069,161	3,780,951	2,778,682	6,559,633	100.00%	1,490,472	
SLO County	4,830	-	4,830	11.00%	265,406	361,137	626,543	0	-	-		-	
TOTAL:	43,908		43,908	100.00%	\$ 2,412,719	\$ 3,282,985	\$ 5,695,704	\$ 3,780,951	\$ 2,778,682	\$ 6,559,633	100.00%	1,490,472	

Fixed & Capital Retirement Allocation Factor

Total South Coast Table A	11,490
Total SB County Table A	39,078
Subtotal:	50,568
South Coast Retreated %	1.29

Total Adjusted Fixed & Capital Costs (SB County)	\$ 6,559,633
Total Unadjusted Fixed & Capital Costs (SB County)	5,069,161
Fixed & Capital WTP Allocation Amount	\$ 1,490,472

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Project Participant	South Coast Fixed & Capital Retirement Credits ⁽⁶⁾			
	South Coast	South Coast	South Coast	Credit/AF
	Allocated	Allocated	Fixed & Cap.	On Allocated
	Table A	Table A %	Credit	Table A
Guadalupe				
Santa Maria				
Golden State Water				
VAFB				
Buellton				
Santa Ynez (Solvang)				
Santa Ynez				
Goleta	3,686	32.08%	(478,143)	(129.72)
Morehart	200	1.74%	(25,934)	(129.72)
La Cumbre	1,000	8.70%	(129,671)	(129.72)
Raytheon	50	0.44%	(6,558)	(129.72)
Santa Barbara	2,458	21.39%	(318,812)	(129.72)
Montecito	2,458	21.39%	(318,812)	(129.72)
Carpinteria	1,638	14.26%	(212,541)	(129.72)
SB County Subtotal:	11,490	100.00%	(1,490,472)	
	0	0.00%	-	
TOTAL:	\$ 11,490	100.00%	(1,490,472)	

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

Central Coast Water Authority
Regional Water Treatment Plant Allocation and Credit
FY 2010/11 Budget

Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs				South Coast Variable Retreatment Credits				TOTAL	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Variable Retreatment Adjustment	Retreatment Variable Allocation	Retreatment Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retreatment	Fixed, Capital & Variable Credits
Guadalupe	605		605	\$ 20,596	23,271	2,675	4.42					\$ 23,653	
Santa Maria	15,870		15,870	540,267	610,441	70,174	4.42					688,057	
Golden State Water	515		515	17,532	19,810	2,277	4.42					21,348	
VAFB	6,050		6,050	205,962	232,714	26,752	4.42					236,527	
Buellton	597		597	20,324	22,964	2,640	4.42					24,685	
Santa Ynez (Solvang)	1,365		1,365	46,469	52,505	6,036	4.42					63,247	
Santa Ynez	425	2,260	2,685	91,406	103,279	11,872	4.42					117,141	
Goleta	814	(814)	0	14	15	2	4.42	0	0.01%	\$ (14)	(34.04)	140,605	\$ (478,210)
Morehart	220	-	220	7,490	8,462	973	4.42	220	5.32%	(7,490)	(34.04)	8,601	(33,433)
La Cumbre	1,100	-	1,100	37,448	42,312	4,864	4.42	1,100	26.62%	(37,448)	(34.04)	43,005	(167,167)
Raytheon	55	-	55	1,872	2,116	243	4.42	55	1.33%	(1,872)	(34.04)	2,150	(8,358)
Santa Barbara	542	(542)	(0)	(14)	(15)	(2)	4.42	(0)	-0.01%	14	(34.04)	93,733	(318,784)
Montecito	3,300	(542)	2,758	93,878	106,071	12,193	4.42	2,758	66.72%	(93,878)	(34.04)	105,929	(412,675)
Carpinteria	362	(362)	0	14	15	2	4.42	0	0.01%	(14)	(34.04)	62,492	(212,545)
SB County Subtotal:	31,820	-	31,820	1,083,258	1,223,959	140,701	4.42	4,133	100.00%	(140,701)		1,631,173	(1,631,173)
SLO County	4,383		4,383	149,199	-			0	0.00%			-	-
TOTAL:	36,203	(0)	36,203	\$ 1,232,456	\$ 1,223,959	\$ 140,701		4,133	100.00%	\$ (140,701)		\$1,631,173	(\$1,631,173)

Variable Retreatment Allocation Factor

Total South Coast Deliveries	4,133
Total SB County Deliveries	31,820
Subtotal:	35,953
South Coast Retreated %	1.13

Central Coast Water Authority
Water Treatment Plant Department
Fiscal Year 2010/11 Budget

Santa Ynez Exchange Agreement

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

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

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

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

The benefits of exchange are:

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

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

The following tables show the FY 2010/11 Santa Exchange Agreement modifications.

Central Coast Water Authority
Santa Ynez Exchange Agreement Modifications
FY 2010/11 Budget

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Debt Service Per AF	WTP Capital Exchange Adjustments	
Guadalupe	550		1.25%	\$ 30,222	\$ 55	\$ -	\$ 41,123	\$ 75	\$ -	\$ -
Santa Maria	16200		36.90%	890,181	54.95	-	1,211,268	75	-	-
Golden State Water	500		1.14%	27,475	54.95	-	37,385	75	-	-
VAFB	5500		12.53%	302,222	54.95	-	411,233	75	-	-
Buellton	578		1.32%	31,761	54.95	-	43,217	75	-	-
Santa Ynez (Solvang)	1500		3.42%	82,424	54.95	-	112,154	75	-	-
Santa Ynez	500	2,260	1.14%	27,475	54.95	124,186	37,385	75	168,979	293,165
Goleta	4500	(814)	10.25%	247,272	54.95	(44,707)	336,463	75	(60,833)	(105,539)
Morehart	200	-	0.46%	10,990	54.95	-	14,954	75	-	-
La Cumbre	1000	-	2.28%	54,949	54.95	-	74,770	75	-	-
Raytheon	50	-	0.11%	2,747	54.94	-	3,738	75	-	-
Santa Barbara	3000	(542)	6.83%	164,848	54.95	(29,805)	224,309	75	(40,555)	(70,360)
Montecito	3000	(542)	6.83%	164,848	54.95	(29,805)	224,309	75	(40,555)	(70,360)
Carpinteria	2000	(362)	4.55%	109,899	54.95	(19,870)	149,539	75	(27,037)	(46,906)
SB County Subtotal:	39078	-	89.00%	2,147,313		-	2,921,848			(0)
SLO County	4830	-	11.00%	265,406			361,137			
TOTAL:	43908		100.00%	\$2,412,719		\$ -	\$ 3,282,985			\$ (0)

Project Participant	WTP Requested Water Deliveries			WTP Variable Exchange Modifications			Total Exchange Modifications	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	WTP Variable Costs Per Acre-Foot	Variable Exchange Modifications	TOTAL EXCHANGE MODIFICATIONS	Cost (Credit) Per Acre-Foot
Guadalupe	605		605	\$ 20,596	\$ 34.04	-	-	
Santa Maria	15,870		15,870	540,267	34.04	-	-	
Golden State Water	515		515	17,532	34.04	-	-	
VAFB	6,050		6,050	205,962	34.04	-	-	
Buellton	597		597	20,324	34.04	-	-	
Santa Ynez (Solvang)	1,365		1,365	46,469	34.04	-	-	
Santa Ynez	425	2,260	2,685	14,468	34.04	\$ 76,938	370,103	\$ 164
Goleta	814	(814)	0	27,711	34.04	(27,698)	(133,237)	\$ (164)
Morehart	220	-	220	7,490	34.05	-	-	
La Cumbre	1,100	-	1,100	37,448	34.04	-	-	
Raytheon	55	-	55	1,872	34.04	-	-	
Santa Barbara	542	(542)	0	18,451	34.04	(18,465)	(88,825)	\$ (164)
Montecito	3,300	(542)	2,758	112,343	34.04	(18,465)	(88,825)	\$ (164)
Carpinteria	362	(362)	0	12,324	34.04	(12,310)	(59,216)	\$ (164)
SB County Subtotal:	31,820	-	31,820	1,083,258		-		
SLO County	4,383		4,383	149,199		-		
TOTAL:	36,203	0	36,203	\$ 1,232,456		\$ -		\$ -

Central Coast Water Authority
Personnel Services Summary
Water Treatment Plant Department
Fiscal Year 2010/11 Budget

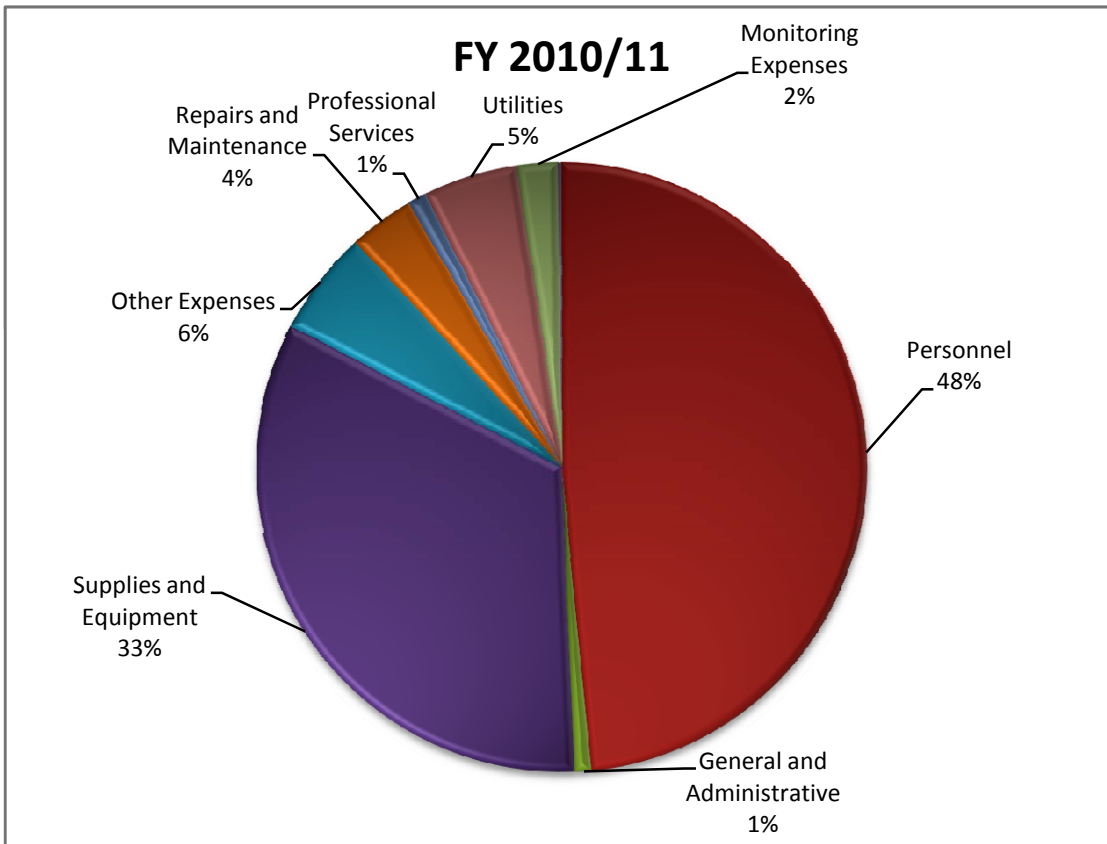
PERSONNEL COUNT SUMMARY					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2008/09	Auth. FY 2009/10	Requested FY 2010/11	Over FY 2008/09	Over FY 2009/10
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Operations Manager ⁽²⁾	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽³⁾	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Regulatory Specialist ⁽⁴⁾	0.25	0.25	0.25	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Maintenance Technician	2.00	2.00	2.00	-	-
Maintenance/IC&R Technician	0.80	0.80	0.80	-	-
WTP Operators	5.00	5.00	5.00	-	-
Lab Analyst II	0.75	0.75	-	(0.75)	(0.75)
Chemist	-	-	1.00	1.00	1.00
Secretary II	0.75	0.75	0.75	-	-
TOTAL:	13.75	13.75	14.00	0.25	0.25

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2009/10 Total Annual Salary	Allocation to WTP Dept.
Executive Director ⁽¹⁾	1	N/A	N/A	N/A	\$ 194,293	\$ 48,573
Operations Manager ⁽²⁾	1	25	\$ 9,184	\$ 11,204	\$ 118,227	\$ 41,380
WTP Supervisor	1	20	\$ 7,065	\$ 8,619	\$ 90,043	\$ 90,043
Maintenance Superintendent ⁽³⁾	1	20	\$ 7,065	\$ 8,619	\$ 96,949	\$ 58,169
Maintenance Foreman	1	16	\$ 5,727	\$ 6,987	\$ 78,582	\$ 78,582
Regulatory Specialist ⁽⁴⁾	1	18	\$ 6,361	\$ 7,761	\$ 87,298	\$ 21,824
Senior Chemist	1	18	\$ 6,361	\$ 7,761	\$ 87,298	\$ 87,298
Maintenance Technicians	2	14	\$ 5,155	\$ 6,289	\$ 124,010	\$ 124,010
Maintenance/IC&R Technician	1	15	\$ 5,434	\$ 6,629	\$ 70,221	\$ 56,177
WTP Operators	5	14	\$ 5,155	\$ 6,289	\$ 344,822	\$ 344,822
Chemist	1	13	\$ 4,892	\$ 5,968	\$ 61,435	\$ 61,435
Secretary II	1	11	\$ 4,447	\$ 4,932	\$ 43,508	\$ 43,508
FY 2010/11 Salary Pool (<i>suspended for FY 2010/11</i>)						\$ 51,015
TOTAL:						\$ 1,106,837

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

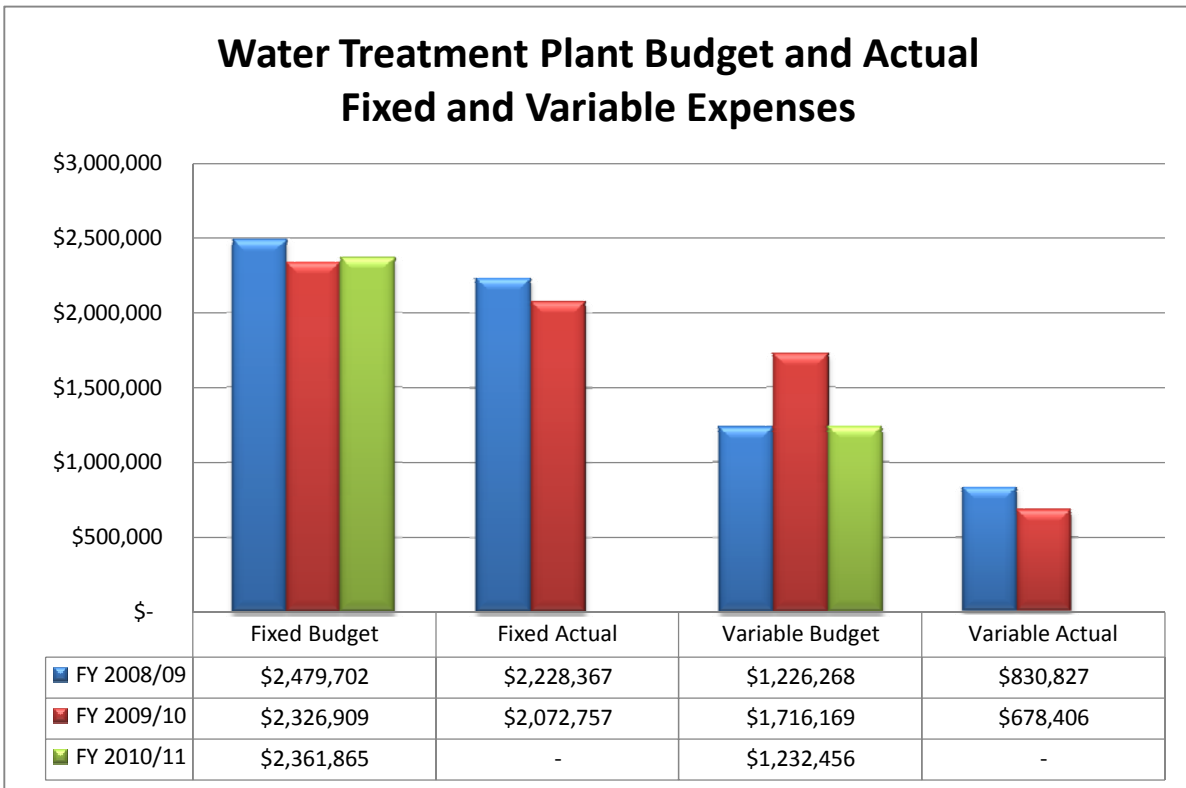
Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2010/11 Budget

Item	FY 2010/11 Budget
Personnel	\$ 1,739,870
Office Expenses	5,760
Supplies and Equipment	1,198,735
Monitoring Expenses	78,630
Repairs and Maintenance	124,750
Professional Services	36,060
General and Administrative	32,150
Utilities	177,838
Other Expenses	200,529
TOTAL:	\$ 3,594,322



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2010/11 Budget

Item	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget
Personnel	\$ 1,593,536	\$ 1,602,117	\$ 1,631,504	\$ 1,564,710	\$ 1,739,870
Office Expenses	5,760	5,597	5,760	2,099	5,760
Supplies and Equipment	1,246,602	860,162	1,727,401	690,691	1,198,735
Monitoring Expenses	85,100	68,516	83,230	58,593	78,630
Repairs and Maintenance	123,725	120,534	124,120	98,627	124,750
Professional Services	65,500	46,438	35,510	21,351	36,060
General and Administrative	35,650	38,553	39,050	31,627	32,150
Utilities	152,831	123,113	169,053	131,608	177,838
Other Expenses	397,266	194,164	227,450	151,859	200,529
Total:	\$ 3,705,970	\$ 3,059,194	\$ 4,043,078	\$ 2,751,163	\$ 3,594,322



Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 1,015,742	\$ 1,017,815	\$ 1,034,401	\$ 964,561	\$ 1,106,837	\$ 72,436	7.00%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	50,787	43,299	51,720	49,210	55,342	3,622	7.00%
5000.40	Standby Pay	19,068	25,329	19,768	24,304	20,411	642	3.25%
5000.50	Shift Differential Pay	11,500	13,319	11,500	12,170	13,500	2,000	17.39%
5100.10	PERS Retirement	191,642	195,268	198,765	188,015	213,138	14,374	7.23%
5100.15	Medicare Taxes	15,964	15,452	16,202	15,308	17,343	1,141	7.04%
5100.20	Health Insurance	192,550	197,804	210,746	209,269	223,903	13,157	6.24%
5100.25	Workers' Compensation	40,148	40,083	38,744	48,157	46,379	7,635	19.71%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	3,875	106	-	-	-	-	N/A
5100.40	Cafeteria Plan Benefits	12,432	10,074	10,169	10,032	6,593	(3,576)	-35.16%
5100.45	Dental/Vision Plan	22,153	21,104	27,198	31,260	23,858	(3,339)	-12.28%
5100.50	Long-Term Disability	4,356	4,365	4,224	4,503	4,458	234	5.53%
5100.55	Life Insurance	3,969	5,148	4,015	5,319	4,057	42	1.05%
5100.60	Employee Physicals	750	15	450	-	450	-	0.00%
5000.30	Temporary Services	5,000	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	1,409	2,600	2,600	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	167	1,000	-	1,000	-	0.00%
1300.60	Capitalized Employee Benefits	-	11,360	-	-	-	-	N/A
Total Personnel Expenses:		1,593,536	1,602,117	1,631,504	1,564,710	1,739,870	108,367	6.64%

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Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	3,240	3,465	3,240	641	3,240	-	0.00%
5200.30	Miscellaneous Office Expenses	2,520	2,132	2,520	1,458	2,520	-	0.00%
Total Office Expenses:		5,760	5,597	5,760	2,099	5,760	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	10,265	5,458	10,265	5,539	10,265	-	0.00%
5500.15	Minor Tools and Equipment	5,000	4,779	5,000	2,546	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	8,500	3,135	4,500	230	4,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,187,337	808,955	1,671,636	654,531	1,136,520	(535,117)	-32.01%
5500.35	Maintenance Supplies/Hardware	10,000	11,977	10,000	4,988	10,000	-	0.00%
5500.40	Safety Supplies	7,000	5,909	5,000	2,554	6,000	1,000	20.00%
5500.45	Fuel and Lubricants	18,500	19,949	21,000	20,304	26,450	5,450	25.95%
5500.50	Seed/Erosion Control Supplies	-	-	-	-	-	-	N/A
5500.55	Backflow Prevention Supplies	-	-	-	-	-	-	N/A
Total Supplies and Equipment:		1,246,602	860,162	1,727,401	690,691	1,198,735	(528,667)	-30.60%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	38,000	41,486	42,000	37,407	43,000	1,000	2.38%
5600.20	Lab Tools and Equipment	15,500	14,275	9,950	1,440	4,350	(5,600)	-56.28%
5600.30	Lab Testing	31,600	12,755	31,280	19,746	31,280	-	0.00%
Total Monitoring Expenses:		85,100	68,516	83,230	58,593	78,630	(4,600)	-5.53%

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Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	90,000	94,389	90,000	70,835	90,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	5,000	3,184	5,000	3,577	5,000	-	0.00%
5700.30	Building Maintenance	23,725	19,131	24,120	20,197	24,750	630	2.61%
5700.40	Landscape Maintenance	5,000	3,830	5,000	4,017	5,000	-	0.00%
Total Repairs and Maintenance:		123,725	120,534	124,120	98,627	124,750	630	0.51%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	13,400	10,027	13,400	9,581	13,400	-	0.00%
5400.20	Legal Services	-	310	-	-	-	-	N/A
5400.30	Engineering Services	5,000	-	5,000	-	5,000	-	0.00%
5400.40	Permits	15,100	10,012	16,700	11,770	17,100	400	2.40%
5400.50	Non-Contractual Services	32,000	26,089	410	-	560	150	36.59%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		65,500	46,438	35,510	21,351	36,060	550	1.55%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	13,750	9,101	10,000	6,215	10,000	-	0.00%
5300.20	Mileage Reimbursement	650	700	650	-	650	-	0.00%
5300.30	Dues and Memberships	\$	14,525	16,400	16,400	10,000	(6,400)	-39.02%
5300.40	Publications	1,000	1,578	500	-	500	-	0.00%
5300.50	Training	13,750	9,735	7,000	7,032	7,000	-	0.00%
5300.60	Advertising	2,000	-	1,500	-	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	4,500	2,914	3,000	1,980	2,500	(500)	-16.67%
Total General and Administrative:		35,650	38,553	39,050	31,627	32,150	(6,900)	-17.67%

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Central Coast Water Authority
Water Treatment Plant Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	5,500	3,735	6,000	3,575	6,000	-	0.00%
5800.30	Electric-Fixed	97,000	87,490	106,120	95,498	63,901	(42,219)	-39.78%
5800.35	Electric-Variable	38,931	21,872	44,533	23,875	95,937	51,404	115.43%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	8,400	6,496	8,400	6,429	8,000	(400)	-4.76%
5800.60	Waste Disposal	3,000	3,520	4,000	2,231	4,000	-	0.00%
Total Utilities:		152,831	123,113	169,053	131,608	177,838	8,785	5.20%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	68,951	64,415	68,098	68,098	69,115	1,017	1.49%
5900.30	Non-Capitalized Projects	204,359	90,049	20,808	26,197	5,824	(14,985)	-72.01%
5900.40	Equipment Rental	15,000	10,713	15,000	19,766	11,500	(3,500)	-23.33%
5900.50	Non-Capitalized Equipment	10,000	2,909	10,000	-	5,000	(5,000)	-50.00%
5900.60	Computer Expenses	26,910	26,078	34,267	37,798	38,613	4,346	12.68%
5900.70	Appropriated Contingency	72,047		79,276	-	70,477	(8,799)	-11.10%
Total Other Expenses:		397,266	194,164	227,450	151,859	200,529	(26,921)	-11.84%
TOTAL OPERATING EXPENSES		\$ 3,705,970	\$ 3,059,194	\$ 4,043,078	\$ 2,751,163	\$ 3,594,322	\$ (448,756)	-11.10%

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**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the WTP staff salaries.
Includes \$50,874 for the FY 2010/11 salary pool.

FY 10/11 Requested Budget	1,106,837
FY 09/10 Estimated Actual	964,561
Increase (Decrease)	142,276

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

FY 10/11 Requested Budget	55,342
FY 09/10 Estimated Actual	49,210
Increase (Decrease)	6,132

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

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

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Water Treatment Plant Department.

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

\$ -
\$ - TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

Description: Funds for stand-by pay for one employee assigned to stand-by duty on a 24-hour basis. Based on \$1.66 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$2.01 per hour for Instrumentation and Control employee stand-by pay (1/3 to WTP and 2/3 to Distribution)

FY 10/11 Requested Budget	20,411
FY 09/10 Estimated Actual	24,304
Increase (Decrease)	(3,893)

ACCOUNT NUMBER: 5000.50

ACCOUNT TITLE: Shift Differential Pay

Description: Funds for shift employee pay.

FY 10/11 Requested Budget	13,500
FY 09/10 Estimated Actual	12,170
Increase (Decrease)	1,330

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 19.454% contribution rate for FY 2010/11.

FY 10/11 Requested Budget	213,138
FY 09/10 Estimated Actual	188,015
Increase (Decrease)	25,123

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

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

FY 10/11 Requested Budget	17,343
FY 09/10 Estimated Actual	15,308
Increase (Decrease)	2,036

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 10/11 Requested Budget	223,903
FY 09/10 Estimated Actual	209,269
Increase (Decrease)	14,634

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 10% in 2011.
Family: \$ 17,453
Emp+1: \$ 15,064
Emp: \$ 6,384

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

FY 10/11 Requested Budget	46,379
FY 09/10 Estimated Actual	48,157
Increase (Decrease)	(1,778)

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 100%. Based on a 5% premium increase over FY 2009/10.

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

Description: Not funded

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

FY 10/11 Requested Budget	6,593
FY 09/10 Estimated Actual	10,032
Increase (Decrease)	(3,439)

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

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

FY 10/11 Requested Budget	23,858
FY 09/10 Estimated Actual	31,260
Increase (Decrease)	(7,402)

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,990 per year per family for dental and vision expenses. Budgeted amount is \$1,674 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

FY 10/11 Requested Budget	4,458
FY 09/10 Estimated Actual	4,503
Increase (Decrease)	(45)

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

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

FY 10/11 Requested Budget	4,057
FY 09/10 Estimated Actual	5,319
Increase (Decrease)	(1,262)

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

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

FY 10/11 Requested Budget	450
FY 09/10 Estimated Actual	-
Increase (Decrease)	450

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

\$ 450 3 physicals @ \$150 each

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 10/11 Requested Budget	1,000
FY 09/10 Estimated Actual	-
Increase (Decrease)	1,000

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

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

FY 10/11 Requested Budget	2,600
FY 09/10 Estimated Actual	2,600
Increase (Decrease)	-

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

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

FY 10/11 Requested Budget	3,240
FY 09/10 Estimated Actual	641
Increase (Decrease)	2,599

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 10/11 Requested Budget	2,520
FY 09/10 Estimated Actual	1,458
Increase (Decrease)	1,062

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

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

FY 10/11 Requested Budget	10,000
FY 09/10 Estimated Actual	6,215
Increase (Decrease)	3,785

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 10/11 Requested Budget	650
FY 09/10 Estimated Actual	-
Increase (Decrease)	650

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

Description: Funds for professional dues.

FY 10/11 Requested Budget	10,000
FY 09/10 Estimated Actual	16,400
Increase (Decrease)	(6,400)

AWWA dues	\$	200
WRF dues		9,000
Certification		800
Total	\$	10,000

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the WTP.

FY 10/11 Requested Budget	500
FY 09/10 Estimated Actual	-
Increase (Decrease)	500

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 10/11 Requested Budget	7,000
FY 09/10 Estimated Actual	7,032
Increase (Decrease)	(32)

\$	7,000	\$509 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 10/11 Requested Budget	1,500
FY 09/10 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 10/11 Requested Budget	2,500
FY 09/10 Estimated Actual	1,980
Increase (Decrease)	520

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services
Description: Outside professional services including:
 \$ 1,000 Cathodic protection
 2,000 Fire system/extinguisher inspection
 5,400 Security
 1,300 Crane inspection
 700 Oil analysis
 500 Miscellaneous
 1,000 Emergency generator/forklift service
 1,500 Equipment Calibration
 \$ 13,400 TOTAL

FY 10/11 Requested Budget	13,400
FY 09/10 Estimated Actual	9,581
Increase (Decrease)	3,819

ACCOUNT NUMBER: 5400.20

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

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

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

FY 10/11 Requested Budget	5,000
FY 09/10 Estimated Actual	-
Increase (Decrease)	5,000

ACCOUNT NUMBER: 5400.40

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

FY 10/11 Requested Budget	17,100
FY 09/10 Estimated Actual	11,770
Increase (Decrease)	5,330

\$ 12,000 Drinking Water Program
 2,000 DHS Lab Accreditation
 1,400 Emergency Generator Permit
 1,700 Hazardous Materials Fees
 \$ 17,100 TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 10/11 Requested Budget	560
FY 09/10 Estimated Actual	-
Increase (Decrease)	560

\$	560	Employee Assistance Program
\$	560	TOTAL

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 10/11 Requested Budget	10,265
FY 09/10 Estimated Actual	5,539
Increase (Decrease)	4,726

\$	5,940	Uniform Service (\$495 per month)
	1,650	Blue jean pants (\$150/year for 11 employees)
	2,275	Boots (\$175/year for 13 employees)
	400	Misc. uniform requirements (jackets, etc.)
\$	10,265	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 10/11 Requested Budget	5,000
FY 09/10 Estimated Actual	2,546
Increase (Decrease)	2,454

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

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

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Supplies

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

FY 10/11 Requested Budget	4,500
FY 09/10 Estimated Actual	230
Increase (Decrease)	4,270

ACCOUNT NUMBER: 5500.31

ACCOUNT TITLE: Chemicals-Variable

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

FY 10/11 Requested Budget	1,136,520
FY 09/10 Estimated Actual	654,531
Increase (Decrease)	481,988

(1) WTP Plant: \$31.72 per acre foot and 35,883 acre feet of requests
(2) Santa Ynez Pumping Station: \$4.32/af for 4,133 AF pumped water
(3) Tank 5 and 7 Chlorination at \$1.88/af for 14,830 AF

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

Description: Funds for the purchase of disposable tools, pipe and pipefittings, wood, steel and other metals, hardware, nuts and bolts, and other hardware materials.

FY 10/11 Requested Budget	10,000
FY 09/10 Estimated Actual	4,988
Increase (Decrease)	5,012

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

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

FY 10/11 Requested Budget	6,000
FY 09/10 Estimated Actual	2,554
Increase (Decrease)	3,446

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for WTP vehicles, equipment and emergency generator. Does not include mileage reimbursement expenses.

FY 10/11 Requested Budget	26,450
FY 09/10 Estimated Actual	20,304
Increase (Decrease)	6,146

ACCOUNT NUMBER: 5600.10

ACCOUNT TITLE: Laboratory Supplies

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

FY 10/11 Requested Budget	43,000
FY 09/10 Estimated Actual	37,407
Increase (Decrease)	5,593

ACCOUNT NUMBER: 5600.20

ACCOUNT TITLE: Laboratory Tools and Equipment

Description: Funds for the purchase of non-capitalized tools and equipment for the laboratory.

FY 10/11 Requested Budget	4,350
FY 09/10 Estimated Actual	1,440
Increase (Decrease)	2,910

\$	2,950	Turbidimeter
	1,400	ph Meter
\$	4,350	TOTAL

ACCOUNT NUMBER: 5600.30

ACCOUNT TITLE: Lab Testing

Description: Funds for outside lab services.

FY 10/11 Requested Budget	31,280
FY 09/10 Estimated Actual	19,746
Increase (Decrease)	11,534

\$	11,600	MIB Monitoring & Study
	7,440	Annual Compliance Monitoring
	240	Monthly Compliance Monitoring
	3,200	Stage 1 DBP
	7,200	TOT TIC Analysis (GAC Performance)
	1,600	Cryptosporidium
\$	31,280	TOTAL

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of WTP equipment including pumps, motors, valves, instrumentation, equipment, etc.

FY 10/11 Requested Budget	90,000
FY 09/10 Estimated Actual	70,835
Increase (Decrease)	19,165

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 10/11 Requested Budget	5,000
FY 09/10 Estimated Actual	3,577
Increase (Decrease)	1,423

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 10/11 Requested Budget	24,750
FY 09/10 Estimated Actual	20,197
Increase (Decrease)	4,553

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	13,650	Janitorial service
	3,000	HVAC
	3,900	Janitorial Supplies
\$	24,750	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

Description: Funds for the maintenance of the WTP facility landscape. Includes weed abatement for sludge lagoons and leachfield.

FY 10/11 Requested Budget	5,000
FY 09/10 Estimated Actual	4,017
Increase (Decrease)	983

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

Description: Funds for natural gas service to the WTP.

FY 10/11 Requested Budget	6,000
FY 09/10 Estimated Actual	3,575
Increase (Decrease)	2,425

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service to the WTP.

FY 10/11 Requested Budget	63,901
FY 09/10 Estimated Actual	95,498
Increase (Decrease)	(31,597)

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service to the WTP.
Variable electrical costs estimated at \$2.65 per acre-foot at 35,883 AF.

FY 10/11 Requested Budget	95,937
FY 09/10 Estimated Actual	23,875
Increase (Decrease)	72,062

	\$2.65	\$/AF
	35,883	AF
\$	95,091	TOTAL

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 10/11 Requested Budget	8,000
FY 09/10 Estimated Actual	6,429
Increase (Decrease)	1,571

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

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

FY 10/11 Requested Budget	4,000
FY 09/10 Estimated Actual	2,231
Increase (Decrease)	1,769

\$	2,300	Garbage
	600	Bulk Dumpster
	1,000	Waste Oil/Solvent
	100	Light Bulbs
\$	4,000	TOTAL

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 10/11 Requested Budget	69,115
FY 09/10 Estimated Actual	68,098
Increase (Decrease)	1,017

\$	35,861	Property and auto coverage based on the apportionment provided by JPIA.
\$	33,255	General liability and E&O based on salary proportions.
\$	69,115	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

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

FY 10/11 Requested Budget	5,824
FY 09/10 Estimated Actual	26,197
Increase (Decrease)	(20,373)

See the detailed description of the WTP Non-Capitalized Projects in this section of the Budget.

**CENTRAL COAST WATER AUTHORITY
WATER TREATMENT PLANT FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

Description: Funds for rental of equipment for the WTP.

FY 10/11 Requested Budget	11,500
FY 09/10 Estimated Actual	19,766
Increase (Decrease)	(8,266)

\$	3,900	Copier lease
	300	Welding Gas Cylinders
	3,800	Crane
	3,500	ABB Calibration Equipment
\$	11,500	TOTAL

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

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

FY 10/11 Requested Budget	5,000
FY 09/10 Estimated Actual	-
Increase (Decrease)	5,000

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 10/11 Requested Budget	38,613
FY 09/10 Estimated Actual	37,798
Increase (Decrease)	815

\$	32,403	CompuVision, Annual Service Agreements and Software Subscriptions
\$	6,210	Software, New Computers and other computer services.
\$	38,613	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

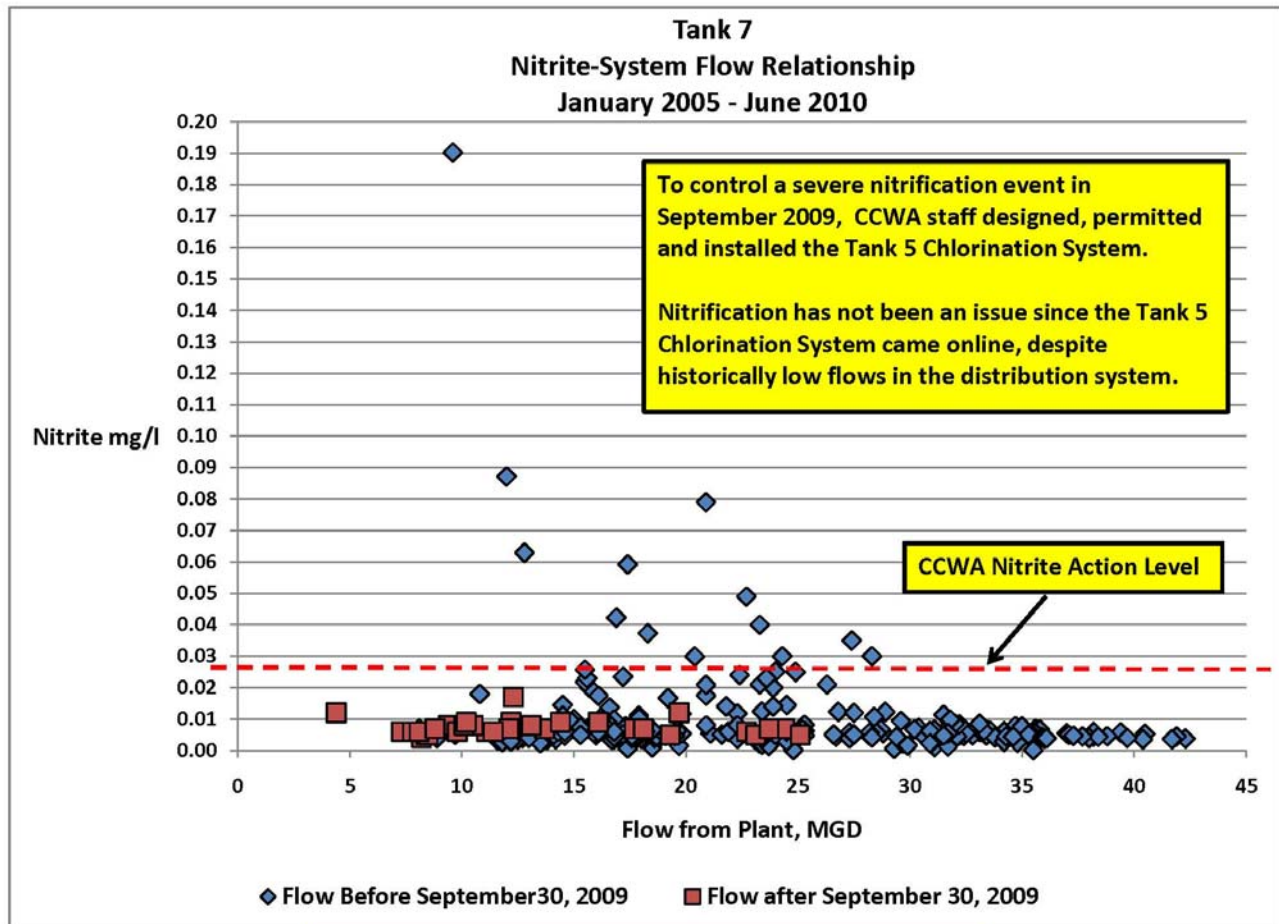
Description: 2.0% of requested budget.

FY 10/11 Requested Budget	70,477
FY 09/10 Estimated Actual	-
Increase (Decrease)	70,477

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Jan 2005 to June 2010 Nitrite Flow Data Tank 7

Distribution Department

The Distribution Department is responsible for the daily operations and maintenance of the 130 miles of pipeline, five storage tanks, ten turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access and cathodic protection structures.

Highlights

Department Information

- Number of employees 10
- Authority pipeline (in miles) 42
- Coastal Branch Phase II pipeline (in miles) 101
- Number of water storage tanks 7
- Number of turnouts 10

Budget Information

- Total FY 2010/11 O&M Budget \$ 2,031,927
- O&M Budget decrease over FY 2009/10 \$ (126,878)
 - Fixed cost increase over FY 2009/10 \$ 86,055
 - Variable cost decrease over FY 2009/10 \$ (212,933)
- Percentage decrease (5.87)%
- Fixed O&M expenses \$ 1,792,089
- Variable O&M expenses \$ 239,838
- FY 2010/11 budgeted electrical cost \$58.03 per acre-foot

Significant Accomplishments During FY 2009/10

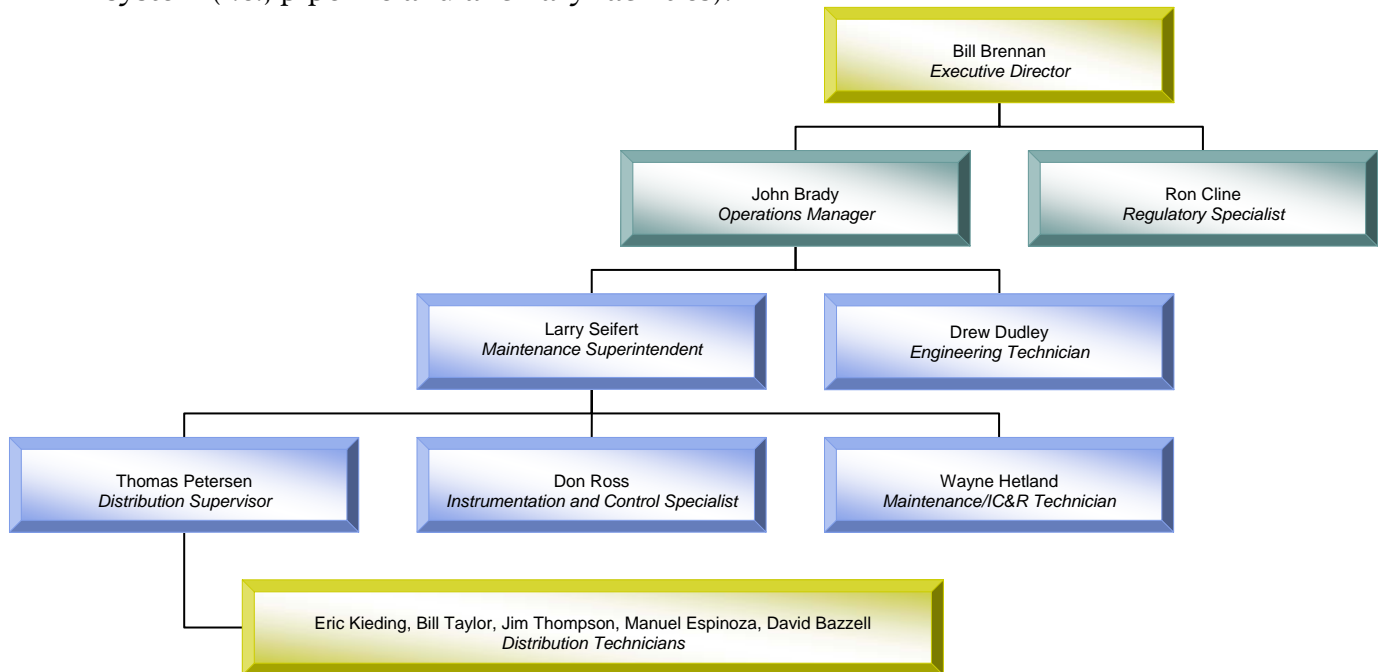
- Distribution staff successfully abated the onset of a severe nitrification event in September 2009 through the design, permitting, construction, and operation of the Tank 5 chlorination system.
- Staff mobilized engineering experts to assist with developing a repair strategy for the significant erosion damage arising from a jack and bore operating under the CCWA pipeline.

Significant Goals for FY 2010/11

- Continue implementing Phase I of the geographical information (GIS) project within Santa Barbara County.
- Demolish existing sodium bisulfite storage and dosing system at the Santa Ynez Pumping facility and construct a new system according to the final engineered drawings.

Central Coast Water Authority
Distribution Department
Fiscal Year 2010/11 Budget

The Distribution Department is responsible for maintaining the distribution system (i.e., pipeline and ancillary facilities).



The Distribution Department is comprised of the field Distribution Technicians, IT/Instrumentation and Control Specialist, and Maintenance IC&R Technician.

The field Distribution Technicians and Distribution Supervisor are responsible for the day-to-day water distribution system operations and maintenance including system operation, facility maintenance, dechloramination and re-disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 131 miles of pipeline and operate and maintain five storage tanks, nine turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

The IT/Instrumentation and Control Specialist and Maintenance/Instrumentation and Control Technician report to the Maintenance Superintendent and maintain all distribution electrical, electronic, fiber optic and instrumentation systems. They also assist the Maintenance Superintendent in maintaining plant electrical, electronic and fiber optic systems.

The Distribution Maintenance and Instrumentation and Control staff are supported by the Maintenance Superintendent and Operations Manager, who provide long term planning and establish priorities.

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The Regulatory Specialist reports to the Executive Director and divides time between Distribution and Water Treatment Plant Departments. The Regulatory Specialist is responsible for safety, environmental monitoring, and regulatory compliance.

The following pages list the 2009 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2010 goals for the Distribution Department.

2009 DISTRIBUTION ACCOMPLISHMENTS

Engineering

<u>Goals</u>	<u>Status</u>
<u>Goal</u> Complete development of five- and twenty-year Capital Improvement programs. [12/09]	
	<u>Status</u> High cost projects that will need to be completed within the next 1 to 3 year period have been identified. Additional work on developing a formal CIP program will continue.
<u>Goal</u> Migrate CCWA as-built drawings to one consistent electronic format. [12/09]	
	<u>Status</u> Through implementing the first phase of the GIS project, both AutoCAD and MicroStation drawings can be viewed and displayed through the GIS software (ArcGIS). The as-built drawings are being incorporated into the project. The engineering section will convert all MicroStation files over to AutoCAD as time and funds permit.
<u>Goal</u> Prepare a formal policy and procedure for the encroachment permit program. [6/09]	
	<u>Status</u> Developed an outline of the major elements of the program, researched encroachment permit program documents of other agencies. A draft program document was substantially completed in fourth quarter 2009 and will be finalized in first quarter 2010.
<u>Goal</u> Implement the first phase of a Geographic Information System for the Santa Barbara County portion of the pipeline. [12/09]	
	<u>Status</u> The 1 st phase of the GIS project has been initiated and is currently underway. The GIS software has been purchased, staff has received training in the software, and a consultant has been retained. Work will continue through second quarter 2010.
<u>Goal</u> Complete the pipeline conveyance capacity study and develop a model for pipeline flow and pressure estimation. [4/09]	

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Status Data needed to complete the flow capacity study was obtained from (1) the new pressure transducer installed upstream of the flow meter vault of Santa Ynez Pumping Plant and (2) historic data from the Chorro Pipeline operation from San Luis Obispo County.

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

Status A consultant was retained and they completed a design memorandum and draft construction drawings. CCWA provided final comments on the construction drawings. Finalizing the drawings and initiating construction work is planned for first quarter 2010.

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

Status Due to the high cost for of this project, this project was not budgeted for in FY 09/10.

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

Status The Nitrification Response Plan was updated, the Initial Distribution System Evaluation for DBP was completed, and a proposed monitoring plan for DBP was prepared. Preparation of the comprehensive monitoring plan has been initiated and will be completed first quarter 2010.

Environmental and Safety

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

Status Fish and Wildlife Service has approved the last required mitigation credits and will begin issuing the permit as soon as the purchase is made.

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

Status Completed

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

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Status RLF Survey Completed 6/09. Consultant engineer search will begin in July. CCWA staff are following Prop 84 progress in an attempt to acquire some of these funds for the project.

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

Status On-Going

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

Status Completed

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

Status Gardner Ranch Site Completed 6/09

Operations and Maintenance

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

Status No occurrence of MIB to date. Once MIB is detected, the study will proceed.

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

Status The monitoring data indicates that TOC and ammonia levels are reduced immediately following sludge removal from the pumping station forebays. In addition, the monitoring data indicates that water quality is significantly impacted by the way the canal is operated. High TOC and ammonia levels are routinely observed when the canals are dewatered.

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

Status This study continues and reveals that TOC removal efficiencies of new GAC are essentially the same as older GAC after a 6 month period. A pilot filter study has been initiated. The testing apparatus has been designed and installed. The study will evaluate if the filter TOC removal is due to sorption or mechanical filtration mechanisms.

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

Status Two chlorite jar studies have been completed and both suggest that chlorite can control nitrification. Efforts to identify full scale chlorite treatment system indicate that these systems are rare. However, in conducting the chlorite jar testing, it was also found that re-chloramination was equally as effective as chlorite treatment and this nitrification treatment has been successfully put into full scale use at Tank 5 and 7.

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

Status Two pressure transmitters were purchased. One transmitter was installed at the inlet of Santa Ynez Pumping Plant and connected to SCADA. The second transmitter will be installed at Tank 5 and connected to SCADA in first quarter 2010.

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

Status A full internal pipeline inspection of north and south portals of the Cuesta Tunnel was completed during the 2009 DWR winter shutdown.

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

Status No progress due to being a non-budgeted item. However, a draft Standard Operating Procedure for using the existing security cameras has been developed. In addition, additional training on the camera software was provided to an IC&R Technician so that we can understand the full capabilities of the existing system.

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

Status Evaluating Demand Response Contracts for the Santa Ynez Pumping Plant.

Enhanced communication abilities through the installation of phones at key CCWA facilities, using the CCWA fiber optic network. Pagers were also eliminated and replaced with the on-call operator smart phone. Also, cell phone reception issues at the water

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treatment plant were addressed through purchasing a repeater/amplifier for the plant. Installation of the repeater/amplifier equipment is planned for first quarter 2010.

A propane fueled electrical generator was purchased and installed at the Tank 5 site to enhance reliability of the instrumentation at that location.

Implemented a 9/80 working schedule for the Distribution Supervisor and Water Treatment Plant Maintenance staff, which optimized use of staff time.

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

Status A review of the existing chlorine and aqua ammonia systems was conducted to compare existing conditions and the current engineering records for consistency. Engineering records were updated accordingly.

Several nitrification bench studies were completed, along with a detailed analysis of historic nitrification events. The results of the studies have been incorporated into the CCWA Nitrification Response Plan.

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

Status A full AWWA disinfection of the pipeline downstream of Tank 5 was performed during the 2009 winter shutdown. Developed a High Total Organic Carbon Response Plan as a measure to minimize disinfection by-product formation (DBP). This measure will assist participants in complying with the Stage 2 DBP Rule.

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2010 GOALS

Engineering

Complete the installation of the first phase of the CCWA Geographical Information System (GIS) project within Santa Barbara County. In addition, develop the scope of work for the second phase of the GIS project within San Luis Obispo County. Utilize the Garmin GPS to lock in coordinates of vaults and other CCWA facilities to incorporate into the GIS system. [06/10]

Finalize the encroachment permit program to include (1) an annual mailer to property owners informing them of the CCWA encroachment program as well as CCWA contact information, (2) modify the CCWA website to include an encroachment permit program link, which will provide permit application materials and general information [04/10]

Refine the existing concrete condition monitoring program at the Water Treatment Plant to include physical monitoring of hardness and other in-situ non-destructive physical monitoring techniques. [11/10]

Refine the existing internal inspection program of the water treatment plant with standardized forms, measurements, inspection procedures, and storing inspection data for future use. [11/10]

Assess the administrative controls approach in mitigating the side slope leakage of Lagoons A and B to determine if they were effective. Currently, this approach has been in place for one year. [06/10]

Research the feasibility of leasing treatment equipment to address potential future MIB/geosmin events. In addition, research the feasibility of installing new equipment at the treatment plant to address future MIB/geosmin events. [04/10]

Coordinate with CalTrans as they begin work on the Highway 246 Traffic Roundabout & the Hwy 246 widening Project through coordinating the design and construction of the encasement of the impacted section of pipeline. [04/10 for design 12/10 for construction]

Coordinate the preparation of a Request for Qualification for the services of a competent SCADA System Integrator Professional. The specific services to be procured will include assistance with planning and implementing CCWA's SCADA System upgrade. The current SCADA program will lose manufacturer support in 2012. [04/10]

Continue with coordinating the evaluation and selection of the repair strategy for the river erosion damage to the pipeline in Reach SYII. In addition, support the Regulatory Specialist in securing the applicable environmental permits for the project. [throughout 2010]

Continue to participate on the Steering Committee of the Proposition 84 Cooperating Partners Group and pursue grant funding for the Suspended Table A Reacquisition and SYII Pipeline Repair Projects. [throughout 2010]

Finalize the distribution water quality monitoring plan. [04/10]

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Continue development of five- and twenty-year Capital Improvement programs. [12/10]

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

Environmental and Safety

Review & Update all Safety Procedures. [throughout 2010]

Monitor/Maintain R.O.W. Oaks and Mitigation Properties. [throughout 2010]

Work with Environmental consultant on regulatory permits for the SYII pipeline repair project. [throughout 2010]

Coordinate with Project Manager to repair erosion concerns on R.O.W. Includes both potential and actual sites. [on-going]

Complete Habitat Conservation Plan (HCP) with Executive Director. [9/10]

Complete all environmental permitting for repairs to exposed section of pipe in upper Santa Ynez River - Reach SYII. Work with Engineering. [10/09]

Operations and Maintenance

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

Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [throughout 2010]

Initiate monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. [throughout 2010]

Demolish existing Sodium Bisulfite Storage and Dosing System at the Santa Ynez Pumping Plant and construct new replacement system, according to the final engineered drawings. [06/10]

Coordinate the installation of a gate and security camera at the Santa Ynez Pumping Plant. [12/10]

Conduct internal pipeline inspection to look at previous repairs in Reach B and C as part of the annual system shutdown. [11/10]

Repair the waste wash water 42-inch pipeline from the filters to the equalization basins at the WTP. [11/10]

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

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

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

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

DISTRIBUTION DEPARTMENT OPERATING EXPENSE OVERVIEW

The distribution system for the State water facilities is divided into segments called “Financial Reaches.” These financial reaches are the portions of the pipeline through which the project participants receive and pay for water in accordance with their Water Supply Agreements.

Participation in each financial reach is based on the location of a particular project participant’s turnout. Each participant pays for its share of the Coastal Branch and Authority financial reaches down to the financial reach from which that participant takes delivery of water. For example, South Coast project participants pay for their share of all financial reaches since they take delivery from the terminus of the Authority pipeline.

The financial reaches for the distribution system include Authority reaches and DWR reaches. The facilities owned by the Authority are considered Authority reaches and those owned by DWR are considered DWR reaches.

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

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The following is a list of the various financial reaches including the facilities and/or landmarks located in each reach.

DWR REACHES

- Reach 33B Tank 1 through the Chorro Valley turnout
- Reach 34 Chorro Valley turnout through the Lopez turnout
- Reach 35 Lopez turnout through the Guadalupe turnout
- Reach 36 Deleted
- Reach 37 Guadalupe turnout to Southern Pacific Railroad crossing near Casmalia
- Reach 38 Southern Pacific Railroad crossing near Casmalia through Tank 5

CCWA (Authority) REACHES

- Mission Hills Tank 5 to La Purisima Road
- Santa Ynez I La Purisima Road to the Santa Ynez Pumping Facility
- Santa Ynez II Santa Ynez Pumping Facility to Lake Cachuma

The table and map on page 185 shows the participation by project participant, by financial reach and the corresponding percentage share of the operating costs for each project participant in each reach.

Distribution Allocation of Operating Expenses by Financial Reach

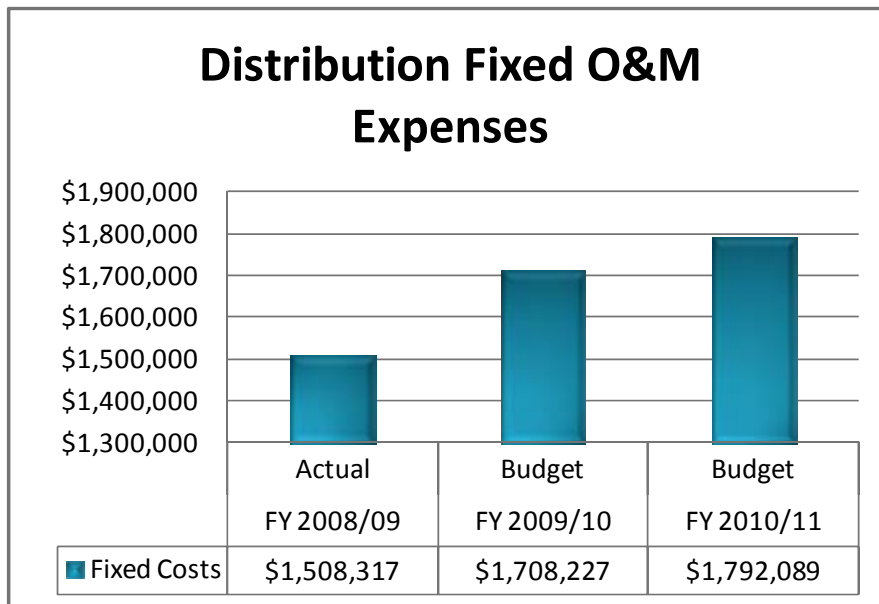
The Distribution Department operating expenses are allocated among the financial reaches listed above based on allocation percentages established by the Authority. These percentages are based on the FY 2009/10 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

Central Coast Water Authority
Distribution Department
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Distribution Department Financial Reach Allocation			
Financial Reach	FY 2010/11 Allocation Percentage	FY 2009/10 Allocation Percentage	Increase (Decrease)
Reach 33B	29.24%	28.91%	0.33%
Reach 34	11.46%	11.49%	-0.03%
Reach 35	5.49%	5.61%	-0.12%
Reach 37	3.05%	3.01%	0.04%
Reach 38	3.65%	3.61%	0.04%
Mission Hills II	10.20%	10.89%	-0.69%
Santa Ynez I	15.69%	17.69%	-2.00%
Santa Ynez II	21.21%	18.79%	2.42%
TOTAL:	100.00%	100.00%	0.00%

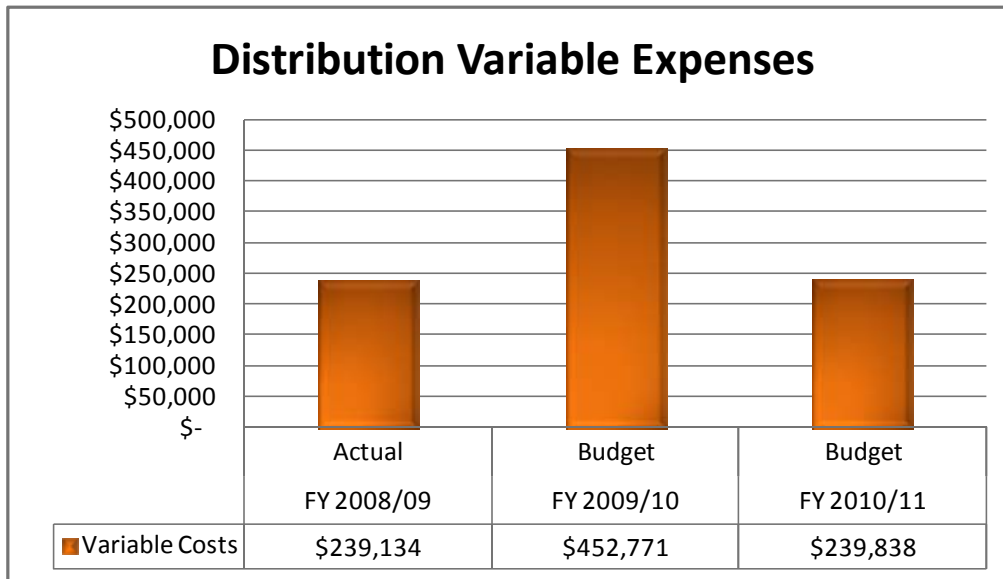
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

Fixed O&M Costs are all costs of the distribution system that do not vary with the amount of water processed. Examples of these expenses include personnel costs, professional services, and repair and maintenance costs. The following graph shows the three-year trend for the Distribution Department Fixed O&M expenses. As the graph shows, the FY 2010/11 fixed O&M costs are \$83,862 higher than the prior year budget amount.



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Variable O&M Costs are all costs that vary with the amount of water processed. The Distribution Department variable expenses are solely electrical costs to pump the South Coast project participant water into Lake Cachuma. The following graph shows the three-year trend for the Distribution Department variable O&M costs. As the graph shows, the FY 2010/11 variable O&M costs are \$212,933 lower than the prior year budget amounts.



The following table shows the allocation of the Distribution Department variable O&M costs (electrical costs) for the Fiscal Year 2010/11 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries ⁽¹⁾	Distribution Electrical Costs at \$58.03/AF
Goleta	0	\$ -
Morehart	220	12,767
La Cumbre	1,100	63,833
Raytheon	55	3,192
Santa Barbara	(0)	-
Montecito	2,758	160,024
Carpinteria	0	-
Total South Coast:	4,133	\$ 239,838
<small>(1) Excludes water deliveries exchanged with Santa Ynez ID#1.</small>		

Central Coast Water Authority
Distribution Department
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Fiscal Year 2010/11 Operating Expense Budget

The Fiscal Year 2010/11 Distribution Department operating expense budget is \$2,031,927, which is \$126,878 lower than the previous year's budget of \$2,316,025, a decrease of 5.87%. The personnel expense section of the Distribution Department budget represents approximately 63% of the budget. Utilities comprise 15%, with other expenses making up the balance of the budget. The chart on page 186 shows percentage of the various components of the Distribution Department operating expense budget. Variable O&M costs are included in the supplies and equipment and utilities categories.

Personnel Expenses Personnel expenses are increasing by about \$76,000 (excluding reductions for capitalized salaries and benefits) attributed to the following:

- Salary pool for FY 2010/11 of \$75,689 (suspended for FY 2010/11)
- Health insurance expense increase of approximately \$17,000 for an estimated 10% increase effective January 1, 2011 and changes in employee dependent status.
- PERS retirement expense increase of about \$8,700 for higher salaries.
- Workers' compensation insurance expense increase of about \$5,600.

Utility Expenses Utility expenses are decreasing by about \$221,000 attributed to a 4,010 acre-feet decrease in project participant requested water deliveries into Lake Cachuma for FY 2010/11 compared to the prior year. The estimated electrical cost per acre-foot of delivering water into Lake Cachuma is \$58.03/AF.

Other Expenses Other expenses are increasing by approximately \$13,600 due to an increase in non-capitalized project expenses and computer expenses (see the discussion on non-capitalized projects later in this section of the Budget), partially offset by small decreases in equipment rental and the appropriated contingency account.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2010/11 Budget

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

The following table shows the FY 2010/11 O&M budget for the various CCWA turnouts.

TURNOUT EXPENSES								
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Non-Capital Projects	TOTAL	
Guadalupe	\$ 465	\$ 1,000	\$ -	\$ 500	\$ 1,965	\$ -	\$ 1,965	
Santa Maria	809	1,500	-	500	2,809		2,809	
Golden State Water Co.	617	3,000	-	500	4,117		4,117	
Vandenberg Air Force Base	-	1,500	-	500	2,000		2,000	
Buellton	282	1,500	-	500	2,282		2,282	
Santa Ynez (Solvang)	195	1,000	-	500	1,695		1,695	
Santa Ynez	-	1,000	-	500	1,500		1,500	
Chorro Valley	-	1,500	1,200	500	3,200		3,200	
Lopez	503	1,500	-	500	2,503		2,503	
TOTAL:	\$ 2,871	\$ 13,500	\$ 1,200	\$ 4,500	\$ 22,071	\$ -	\$ 22,071	

Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, since CCWA does not own the DWR portion of the Coastal Branch Extension, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the distribution system which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2010/11.

Non-Capitalized Projects-Reach Specific		
Project Description	Financial Reach	Amount
Toning Package at Tank 5	38	\$ 7,422
Phase II Geographical Information System	33B to 38	15,343
TOTAL NON-CAPITALIZED PROJECTS		\$ 22,765

Central Coast Water Authority
Distribution Department
 Fiscal Year 2010/11 Budget

Description:	Toning Package
Department:	Distribution - 38
Expanded Description	The existing toning package at Tank 5 has failed and will be replaced with a new toning package. The toning package provides a signal to the fiber optic cable to facilitate efforts to locate the fiber optic cable in the field.
Estimated Charge - Contractor	\$6,500
Sales Tax	\$569
Contingency (5%)	\$353
Subtotal without CCWA Labor	\$7,422
Labor and overhead	\$800
Total Cost	\$8,222
Operating Budget Impact:	The toning package will provide the ability to locate the fiber optic cable in the field with a sensing device. This will reduce the time and effort associated with locating the fiber optic cable through pot-hole investigations. A typical pot-hole investigation can cost in the range of \$3,500 or more, which includes using equipment for excavation and labor for hand excavation when the pot-hole is within 2 feet of the fiber optic cable. Through using a sensing element in conjunction with a toning package, the labor associated with pot-hole investigation can be minimized. In addition, the fiber optic cable is a critical element of the CCWA network communication system. Damage to this cable would significantly impact the pipeline operation, as it would reduce the ability of the receiving the signals from pipeline instrumentation. This would require an increase in labor to visit the critical pipeline facilities for manual reading and adjustment.

Central Coast Water Authority
Distribution Department
 Fiscal Year 2010/11 Budget

Description:	Phase II Implementation of Geographical Information Systems
Department:	Distribution – 33B, 34, 35, 37, 38, MH II, SY I and SY II
Expanded Description	A Geographical Information System (GIS) for the CCWA owned portion of the SWPP in the Santa Barbara County, from the Tank 5 Site located on V.A.F.B. in Northern Santa Barbara County to the Santa Ynez Pumping Plant and downstream to the pre-existing ID#1 pipeline connection, has been developed. The system has organized the pipeline as-built drawings, engineering documents, easement agreements, State Operating Facilities, encroachment permits, & property owner information into one database. The database will continue to be populated and developed with pertinent information. The phase I project last fiscal year was concentrated within the Santa Barbara County limits. The phase II GIS will take the same GIS modeling principles as the phase I project and apply it to the reaches upstream of the Tank 5 Site reaching into San Luis Obispo County to the Polonio Pass Water Treatment Plant. Coordination has been initiated with DWR to share this information between our agencies in hopes of obtaining the highest amount of accurate information available.
Estimated Charge - Material	\$7,000
Estimated Charge - Contractor	\$7,000
Sales Tax	\$613
Contingency (5%)	<u>\$731</u>
Subtotal without CCWA Labor	\$15,344
Labor and overhead	\$24,000
Total Cost	\$39,344
Operating Budget Impact:	Currently, the various sources of information for the pipeline are stored in either paper or electronic format and cross references are not always clear. Through organizing all of the pipeline data into a GIS database, the retrieval and storage of information for the pipeline will become more efficient and useful. This will reduce labor costs related to researching engineering records and will also ensure that completed works and studies for a particular reach of the pipeline are stored in a manner where they can be found and utilized in the future. Over the last two years, there have been multiple encroachment permit applications or inquiries, with each application/inquiry requiring approximately two to four hours of staff time to research property records and engineering record drawings. Obtaining information within the DWR owned areas of the Coastal Branch, Phase II area has proven to be more difficult for staff to research. With the implementation of the phase II GIS project, these issues will be addressed as well as help

Central Coast Water Authority
Distribution Department
Fiscal Year 2010/11 Budget

form a better working relationship between CCWA and DWR. With the full implementation of the GIS system, the record research time will be significantly reduced and help to better manage the facilities of the SWPP; which has already been experienced within the Phase I GIS study area.

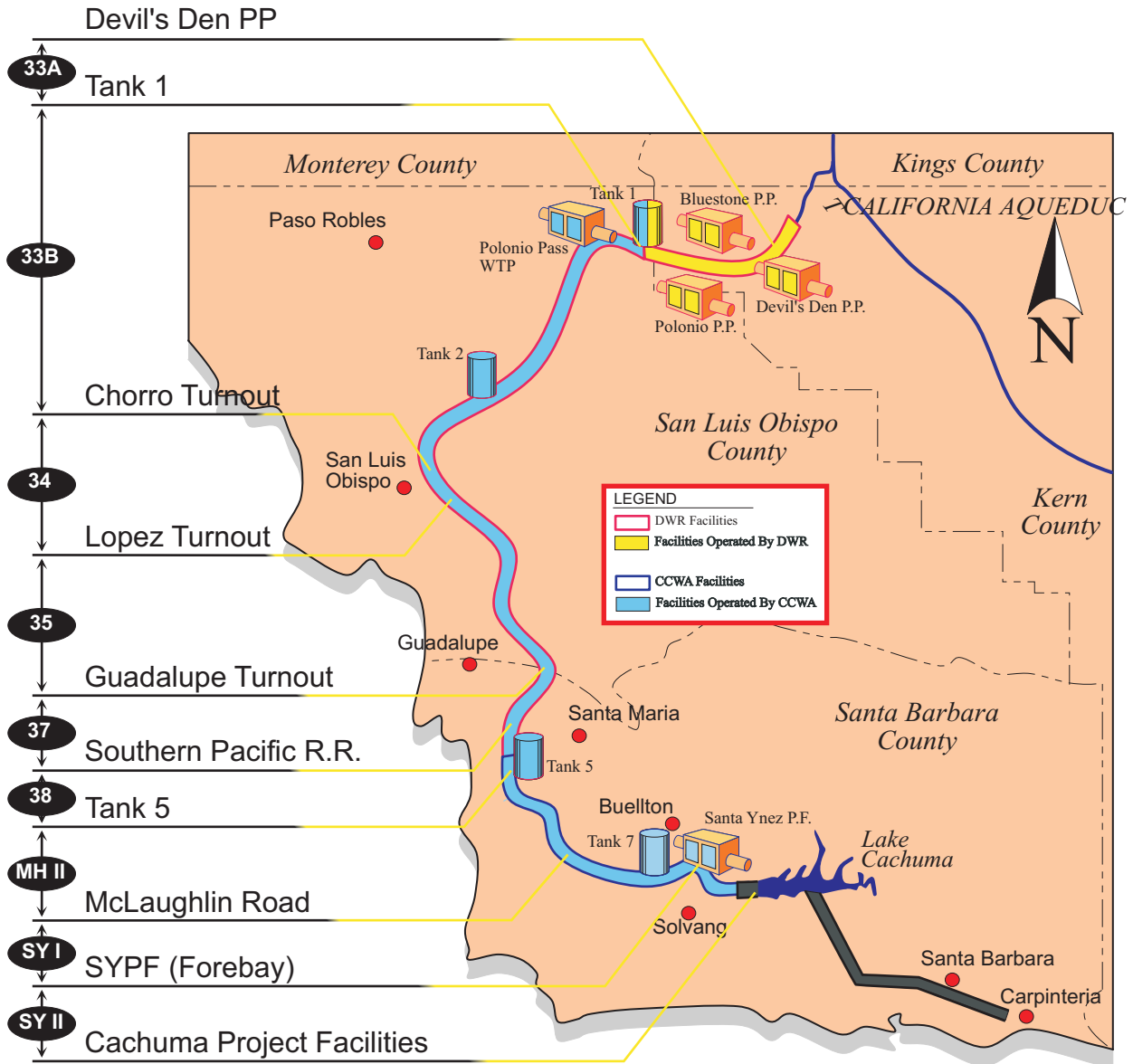
Central Coast Water Authority
Personnel Services Summary
Distribution Department
Fiscal Year 2010/11 Budget

PERSONNEL COUNT SUMMARY					
Position Title	Number Auth. FY 2008/09	Number Auth. FY 2009/10	Number Requested FY 2010/11	Change Over FY 2008/09	Change Over FY 2009/10
Executive Director ⁽¹⁾	0.25	0.25	0.25	-	-
Operations Manager ⁽²⁾	0.40	0.40	0.40	-	-
Regulatory Specialist ⁽³⁾	0.75	0.75	0.75	-	-
Distribution Supervisor	1.00	1.00	1.00	-	-
Engineering Technician	1.00	1.00	1.00	-	-
Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Maintenance Superintendent ⁽⁴⁾	0.40	0.40	0.40	-	-
Maintenance/IC&R Technician	0.20	0.20	0.20	-	-
Distribution Technician	5.00	5.00	5.00	-	-
TOTAL:	10.00	10.00	10.00	-	-

PERSONNEL WAGE SUMMARY						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2009/10 Total Annual Salary	Allocation to Dist. Dept.
Executive Director ⁽¹⁾	1	N/A		N/A	\$ 194,293	\$ 48,573
Operations Manager ⁽²⁾	1	25	\$ 9,184	\$ 11,204	\$ 118,227	\$ 47,291
Regulatory Specialist ⁽³⁾	1	18	\$ 6,361	\$ 7,761	\$ 87,298	\$ 65,473
Distribution Supervisor	1	18	\$ 6,361	\$ 7,761	\$ 83,158	\$ 83,158
Engineering Technician	1	16	\$ 5,727	\$ 6,987	\$ 61,859	\$ 61,859
Instrumentation & Control Specialist	1	18	\$ 6,361	\$ 7,761	\$ 87,298	\$ 87,298
Maintenance Superintendent ⁽⁴⁾	1	20	\$ 7,065	\$ 8,619	\$ 96,949	\$ 38,780
Maintenance/IC&R Technician	1	15	\$ 5,434	\$ 6,629	\$ 70,221	\$ 14,044
Distribution Technicians	5	14	\$ 5,155	\$ 6,289	\$ 336,066	\$ 336,066
FY 2010/11 Salary Pool (<i>suspended for FY 2010/11</i>)						\$ 37,811
TOTAL:						\$ 820,353

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

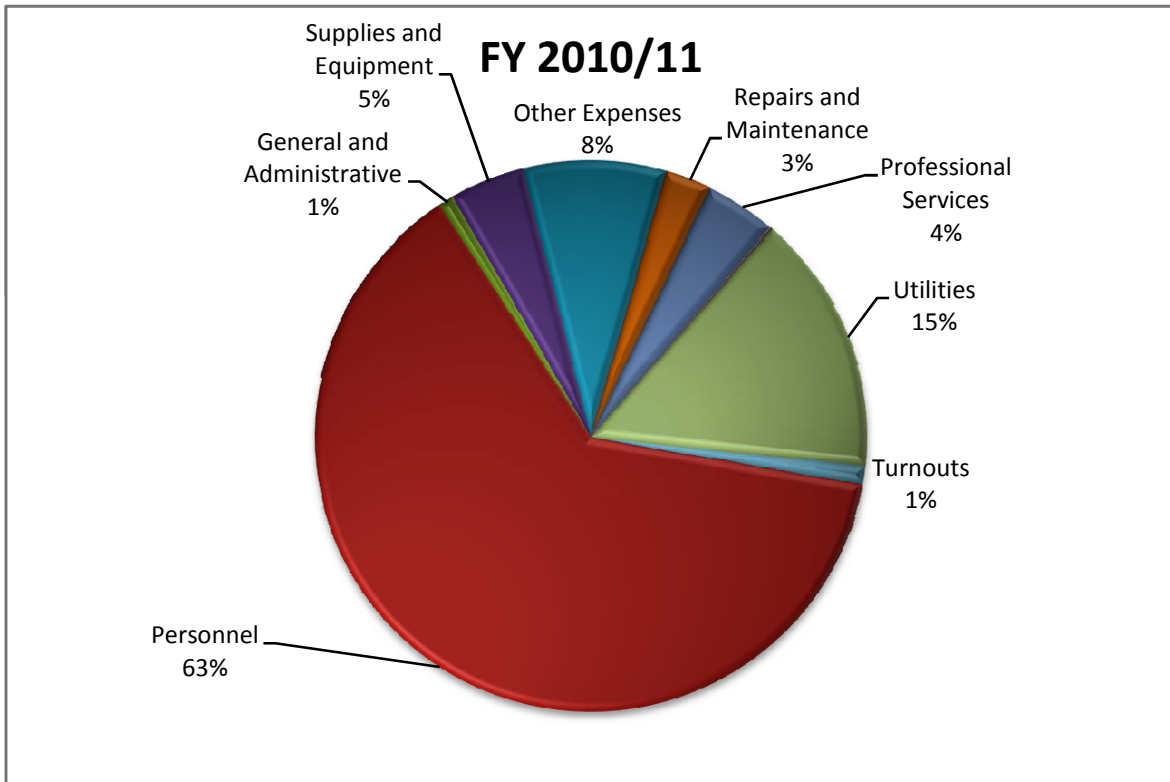
COASTAL BRANCH FINANCIAL REACHES



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

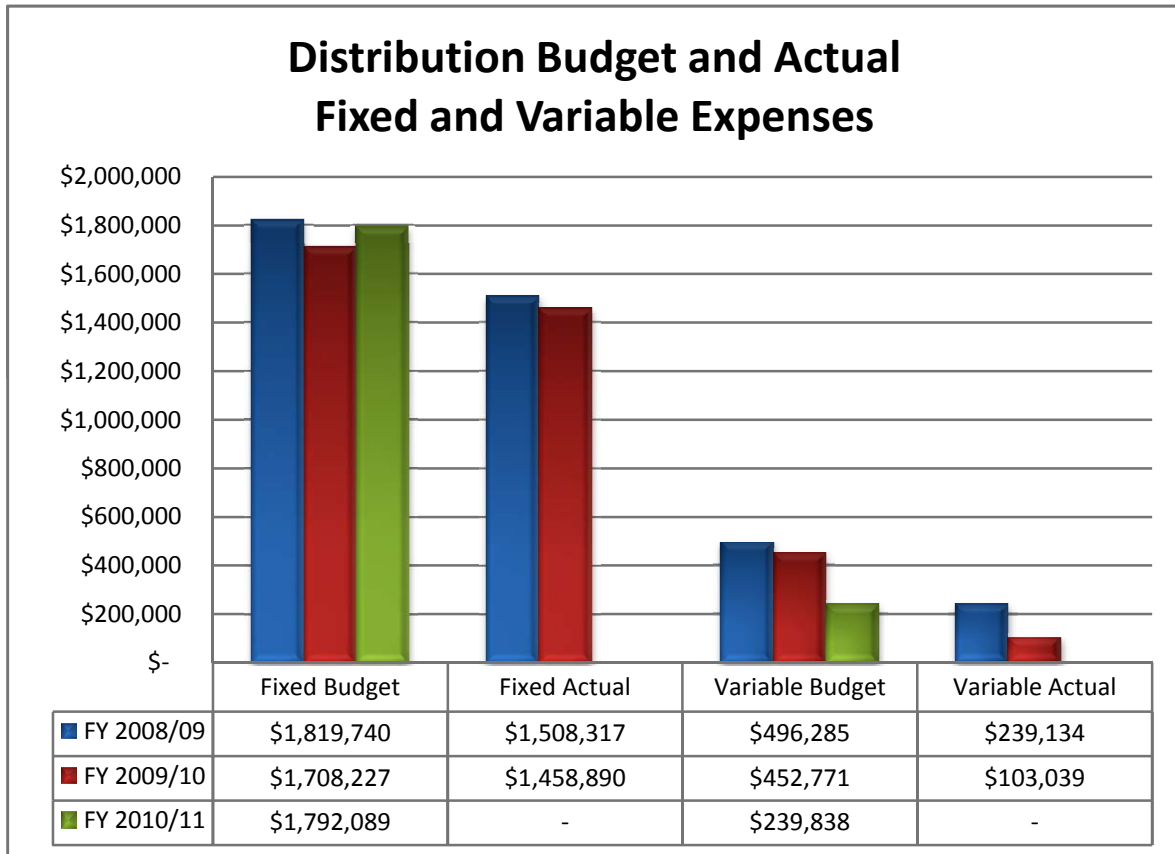
Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2010/11 Budget

Item	FY 2010/11 Budget
Personnel	\$ 1,280,971
Office Expenses	2,800
Supplies and Equipment	89,836
Monitoring Expenses	-
Repairs and Maintenance	55,200
Professional Services	84,210
General and Administrative	18,000
Utilities	309,224
Other Expenses	169,615
Turnouts	22,071
TOTAL:	\$ 2,031,927



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2010/11 Budget

Item	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget
Personnel	\$ 1,188,781	\$ 983,107	\$ 1,205,282	\$ 1,087,772	\$ 1,280,971
Office Expenses	2,800	2,057	2,800	986	2,800
Supplies and Equipment	80,219	72,603	79,565	64,848	89,836
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	52,348	47,399	48,780	58,319	55,200
Professional Services	145,400	78,678	90,060	40,097	84,210
General and Administrative	23,100	17,810	21,800	16,061	18,000
Utilities	568,029	312,788	530,246	148,564	309,224
Other Expenses	229,997	211,443	156,008	118,825	169,615
Turnouts	25,350	21,566	26,457	26,457	22,071
TOTAL:	\$ 2,316,025	\$ 1,747,451	\$ 2,160,998	\$ 1,561,929	\$ 2,031,927



Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09	FY 2008/09	FY 2009/10	FY 2009/10	FY 2010/11	Change from	Percent Change
		Budget	Actual	Budget	Estimated Actual	Budget	FY 2009/10 Budget	FY 2009/10 Budget
<u>PERSONNEL EXPENSES</u>								
5000.10	Full-Time Regular Wages	\$ 754,752	\$ 687,517	\$ 775,762	\$ 704,960	\$ 820,353	\$ 44,591	5.75%
1300.60	Capitalized Wages and Overtime	(507)	(72,150)	-	-	-	-	N/A
5000.20	Overtime	49,738	50,959	50,788	55,498	53,018	2,230	4.39%
5000.40	Standby Pay	24,557	19,317	24,557	17,983	25,492	934	3.80%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	137,771	126,360	144,155	128,581	152,879	8,724	6.05%
5100.15	Medicare Taxes	12,077	10,006	12,341	10,462	13,033	692	5.61%
5100.20	Health Insurance	137,337	97,727	129,190	103,226	145,967	16,778	12.99%
5100.25	Workers' Compensation	28,874	16,992	28,038	19,209	33,638	5,599	19.97%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	IRC 457-Employer Paid	3,875	106	-	-	-	-	N/A
5100.40	Cafeteria Plan Benefits	3,620	7,134	10,405	10,554	8,697	(1,708)	-16.42%
5100.45	Dental/Vision Plan	15,546	15,396	19,086	19,033	16,743	(2,343)	-12.28%
5100.50	Long-Term Disability	3,398	2,586	3,340	2,939	3,536	196	5.87%
5100.55	Life Insurance	3,440	3,124	3,520	3,491	3,566	46	1.31%
5100.60	Employee Physicals	900	470	500	-	450	(50)	-10.00%
5000.30	Temporary Services	10,000	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	940	2,600	2,876	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	60	1,000	-	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	16,563	-	8,961	-	-	N/A
1300.60	Capitalized Employee Benefits	(198)	-	-	-	-	-	N/A
Total Personnel Expenses:		1,188,781	983,107	1,205,282	1,087,772	1,280,971	75,689	6.28%

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Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>OFFICE EXPENSES</u>								
5200.20	Office Supplies	1,800	1,421	1,800	615	1,800	-	0.00%
5200.30	Miscellaneous Office Expenses	1,000	636	1,000	371	1,000	-	0.00%
Total Office Expenses:		2,800	2,057	2,800	986	2,800	-	0.00%
<u>SUPPLIES AND EQUIPMENT</u>								
5500.10	Uniform Expenses	6,565	5,293	6,565	5,145	6,565	-	0.00%
5500.15	Minor Tools and Equipment	10,000	10,503	5,000	1,654	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	361	1,000	65	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	5,751	10,000	7,689	10,000	-	0.00%
5500.40	Safety Supplies	5,000	4,887	5,000	3,774	5,000	-	0.00%
5500.45	Fuel and Lubricants	35,154	36,743	39,500	43,981	49,771	10,271	26.00%
5500.50	Seed/Erosion Control Supplies	12,000	8,850	12,000	1,772	12,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	215	500	767	500	-	0.00%
Total Supplies and Equipment:		80,219	72,603	79,565	64,848	89,836	10,271	12.91%
<u>MONITORING EXPENSES</u>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
Total Monitoring Expenses:		-	-	-	-	-	-	N/A

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Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>REPAIRS AND MAINTENANCE</u>								
5700.10	Equipment Repairs and Maintenance	30,000	31,433	30,000	40,356	35,000	5,000	16.67%
5700.20	Vehicle Repairs and Maintenance	14,420	5,562	10,000	12,205	10,000	-	0.00%
5700.30	Building Maintenance	4,780	6,934	4,780	2,794	6,200	1,420	29.71%
5700.40	Landscape Maintenance	3,148	3,470	4,000	2,964	4,000	-	0.00%
Total Repairs and Maintenance:		52,348	47,399	48,780	58,319	55,200	6,420	13.16%
<u>PROFESSIONAL SERVICES</u>								
5400.10	Professional Services	115,000	74,606	80,250	26,601	74,250	(6,000)	-7.48%
5400.20	Legal Services	-	455	-	-	-	-	N/A
5400.30	Engineering Services	16,000	1,251	6,000	8,277	5,000	(1,000)	-16.67%
5400.40	Permits	3,400	2,366	3,400	5,219	4,600	1,200	35.29%
5400.50	Non-Contractual Services	11,000	-	410	-	360	(50)	-12.20%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
Total Professional Services:		145,400	78,678	90,060	40,097	84,210	(5,850)	-6.50%
<u>GENERAL AND ADMINISTRATIVE</u>								
5300.10	Meeting and Travel	9,000	7,461	7,000	7,120	9,000	2,000	28.57%
5300.20	Mileage Reimbursement	-	-	-	-	-	-	N/A
5300.30	Dues and Memberships	1,300	639	6,800	1,309	1,500	(5,300)	-77.94%
5300.40	Publications	1,300	697	500	168	500	-	0.00%
5300.50	Training	9,000	8,790	5,000	7,241	5,000	-	0.00%
5300.60	Advertising	2,000	-	2,000	-	1,500	(500)	-25.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	500	223	500	224	500	-	0.00%
Total General and Administrative:		23,100	17,810	21,800	16,061	18,000	(3,800)	-17.43%

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Central Coast Water Authority
Distribution Department Operating Expenses
 Fiscal Year 2010/11 Administration/O&M Budget

Account Number	Account Name	FY 2008/09 Budget	FY 2008/09 Actual	FY 2009/10 Budget	FY 2009/10 Estimated Actual	FY 2010/11 Budget	Change from FY 2009/10 Budget	Percent Change FY 2009/10 Budget
<u>UTILITIES</u>								
5800.20	Natural Gas	450	790	550	600	825	275	50.00%
5800.30	Electric Fixed	58,644	61,413	63,925	34,459	56,211	(7,714)	-12.07%
5800.35	Electric-Variable	496,285	239,134	452,771	103,039	239,838	(212,933)	-47.03%
5800.40	Water	1,350	1,353	1,350	1,406	1,450	100	7.41%
5800.50	Telephone	8,400	7,636	8,750	6,013	8,000	(750)	-8.57%
5800.60	Waste Disposal	2,900	2,462	2,900	3,047	2,900	-	0.00%
Total Utilities:		568,029	312,788	530,246	148,564	309,224	(221,022)	-41.68%
<u>OTHER EXPENSES</u>								
5900.10	Insurance	44,012	41,417	43,668	43,668	44,138	470	1.08%
5900.30	Non-Capitalized Projects	85,396	117,147	8,820	12,033	22,765	13,945	158.11%
5900.40	Equipment Rental	12,000	5,388	17,000	5,002	15,000	(2,000)	-11.76%
5900.50	Non-Capitalized Equipment	10,000	8,851	10,000	5,892	10,000	-	0.00%
5900.60	Computer Expenses	34,260	38,640	34,667	52,230	38,303	3,636	10.49%
5900.70	Appropriated Contingency	44,329	-	41,854	-	39,409	(2,445)	-5.84%
Total Other Expenses:		229,997	211,443	156,008	118,825	169,615	13,607	8.72%
	Turnouts	25,350	21,566	26,457	26,457	22,071	(4,386)	-16.58%
TOTAL OPERATING EXPENSES		\$ 2,316,025	\$ 1,747,451	\$ 2,160,998	\$ 1,561,929	\$ 2,031,927	(126,878)	-5.87%

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**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5000.10

ACCOUNT TITLE: Full-Time Regular Salaries

Description: Funds for the Distribution regular full-time employees. Includes \$37,811 for FY 2010/11 salary pool.

FY 10/11 Requested Budget	820,353
FY 09/10 Estimated Actual	704,960
Increase (Decrease)	115,393

ACCOUNT NUMBER: 5000.20

ACCOUNT TITLE: Overtime

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

Overtime is set at 5.0% of salaries plus one hour per day to monitor SCADA system.

FY 10/11 Requested Budget	53,018
FY 09/10 Estimated Actual	55,498
Increase (Decrease)	(2,480)

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Salaries and Overtime

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

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5000.30

ACCOUNT TITLE: Temporary Services

Description: Temporary services for the Distribution Dept.

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5000.40

ACCOUNT TITLE: Stand-by Pay

FY 10/11 Requested Budget	25,492
FY 09/10 Estimated Actual	17,983
Increase (Decrease)	7,509

Description: Funds for stand-by pay for one Distribution Technician and one Instrumentation and Control employee assigned to stand-by duty on a 24-hour basis. Based on \$1.57 per hour (5% of average hourly rate). 2/3 of Instrumentation Employee standby pay allocated to Distribution Department and 1/3 allocated to the Water Treatment Plant Department.

ACCOUNT NUMBER: 5100.10

ACCOUNT TITLE: PERS Retirement

FY 10/11 Requested Budget	152,879
FY 09/10 Estimated Actual	128,581
Increase (Decrease)	24,299

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 19.454% contribution rate for FY 2010/11 based on the 2% @ 55 formula.

ACCOUNT NUMBER: 5100.15

ACCOUNT TITLE: Medicare

FY 10/11 Requested Budget	13,033
FY 09/10 Estimated Actual	10,462
Increase (Decrease)	2,571

Description: Funds for the employer portion of Medicare taxes for the Distribution Department. Amount is equal to 1.45% of all wages.

ACCOUNT NUMBER: 5100.20

ACCOUNT TITLE: Health Insurance

FY 10/11 Requested Budget	145,967
FY 09/10 Estimated Actual	103,226
Increase (Decrease)	42,741

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan limits for each employee based on their dependent status as follows:
Family: \$ 17,453
Emp+1: \$ 15,064
Emp: \$ 6,384

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5100.25

ACCOUNT TITLE: Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the Distribution department. Based on an X-Mod rate of 100%. Based on a 5% premium increase over FY 2009/10.

FY 10/11 Requested Budget	33,638
FY 09/10 Estimated Actual	19,209
Increase (Decrease)	14,429

ACCOUNT NUMBER: 5100.35

ACCOUNT TITLE: Employer Paid Deferred Compensation

Description: Not funded

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5100.40

ACCOUNT TITLE: Cafeteria Plan Benefits

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

FY 10/11 Requested Budget	8,697
FY 09/10 Estimated Actual	10,554
Increase (Decrease)	(1,858)

ACCOUNT NUMBER: 5100.45

ACCOUNT TITLE: Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$2,990 per year per family for dental and vision expenses. Budgeted amount is \$1,674 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

FY 10/11 Requested Budget	16,743
FY 09/10 Estimated Actual	19,033
Increase (Decrease)	(2,290)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5100.50

ACCOUNT TITLE: Long-Term Disability

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

FY 10/11 Requested Budget	3,536
FY 09/10 Estimated Actual	2,939
Increase (Decrease)	597

ACCOUNT NUMBER: 5100.55

ACCOUNT TITLE: Life Insurance

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

FY 10/11 Requested Budget	3,566
FY 09/10 Estimated Actual	3,491
Increase (Decrease)	75

ACCOUNT NUMBER: 5100.60

ACCOUNT TITLE: Employee Physicals

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

FY 10/11 Requested Budget	450
FY 09/10 Estimated Actual	-
Increase (Decrease)	450

ACCOUNT NUMBER: 5100.65

ACCOUNT TITLE: Employee Education Reimbursement

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

FY 10/11 Requested Budget	1,000
FY 09/10 Estimated Actual	-
Increase (Decrease)	1,000

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5100.80

ACCOUNT TITLE: Employee Incentive Programs

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

FY 10/11 Requested Budget	2,600
FY 09/10 Estimated Actual	2,876
Increase (Decrease)	(276)

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

ACCOUNT NUMBER: 1300.60

ACCOUNT TITLE: Capitalized Employee Benefits

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

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5200.20

ACCOUNT TITLE: Office Supplies

Description: Funds for office supplies for the Distribution Department.

FY 10/11 Requested Budget	1,800
FY 09/10 Estimated Actual	615
Increase (Decrease)	1,185

ACCOUNT NUMBER: 5200.30

ACCOUNT TITLE: Miscellaneous Office Expenses

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

FY 10/11 Requested Budget	1,000
FY 09/10 Estimated Actual	371
Increase (Decrease)	629

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5300.10

ACCOUNT TITLE: Meetings and Travel

Description: Funds for Distribution Department employee meetings and travel expenses. Includes State Water Contractor travel for Executive Director and the Operations Manager/Engineer as well as travel expenses for winter maintenance.

FY 10/11 Requested Budget	9,000
FY 09/10 Estimated Actual	7,120
Increase (Decrease)	1,880

ACCOUNT NUMBER: 5300.20

ACCOUNT TITLE: Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5300.30

ACCOUNT TITLE: Dues and Memberships

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

FY 10/11 Requested Budget	1,500
FY 09/10 Estimated Actual	1,309
Increase (Decrease)	191

ACCOUNT NUMBER: 5300.40

ACCOUNT TITLE: Publications

Description: Funds for publications received by the Distribution Department.

FY 10/11 Requested Budget	500
FY 09/10 Estimated Actual	168
Increase (Decrease)	332

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5300.50

ACCOUNT TITLE: Training

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

FY 10/11 Requested Budget	5,000
FY 09/10 Estimated Actual	7,241
Increase (Decrease)	(2,241)

\$ 5,000 - \$556 per employee

ACCOUNT NUMBER: 5300.60

ACCOUNT TITLE: Advertising

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

FY 10/11 Requested Budget	1,500
FY 09/10 Estimated Actual	-
Increase (Decrease)	1,500

ACCOUNT NUMBER: 5300.80

ACCOUNT TITLE: Postage

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

FY 10/11 Requested Budget	500
FY 09/10 Estimated Actual	224
Increase (Decrease)	276

ACCOUNT NUMBER: 5400.10

ACCOUNT TITLE: Professional Services

Description:

\$ 55,000 Environmental Services

10,000 Cathodic protection

5,000 Seismic Survey

1,500 Emergency generator service

1,000 Oil analysis

750 Fire extinguisher inspections

1,000 Crane inspections

\$ 74,250 TOTAL

FY 10/11 Requested Budget	74,250
FY 09/10 Estimated Actual	26,601
Increase (Decrease)	47,649

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5400.20

ACCOUNT TITLE: Legal Services

Description: Not funded for current fiscal year.

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5400.30

ACCOUNT TITLE: Engineering Services

Description: Funds for all non-capitalized engineering services.

FY 10/11 Requested Budget	5,000
FY 09/10 Estimated Actual	8,277
Increase (Decrease)	(3,277)

ACCOUNT NUMBER: 5400.40

ACCOUNT TITLE: Permits

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

FY 10/11 Requested Budget	4,600
FY 09/10 Estimated Actual	5,219
Increase (Decrease)	(619)

1,500	Low Threat Discharge Permit
2,100	Diesel Permit
1,000	SYPP, Tank 7 and 5 Business Plan
\$ 4,600	TOTAL

ACCOUNT NUMBER: 5400.50

ACCOUNT TITLE: Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

FY 10/11 Requested Budget	360
FY 09/10 Estimated Actual	-
Increase (Decrease)	360

\$ 360	Employee Assistance Program
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\$ 360	TOTAL
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**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5500.10

ACCOUNT TITLE: Uniform Expenses

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

FY 10/11 Requested Budget	6,565
FY 09/10 Estimated Actual	5,145
Increase (Decrease)	1,420

\$	3,240	Uniform Service (\$270 month)
\$	1,350	Blue jean pants (\$150/year for 9 employees)
\$	1,575	Boots (\$175/year for 9 employees)
\$	400	Misc. uniform requirements (jackets, etc.)
\$	6,565	TOTAL

ACCOUNT NUMBER: 5500.15

ACCOUNT TITLE: Minor Tools and Equipment

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

FY 10/11 Requested Budget	5,000
FY 09/10 Estimated Actual	1,654
Increase (Decrease)	3,346

ACCOUNT NUMBER: 5500.20

ACCOUNT TITLE: Spare Parts

Description: Not funded.

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.25

ACCOUNT TITLE: Landscape Equipment and Supplies

Description: Funds for the purchase of equipment and supplies for landscape maintenance at the pump station and the Buellton office.

FY 10/11 Requested Budget	1,000
FY 09/10 Estimated Actual	65
Increase (Decrease)	935

CENTRAL COAST WATER AUTHORITY DISTRIBUTION FY 2010/11 BUDGET

ACCOUNT NUMBER: 5500.30

ACCOUNT TITLE: Chemicals-Fixed

Description: Not funded.

FY 10/11 Requested Budget	-
FY 09/10 Estimated Actual	-
Increase (Decrease)	-

ACCOUNT NUMBER: 5500.35

ACCOUNT TITLE: Maintenance Supplies/Hardware

Description: Funds for the purchase of disposable tools, pipe and pipefittings, wood, steel and other metals, hardware, nuts and bolts, and other hardware materials.

FY 10/11 Requested Budget	10,000
FY 09/10 Estimated Actual	7,689
Increase (Decrease)	2,311

ACCOUNT NUMBER: 5500.40

ACCOUNT TITLE: Safety Supplies

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

FY 10/11 Requested Budget	5,000
FY 09/10 Estimated Actual	3,774
Increase (Decrease)	1,226

ACCOUNT NUMBER: 5500.45

ACCOUNT TITLE: Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for Distribution Department vehicles. Does not include mileage reimbursement expenses.

FY 10/11 Requested Budget	49,771
FY 09/10 Estimated Actual	43,981
Increase (Decrease)	5,790

\$	43,901	Vehicles
\$	1,468	Emergency Generator Sets
\$	2,935	Lubricants
\$	1,468	Miscellaneous
\$	49,771	TOTAL

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5500.50

ACCOUNT TITLE: Seed/Plants/Erosion Control Supplies

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

FY 10/11 Requested Budget	12,000
FY 09/10 Estimated Actual	1,772
Increase (Decrease)	10,228

\$	1,000	Seed
	1,000	Plants and materials
	10,000	Erosion control
\$	12,000	TOTAL

ACCOUNT NUMBER: 5500.55

ACCOUNT TITLE: Backflow Prevention Supplies

Description: Funds for backflow prevention.

FY 10/11 Requested Budget	500
FY 09/10 Estimated Actual	767
Increase (Decrease)	(267)

ACCOUNT NUMBER: 5700.10

ACCOUNT TITLE: Equipment Repairs and Maintenance

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

FY 10/11 Requested Budget	35,000
FY 09/10 Estimated Actual	40,356
Increase (Decrease)	(5,356)

ACCOUNT NUMBER: 5700.20

ACCOUNT TITLE: Vehicle Repairs and Maintenance

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

FY 10/11 Requested Budget	10,000
FY 09/10 Estimated Actual	12,205
Increase (Decrease)	(2,205)

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5700.30

ACCOUNT TITLE: Building Maintenance

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

FY 10/11 Requested Budget	6,200
FY 09/10 Estimated Actual	2,794
Increase (Decrease)	3,406

\$	3,500	Janitorial Service
	2,500	Miscellaneous Repairs
	1,700	Pest Control
	2,000	HVAC, includes quarterly inspection
\$	6,200	TOTAL

ACCOUNT NUMBER: 5700.40

ACCOUNT TITLE: Landscape Maintenance

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

FY 10/11 Requested Budget	4,000
FY 09/10 Estimated Actual	2,964
Increase (Decrease)	1,036

\$	3,300	SYPF (\$275 month avg)
\$	700	SYPF spring mowing
\$	4,000	TOTAL

ACCOUNT NUMBER: 5800.20

ACCOUNT TITLE: Natural Gas Service

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

FY 10/11 Requested Budget	825
FY 09/10 Estimated Actual	600
Increase (Decrease)	225

ACCOUNT NUMBER: 5800.30

ACCOUNT TITLE: Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

FY 10/11 Requested Budget	56,211
FY 09/10 Estimated Actual	34,459
Increase (Decrease)	21,752

\$	14,145	Suite B & C	\$1,179 month
	602	2 Iso vaults	\$50 month
	2,738	2 Tanks	\$228 month
	2,149	11 Rectifiers	\$179 month
	2,186	EDV	\$182 month
	34,391	SYPF	\$2,866 month
\$	56,211	TOTAL	

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5800.31

ACCOUNT TITLE: Electric Service-Variable

Description: Funds for electrical service for the
Distribution Department.

FY 10/11 Requested Budget	239,838
FY 09/10 Estimated Actual	103,039
Increase (Decrease)	136,799

Acre feet pumped	4,133
Cost per acre foot	\$58.03
TOTAL	\$239,838

ACCOUNT NUMBER: 5800.40

ACCOUNT TITLE: Water/Sewer

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

FY 10/11 Requested Budget	1,450
FY 09/10 Estimated Actual	1,406
Increase (Decrease)	44

ACCOUNT NUMBER: 5800.50

ACCOUNT TITLE: Telephone

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

FY 10/11 Requested Budget	8,000
FY 09/10 Estimated Actual	6,013
Increase (Decrease)	1,987

ACCOUNT NUMBER: 5800.60

ACCOUNT TITLE: Waste Disposal

Description: Funds for trash service and removal of
hazardous waste (waste oil) for the Distribution Department.

FY 10/11 Requested Budget	2,900
FY 09/10 Estimated Actual	3,047
Increase (Decrease)	(147)

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

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5900.10

ACCOUNT TITLE: Insurance

Description: Funds for insurance coverage.

FY 10/11 Requested Budget	44,138
FY 09/10 Estimated Actual	43,668
Increase (Decrease)	470

\$	19,490	Property and Auto Insurance as apportioned by JPIA.
\$	24,647	General liability and E&O insurance pro rated by salary percentages.
\$	44,138	TOTAL

ACCOUNT NUMBER: 5900.30

ACCOUNT TITLE: Non-Capitalized Projects

Description: Funds for projects along the pipeline on facilities which are not owned by CCWA or do not qualify for capitalization under the CCWA capitalization policy (see detailed breakout in this section of the budget).

FY 10/11 Requested Budget	22,765
FY 09/10 Estimated Actual	12,033
Increase (Decrease)	10,733

ACCOUNT NUMBER: 5900.40

ACCOUNT TITLE: Equipment Rental

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

FY 10/11 Requested Budget	15,000
FY 09/10 Estimated Actual	5,002
Increase (Decrease)	9,998

ACCOUNT NUMBER: 5900.50

ACCOUNT TITLE: Non-Capitalized Fixed Assets

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

FY 10/11 Requested Budget	10,000
FY 09/10 Estimated Actual	5,892
Increase (Decrease)	4,108

**CENTRAL COAST WATER AUTHORITY
DISTRIBUTION FY 2010/11 BUDGET**

ACCOUNT NUMBER: 5900.60

ACCOUNT TITLE: Computer Expenses

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

FY 10/11 Requested Budget	38,303
FY 09/10 Estimated Actual	52,230
Increase (Decrease)	(13,927)

\$	31,693	CompuVision, Annual Service Agreements, and Software Subscriptions
\$	6,610	Software, New Computers, DSL Allowance and other computer services.
\$	38,303	TOTAL

ACCOUNT NUMBER: 5900.70

ACCOUNT TITLE: Appropriated Contingency

Description: 2.0% of requested budget.

FY 10/11 Requested Budget	39,409
FY 09/10 Estimated Actual	-
Increase (Decrease)	39,409

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Flocculation and sedimentation basins

Capital Improvements

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenses for fixed asset and equipment purchases as well as the accumulation of expenditures for construction projects undertaken by the Authority.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2010/11 Budget

The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2010/11 is \$117,306.

Capitalization Criteria

The Authority capitalizes project expenditures and fixed asset purchases for those projects and assets that (1) are greater than \$5,000 and (2) have an estimated useful life longer than five years, with the exception of computer related equipment which is amortized over three years.

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. For FY 2009/10, no projects are anticipated to be carried over to FY 2010/11.

Funding of Capital Improvements Expenditures

The FY 2010/11 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2010/11 capital improvements by department and financial reach.

FY 2010/11 Capital Improvements					
Capital Improvements	Specific		Water Treatment		Total
	Financial Reach	Administration	Plant	Distribution	
SCADA Automation Consultant	WTP & ALL		10,500	10,500	21,000
Filter Control Equipment (Phase 2)	WTP		14,616		14,616
Chemical Tank Piping Replacement	WTP		7,468		7,468
Online Ammonia Analyzer at Tank 5	MHII			17,128	17,128
Tank 5 Chlorine Storage Shelter	MHII			20,554	20,554
Midsized Sedan	ADM	18,270			18,270
Midsized Sedan	WTP		18,270		18,270
Total:		\$ 18,270	\$ 50,854	\$ 48,182	\$ 117,306

Central Coast Water Authority
Capital Improvements
Fiscal Year 2010/11 Budget

State Water Project Construction Project

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities, which traverse the Santa Ynez Mountains.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2010/11 Budget

Description:	Phase 1 SCADA Upgrade (Automation Consultant)
Department:	Distribution (50%) Water Treatment Plant (50%)
Expanded Description	The existing Supervisory Control and Data Acquisition (SCADA) software package used by CCWA is FactoryLink. This software program was acquired by Siemens Automation Inc in 2007. Following the acquisition, Siemens advised all FactoryLink users that the software program will not be supported past 2012. In order to prepare for the loss of support and the eventual obsolescence of FactoryLink, the services of an automation consultant will be procured to identify the options available to CCWA for migrating to a viable SCADA software package. This consultant will evaluate the current needs of the CCWA system, identify the available alternatives and assist in developing the specifications for the recommended software package and associated hardware.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	\$21,000
Labor and overhead	\$8,400
Total Cost	\$29,400
Operating Budget Impact:	The SCADA system is an important tool in the monitoring and control of the various treatment and conveyance facilities in the CCWA system. Without a functional SCADA System, operators would be required to visit each facility to conduct monitoring duties and make operational adjustments as required. The saving in labor costs is quite significant. If operated in manual mode, the treatment plant would require a three person team to conduct backwash, as opposed to using one single operator while using SCADA. If operated in manual mode, the distribution system would require a three person team to operate the pipeline following flow adjustments, as opposed to using a single operator while using SCADA.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2010/11 Budget

Description:	Replacement of Filter Control Equipment
Department:	Water Treatment Plant
Expanded Description	Each filter at the water treatment plant is equipped with a water level sensor and a head-loss sensor with associated controls. This equipment was originally installed during the initial plant construction and will reach the end of its expected useful life. This is the second phase of a three phase replacement program. All filter controls will be replaced within three years.
Estimated Charge	\$12,800
Sales Tax	\$1,120
Contingency (5%)	\$696
Subtotal without CCWA Labor	\$14,616
Labor and overhead	\$5,100
Total Cost	\$19,716
Operating Budget Impact:	The head-loss sensor has a set point which triggers a critical alarm through the plant's supervisor controls and data acquisition system. Replacement of these filter controls in a planned manner saves the costs associated with responding to a break-down condition. Further, planned replacement allows appropriate scheduling of filter shutdown so that they can occur during periods of low flows and thus minimizing impact to the water delivery operation.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2010/11 Budget

Description:	Chemical Tank Piping Replacement
Department:	Water Treatment Plant
Expanded Description	The piping associated with the plant's chemical tanks is constructed of PVC components. This piping has been in continuous service for over ten years, which exceeds the recommended service life. This project will replace all PVC piping components with HDPE piping materials.
Estimated Charge - Material	\$6,540
Sales Tax	572
Contingency (5%)	\$356
Subtotal without CCWA Labor	\$7,468
Labor and overhead	\$10,500
Total Cost	\$17,968
Operating Budget Impact:	This project is a normally scheduled replacement project, which is triggered by the piping materials exceeding the recommended service life. Through replacing the piping materials before failure, the labor and costs associated with responding to a chemical release is avoided.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2010/11 Budget

Description:	Installation of Online Ammonia Analyzer at Tank 5
Department:	Distribution - 38
Expanded Description	An online ammonia analyzer will be installed on the outlet piping of Tank 5, upstream of the chlorination treatment system. The purpose of the ammonia analyzer is to provide early detection of conditions that may lead to nitrification of water in the southern portion of the pipeline. The analyzer will also assist with optimizing the use of the existing Tank 5 chlorination facility.
Estimated Charge	\$15,000
Sales Tax	\$1,313
Contingency (5%)	<u>\$816</u>
Subtotal without CCWA Labor	\$17,128
Labor and overhead	\$3,500
Total Cost	\$20,628
Operating Budget Impact:	Through installing an online ammonia analyzer at Tank 5 and connecting it to the Supervisory Control and Data Acquisition System (SCADA), Distribution staff will be able to check and adjust the chlorination treatment system remotely. The ability to check the chlorination system remotely will eliminate the need for staff to manually check the process on the weekend. This translates to saving approximately 10 hours per week at overtime pay. In addition, continuous monitoring of free ammonia levels will allow distribution staff to more quickly respond to situations that may lead to a nitrification incident. Severe nitrification has the potential of interfering with continued water delivery operations.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2010/11 Budget

Description:	Tank 5 Chlorine Storage Facility Shelter
Department:	Distribution - MH II
Expanded Description	The Tank 5 chlorination facility includes a 500 gallon storage tank for sodium hypochlorite storage. This storage tank is located adjacent to the exit vault of Tank 5 with no shelter to protect the tank from the sun and other elements. The purpose of the shelter is to provide shading and shelter for the tank as a measure to prevent or minimize the potential for sodium hypochlorite degradation.
Estimated Charge - Materials	\$18,000
Sales Tax	<u>\$1,575</u>
Contingency (5%)	<u>\$979</u>
Subtotal without CCWA Labor	\$20,554
Labor and overhead	\$18,000
Total Cost	\$38,554
Operating Budget Impact:	Sodium Hypochlorite is typically delivered at 12.5% concentration. If stored for long periods of time with excessive sunlight exposure, Sodium Hypochlorite can auto-decompose, which can reduce its concentration and produce undesirable by-products. A reduced concentration translates to needing larger quantities of chemical to achieve the required treatment goal. By implementing measures to prevent the potential of Sodium Hypochlorite degradation, the chemical usage can be minimized by maintaining the strength (concentration) of the chemical and also decrease the introduction of undesirable by-products. Consequently, costs associated with purchasing larger volumes of chemicals are avoided and the costs associated with the additional effort to monitor for by-product formation are minimized.

Central Coast Water Authority
Capital Improvements
 Fiscal Year 2010/11 Budget

Description:	Vehicle Replacement
Department:	Distribution System - All Reaches
Expanded Description	Two vehicles will have been driven over 100,000 miles. CCWA replaces vehicles if over ten years old or over 100,000 miles. The vehicles to be replaced include (1) the Operations Manager/Engineer Vehicle, (2) the Water Treatment Plant Supervisor Vehicle.
Estimated Charge	\$32,000
Sales Tax	\$2,800
Contingency (5%)	<u>\$1,740</u>
Subtotal without CCWA Labor	\$36,540
Operating Budget Impact:	Replacement of vehicles on a regular scheduled basis minimizes repair costs and ensures reliability. One vehicle is anticipated to exceed 160,000 miles before being replaced and the other vehicle will likely exceed 125,000 miles.

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Santa Ynez Pumping Plant

Reserves and Cash Management

The Reserves and Cash Management section of the FY 2010/11 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

Highlights

FY 2010/11 Total Reserve Balances

\$10,192,987

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 8,192,987

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2010/11 Budget

This section of the Budget discusses the two cash reserves maintained by the Authority; the Operations and Maintenance Reserve Fund and the Rate Coverage Reserve Fund. This section also discusses the Authority's cash management policies and the CCWA project participant investment pool.

Operations and Maintenance Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors approved an "Operations and Maintenance Reserve Policy" as follows:

Purpose: The O&M Reserve Fund is intended to provide a mechanism for the Authority to undertake immediately unanticipated operation and maintenance activities, including emergency repairs, for which funds are not otherwise immediately available.

Contributions: Contributions to the O&M Reserve Fund are mandatory. Each Authority Contractor shall maintain on deposit with Authority in said Fund an amount of money equal to its pro-rata share of the Fund target size of \$2 million, which share is that Contractor's Water Supply Agreement Project Allotment divided by the Project Allotments held by all Authority Contractors. Each Contractor's initial contribution to the O&M Reserve Fund shall be drawn from cash held by Authority on behalf of the Contractor as of the date of the Fund's creation. If the Fund balance is reduced below \$2 million, Authority shall be authorized to (i) transfer into said Fund excess operating assessments and investment income from the Fund, and (ii) notify the participating Contractor if an additional contribution is necessary, in which event the contractor shall deposit an additional contribution within sixty-days (60) of the Authority notice.

Administration: The Treasurer shall invest funds held in the O&M Reserve Fund in liquid money market accounts (for example, LAIF) so that the funds shall be immediately available. O&M Reserve Fund investment earnings shall be considered to credit each Authority Contractor with respect to that Contractor's June 1 payment to Authority, except to the extent said earnings are needed to be retained to ensure that the Contractor's share of the Fund is fully funded, or as otherwise directed by the Contractor. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the O&M Reserve Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2010/11 Budget

Use of Fund: Monies held in the O&M Reserve Fund may be expended only upon authorization of the Board of Directors for unanticipated operating and maintenance activities, including by way of example only: repair of earthquake-caused damage to Authority facilities; unanticipated need to purchase chemicals; major emergency repair or replacement of equipment; reserve for legal judgments. In the event that monies from the O&M Reserve Fund are expended for an activity which is to be funded by certain Contractors and not other Contractors (for example, repair of a certain reach of the pipeline), then (i) it is permissible to expend from the Fund an amount which exceeds the monies on deposit by those Contractors who are obligated to fund the activity under the WSA, and (ii) said Contractors shall replenish said Fund as quickly as possible, and in no event later than one year, including payment of interest on monies expended which exceeded the amount on deposit by said Contractors.

The following table shows the allocation of the Operations and Maintenance Reserve Fund by project participant.

Operations and Maintenance Reserve Fund

Project Participant	Table A Amount	% of Table A	Operating Reserve
City of Buellton	578	1.48%	\$ 29,582
Carpinteria Valley Water District	2,000	5.12%	102,359
Goleta Water District	4,500	11.52%	230,309
City of Guadalupe	550	1.41%	28,149
La Cumbre Mutual Water Company	1,000	2.56%	51,180
Montecito Water District	3,000	7.68%	153,539
Morehart Land Company	200	0.51%	10,236
City of Santa Barbara	3,000	7.68%	153,539
Raytheon Systems Company	50	0.13%	2,559
City of Santa Maria	16,200	41.46%	829,111
Santa Ynez RWCD, I.D. #1	2,000	5.12%	102,359
Golden State Water Company	500	1.28%	25,590
Vandenberg Air Force Base	5,500	14.07%	281,488
TOTAL	39,078	100.00%	\$ 2,000,000

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2010/11 Budget

Rate Coverage Reserve Fund

During its December 18, 1997 regular meeting, the Board of Directors also adopted the “Rate Coverage Reserve Fund” policy as follows:

- Purpose:** The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).
- Contributions:** Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor, which has elected to participate in the Rate Fund, shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor’s Contract Payments with respect to that year. A participating Contractor’s initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund’s creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty-days (60) of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor’s obligations until the subsequent July 1. For example to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund’s creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.
- Withdrawal:** A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority
Reserves and Cash Management
 Fiscal Year 2010/11 Budget

Administration: Investments of deposits in the Rate Coverage Reserve Fund will be in Permitted Investments described in clause (A) of the definition thereof contained in the Indenture of Trust, dated as of November 1, 1996, with maturities of one year or less or in the Local Agency Investment Fund or in other investments approved in writing by AMBAC. Rate Fund investment earnings shall be credited to the Contractors account within the Fund except to the extent the Contractor directs the Authority to credit said earnings to the Contractor's payments obligations or as otherwise directed by the Contractor. Deposits and related earnings on deposits for each project participant will be accounted for on an individual project participant basis even if commingled for investment purposes. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the Rate Fund.

Use of Funds: Monies in the Rate Fund shall not be expended for any purpose, except upon approval of the Board of Directors (i) for emergency expenses, and (ii) to the extent necessary to supplement funds available from the O&M Reserve Fund provided that the Contractor submits written documentation to the Authority that it is in compliance with its WSA rate coverage obligations without considering the proposed expenditure from the fund.

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of December 31, 2009. Participation in the fund for FY 2010/11 is not yet known. Prior to June 30, 2010, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2010/11.

FY 2009/10 Rate Coverage Reserve Fund

Project Participant	FY 2009/10 Deposit
City of Buellton	\$ 257,090
Carpinteria Valley Water District	811,876
City of Guadalupe	166,917
La Cumbre Mutual Water Company	389,111
Montecito Water District	1,082,142
City of Santa Maria	4,267,955
Santa Ynez, RWCD, I.D. #1 (Solvang)	603,042
Santa Ynez, RWCD, I.D. #1	415,892
County of San Luis Obispo (Shandon)	15,127
Oceano Community Services District	183,835
TOTAL:	\$ 8,192,987

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2010/11 Budget

Cash Management

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

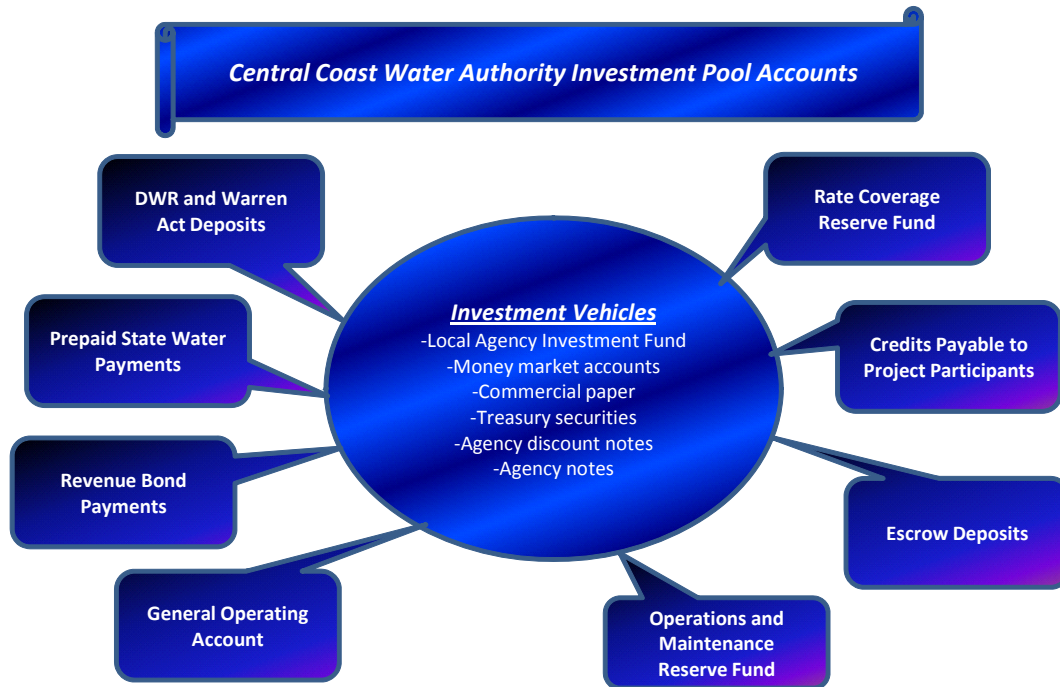
CCWA Investment Pool

All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy found in the Appendix to this document. All cash and investments other than those funds held by the Authority’s Revenue bond trustee are allocated and invested in an investment pool which is comprised of the various “types” of payments paid by the Authority’s project participants further broken down by individual project participants within each account.

Each account within the CCWA investment pool receives investment income based on the account’s proportional share of the average daily balance for the month.

The following graphic shows the total CCWA Investment Pool and the various types of accounts in the pool.

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2010/11 Budget



Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account

Central Coast Water Authority
Reserves and Cash Management
Fiscal Year 2010/11 Budget

represent annual debt service payments on the outstanding revenue bonds [refer to the “CCWA Bond Debt” section of this budget].

- *DWR and Warren Act Payments* - funds paid by the CCWA project participants for both fixed and variable DWR payments and payments to the US Bureau of Reclamation for Warren Act charges for delivery of State Water into Lake Cachuma [refer to the “DWR” section of this budget].
- *Escrow Deposits* - deposits received from certain “non-public agency” project participants as required under their individual water supply agreements. The deposits are approximately equal to one year’s State water payment.
- *Credits payable to Project Participants*- credits from many sources but primarily for O&M credits and interest income credits for under-expended O&M costs from the prior fiscal year.

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Chlorine Gas Manifold Piping in
Chlorinator Room

Four Year Financial Plan

The Four Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant through FY 2013/14. Additionally, this section includes each project participants' requested water deliveries for five years on a fiscal year and calendar year basis.

Central Coast Water Authority
Four Year Financial Plan
 Fiscal Year 2010/11 Budget

The Four Year Financial Plan shows the allocated share of the Authority’s costs to each project participant for four consecutive fiscal years beginning with the current budget year.

The Four Year Financial Plan is prepared to provide each project participant an estimate of future costs for the Authority. Specifically, these projections are used by the Authority’s project participants to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet the coverage covenant contained in the Water Supply Agreements (*please refer to the “Budget Foreword” section of this document for additional information regarding the Water Supply Agreements and the coverage covenant*).

The Four Year Financial Plan consists of two pages for each project participant. The first page shows the requested water deliveries on a multi-year basis. The next two sections show allocation of the Authority’s fixed and variable charges, including modifications for the Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement, if applicable (*see the Water Treatment Plant section to this document for additional information on the Regional Water Treatment Plant and Santa Ynez Exchange Agreements*). The last section shows the allocation of the DWR fixed and variable costs and a summary of projected total costs, by cost type, on a multi-year basis.

The second page of the Four Year Financial Plan shows an estimate of the payments due, by invoice date, for the cost projections shown on the first page of the Four Year Financial Plan.

Basis of Future Cost Estimates

The following is a list of the assumptions used in preparing the future cost estimates in the Four-Year Financial Plan.

- CCWA fixed and variable expense cost increase percentage per year: 3%
- DWR rate management credits per year: Estimated at 50% of full funding each year
- DWR conservation minimum OMP&R costs: \$5/AF increase each year
- DWR capital conservation costs:

	<i>Calendar Years</i>			
	2011	2012	2013	2014
Conservation capital cost increases (millions \$)				
DHCCP Construction	\$ 7	\$ 626	\$ 1,279	\$ 1,449
State Water Project Mitigation (BDCP)	\$ 57	\$ 57	\$ 94	\$ 94
Total Delta Water Charge Capital Rate/AF	\$ 16.00	\$ 25.00	\$ 43.00	\$ 63.00

Central Coast Water Authority
Water Request Projections
 Four Year Financial Plan

Project Participant	Fiscal Year Water Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				Calendar Year Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				
	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	2010	2011	2012	2013	2014
Shandon	-	-	-	-	-	-	-	-	-
Chorro Valley	2,349	2,323	2,323	2,323	2,346	2,323	2,323	2,323	2,323
Lopez	2,034	2,025	2,036	2,036	2,044	2,015	2,036	2,036	2,036
Guadalupe	605	605	605	605	605	605	605	605	605
Santa Maria	15,870	16,870	17,820	17,820	15,270	16,470	17,820	17,820	17,820
Golden State Water Co.	515	550	550	550	520	550	550	550	550
VAFB	6,050	6,050	6,050	6,050	5,950	6,050	6,050	6,050	6,050
Buellton	597	636	636	636	546	636	636	636	636
Santa Ynez (Solvang)	1,365	1,500	1,500	1,500	1,230	1,500	1,500	1,500	1,500
Santa Ynez	425	350	350	350	474	350	350	350	350
Goleta	814	1,042	867	867	955	955	867	867	867
Morehart Land	220	220	220	220	325	220	220	220	220
La Cumbre	1,100	1,100	1,100	1,100	1,370	1,100	1,100	1,100	1,100
Raytheon	55	55	55	55	55	55	55	55	55
Santa Barbara	542	694	578	578	636	636	578	578	578
Montecito	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Carpinteria	362	462	385	385	425	425	385	385	385
TOTAL:	36,203	37,782	38,376	38,376	36,051	37,190	38,376	38,376	38,376

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Central Coast Water Authority
Total Charges-All Participants
 Four Year Financial Plan Charges

Table A Including Drought Buffer				43,908
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	36,203	-	36,203	
FY 2011/12	37,782	-	37,782	
FY 2012/13	38,376	0	38,376	
FY 2013/14	38,376	-	38,376	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 5,535,804	\$ 1,490,472	\$ (1,490,472)	\$ -	\$ -	\$ -	\$ -	\$ 11,299,941	\$ 16,835,745
FY 2011/12	5,701,878	1,411,692	(1,411,692)	-	-	-	-	11,537,325	17,239,203
FY 2012/13	5,872,935	1,493,433	(1,493,433)	-	-	-	-	11,582,463	17,455,397
FY 2013/14	6,049,123	1,512,799	(1,512,799)	-	-	-	-	11,525,975	17,575,098

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

CCWA Variable O&M Charges

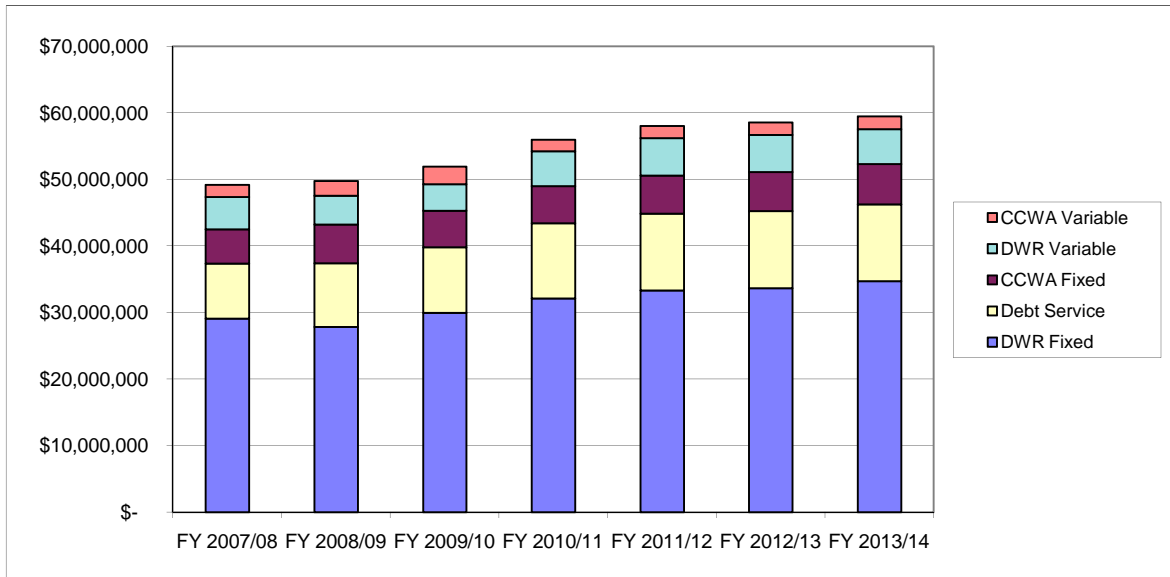
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 1,472,294	\$ 370,771	\$ 140,701	\$ (140,701)	\$ -	\$ -	\$ (131,080)	\$ -	\$ 1,711,985
FY 2011/12	1,562,652	398,634	139,522	(139,522)	-	-	(167,852)	-	1,793,434
FY 2012/13	1,624,934	377,290	147,897	(147,897)	-	-	(139,780)	-	1,862,444
FY 2013/14	1,673,682	377,290	152,334	(152,334)	-	-	(139,780)	-	1,911,192

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11	\$ 32,151,395	\$ 5,265,818	\$ 37,417,212	\$ 5,535,804	\$ 1,711,985	\$ 11,299,941	\$ 32,151,395	\$ 5,265,818	\$ 55,964,943
FY 2011/12	33,346,541	5,650,327	38,996,868	5,701,878	1,793,434	11,537,325	33,346,541	5,650,327	58,029,505
FY 2012/13	33,657,471	5,587,926	39,245,398	5,872,935	1,862,444	11,582,463	33,657,471	5,587,926	58,563,239
FY 2013/14	34,728,448	5,276,888	40,005,337	6,049,123	1,911,192	11,525,975	34,728,448	5,276,888	59,491,626

(3) Net of DWR account interest income.



Central Coast Water Authority
Total Charges - Santa Barbara County Project Participants
 Four Year Financial Plan Charges

Table A Including Drought Buffer				39,078
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	31,820	-	31,820	
FY 2011/12	33,434	-	33,434	
FY 2012/13	34,016	0	34,016	
FY 2013/14	34,016	-	34,016	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 5,032,499	\$ 1,490,472	\$ (1,490,472)	\$ -	\$ -	\$ -	\$ -	\$ 10,170,566	\$ 15,203,065
FY 2011/12	5,351,903	1,411,692	(1,411,692)	-	-	-	-	10,212,998	15,564,901
FY 2012/13	5,512,460	1,493,433	(1,493,433)	-	-	-	-	10,252,955	15,765,415
FY 2013/14	5,677,834	1,512,799	(1,512,799)	-	-	-	-	10,202,951	15,880,785

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

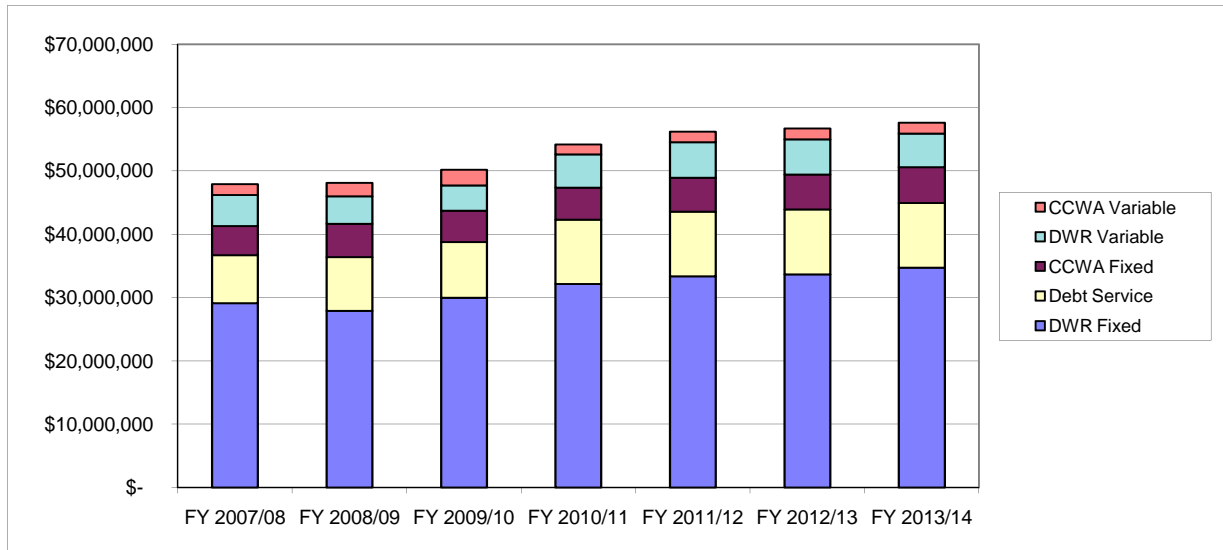
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 1,323,096	\$ 370,771	\$ 140,701	\$ (140,701)	\$ -	\$ -	\$ (131,080)	\$ -	\$ 1,562,787
FY 2011/12	1,410,178	398,634	139,522	(139,522)	-	-	(167,852)	-	1,640,960
FY 2012/13	1,467,481	377,290	147,897	(147,897)	-	-	(139,780)	-	1,704,991
FY 2013/14	1,511,506	377,290	152,334	(152,334)	-	-	(139,780)	-	1,749,016

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2010/11	\$ 32,151,395	\$ 5,265,818	\$ 37,417,212	\$ 5,032,499	\$ 1,562,787	\$ 10,170,566	\$ 32,151,395	\$ 5,265,818
FY 2011/12	33,346,541	5,650,327	38,996,868	5,351,903	1,640,960	10,212,998	33,346,541	5,650,327	56,202,729
FY 2012/13	33,657,471	5,587,926	39,245,398	5,512,460	1,704,991	10,252,955	33,657,471	5,587,926	56,715,803
FY 2013/14	34,728,448	5,276,888	40,005,337	5,677,834	1,749,016	10,202,951	34,728,448	5,276,888	57,635,137

(3) Net of DWR account interest income.



Central Coast Water Authority
Shandon
 Four Year Financial Plan Charges

Table A Including Drought Buffer				100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	-	-	-	
FY 2011/12	-	-	-	
FY 2012/13	-	-	-	
FY 2013/14	-	-	-	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 6,672							\$ 11,063	\$ 17,736
FY 2011/12	6,873							13,078	19,951
FY 2012/13	7,079							13,129	20,208
FY 2013/14	7,291							13,065	20,356

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

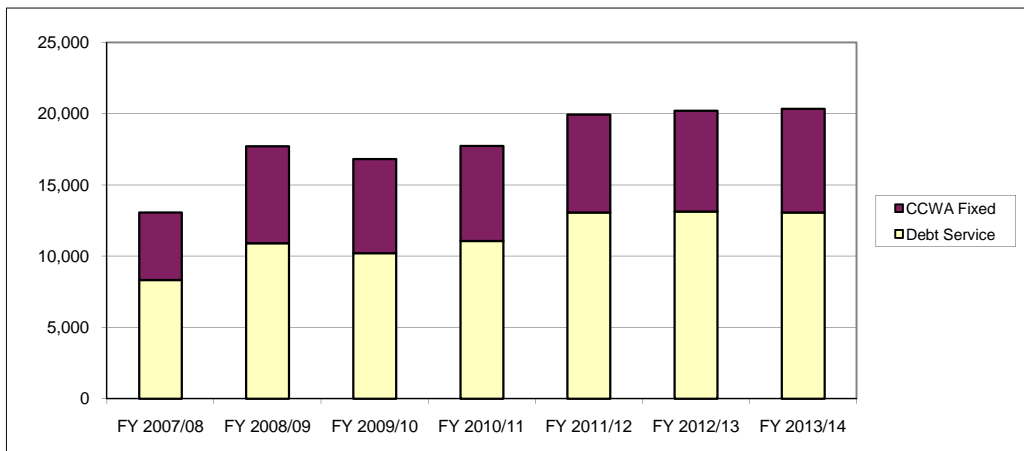
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$0								\$ -
FY 2011/12	-								-
FY 2012/13	-								-
FY 2013/14	-								-

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	<u>Total State Water Charges</u>					
				CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11			\$ -	\$ 6,672	\$ -	\$ 11,063	\$ -	\$ -	\$ 17,736
FY 2011/12			-	6,873	-	13,078	-	-	19,951
FY 2012/13			-	7,079	-	13,129	-	-	20,208
FY 2013/14			-	7,291	-	13,065	-	-	20,356

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Shandon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ -	0
June 1, 2010	\$ 17,736	n/a
July 1, 2010	\$ -	0
October 1, 2010	\$ -	0
January 1, 2011	\$ -	0
April 1, 2011	\$ -	0
June 1, 2011	\$ 19,951	n/a
July 1, 2011	\$ -	0
October 1, 2011	\$ -	0
January 1, 2012	\$ -	0
April 1, 2012	\$ -	0
June 1, 2012	\$ 20,208	n/a
July 1, 2012	\$ -	0
October 1, 2012	\$ -	0
January 1, 2013	\$ -	0
April 1, 2013	\$ -	0
June 1, 2013	\$ 20,356	n/a
July 1, 2013	\$ -	0
October 1, 2013	\$ -	0
January 1, 2014	\$ -	0

Central Coast Water Authority
Chorro Valley Turnout
 Four Year Financial Plan Charges

Table A Including Drought Buffer				2,338
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	2,349	-	2,349	
FY 2011/12	2,323	-	2,323	
FY 2012/13	2,323	-	2,323	
FY 2013/14	2,323	-	2,323	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 159,202							\$ 1,046,974	\$ 1,206,176
FY 2011/12	163,978							1,041,848	1,205,826
FY 2012/13	168,897							1,045,924	1,214,822
FY 2013/14	173,964							1,040,823	1,214,788

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

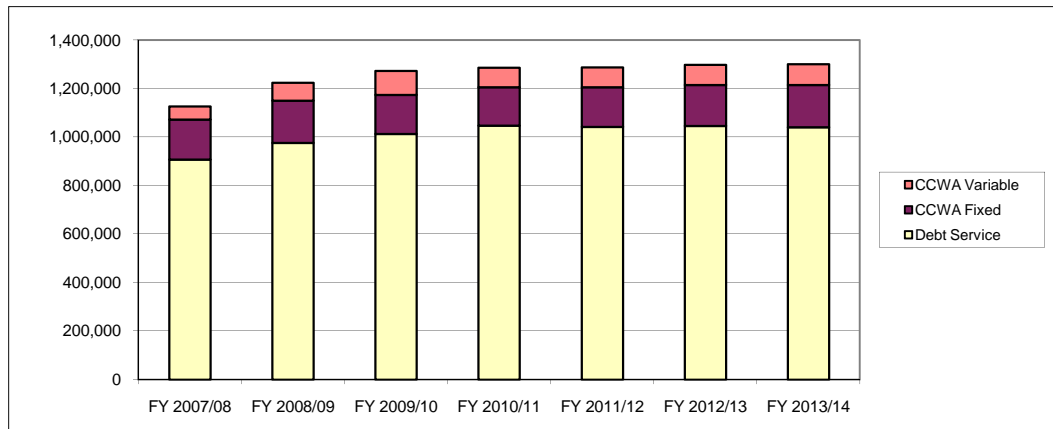
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 79,964								\$ 79,964
FY 2011/12	81,461								81,461
FY 2012/13	83,905								83,905
FY 2013/14	86,422								86,422

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2010/11			\$ -	\$ 159,202	\$ 79,964	\$ 1,046,974	\$ -	\$ -	\$ 1,286,140
FY 2011/12			-	163,978	81,461	1,041,848	-	-	1,287,288
FY 2012/13			-	168,897	83,905	1,045,924	-	-	1,298,727
FY 2013/14			-	173,964	86,422	1,040,823	-	-	1,301,210

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Chorro Valley

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 21,224	623
June 1, 2010	\$ 1,206,176	n/a
July 1, 2010	\$ 19,380	569
October 1, 2010	\$ 19,496	573
January 1, 2011	\$ 19,864	584
April 1, 2011	\$ 20,460	584
June 1, 2011	\$ 1,205,826	n/a
July 1, 2011	\$ 20,460	584
October 1, 2011	\$ 20,081	573
January 1, 2012	\$ 20,460	584
April 1, 2012	\$ 21,074	584
June 1, 2012	\$ 1,214,822	n/a
July 1, 2012	\$ 21,074	584
October 1, 2012	\$ 20,683	573
January 1, 2013	\$ 21,074	584
April 1, 2013	\$ 21,706	584
June 1, 2013	\$ 1,214,788	n/a
July 1, 2013	\$ 21,706	584
October 1, 2013	\$ 21,304	573
January 1, 2014	\$ 21,706	584

Central Coast Water Authority
Lopez Turnout
 Four Year Financial Plan Charges

Table A Including Drought Buffer				2,392
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	2,034	-	2,034	
FY 2011/12	2,025	-	2,025	
FY 2012/13	2,036	-	2,036	
FY 2013/14	2,036	-	2,036	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 173,908							\$ 234,861	\$ 408,768
FY 2011/12	179,125							269,400	448,525
FY 2012/13	184,499							270,454	454,953
FY 2013/14	190,034							269,135	459,169

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

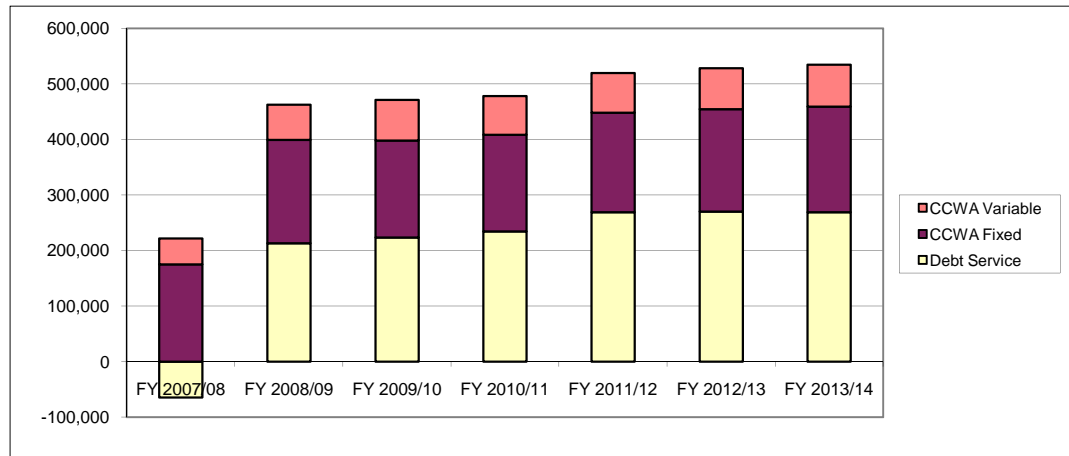
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 69,235								\$ 69,235
FY 2011/12	71,013								71,013
FY 2012/13	73,548								73,548
FY 2013/14	75,754								75,754

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2010/11			-	\$ 173,908	\$ 69,235	\$ 234,861	-	-	\$ 478,003
FY 2011/12			-	179,125	71,013	269,400	-	-	519,538
FY 2012/13			-	184,499	73,548	270,454	-	-	528,501
FY 2013/14			-	190,034	75,754	269,135	-	-	534,923

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Lopez

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 19,862	583
June 1, 2010	\$ 408,768	n/a
July 1, 2010	\$ 17,066	501
October 1, 2010	\$ 14,315	421
January 1, 2011	\$ 17,992	529
April 1, 2011	\$ 19,864	567
June 1, 2011	\$ 448,525	n/a
July 1, 2011	\$ 17,515	500
October 1, 2011	\$ 14,906	425
January 1, 2012	\$ 18,728	534
April 1, 2012	\$ 20,698	573
June 1, 2012	\$ 454,953	n/a
July 1, 2012	\$ 18,206	504
October 1, 2012	\$ 15,353	425
January 1, 2013	\$ 19,290	534
April 1, 2013	\$ 21,319	573
June 1, 2013	\$ 459,169	n/a
July 1, 2013	\$ 18,753	504
October 1, 2013	\$ 15,814	425
January 1, 2014	\$ 19,869	534

Central Coast Water Authority
City of Guadalupe
 Four Year Financial Plan Charges

Table A Including Drought Buffer				605
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	605	-	605	
FY 2011/12	605	-	605	
FY 2012/13	605	-	605	
FY 2013/14	605	-	605	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 60,832	\$ 20,978	\$ -	\$ 20,978	\$ -	\$ -	\$ -	\$ 157,522	\$ 239,332
FY 2011/12	62,657	19,869	-	19,869	-	-	-	164,371	246,897
FY 2012/13	64,537	21,019	-	21,019	-	-	-	165,014	250,570
FY 2013/14	66,473	21,292	-	21,292	-	-	-	164,210	251,974

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

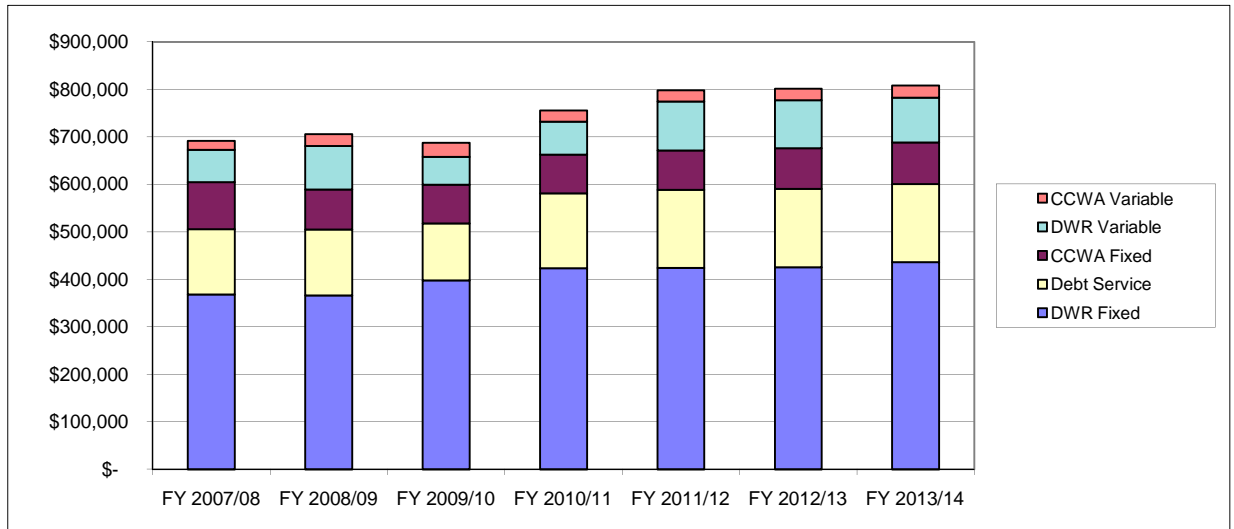
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 20,596	\$ -	\$ 2,675	\$ -	\$ 2,675	\$ -	\$ -	\$ -	\$ 23,271
FY 2011/12	21,214	-	2,525	-	2,525	-	-	-	23,739
FY 2012/13	21,851	-	2,630	-	2,630	-	-	-	24,481
FY 2013/14	22,506	-	2,709	-	2,709	-	-	-	25,215

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2010/11	\$ 423,426	\$ 69,308	\$ 492,734	\$ 81,810	\$ 23,271	\$ 157,522	\$ 423,426	\$ 69,308	\$ 755,337	
FY 2011/12	424,112	103,411	527,523	82,526	23,739	164,371	424,112	103,411	798,159	
FY 2012/13	425,163	101,436	526,599	85,556	24,481	165,014	425,163	101,436	801,650	
FY 2013/14	436,246	94,478	530,725	87,765	25,215	164,210	436,246	94,478	807,914	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

City of Guadalupe

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 25,941	171
June 1, 2010	\$ 662,758	n/a
July 1, 2010	\$ 20,136	130
October 1, 2010	\$ 22,968	150
January 1, 2011	\$ 23,534	154
April 1, 2011	\$ 34,750	171
June 1, 2011	\$ 671,009	n/a
July 1, 2011	\$ 27,811	130
October 1, 2011	\$ 31,946	150
January 1, 2012	\$ 32,643	154
April 1, 2012	\$ 34,565	171
June 1, 2012	\$ 675,733	n/a
July 1, 2012	\$ 27,371	130
October 1, 2012	\$ 31,630	150
January 1, 2013	\$ 32,352	154
April 1, 2013	\$ 33,132	171
June 1, 2013	\$ 688,221	n/a
July 1, 2013	\$ 25,683	130
October 1, 2013	\$ 30,066	150
January 1, 2014	\$ 30,813	154

Central Coast Water Authority
City of Santa Maria
 Four Year Financial Plan Charges

Table A Including Drought Buffer				17,820
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	15,870	-	15,870	
FY 2011/12	16,870	-	16,870	
FY 2012/13	17,820	-	17,820	
FY 2013/14	17,820	-	17,820	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Prepayments and Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 1,760,550	\$ 617,883	\$ -	\$ 617,883	\$ -	\$ -	\$ -	\$ 38,927	\$ 2,417,360
FY 2011/12	1,813,366	585,225	-	585,225	-	-	-	-	2,398,591
FY 2012/13	1,867,767	619,111	-	619,111	-	-	-	-	2,486,878
FY 2013/14	1,923,800	627,139	-	627,139	-	-	-	-	2,550,940

(1) Includes capital improvement projects.

CCWA Variable O&M Charges

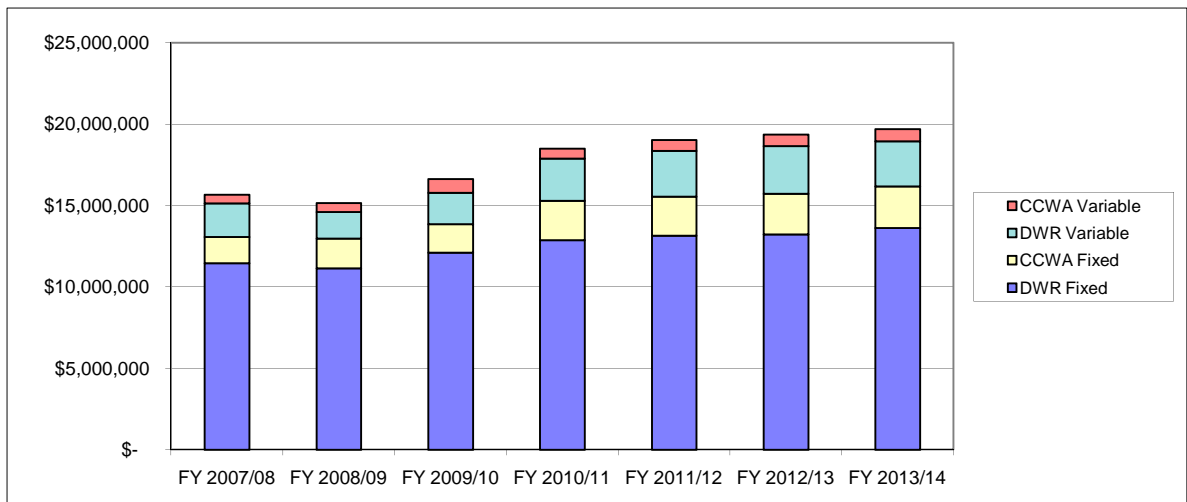
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 540,267	\$ -	\$ 70,174	\$ -	\$ 70,174	\$ -	\$ -	\$ -	\$ 610,441
FY 2011/12	591,540	-	70,399	-	70,399	-	-	-	661,939
FY 2012/13	643,597	-	77,479	-	77,479	-	-	-	721,076
FY 2013/14	662,904	-	79,803	-	79,803	-	-	-	742,708

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11	\$ 12,872,123	\$ 2,593,462	\$ 15,465,586	\$ 2,378,433	\$ 610,441	\$ 38,927	\$ 12,872,123	\$ 2,593,462	\$ 18,493,387
FY 2011/12	13,140,403	2,822,586	15,962,988	2,398,591	661,939	0	13,140,403	2,822,586	19,023,519
FY 2012/13	13,222,925	2,932,630	16,155,555	2,486,878	721,076	0	13,222,925	2,932,630	19,363,509
FY 2013/14	13,610,157	2,779,544	16,389,701	2,550,940	742,708	0	13,610,157	2,779,544	19,683,349

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Maria

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 895,245	4,600
June 1, 2010	\$ 15,289,484	n/a
July 1, 2010	\$ 711,923	3,370
October 1, 2010	\$ 701,490	3,300
January 1, 2011	\$ 895,245	4,600
April 1, 2011	\$ 976,261	4,900
June 1, 2011	\$ 15,538,994	n/a
July 1, 2011	\$ 768,099	3,670
October 1, 2011	\$ 809,100	3,800
January 1, 2012	\$ 931,066	4,500
April 1, 2012	\$ 1,024,999	5,150
June 1, 2012	\$ 15,709,803	n/a
July 1, 2012	\$ 888,137	4,370
October 1, 2012	\$ 807,122	3,800
January 1, 2013	\$ 933,447	4,500
April 1, 2013	\$ 996,454	5,150
June 1, 2013	\$ 16,161,097	n/a
July 1, 2013	\$ 854,745	4,370
October 1, 2013	\$ 770,189	3,800
January 1, 2014	\$ 900,864	4,500

Central Coast Water Authority
Golden State Water Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				550
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	515	-	515	
FY 2011/12	550	-	550	
FY 2012/13	550	-	550	
FY 2013/14	550	-	550	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 58,368	\$ 19,070	\$ -	\$ 19,070	\$ -	\$ -	\$ -	\$ (3,800)	\$ 73,638
FY 2011/12	60,119	18,062	-	18,062	-	-	-	-	78,182
FY 2012/13	61,923	19,108	-	19,108	-	-	-	-	81,031
FY 2013/14	63,781	19,356	-	19,356	-	-	-	-	83,137

(1) Includes capital improvement projects.

CCWA Variable O&M Charges

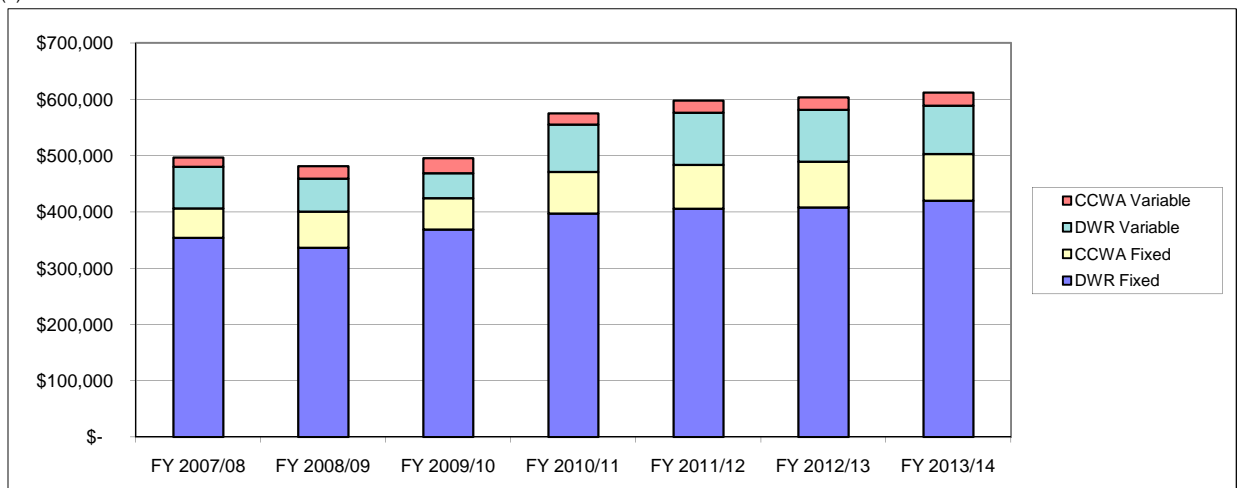
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 17,532	\$ -	\$ 2,277	\$ -	\$ 2,277	\$ -	\$ -	\$ -	\$ 19,810
FY 2011/12	19,286	-	2,295	-	2,295	-	-	-	21,581
FY 2012/13	19,864	-	2,391	-	2,391	-	-	-	22,255
FY 2013/14	20,460	-	2,463	-	2,463	-	-	-	22,923

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11	\$ 397,288	\$ 84,467	\$ 481,755	\$ 77,439	\$ 19,810	\$ (3,800)	\$ 397,288	\$ 84,467	\$ 575,203
FY 2011/12	405,568	92,757	498,325	78,182	21,581	0	405,568	92,757	598,087
FY 2012/13	408,115	92,098	500,213	81,031	22,255	0	408,115	92,098	603,499
FY 2013/14	420,067	85,773	505,839	83,137	22,923	0	420,067	85,773	611,899

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Golden State Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 30,472	158
June 1, 2010	\$ 470,926	n/a
July 1, 2010	\$ 22,343	104
October 1, 2010	\$ 24,752	120
January 1, 2011	\$ 26,709	133
April 1, 2011	\$ 31,568	157
June 1, 2011	\$ 483,750	n/a
July 1, 2011	\$ 28,691	140
October 1, 2011	\$ 25,906	120
January 1, 2012	\$ 28,172	133
April 1, 2012	\$ 31,694	157
June 1, 2012	\$ 489,146	n/a
July 1, 2012	\$ 28,711	140
October 1, 2012	\$ 25,801	120
January 1, 2013	\$ 28,147	133
April 1, 2013	\$ 30,400	157
June 1, 2013	\$ 503,203	n/a
July 1, 2013	\$ 27,312	140
October 1, 2013	\$ 24,278	120
January 1, 2014	\$ 26,705	133

Central Coast Water Authority
Vandenberg Air Force Base
 Four Year Financial Plan Charges

Table A Including Drought Buffer				6,050
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	6,050	-	6,050	
FY 2011/12	6,050	-	6,050	
FY 2012/13	6,050	-	6,050	
FY 2013/14	6,050	-	6,050	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 672,253	\$ 209,775	\$ -	\$ 209,775	\$ -	\$ -	\$ -	\$ (40,848)	\$ 841,180
FY 2011/12	692,421	198,687	-	198,687	-	-	-	-	891,108
FY 2012/13	713,193	210,192	-	210,192	-	-	-	-	923,385
FY 2013/14	734,589	212,918	-	212,918	-	-	-	-	947,507

(1) Includes capital improvement projects.

CCWA Variable O&M Charges

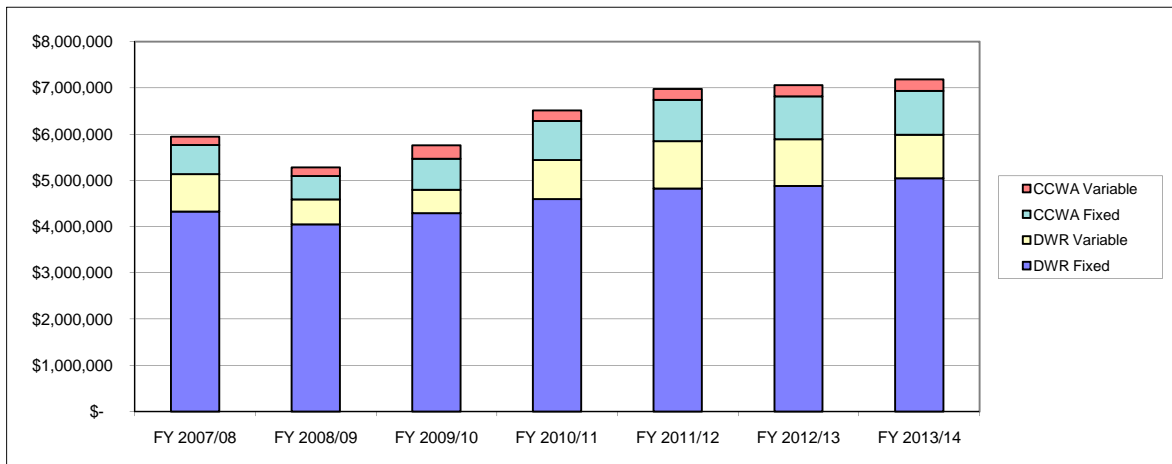
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 205,962	\$ -	\$ 26,752	\$ -	\$ 26,752	\$ -	\$ -	\$ -	\$ 232,714
FY 2011/12	212,141	-	25,247	-	25,247	-	-	-	237,388
FY 2012/13	218,505	-	26,305	-	26,305	-	-	-	244,810
FY 2013/14	225,060	-	27,094	-	27,094	-	-	-	252,154

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽²⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2011/12	4,822,207	1,029,595	5,851,802	891,108	237,388	0	4,822,207	1,029,595	6,980,298
FY 2012/13	4,878,934	1,013,635	5,892,569	923,385	244,810	0	4,878,934	1,013,635	7,060,764
FY 2013/14	5,044,235	944,058	5,988,293	947,507	252,154	0	5,044,235	944,058	7,187,954

(2) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Vandenberg Air Force Base

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 291,632	1,655
June 1, 2010	\$ 5,434,196	n/a
July 1, 2010	\$ 268,321	1,500
October 1, 2010	\$ 260,801	1,450
January 1, 2011	\$ 260,049	1,445
April 1, 2011	\$ 337,243	1,655
June 1, 2011	\$ 5,713,315	n/a
July 1, 2011	\$ 311,011	1,500
October 1, 2011	\$ 309,800	1,450
January 1, 2012	\$ 308,928	1,445
April 1, 2012	\$ 335,996	1,655
June 1, 2012	\$ 5,802,319	n/a
July 1, 2012	\$ 308,799	1,500
October 1, 2012	\$ 307,276	1,450
January 1, 2013	\$ 306,374	1,445
April 1, 2013	\$ 321,323	1,655
June 1, 2013	\$ 5,991,742	n/a
July 1, 2013	\$ 293,163	1,500
October 1, 2013	\$ 291,329	1,450
January 1, 2014	\$ 290,396	1,445

Central Coast Water Authority
City of Buellton
 Four Year Financial Plan Charges

Table A Including Drought Buffer				636
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	597	-	597	
FY 2011/12	636	-	636	
FY 2012/13	636	-	636	
FY 2013/14	636	-	636	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 82,485	\$ 22,045	\$ -	\$ 22,045	\$ -	\$ -	\$ -	\$ 292,474	\$ 397,005
FY 2011/12	84,960	20,880	-	20,880	-	-	-	291,173	397,013
FY 2012/13	87,508	22,089	-	22,089	-	-	-	292,313	401,910
FY 2013/14	90,134	22,376	-	22,376	-	-	-	290,887	403,396

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

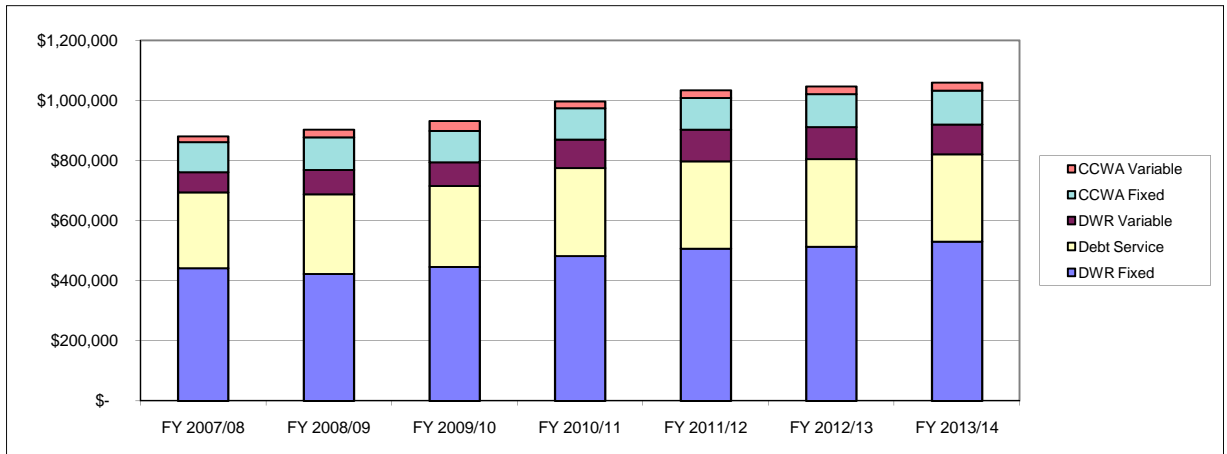
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 20,324	\$ -	\$ 2,640	\$ -	\$ 2,640	\$ -	\$ -	\$ -	\$ 22,964
FY 2011/12	22,301	-	2,654	-	2,654	-	-	-	24,955
FY 2012/13	22,970	-	2,765	-	2,765	-	-	-	25,735
FY 2013/14	23,659	-	2,848	-	2,848	-	-	-	26,507

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2010/11	\$ 482,694	\$ 94,779	\$ 577,473	\$ 104,531	\$ 22,964	\$ 292,474	\$ 482,694	\$ 94,779
FY 2011/12	506,780	105,254	612,034	105,840	24,955	291,173	506,780	105,254	1,034,002
FY 2012/13	512,742	106,586	619,328	109,598	25,735	292,313	512,742	106,586	1,046,973
FY 2013/14	530,114	99,271	629,385	112,509	26,507	290,887	530,114	99,271	1,059,289

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

City of Buellton

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 32,889	172
June 1, 2010	\$ 879,699	n/a
July 1, 2010	\$ 24,236	115
October 1, 2010	\$ 29,549	150
January 1, 2011	\$ 31,068	160
April 1, 2011	\$ 36,057	182
June 1, 2011	\$ 903,794	n/a
July 1, 2011	\$ 29,626	144
October 1, 2011	\$ 31,392	150
January 1, 2012	\$ 33,134	160
April 1, 2012	\$ 36,728	182
June 1, 2012	\$ 914,652	n/a
July 1, 2012	\$ 30,061	144
October 1, 2012	\$ 31,864	150
January 1, 2013	\$ 33,668	160
April 1, 2013	\$ 35,236	182
June 1, 2013	\$ 933,510	n/a
July 1, 2013	\$ 28,332	144
October 1, 2013	\$ 30,172	150
January 1, 2014	\$ 32,039	160

Central Coast Water Authority
Santa Ynez Improvement District No. 1 (City of Solvang)
 Four Year Financial Plan Charges

Table A Including Drought Buffer			1,500
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries
FY 2010/11	1,365	-	1,365
FY 2011/12	1,500	-	1,500
FY 2012/13	1,500	-	1,500
FY 2013/14	1,500	-	1,500

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 209,834	\$ 57,211	\$ -	\$ 57,211	\$ -	\$ -	\$ -	\$ 909,557	\$ 1,176,603
FY 2011/12	216,129	54,187	-	54,187	-	-	-	894,189	1,164,506
FY 2012/13	222,613	57,325	-	57,325	-	-	-	897,687	1,177,626
FY 2013/14	229,292	58,068	-	58,068	-	-	-	893,309	1,180,669

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

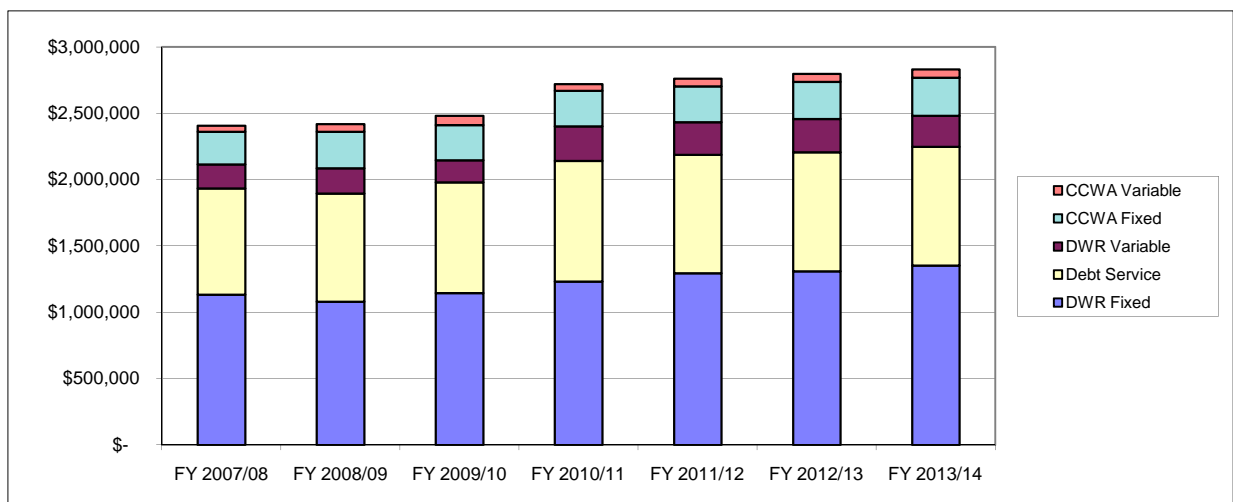
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 46,469	\$ -	\$ 6,036	\$ -	\$ 6,036	\$ -	\$ -	\$ -	\$ 52,505
FY 2011/12	52,597	-	6,260	-	6,260	-	-	-	58,856
FY 2012/13	54,175	-	6,522	-	6,522	-	-	-	60,697
FY 2013/14	55,800	-	6,717	-	6,717	-	-	-	62,518

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2010/11	\$ 1,231,405	\$ 261,514	\$ 1,492,919	\$ 267,046	\$52,505	\$909,557	\$ 1,231,405	\$ 261,514	\$ 2,722,027	
FY 2011/12	1,293,695	245,923	1,539,618	270,317	58,856	894,189	1,293,695	245,923	2,762,980	
FY 2012/13	1,309,161	251,251	1,560,412	279,938	60,697	897,687	1,309,161	251,251	2,798,734	
FY 2013/14	1,353,874	234,000	1,587,874	287,360	62,518	893,309	1,353,874	234,000	2,831,061	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary
 Santa Ynez River Water Conservation District, ID#1
(City of Solvang)

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 81,314	360
June 1, 2010	\$ 2,408,008	n/a
July 1, 2010	\$ 72,325	300
October 1, 2010	\$ 76,819	330
January 1, 2011	\$ 83,561	375
April 1, 2011	\$ 82,083	415
June 1, 2011	\$ 2,458,201	n/a
July 1, 2011	\$ 76,160	380
October 1, 2011	\$ 69,348	330
January 1, 2012	\$ 77,189	375
April 1, 2012	\$ 84,124	415
June 1, 2012	\$ 2,486,787	n/a
July 1, 2012	\$ 77,983	380
October 1, 2012	\$ 70,860	330
January 1, 2013	\$ 78,981	375
April 1, 2013	\$ 80,515	415
June 1, 2013	\$ 2,534,543	n/a
July 1, 2013	\$ 74,157	380
October 1, 2013	\$ 66,723	330
January 1, 2014	\$ 75,123	375

Central Coast Water Authority
Santa Ynez Improvement District No. 1
 Four Year Financial Plan Charges

Table A Including Drought Buffer				700
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	425	2,260	2,685	
FY 2011/12	350	2,894	3,244	
FY 2012/13	350	2,410	2,760	
FY 2013/14	350	2,410	2,760	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 70,880	\$ 105,269	\$ -	\$ 105,269	\$ 168,979	\$ 124,186	\$ 293,165	\$ 254,364	\$ 723,678
FY 2011/12	73,006	122,608	-	122,608	216,383	159,947	376,330	335,816	907,760
FY 2012/13	75,196	111,211	-	111,211	180,195	137,193	317,387	337,130	840,924
FY 2013/14	77,452	112,653	-	112,653	180,195	141,308	321,503	335,485	847,094

(1) Includes capital improvement projects

(2) Net of CCWA credits

CCWA Variable O&M Charges

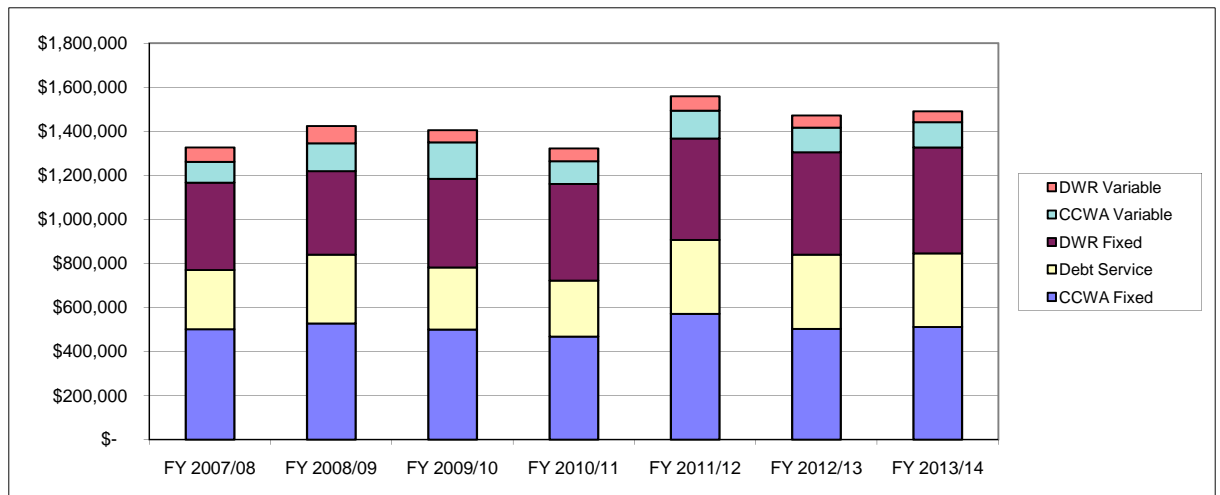
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 14,468	\$ -	\$ 11,872	\$ -	\$ 11,872	\$ 76,938	\$ -	\$ -	\$ 103,279
FY 2011/12	12,273	-	13,537	-	13,537	101,477	-	-	127,287
FY 2012/13	12,641	-	12,000	-	12,000	87,041	-	-	111,682
FY 2013/14	13,020	-	12,360	-	12,360	89,652	-	-	115,032

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11	\$ 438,783	\$ 57,166	\$ 495,948	\$ 469,314	\$ 103,279	\$254,364	\$ 438,783	\$ 57,166	\$ 1,322,905
FY 2011/12	459,835	64,607	524,442	571,944	127,287	335,816	459,835	64,607	1,559,489
FY 2012/13	464,996	55,688	520,684	503,795	111,682	337,130	464,996	55,688	1,473,290
FY 2013/14	480,394	49,775	530,169	511,608	115,032	335,485	480,394	49,775	1,492,295

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Santa Ynez River Water Conservation District, ID#1

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2010	\$ 79,365	180	1,288
June 1, 2010	\$ 1,162,461	n/a	n/a
July 1, 2010	\$ 21,605	90	190
October 1, 2010	\$ 12,691	52	65
January 1, 2011	\$ 46,783	103	717
April 1, 2011	\$ 74,092	105	1,270
June 1, 2011	\$ 1,367,595	n/a	n/a
July 1, 2011	\$ 42,629	90	599
October 1, 2011	\$ 20,576	52	204
January 1, 2012	\$ 54,598	103	821
April 1, 2012	\$ 70,356	105	1,171
June 1, 2012	\$ 1,305,921	n/a	n/a
July 1, 2012	\$ 23,983	90	214
October 1, 2012	\$ 18,649	52	204
January 1, 2013	\$ 54,382	103	821
April 1, 2013	\$ 70,593	105	1,171
June 1, 2013	\$ 1,327,487	n/a	n/a
July 1, 2013	\$ 22,814	90	214
October 1, 2013	\$ 17,277	52	204
January 1, 2014	\$ 54,122	103	821

Central Coast Water Authority
Goleta Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				4,950
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	814	(814)	0	
FY 2011/12	1,042	(1,042)	0	
FY 2012/13	867	(868)	(1)	
FY 2013/14	867	(868)	(1)	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 746,450	\$ 140,603	\$ (478,196)	\$ (337,594)	\$ (60,833)	\$ (44,707)	\$ (105,539)	\$ 2,683,612	\$ 2,986,929
FY 2011/12	768,844	124,926	(449,692)	(324,766)	(77,898)	(57,581)	(135,479)	2,818,316	3,126,915
FY 2012/13	791,909	138,818	(478,373)	(339,554)	(64,870)	(49,389)	(114,259)	2,829,343	3,167,438
FY 2013/14	815,666	140,619	(484,576)	(343,958)	(64,870)	(50,871)	(115,741)	2,815,544	3,171,511

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

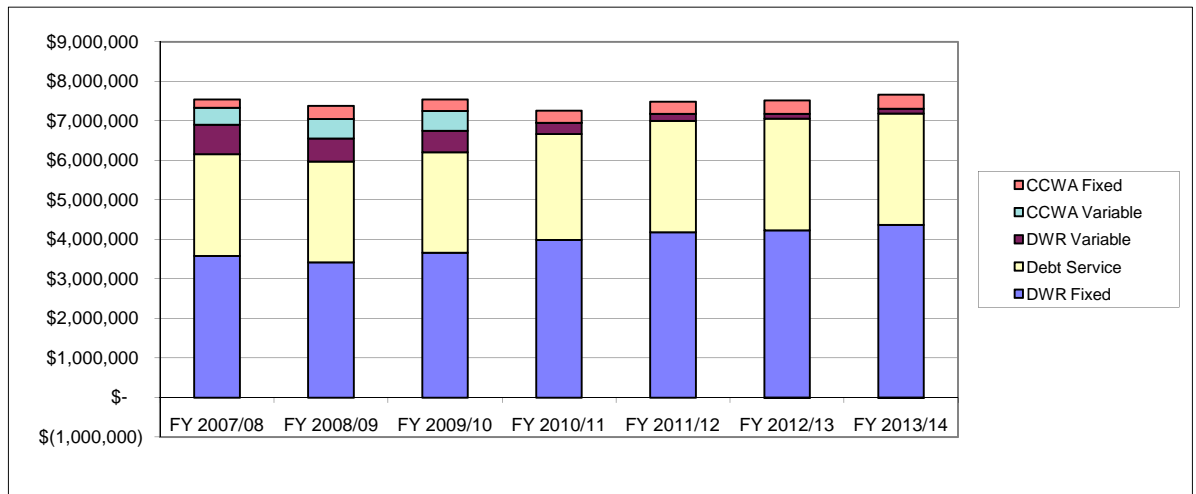
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2010/11	\$ 27,734	\$ 47,189	\$ 2	\$ (14)	\$ (12)	\$ (27,698)	\$ (47,189)	\$ 25
FY 2011/12	36,546	60,436	1	(6)	(5)	(36,532)	(60,427)	19
FY 2012/13	31,278	50,286	(3)	22	19	(31,335)	(50,321)	(72)
FY 2013/14	32,216	50,286	(3)	22	20	(32,275)	(50,321)	(74)

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				CCWA Fixed	CCWA Variable O&M				
FY 2010/11	\$ 3,988,043	\$ 281,640	\$ 4,269,683	\$ 303,317	\$ 25	\$ 2,683,612	\$ 3,988,043	\$ 281,640	\$ 7,256,637
FY 2011/12	4,183,865	177,560	4,361,425	308,599	19	2,818,316	4,183,865	177,560	7,488,359
FY 2012/13	4,229,955	118,895	4,348,850	338,095	(72)	2,829,343	4,229,955	118,895	7,516,215
FY 2013/14	4,369,875	123,230	4,493,105	355,967	(74)	2,815,544	4,369,875	123,230	7,664,543

(3) Net of DWR account interest income. Includes DWR fixed costs for the Goleta additional 2500 AF.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Goleta Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2010	\$ 104,260	463	(1)
June 1, 2010	\$ 6,974,972	n/a	n/a
July 1, 2010	\$ 52,688	68	(0)
October 1, 2010	\$ 47,004	24	1
January 1, 2011	\$ 77,714	259	1
April 1, 2011	\$ 69,449	457	(0)
June 1, 2011	\$ 7,310,780	n/a	n/a
July 1, 2011	\$ 37,937	215	(1)
October 1, 2011	\$ 20,119	74	1
January 1, 2012	\$ 50,075	296	0
April 1, 2012	\$ 56,767	421	(1)
June 1, 2012	\$ 7,397,393	n/a	n/a
July 1, 2012	\$ 10,134	76	(1)
October 1, 2012	\$ 10,428	74	1
January 1, 2013	\$ 41,493	296	0
April 1, 2013	\$ 58,871	421	(1)
June 1, 2013	\$ 7,541,386	n/a	n/a
July 1, 2013	\$ 10,513	76	(1)
October 1, 2013	\$ 10,799	74	1
January 1, 2014	\$ 42,974	296	0

Central Coast Water Authority
Morehart Land Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				220
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	220	-	220	
FY 2011/12	220	-	220	
FY 2012/13	220	-	220	
FY 2013/14	220	-	220	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 33,176	\$ 7,628	\$ (25,944)	\$ (18,316)	\$ -	\$ -	\$ -	\$ 113,562	\$ 128,422
FY 2011/12	34,171	7,225	(26,008)	(18,783)	-	-	-	129,420	144,808
FY 2012/13	35,196	7,643	(26,339)	(18,696)	-	-	-	129,926	146,426
FY 2013/14	36,252	7,742	(26,681)	(18,938)	-	-	-	129,293	146,606

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

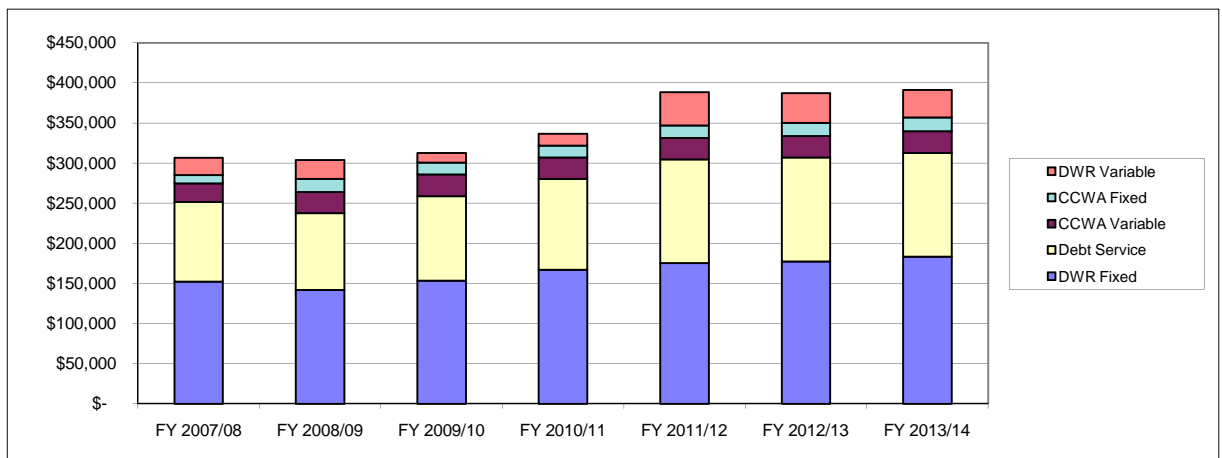
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 20,256	\$ 12,760	\$ 973	\$ (7,490)	\$ (6,517)	\$ -	\$ -	\$ -	\$ 26,499
FY 2011/12	20,864	12,760	918	(7,714)	(6,796)	-	-	-	26,828
FY 2012/13	20,783	12,760	957	(7,946)	(6,989)	-	-	-	26,553
FY 2013/14	21,406	12,760	985	(8,184)	(7,199)	-	-	-	26,967

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2010/11	\$ 167,019	\$ 14,766	\$ 181,785	\$ 14,860	\$ 26,499	\$ 113,562	\$ 167,019	\$ 14,766	\$ 336,707
FY 2011/12	175,353	41,582	216,935	15,388	26,828	129,420	175,353	41,582	388,571
FY 2012/13	177,416	36,888	214,304	16,500	26,553	129,926	177,416	36,888	387,284
FY 2013/14	183,427	34,358	217,785	17,314	26,967	129,293	183,427	34,358	391,358

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Morehart Land Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 11,060	59
June 1, 2010	\$ 295,441	n/a
July 1, 2010	\$ 9,387	50
October 1, 2010	\$ 11,246	60
January 1, 2011	\$ 9,573	51
April 1, 2011	\$ 17,971	59
June 1, 2011	\$ 320,161	n/a
July 1, 2011	\$ 15,704	50
October 1, 2011	\$ 18,523	60
January 1, 2012	\$ 16,211	51
April 1, 2012	\$ 16,744	59
June 1, 2012	\$ 323,842	n/a
July 1, 2012	\$ 14,443	50
October 1, 2012	\$ 17,300	60
January 1, 2013	\$ 14,954	51
April 1, 2013	\$ 16,243	59
June 1, 2013	\$ 330,033	n/a
July 1, 2013	\$ 13,880	50
October 1, 2013	\$ 16,805	60
January 1, 2014	\$ 14,397	51

Central Coast Water Authority
La Cumbre Mutual Water Company
 Four Year Financial Plan Charges

Table A Including Drought Buffer				1,100
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	1,100	-	1,100	
FY 2011/12	1,100	-	1,100	
FY 2012/13	1,100	-	1,100	
FY 2013/14	1,100	-	1,100	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 165,878	\$ 38,141	\$ (129,719)	\$ (91,578)	\$ -	\$ -	\$ -	\$ 649,246	\$ 723,546
FY 2011/12	170,854	36,125	(130,038)	(93,913)	-	-	-	619,608	696,549
FY 2012/13	175,980	38,217	(131,696)	(93,479)	-	-	-	622,032	704,532
FY 2013/14	181,259	38,712	(133,404)	(94,692)	-	-	-	618,998	705,566

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

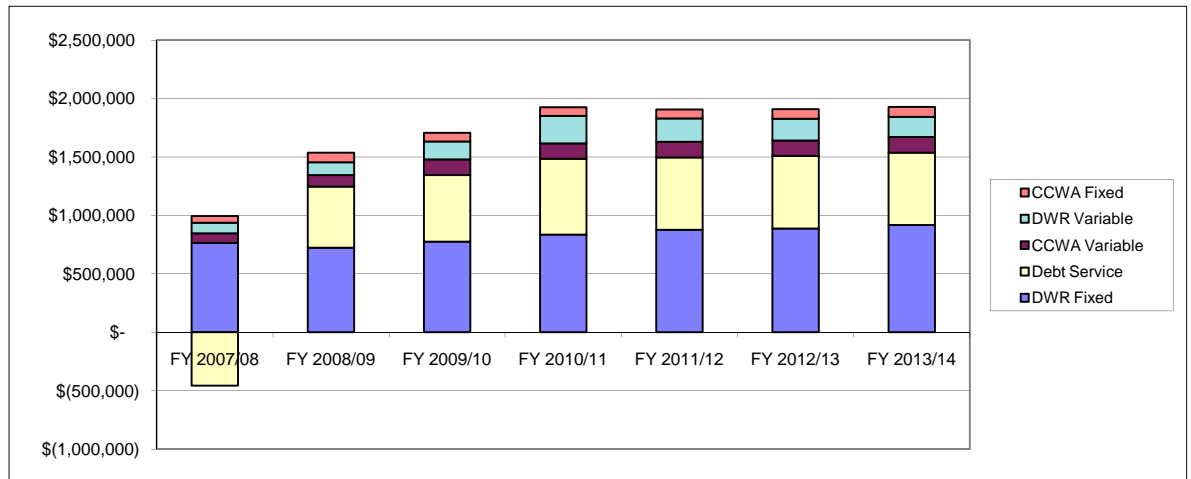
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 101,281	\$ 63,800	\$ 4,864	\$ (37,448)	\$ (32,584)	\$ -	\$ -	\$ -	\$ 132,497
FY 2011/12	104,319	63,800	4,590	(38,571)	(33,981)	-	-	-	134,138
FY 2012/13	103,913	63,800	4,783	(39,728)	(34,946)	-	-	-	132,767
FY 2013/14	107,030	63,800	4,926	(40,920)	(35,994)	-	-	-	134,836

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2010/11	\$ 835,094	\$ 235,001	\$ 1,070,094	\$74,300	\$ 132,497	\$ 649,246	\$ 835,094	\$ 235,001	\$ 1,926,137	
FY 2011/12	876,765	198,174	1,074,939	76,941	134,138	619,608	876,765	198,174	1,905,627	
FY 2012/13	887,079	184,360	1,071,439	82,500	132,767	622,032	887,079	184,360	1,908,739	
FY 2013/14	917,134	171,710	1,088,844	86,568	134,836	618,998	917,134	171,710	1,929,246	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

La Cumbre Mutual Water Company

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 100,264	310
June 1, 2010	\$ 1,558,640	n/a
July 1, 2010	\$ 86,122	251
October 1, 2010	\$ 90,676	270
January 1, 2011	\$ 90,436	269
April 1, 2011	\$ 91,222	310
June 1, 2011	\$ 1,573,314	n/a
July 1, 2011	\$ 76,358	251
October 1, 2011	\$ 82,495	270
January 1, 2012	\$ 82,238	269
April 1, 2012	\$ 87,558	310
June 1, 2012	\$ 1,591,611	n/a
July 1, 2012	\$ 72,471	251
October 1, 2012	\$ 78,680	270
January 1, 2013	\$ 78,419	269
April 1, 2013	\$ 85,153	310
June 1, 2013	\$ 1,622,700	n/a
July 1, 2013	\$ 69,661	251
October 1, 2013	\$ 76,000	270
January 1, 2014	\$ 75,732	269

Central Coast Water Authority
Raytheon
 Four Year Financial Plan Charges

Table A Including Drought Buffer				55
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	55	-	55	
FY 2011/12	55	-	55	
FY 2012/13	55	-	55	
FY 2013/14	55	-	55	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 8,294	\$ 1,907	\$ (6,486)	\$ (4,579)	\$ -	\$ -	\$ -	\$ 25,357	\$ 29,072
FY 2011/12	8,543	1,806	(6,502)	(4,696)	-	-	-	27,092	30,939
FY 2012/13	8,799	1,911	(6,585)	(4,674)	-	-	-	27,198	31,323
FY 2013/14	9,063	1,936	(6,670)	(4,735)	-	-	-	27,065	31,393

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

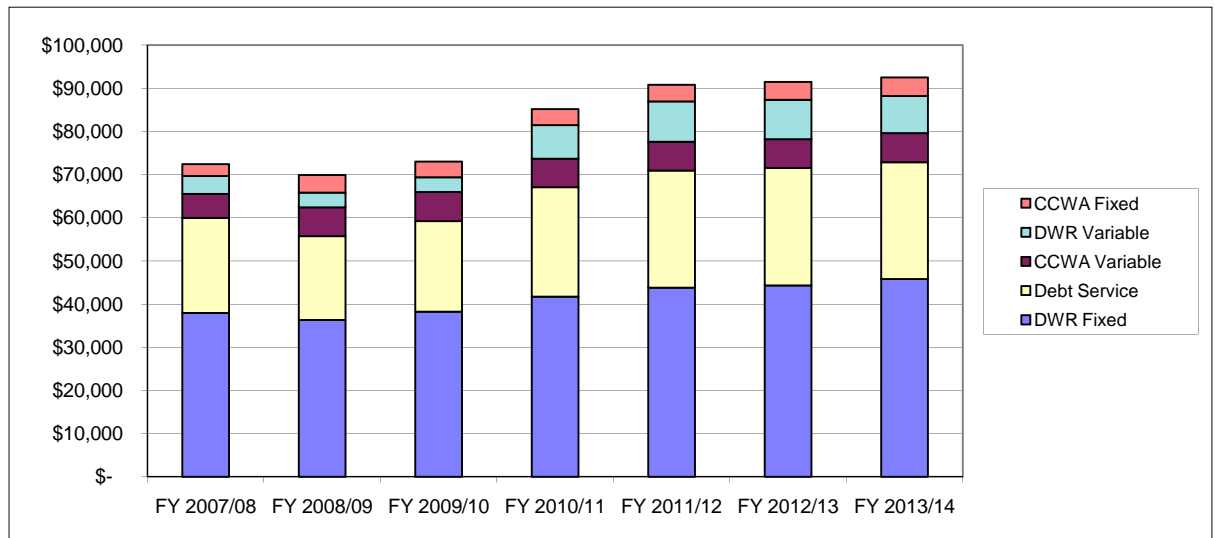
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2010/11	\$ 5,064	\$ 3,190	\$ 243	\$ (1,872)	\$ (1,629)	\$ -	\$ -	\$ -	\$ 6,625
FY 2011/12	5,216	3,190	230	(1,929)	(1,699)	-	-	-	6,707
FY 2012/13	5,196	3,190	239	(1,986)	(1,747)	-	-	-	6,638
FY 2013/14	5,352	3,190	246	(2,046)	(1,800)	-	-	-	6,742

DWR Charges

Total State Water Charges

Fiscal Year	DWR Charges			Total State Water Charges						
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2010/11	\$ 41,755	\$ 7,725	\$ 49,480	\$ 3,715	\$ 6,625	\$ 25,357	\$ 41,755	\$ 7,725	\$ 85,177	
FY 2011/12	43,838	9,348	53,186	3,847	6,707	27,092	43,838	9,348	90,832	
FY 2012/13	44,354	9,168	53,522	4,125	6,638	27,198	44,354	9,168	91,483	
FY 2013/14	45,857	8,536	54,392	4,328	6,742	27,065	45,857	8,536	92,528	

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Raytheon

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 5,596	23
June 1, 2010	\$ 70,827	n/a
July 1, 2010	\$ 3,859	15
October 1, 2010	\$ 602	0
January 1, 2011	\$ 4,293	17
April 1, 2011	\$ 6,323	23
June 1, 2011	\$ 74,777	n/a
July 1, 2011	\$ 4,307	15
October 1, 2011	\$ 528	0
January 1, 2012	\$ 4,896	17
April 1, 2012	\$ 6,296	23
June 1, 2012	\$ 75,677	n/a
July 1, 2012	\$ 4,250	15
October 1, 2012	\$ 415	0
January 1, 2013	\$ 4,846	17
April 1, 2013	\$ 6,227	23
June 1, 2013	\$ 77,250	n/a
July 1, 2013	\$ 4,126	15
October 1, 2013	\$ 188	0
January 1, 2014	\$ 4,737	17

Central Coast Water Authority
City of Santa Barbara
 Four Year Financial Plan Charges

Table A Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	542	(542)	(0)	
FY 2011/12	694	(695)	(1)	
FY 2012/13	578	(578)	(0)	
FY 2013/14	578	(578)	(0)	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 497,633	\$ 93,735	\$ (318,798)	\$ (225,062)	\$ (40,555)	\$ (29,805)	\$ (70,360)	\$ 1,730,497	\$ 1,932,708
FY 2011/12	512,562	83,284	(299,795)	(216,511)	(51,932)	(38,387)	(90,319)	1,732,507	1,938,240
FY 2012/13	527,939	92,546	(318,915)	(226,370)	(43,247)	(32,926)	(76,173)	1,739,285	1,964,682
FY 2013/14	543,777	93,746	(323,051)	(229,305)	(43,247)	(33,914)	(77,161)	1,730,803	1,968,114

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

CCWA Variable O&M Charges

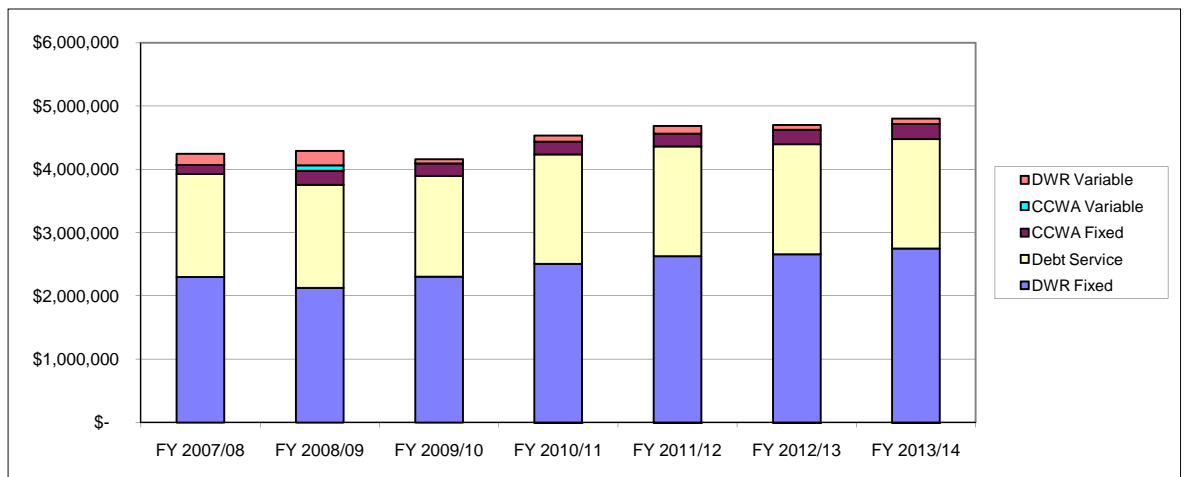
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2010/11	\$18,428	\$ 31,459	\$ (2)	\$ 14	\$ 12	\$ (18,465)	\$ (31,459)	\$ (25)
FY 2011/12	24,301	40,252	(2)	20	17	(24,354)	(40,284)	(68)
FY 2012/13	20,852	33,524	(2)	14	13	(20,890)	(33,547)	(48)
FY 2013/14	21,478	33,524	(2)	15	13	(21,516)	(33,547)	(49)

DWR Charges

Total State Water Charges

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2010/11	\$ 2,505,281	\$ 99,892	\$ 2,605,173	\$202,212	\$ (25)	\$ 1,730,497	\$ 2,505,281	\$ 99,892	\$ 4,537,857
FY 2011/12	2,630,295	117,339	2,747,633	205,732	(68,29)	1,732,507	2,630,295	117,338.54	4,685,805
FY 2012/13	2,661,237	79,255	2,740,492	225,397	(48,28)	1,739,285	2,661,237	79,255.00	4,705,125
FY 2013/14	2,751,401	82,145	2,833,546	237,312	(49.03)	1,730,803	2,751,401	82,145.00	4,801,612

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

City of Santa Barbara

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2010	\$ 36,955	309	(0)
June 1, 2010	\$ 4,437,990	n/a	n/a
July 1, 2010	\$ 18,813	46	0
October 1, 2010	\$ 16,608	15	(1)
January 1, 2011	\$ 27,490	172	(0)
April 1, 2011	\$ 46,148	305	0
June 1, 2011	\$ 4,568,534	n/a	n/a
July 1, 2011	\$ 25,223	144	0
October 1, 2011	\$ 13,093	49	0
January 1, 2012	\$ 32,807	196	(1)
April 1, 2012	\$ 37,930	281	(0)
June 1, 2012	\$ 4,625,919	n/a	n/a
July 1, 2012	\$ 7,097	52	1
October 1, 2012	\$ 6,865	49	0
January 1, 2013	\$ 27,314	196	(1)
April 1, 2013	\$ 39,335	281	(0)
June 1, 2013	\$ 4,719,516	n/a	n/a
July 1, 2013	\$ 7,358	52	1
October 1, 2013	\$ 7,110	49	0
January 1, 2014	\$ 28,293	196	(1)

Central Coast Water Authority
Montecito Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				3,300
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	3,300	(542)	2,758	
FY 2011/12	3,300	(695)	2,605	
FY 2012/13	3,300	(578)	2,722	
FY 2013/14	3,300	(578)	2,722	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 497,633	\$ 93,735	\$ (318,798)	\$ (225,062)	\$ (40,555)	\$ (29,805)	\$ (70,360)	\$ 2,030,229	\$ 2,232,440
FY 2011/12	512,562	83,284	(299,795)	(216,511)	(51,932)	(38,387)	(90,319)	2,036,339	2,242,071
FY 2012/13	527,939	92,546	(318,915)	(226,370)	(43,247)	(32,926)	(76,173)	2,044,306	2,269,703
FY 2013/14	543,777	93,746	(323,051)	(229,305)	(43,247)	(33,914)	(77,161)	2,034,336	2,271,647

(1) Includes capital improvement projects.
 (2) Net of CCWA credits.

CCWA Variable O&M Charges

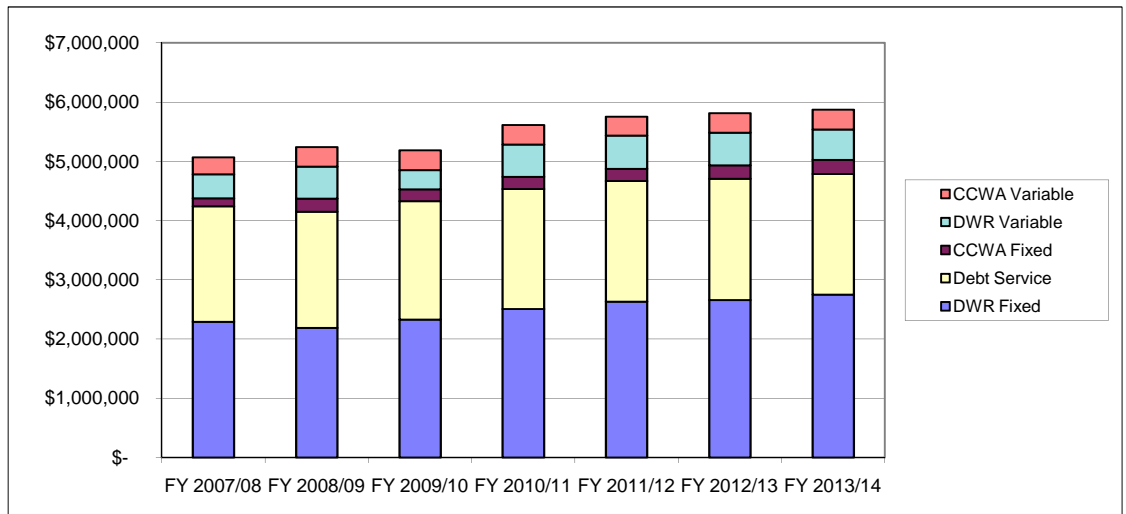
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2010/11	\$ 272,366	\$ 191,400	\$ 12,193	\$ (93,878)	\$ (81,684)	\$ (18,465)	\$ (31,459)	\$ 332,158
FY 2011/12	271,443	191,400	10,873	(91,359)	(80,486)	(24,354)	(40,284)	317,718
FY 2012/13	277,989	191,400	11,833	(98,295)	(86,462)	(20,890)	(33,547)	328,490
FY 2013/14	286,328	191,400	12,188	(101,244)	(89,055)	(21,516)	(33,547)	333,609

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2010/11	\$ 2,505,281	\$ 546,641	\$ 3,051,922	\$202,211	\$ 332,158	\$ 2,030,229	\$ 2,505,281	\$ 546,641	\$ 5,616,520
FY 2011/12	2,630,295	564,017	3,194,312	205,732	317,718	2,036,339	2,630,295	564,017	5,754,101
FY 2012/13	2,661,237	553,246	3,214,483	225,397	328,490	2,044,306	2,661,237	553,246	5,812,676
FY 2013/14	2,751,401	515,295	3,266,696	237,312	333,609	2,034,336	2,751,401	515,295	5,871,953

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Montecito Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Requested SWP Delivery (acre-feet)
April 1, 2010	\$ 247,732	1,020	711
June 1, 2010	\$ 4,737,721	n/a	n/a
July 1, 2010	\$ 181,607	630	584
October 1, 2010	\$ 252,974	900	884
January 1, 2011	\$ 196,485	750	578
April 1, 2011	\$ 251,506	1,020	715
June 1, 2011	\$ 4,872,366	n/a	n/a
July 1, 2011	\$ 172,886	630	486
October 1, 2011	\$ 256,971	900	851
January 1, 2012	\$ 200,372	750	553
April 1, 2012	\$ 251,765	1,020	739
June 1, 2012	\$ 4,930,939	n/a	n/a
July 1, 2012	\$ 179,764	630	579
October 1, 2012	\$ 253,592	900	851
January 1, 2013	\$ 196,615	750	553
April 1, 2013	\$ 244,642	1,020	739
June 1, 2013	\$ 5,023,049	n/a	n/a
July 1, 2013	\$ 170,390	630	579
October 1, 2013	\$ 246,080	900	851
January 1, 2014	\$ 187,792	750	553

Central Coast Water Authority
Carpinteria Valley Water District
 Four Year Financial Plan Charges

Table A Including Drought Buffer				2,200
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2010/11	362	(362)	0	
FY 2011/12	462	(463)	(1)	
FY 2012/13	385	(386)	(1)	
FY 2013/14	385	(386)	(1)	

CCWA Fixed Charges

Fiscal Year	Fixed O&M Expenses ⁽¹⁾	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service ⁽²⁾	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2010/11	\$ 331,756	\$ 62,490	\$ (212,532)	\$ (150,042)	\$ (27,037)	\$ (19,870)	\$ (46,906)	\$ 1,166,345	\$ 1,301,153
FY 2011/12	341,708	55,523	(199,863)	(144,341)	(34,621)	(25,591)	(60,213)	1,164,167	1,301,322
FY 2012/13	351,959	61,697	(212,610)	(150,913)	(28,831)	(21,951)	(50,782)	1,168,721	1,318,986
FY 2013/14	362,518	62,497	(215,367)	(152,870)	(28,831)	(22,609)	(51,441)	1,163,021	1,321,229

(1) Includes capital improvement projects.
 (2) Net of CCWA charges.

CCWA Variable O&M Charges

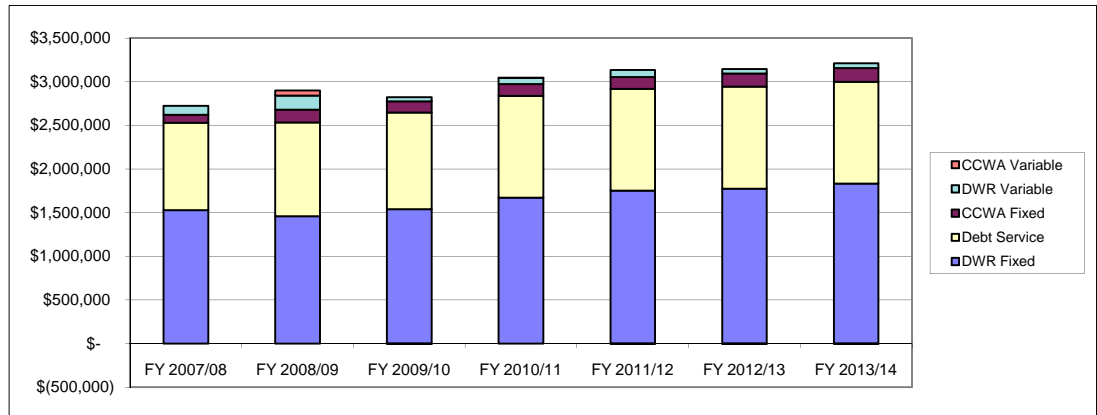
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2010/11	\$ 12,347	\$ 20,973	\$ 2	\$ (14)	\$ (12)	\$ (12,310)	\$ (20,973)	\$ 25
FY 2011/12	16,138	26,796	(4)	36	32	(16,236)	(26,856)	(127)
FY 2012/13	13,870	22,330	(3)	22	19	(13,927)	(22,365)	(72)
FY 2013/14	14,286	22,330	(3)	22	20	(14,344)	(22,365)	(74)

DWR Charges

Total State Water Charges

Fiscal Year	DWR Fixed Costs ⁽³⁾	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2010/11	\$ 1,670,188	\$ 71,368	\$ 1,741,556	\$ 134,808	\$ 25	\$ 1,166,345	\$ 1,670,188	\$ 71,368
FY 2011/12	1,753,530	78,175	1,831,705	137,155	(127)	1,164,167	1,753,530	78,175	3,132,900
FY 2012/13	1,774,158	52,790	1,826,948	150,264	(72)	1,168,721	1,774,158	52,790	3,145,861
FY 2013/14	1,834,267	54,715	1,888,982	158,208	(74)	1,163,021	1,834,267	54,715	3,210,138

(3) Net of DWR account interest income.



Central Coast Water Authority
FY 2010/11 Four Year Financial Plan
 Project Participant Payment Summary

Carpinteria Valley Water District

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)	Actual SWP Delivery (acre-feet)
April 1, 2010	\$ 27,267	206	(0)
June 1, 2010	\$ 2,971,340	n/a	n/a
July 1, 2010	\$ 12,877	30	(0)
October 1, 2010	\$ 11,389	11	1
January 1, 2011	\$ 19,860	115	0
April 1, 2011	\$ 30,943	204	1
June 1, 2011	\$ 3,054,852	n/a	n/a
July 1, 2011	\$ 16,573	95	(1)
October 1, 2011	\$ 8,567	32	(1)
January 1, 2012	\$ 21,966	131	(0)
April 1, 2012	\$ 25,202	187	(0)
June 1, 2012	\$ 3,093,144	n/a	n/a
July 1, 2012	\$ 4,817	35	1
October 1, 2012	\$ 4,403	32	(1)
January 1, 2013	\$ 18,297	131	(0)
April 1, 2013	\$ 26,136	187	(0)
June 1, 2013	\$ 3,155,497	n/a	n/a
July 1, 2013	\$ 4,993	35	1
October 1, 2013	\$ 4,562	32	(1)
January 1, 2014	\$ 18,951	131	(0)

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Telescoping valve for Sludge Removal System

Appendix

The Appendix to the FY 2010/11 Budget contains miscellaneous statistical information on the CCWA, the CCWA Investment Policy and a glossary of terms.

Central Coast Water Authority
Santa Barbara County Area Description
Fiscal Year 2010/11 Budget

Santa Barbara County is located on the Pacific coast of the southern portion of the State of California, just west of Ventura County. The estimated total population of the County as of January 2006 was 421,625 according to the California Department of Finance. The county seat is Santa Barbara and the largest city is Santa Maria.

For thousands of years, the area was home to the Chumash tribe of Native Americans, complex hunter-gathers who lived along the coast and in interior valleys leaving rock art in many locations including Painted Cave. European contact had devastating effects on the Chumash Indians, including a series of disease epidemics that drastically reduced Chumash population. The Chumash survived, however, and thousands of Chumash descendants still live in the Santa Barbara area or surrounding counties.

The County has a total area of 3,789 square miles and four of the Channel Islands – San Miguel Island, Anacapa Island, Santa Cruz Island and Santa Rosa Island – are in Santa Barbara County. They form the largest part of the Channel Islands National Park.

Santa Barbara County has a mountainous interior abutting a coastal plains area. The largest concentration of people is on this coastal plain, referred to as the south coast – the part of the county south of the Santa Ynez Mountains – which includes the cities of Santa Barbara, Goleta and Carpinteria, as well as the unincorporated areas of Hope Ranch, Mission Canyon, Montecito and Isla Vista. North of the mountains are the towns of Santa Ynez, Solvang, Buellton, Lompoc; the unincorporated towns of Los Olivos and Ballard; the unincorporated areas of Mission Hills and Vandenberg Village; and Vandenberg Air Force Base, where the Santa Ynez River flows out to the sea. North of the Santa Ynez Valley are the cities of Santa Maria and Guadalupe.

Viticulture in Santa Barbara County is traceable to missionary plantings in the Milpas Valley late in the 18th century. Since commercial viticulture rebounded in the 1960's, Santa Barbara County has been on the fast track to viticultural stardom.

Famous for ripe, yet elegant, Chardonnay and Pinot Noir, the County is also gaining a reputation for Rhone varietals including Syrah and Viognier. Santa Barbara wine grapes now command among the highest prices anywhere in the State.

Located on California's South Central Coast, the county is an oasis of rolling hills, ancient oak trees and cattle ranches. The County now claims more than 60 wineries and 21,000 acres of vine.

Source: Wikipedia

Central Coast Water Authority
Miscellaneous Statistical Information
 Fiscal Year 2010/11 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	28.25
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2010/11 Santa Barbara County requested deliveries	31,820 acre-feet
San Luis Obispo State water Table A	4,830 acre-feet
FY 2010/11 San Luis Obispo requested deliveries	4,383 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	340,000
San Luis Obispo County	<u>41,000</u>
TOTAL	381,000

CENTRAL COAST WATER AUTHORITY
STATEMENT OF INVESTMENT POLICY

I. PURPOSE:

This statement is intended to provide guidelines for the prudent investment of the Authority's cash balances, and outline the policies for maximizing the efficiency of the Authority's cash management system. The ultimate goal is to enhance the economic status of the Authority while protecting its assets.

II. SCOPE

It is intended that this policy cover all funds and investment activities under the direct authority of the Authority Board of Directors.

III. OBJECTIVES

- A. Safety. Safety of principal is the foremost objective of the Authority. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value.

- B. Liquidity. An adequate percentage of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet cash requirements.

- C. Yield. Yield shall become a consideration only after the basic requirements of safety and liquidity have been met.

- D. Market-Average Rate of Return. The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Authority's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict investments.
- E. Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.
- F. Prudence (Civil Code #2261). The standard of prudence to be used by investment officials shall be the "prudent investor" per Government Code section 53600.3 which states: "care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency". This "Prudent Investor Standard" shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.
- G. Public Trust. All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

IV. DELEGATION OF AUTHORITY:

- A. Investment Officer. Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.
- B. Investment Oversight Committee. The Authority Finance Committee shall serve as the Investment Oversight Committee. The purpose of the Committee is to: (1) review the investment practices used by the Investment Officer for compliance with the investment policy and written procedures, (2) analysis of the quarterly Treasurer's report for adherence to established guidelines, and (3) advise Authority Board of Directors of any deviations from guidelines or any practices which are deemed to be imprudent for a public agency.

V. INTERNAL CONTROLS:

The Investment Officer shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by employees and officers of the Authority.

VI. REPORTING:

The Investment Officer shall submit monthly to the Board an investment report that summarizes all securities. For those securities with a maturity of more than 12 months, the type of investment, institution, date of maturity, investment amount, market value, and yield will also be provided. The Investment Officer shall also provide, on a quarterly basis, a statement of compliance of the portfolio with the Statement of Investment Policy and a statement of the Authority's ability to meet the expenditure requirements for the next six months.

VII. APPROVED INSTRUMENTS:

The Authority shall be governed by the California Government Code, Sections 53600 et seq. Where this policy specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Within the context of these limitations, the following investments are authorized, provided, however, that where there is no limitation on the term of the investment, no investment shall be made in any security which, at the time of the investment, has a term remaining to maturity in excess of 5 years, unless specifically exempted in Section X of this Investment Policy or the Board has granted express authority to make that investment no less than 3 months prior to the investment:

- (a) United States notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Obligations issued by government sponsored corporations such as the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), and the Federal National Mortgage Association (FNMA).

- (c) Commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investors Service, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars and have a rating of A-1+ by Standard & Poor's Corporation and P-1 by Moody's Investors Service and which matures not more than 270 days after the date of purchase. Purchases of commercial paper may not exceed 25 percent of the Authority's surplus money invested.

Commercial paper investments with one company may not exceed one-third (33 1/3%) of total commercial paper investments.

- (d) Time deposits. The Authority may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.
- (e) Local Agency Investment Fund. The Authority may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer up to the maximum permitted by State law.
- (f) Money market funds rated "AAAm" or AAAM-G" or better by Standard & Poor's Corporation.
- (g) Collateralized money market accounts. The Authority may invest in money market accounts at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.

VIII. DEPOSITORIES:

The Treasurer will establish selection criteria for pre-approval of institutions with which to do business. To qualify for selection, an institution must have an office in California. A written listing of approved institutions will be maintained by the Investment Officer.

IX. BROKER/DEALERS:

To provide for the optimum yield in the investment of the Authority's funds, the Authority's investment procedures shall be designed to encourage competitive bidding on transactions from approved brokers/dealers. In order to be approved by the Authority, the dealer must be a primary dealer reporting to the New York Federal Reserve, unless a comprehensive credit and capitalization analysis reveals that the firm is adequately financed to conduct public business; the dealer must be experienced in institutional trading practices and familiar with the California Government Code as related to investments; and other criteria as may be established in the investment procedures.

X. MATURITY RESTRICTIONS:

In addition to the 5 year limitation on investments specified in this policy, the average maturity of the Authority's combined portfolio shall not exceed 2 years without prior approval of the Board (for a specified period). Reserve Fund investments are exempt from this restriction; however, reserve fund investment maturities shall be limited to or prior to final maturity of the Authority's Bond Financing.

XI. RISK TOLERANCE

The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Investment Officer is expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Investment Officer shall periodically establish guidelines and strategies to control risks of default, market price changes, and illiquidity. In addition to these general policy considerations, the following specific policies will be strictly observed.

XII. SAFEKEEPING AND CUSTODY:

To protect against potential fraud and embezzlement, the assets of the Authority shall be secured through third-party custody and safekeeping procedures. The Investment Officer shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by the independent auditor and any irregularities noted should be reported promptly to the Treasurer and the Board.

XIII. PERFORMANCE EVALUATION AND OPERATIONS AUDIT:

The monthly investment reports submitted to the Board shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

XIV. ETHICS:

All persons authorized to place or approve investments shall report annually on Form 700 of the Fair Political Practices Commission all required economic interests for that year.

XV. UPDATE OF POLICY:

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.

Central Coast Water Authority
Glossary of Terms
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A

Account - A record of a business transaction; a reckoning of money received or paid.

Accounting System - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

Accrual - The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

Acre-Foot of Water - The volume of water that would cover one acre to a depth of one foot.

Adoption - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Advance Refunding - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

Amortization - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Aqueduct - A canal for conveying a large amount of water.

Assets - Resources owned or held by a government which have monetary value.

B

Bond Call - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

Budget - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

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C

Capital Improvements - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

Capitalized Interest - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

Carry-Over - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are "carried over" into the subsequent fiscal year.

Coastal Branch Phase II - A 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

Coverage - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

D

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Defeasance - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

Deficiency - A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit - The excess of expenditures over revenues during an accounting period.

Delta Water Charge - A unit charge applied to each acre-foot of State water entitlement by DWR. The unit charge is applied to result in repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities, with appropriate interest, by the end of the State water contract repayment period (2035).

Department of Water Resources - The state agency responsible for financing, constructing and operating State Water Project facilities.

Depreciation - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear,

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deterioration, obsolesce or action of the physical elements. In this budget, no specific depreciation schedule or funding of depreciated assets is provided.

Drought Buffer - A portion of the Authority's State water entitlement (3,908 AF) which is being utilized to firm up the reliability of each Santa Barbara County project participant's Water Supply Agreement entitlement allocation.

E

Enterprise Fund - A fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.

Entity - The basic unit upon which accounting and/or financial reporting activities focus.

Expenditures - A decrease in net financial resources.

F

Financing Participant - An Authority or San Luis Obispo County project participant that participated in the 1992 CCWA Revenue Bond and 1996 CCWA Refunding Revenue Bond issues.

Financial Reaches - Segments of the CCWA and DWR pipeline from or through which project participants receive water.

Fiscal Year - A twelve-month period of time to which the annual budget applies and, at the end of which a governmental unit determines its financial position and the results of its operations.

Fixed Asset - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery and equipment.

Fixed O&M Costs - Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Project Costs - Capital costs, including Debt Service, reserves for the payment of debt service, and other payments under the bond resolution which do not vary with the amount of water delivered to the project participant.

G

General Fund - The Authority's cash balance net of reserve balances.

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J

Joint Powers Authority - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

L

Line Item - Expenditure classifications established to account for and budget the appropriations approved.

Water Treatment and Local Facilities Agreements - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

M

Maintenance - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

Master Water Treatment Agreement - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

Modified Accrual Basis - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the liability is incurred.

Monterey Agreement - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

MOU Trust Fund - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

Municipal - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

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O

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

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

Operating Expenses- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

P

Pass-Through Charges - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

Polonio Pass Water Treatment Plant - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

Projected - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

Project Participant - Each entity which has executed a Water Supply Agreement with the Authority.

Proprietary Fund - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

R

Rate Management Funds Credit - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

Reach - see "Financial Reach"

Regional Water Treatment Plant Allocation - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

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Reserves - A budgeted amount to be set aside in an account for future use.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue - An inflow of assets, not necessarily in cash, in exchange for services rendered.

Revenue Bond - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

Right of Way - A legal right of passage over another person's ground.

S

Santa Ynez Exchange Agreement - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

SCADA System - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

State Water Project - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

T

Table A Amount - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

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Table A Reduction - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

Transportation Capital Costs - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

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

Turnback Pool Reduction - Elections by project participants to "turnback" a portion of their State water in a given year.

Turnout - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

V

Variable O&M Charges - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

W

Warren Act Charges - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

Water Supply Agreement - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

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

THE STATE WATER PROJECT IN SANTA BARBARA COUNTY

Introduction

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

History of the State Water Project

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).

Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

The State Water Project in Santa Barbara County

The Early Years

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

The 1980's and 1990's

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report (EIR), needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities, and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.

The Central Coast Water Authority

Early Activities

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water. Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Golden State Water Company (formerly, Southern California Water Company), La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch Phase II project, which extends from northwest

Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

Project Financing, Development and Implementation

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000. In September 2006, CCWA refinanced the 1996 revenue bond issue resulting in debt service savings of approximately \$350,000. The principal amount of the refunding bonds was \$129,190,000)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. Pages 288 and 289 contain project maps depicting the facilities constructed by the State, CCWA and various project participants. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was

necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million

financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings.

CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, and construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by

State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

A Commitment to Environmental Protection

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere

environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's

cultural experts could study the sites, report them to the state and federal agencies and then mitigate.

- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and caring for 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County)

and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

Water Supply Reliability

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 73% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement

among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.

- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.
- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

The Future

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and

service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives. CCWA has built both the organization and infrastructure that will support this vision well into the future.

July 1998

Figure 1 – State Water Project Facilities



**Figure 2 – State Water Project Contracting Agencies
(and year of initial water delivery)**

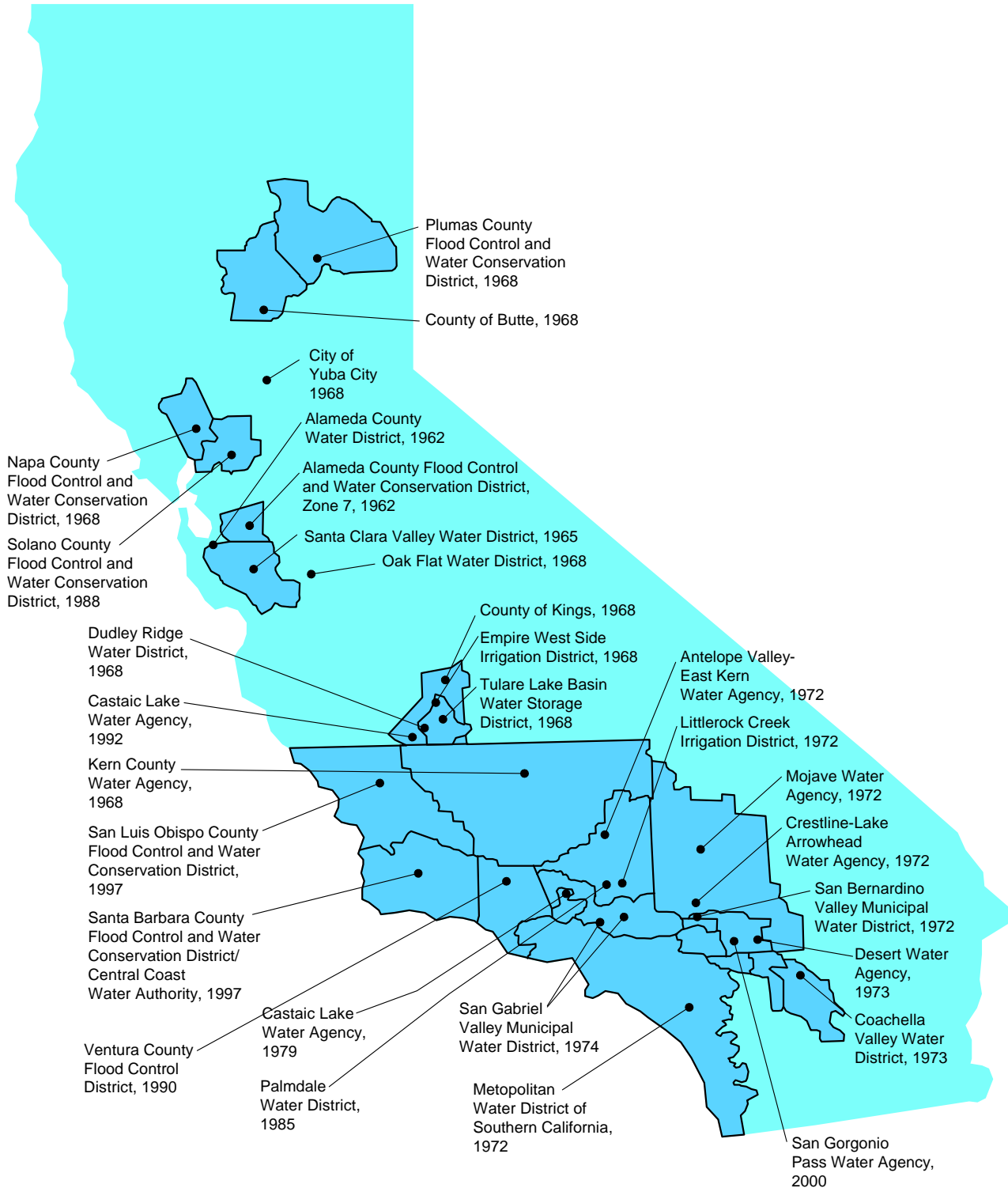


Table 1

COASTAL BRANCH PHASE II PROJECT DATA *

Tank Sites*	1	1	2	5	7
	raw water	treated water	treated water	treated water	treated water
# of tanks	3	2	2	2	1
total capacity (million gallons)	24.2	9.8	6.4	5	2.5

* Tank sites 3, 4 and 6 were eliminated during design of the facilities.

Polonio Pass Water Treatment Plant	49.46 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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Pipeline		
<u>Location (from/to)</u>	<u>Pipeline Diameter (inches)</u>	<u>Distance (miles)</u>
Devils Den Pumping Plant/Tank1	57	13.0
Tank1/Salinas River	48	33.0
Salinas River/Cuesta Tunnel	51	7.1
Cuesta Tunnel/Tank 5	42	47.5
Tank 5/Purisima Road	39	13.3
Purisima Road/Santa Ynez Pumping Facility	36	21.2
Santa Ynez P.F./Lake Cachuma	30	8.0
Total Pipeline >>>		143.1

Pump Plants	<u>Flow Rate (cfs)</u>	<u>Horsepower (each pump)</u>	<u># of Pumps</u>	<u>Lift (ft)</u>
Devils Den Pumping Plant (DWR)	100	1760	6	550
Bluestone Pumping Plant (DWR)	100	1760	6	550
Polonio Pass Pumping Plant (DWR)	100	1760	6	550
Santa Ynez Pumping Facility (CCWA)	22	300	5	250

Turnouts	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	Golden State Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Raytheon, La Cumbre Mutual Water Co.

* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.

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