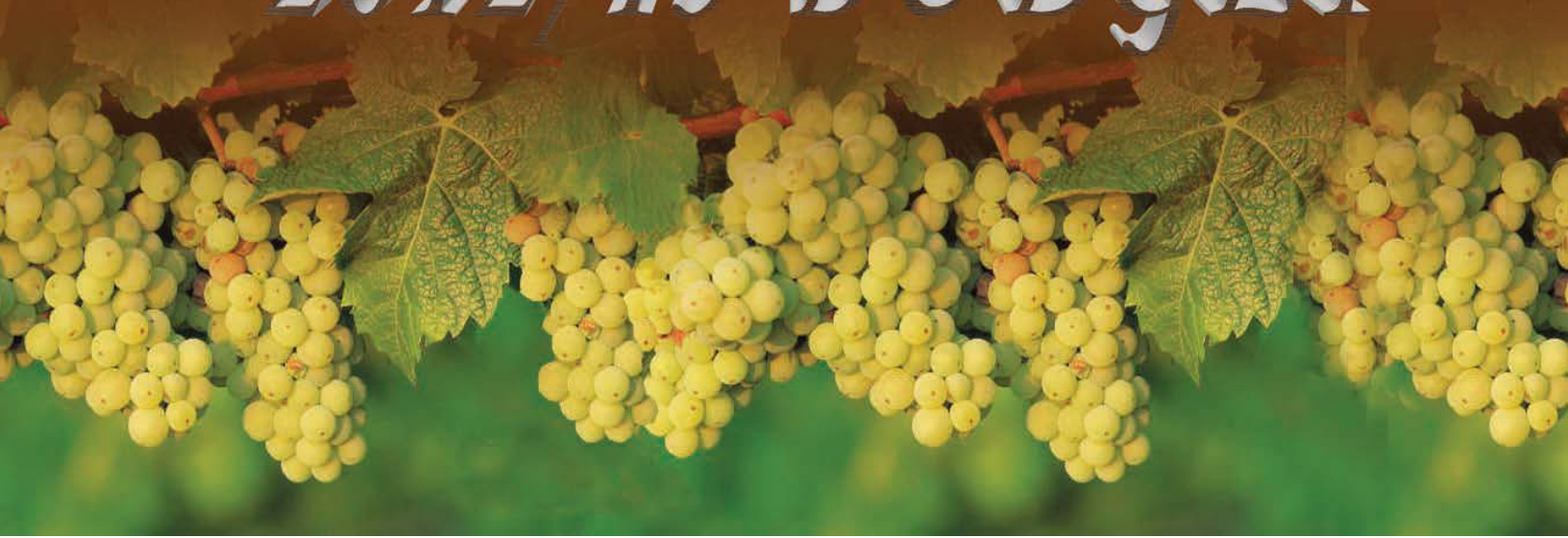




*Central Coast Water Authority*  
A CALIFORNIA JOINT POWERS AUTHORITY

*Fiscal Year*  
**2012/13 BUDGET**



# Central Coast Water Authority

A CALIFORNIA JOINT POWERS AUTHORITY

## Fiscal Year 2012/13 Budget

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# Central Coast Water Authority

## Mission:

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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, 2011**

*Linda C. Davison Jeffrey R. Emer*

President

Executive Director

# Central Coast Water Authority

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*Santa Ynez River, Spring 2011*

## ***Budget Foreword***

**T**he Budget Foreword section of the FY 2012/13 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

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## General Information

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

## Operational Information

- |   |                            |
|---|----------------------------|
| • Polonio Pass Water Treatment Plant capacity | 50 million gallons per day |
| • Authority Pipeline (in miles)               | 42                         |
| • Coastal Branch Phase II Pipeline (in miles) | 101                        |
| • Number of water storage tanks               | 5                          |
| • Number of turnouts                          | 10                         |
| • Number of full-time equivalent Positions    | 30.50                      |

Central Coast Water Authority  
**Reader's Guide**  
Fiscal Year 2012/13 Budget

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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 26, 2012

Board of Directors  
Central Coast Water Authority

Dear Members of the Board:

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

Brownstein Hyatt  
Farber Schreck  
General Counsel

*Member Agencies*

City of Buellton

Carpinteria Valley  
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water  
Conservation District,  
Improvement District #1

*Associate Member*

La Cumbre Mutual  
Water Company

Submitted herewith is the Fiscal Year (FY) 2012/13 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 2012/13.

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.

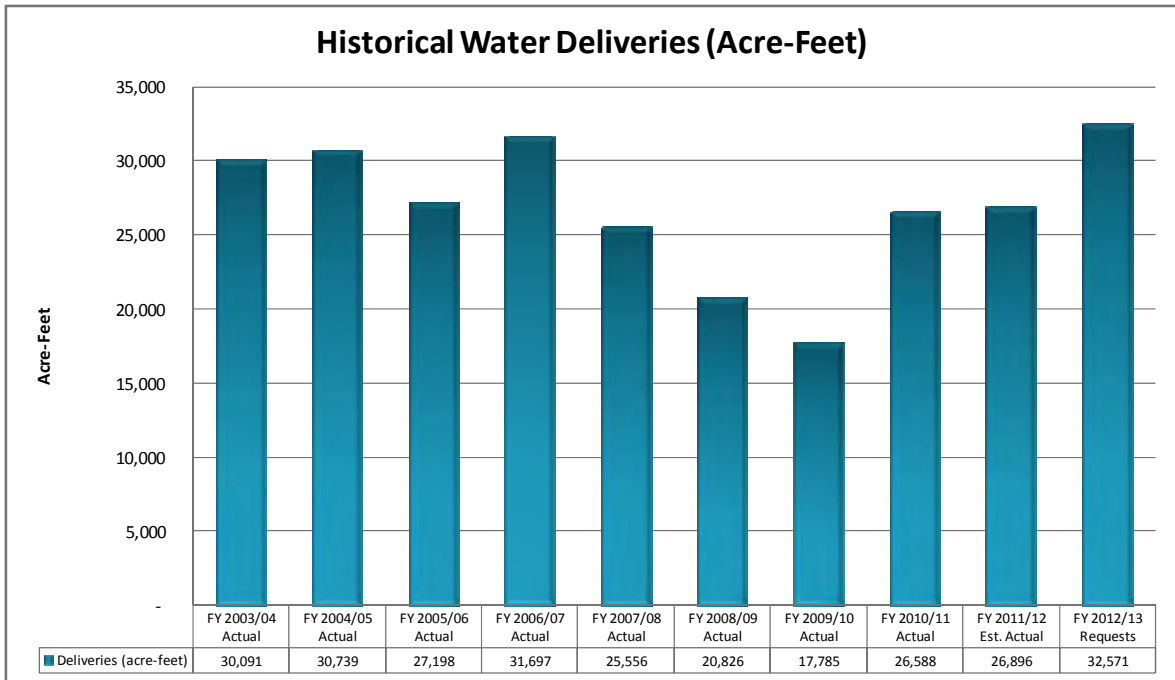
For fourteen consecutive years, CCWA has received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award." We will also submit the FY 2012/13 Budget for consideration of the GFOA budget award.

## **AN OVERVIEW OF LAST FISCAL YEAR**

The following are some of the major highlights from FY 2011/12:

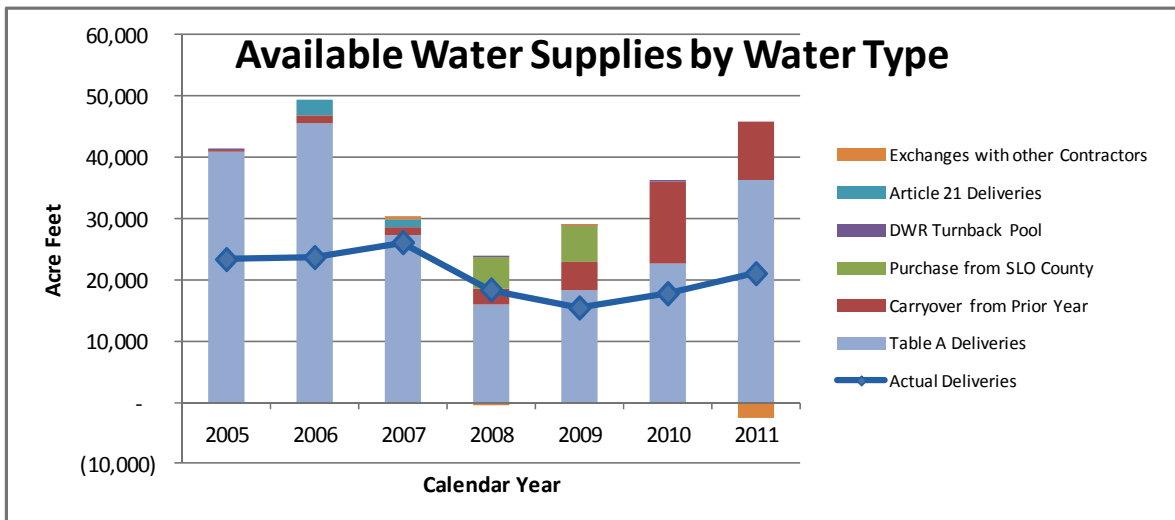
### Water Deliveries

Total deliveries during FY 2011/12 by CCWA to the Santa Barbara and San Luis Obispo County project participants are estimated to be 26,896 acre-feet compared to the actual FY 2010/11 deliveries of 26,588 acre-feet. The graph on the following page shows water deliveries for the last ten fiscal years.

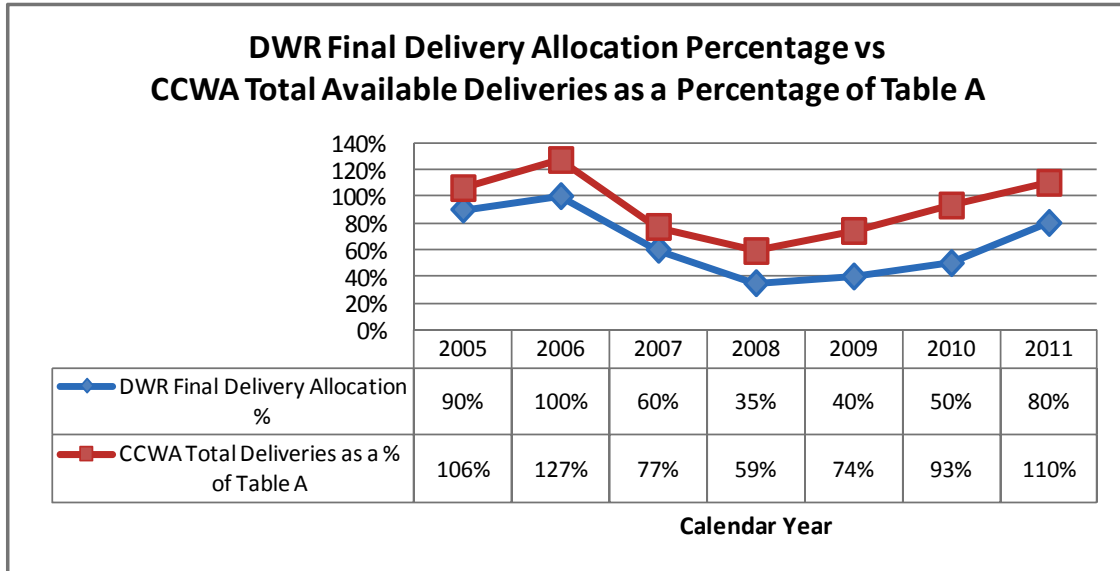


Maximization of Water Deliveries through Alternative Water Sources

CCWA continues to explore and utilize all available water sources to increase the available water deliveries to the project participants beyond just the regular allocation of Table A water from DWR. These alternative sources include purchases from San Luis Obispo County, DWR’s turnback pools, State Water Contractor dry year programs and carryover storage and subsequent use in San Luis reservoir. The following graph shows the various sources of water available for delivery to our project participants for the past six calendar years including the actual deliveries taken by the CCWA project participants.



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.

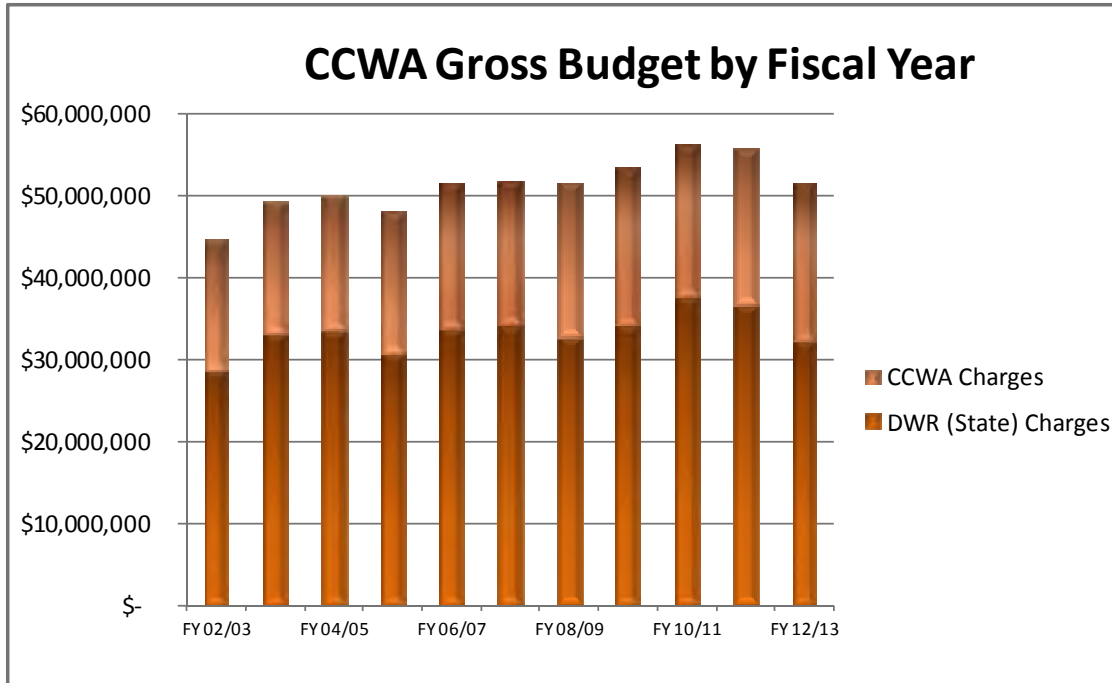


### CCWA Credits

Actual CCWA operating expenses for FY 2011/12 are anticipated to be approximately \$1.2 million less than the budgeted amounts. These unexpended operating assessments will be returned to the CCWA project participants as a credit in FY 2012/13. Additionally, it is estimated that CCWA will earn approximately \$0.2 million in interest income which serves to offset the payments from the project participants. Total estimated credits for FY 2011/12 are estimated to be approximately \$1.4 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 2002/03 to FY 2012/13.



### Awards and Competitions

Over the past year, CCWA received the GFOA “Distinguished Budget Presentation” award for the FY 2011/12 Budget and the GFOA “Excellence in Financial Reporting” award for the FY 2010/11 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 2012 and 2013, Santa Barbara and San Luis Obispo County project participants have requested State water deliveries of 30,444 and 35,508 acre-feet, respectively.

#### Department of Water Resources Activities and Related Costs

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

### DWR Costs and Financial Issues

In FY 2012/13, CCWA staff will continue to fully audit the Statement of Charges from DWR to ensure the costs allocated to CCWA are correct and appropriate based on the State Water Project Contract. The following is a list of the most significant errors remaining to be corrected in the Statement of Charges for calendar years 2012 and 2013:

- 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 perform a full reconciliation of all costs associated with the construction of the Coastal Branch facilities, which totaled approximately \$480 million. DWR is indicating this could take up a year to complete because of the complexities involved in examining accounting records prior to conversion to its new accounting system. CCWA staff will work with DWR during the next year to ensure this reconciliation project moves forward.
- One of the most significant DWR billing issues in FY 2012/13 will be to continue to examine the Transportation Minimum OMP&R cost component to ensure the costs allocated to CCWA by DWR are appropriate. This cost component continues to have significant volatility from year-to-year, which in turn creates large swings in the CCWA budgets. As such, significant resources will be devoted to researching these costs to ensure the amounts charged are appropriate and accurate.

### DWR Energy Issues

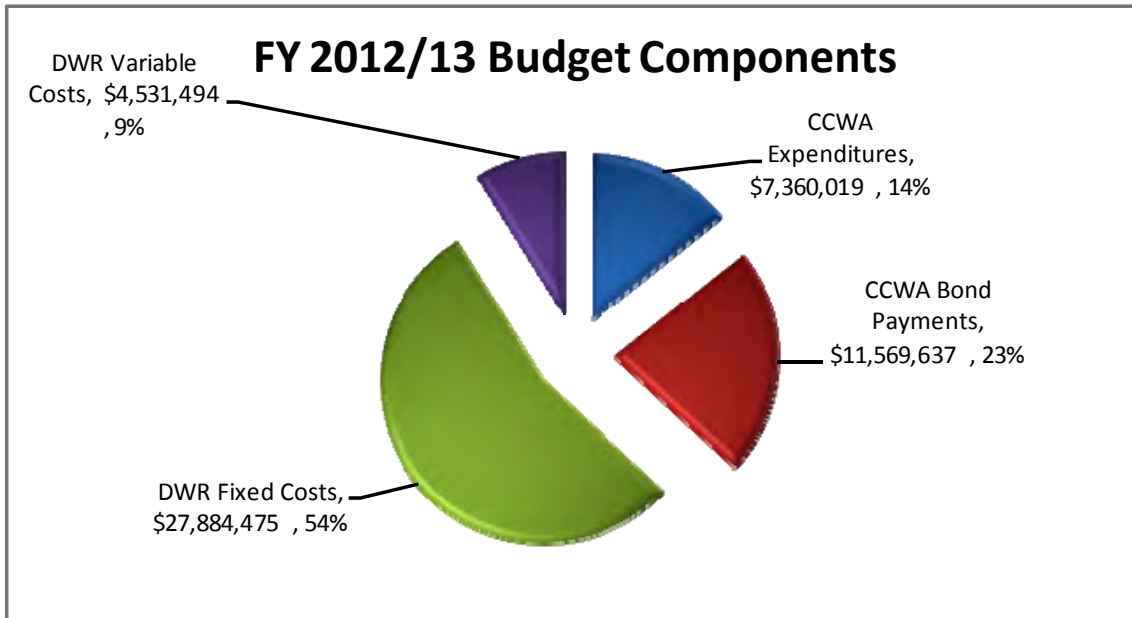
CCWA staff will continue to guide DWR through the SWC Energy Committee and the Executive Risk Oversight Committee to control and better estimate power costs by:

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



**FY 2012/13 BUDGET SUMMARY**

The FY 2012/13 budget calls for total project participant payments of \$50.1 million compared to the FY 2011/12 budget of \$55 million, a \$4.2 million decrease. These amounts include \$0.6 million in CCWA credits for FY 2012/13 and \$0.7 million for FY 2011/12. The following graph shows the breakout of the various cost components in the CCWA FY 2012/13 Budget:



The following table compares the FY 2012/13 Budget and the FY 2011/12 Budget:

Budget Item	Final FY 2011/12 Budget	Final FY 2012/13 Budget	Increase (Decrease)
<b>CCWA Expenses</b>			
CCWA Operating Expenses	\$ 6,868,067	\$ 7,133,936	\$ 265,869
Revenue Bond Debt Service Payments	11,506,417	11,569,637	63,220
Capital Improvement Projects	625,572	168,141	(457,431)
Non-Annual Recurring Expenses	-	-	-
Total CCWA Expenses:	19,000,056	18,871,714	(128,342)
<b>Pass-Through Expenses</b>			
DWR Fixed Costs	31,366,677	27,884,475	(3,482,202)
DWR Variable Costs	5,209,517	4,531,494	(678,023)
Warren Act and Trust Fund Payments	128,159	57,942	(70,217)
Total Pass-Through Expenses:	36,704,353	32,473,910	(4,230,443)
Subtotal Gross Budget:	55,704,409	51,345,624	(4,358,785)
CCWA Credits	(689,927)	(559,996)	129,931
TOTAL:	\$ 55,014,482	\$ 50,785,622	\$ (4,228,854)

## CCWA Operating Expense Budget

The FY 2012/13 CCWA operating expense budget totals \$7.1 million, which is \$0.3 million higher than the FY 2011/12 operating expense budget, a 3.87% increase.

The following table shows the allocation between the fixed and variable CCWA O&M expenses for FY 2012/13 and FY 2011/12.

	<b>Final FY 2011/12 Budget</b>	<b>Final FY 2012/13 Budget</b>	<b>Increase</b>	<b>Percentage Change</b>
Fixed O&M	\$ 5,562,460	\$ 5,852,046	\$ 289,586	5.21%
Variable O&M	1,305,607	1,281,890	(23,717)	-1.82%
<b>Total:</b>	<b>\$ 6,868,067</b>	<b>\$ 7,133,936</b>	<b>\$ 265,870</b>	<b>3.87%</b>

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 \$265,000, which includes the following changes from the prior year:

- **Staffing Changes:** The FY 2012/13 Budget includes two additional positions as part of the Board approved succession plan. The two positions are described below:
  - **Maintenance, Calibration and Repair Technician:** Estimated annual salary of \$72,375 (mid-point) and a fully burdened cost of \$108,098. This position is allocated 20% to the Water Treatment Plant and 80% to the Distribution Department.
  - **Accounting Technician:** Position to be filled in January 2013 (1/2 year) at an estimated annual salary of \$62,418 (\$31,209 ½ year) and a fully burdened cost of \$97,616 (\$48,808 ½ year).
- The FY 2012/13 Budget includes a \$108,628 salary pool based on a 5.17% salary pool percentage (excludes salary increases for the Executive Director and Deputy Director of \$5,000 each).
- PERS retirement expenses are increasing by about \$46,000 due to the two new positions described above, higher employee salaries and a slight increase in the PERS rate from 20.109% in FY 2011/12 to 20.374% in FY 2012/13.
- Health insurance expenses are expected to be slightly lower than the prior year amount due to the change from the ACWA plan to the lower cost PERS plans. The Budget also includes an estimated 5% increase in the health insurance premiums effective January 1, 2013.

## 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,



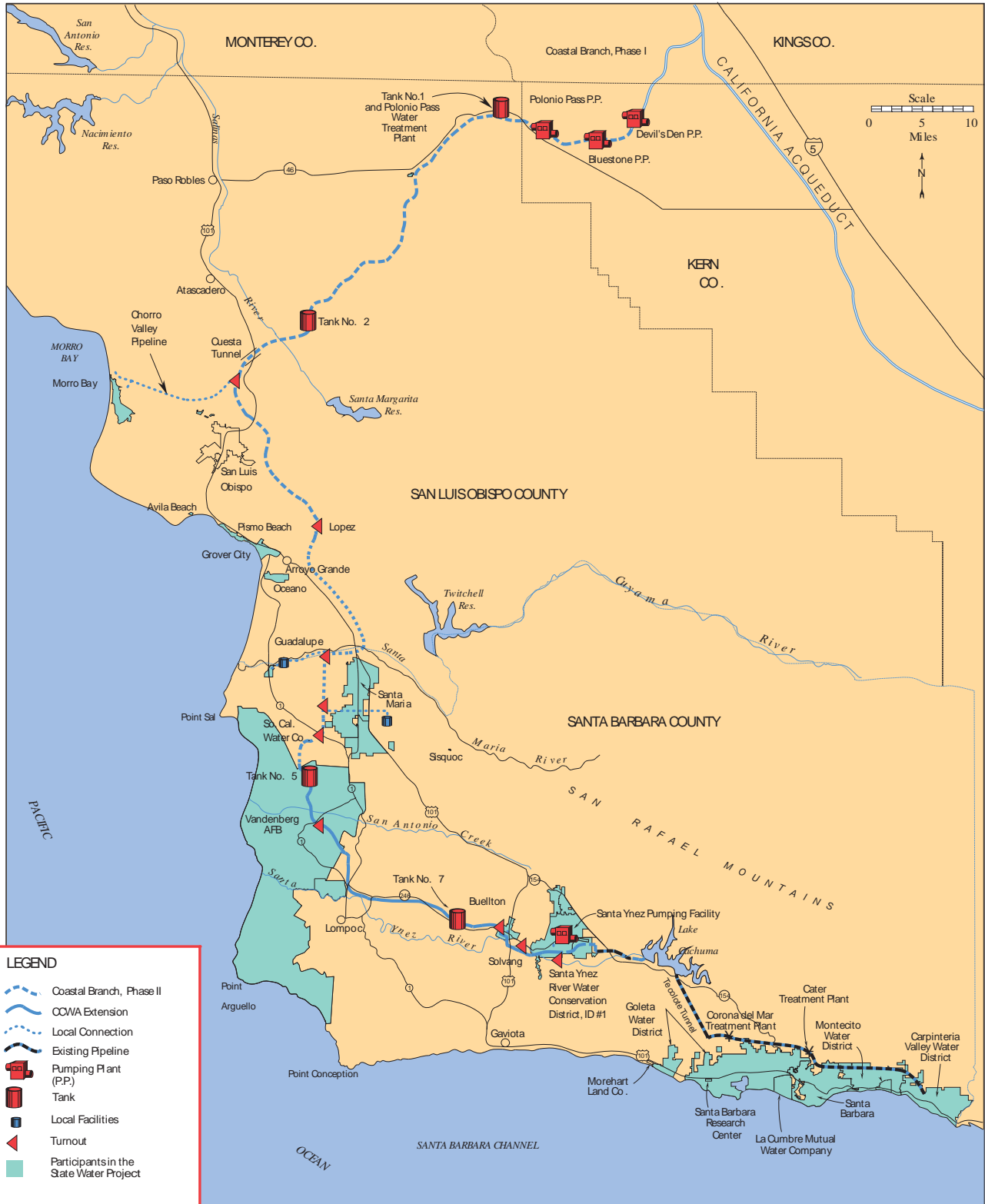
William Brennan  
Executive Director



Ray A. Stokes  
Deputy Director



# Project Map



Central Coast Water Authority  
**Organization Overview, Structure and Staffing**  
Fiscal Year 2012/13 Budget

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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. This budget includes an additional 2 full-time positions to be hired during FY 2012/13, bringing the total to 29 full-time positions 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 2012/13 Budget

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**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>
<b>TOTAL</b>	<b>100.00%</b>

CCWA Committees

There are three Authority committees. They consist of the Finance Committee, Personnel Committee, and Operating Committee.

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

Santa Barbara County Project Participants

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

Central Coast Water Authority  
**Organization Overview, Structure and Staffing**  
 Fiscal Year 2012/13 Budget

**Santa Barbara County Project Participant Table A Amounts**

<u>Agency</u>	<u>Table A <sup>(1)</sup></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>
<b>TOTAL</b>	<b>39,078</b>

(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>
<b>TOTAL</b>	<b>4,830</b>



Central Coast Water Authority  
**Organization Overview, Structure and Staffing**  
Fiscal Year 2012/13 Budget

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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 2012/13 Budget

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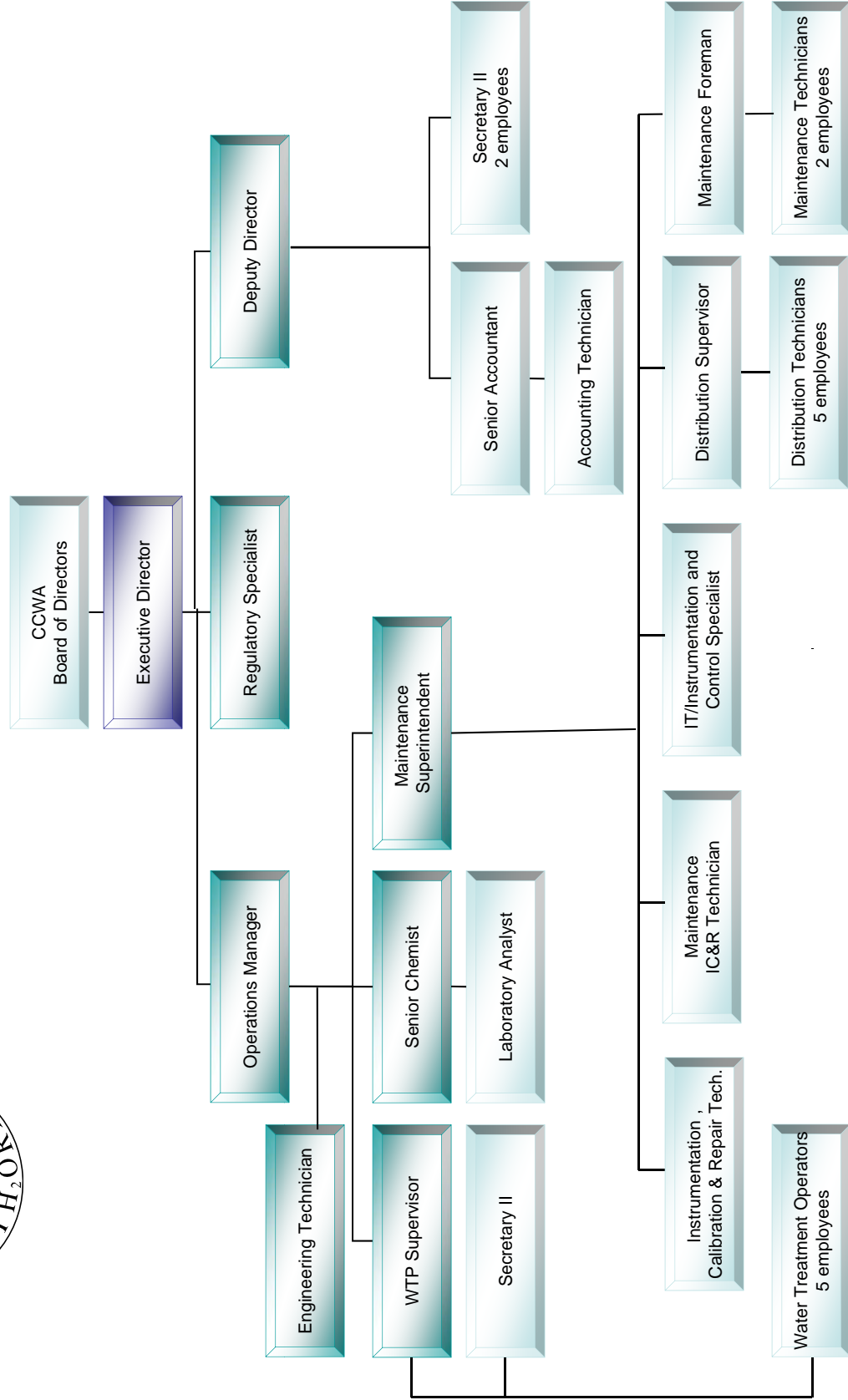
mountains to and through the County of San Luis Obispo to a terminus in northern Santa Barbara County. Its largest diameter is 57 inches between the Devils Den Pumping Plant and Tank 1 and its smallest diameter is 42 inches along the southerly-most 48 miles.

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

The water treatment plant receives raw water from the Coastal Branch Phase II and, after treatment, returns the water to the Coastal Branch Phase II. The plant is sized at 50 million gallons per day to accommodate the maximum annual entitlement of both counties. The plant uses conventional modern treatment units for filtration and disinfection of surface water in conformance with the relevant regulations of the California Department of Public Health.

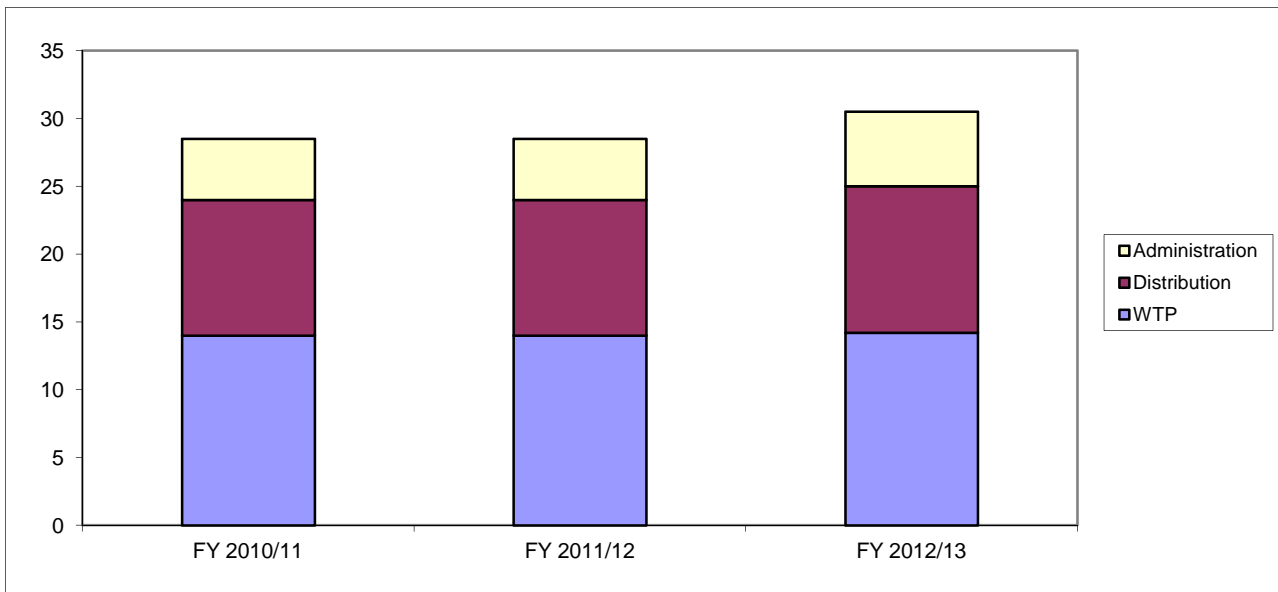


# Central Coast Water Authority Organization Chart FY 2012/13



Central Coast Water Authority  
**Personnel Count Summary**  
**All Departments**  
 Fiscal Year 2012/13 Budget

<b>PERSONNEL COUNT SUMMARY</b>					
Position Title	Number Authorized FY 2010/11	Number Authorized FY 2011/12	Number Requested FY 2012/13	Change Over FY 2010/11	Change Over FY 2011/12
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	-	-
Accounting Technician	-	-	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 Manager	1.00	1.00	1.00	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Senior Chemist	1.00	1.00	1.00	-	-
Chemist	1.00	1.00	1.00	-	-
Laboratory Analyst	-	-	-	-	-
IT/Instrumentation & Control Specialist	1.00	1.00	1.00	-	-
Instrumentation, Calibration & Repair Tech.	-	-	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	-	-
<b>TOTAL:</b>	28.50	28.50	30.50	2.00	2.00



Central Coast Water Authority  
**Budget Process**  
Fiscal Year 2012/13 Budget

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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 2012/13 Budget

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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 2012/13

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 2012/2013

	FY 2011/12												FY 2012/13												
	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
	← Budget Planning Cycle →												← Budget Expenditure Cycle →												
1.0 BUDGET																									
1.1 Receive DWR Statement of Charges (for following calendar year)																									
1.2 Project Participants Provide Delivery Requests for Budget Purposes																									
1.4 Submit Delivery Forecast and Warren Act Payment to USBR																									
1.5 Prepare Draft Budget*																									
1.6 Submit Preliminary Budget to Operating Committee																									
1.7 Submit Preliminary Budget to Finance Committee																									
1.8 Submit Preliminary Budget to Board of Directors																									
1.9 Board Approval of Final Budget																									
2.0 REVENUE																									
2.1 Project Participant Assessment Billings (CCWA Fixed Expenses)																									
2.2 SLO WTP and Coastal Branch Phase II Billing (CCWA Fixed Expenses)																									
2.3 Project Participant DWR Billings (Fixed Expenses)																									
2.4 Project Participant Bond Payment Billings																									
2.5 CCWA and DWR Variable Cost Billings																									
3.0 EXPENSES																									
3.1 CCWA Expenses																									
3.1.1 Administration / O&M Payments																									
3.1.2 Warren Act Payment																									
3.1.3 MOU Trust Fund Payments																									
3.2 CCWA Project Funds																									
3.2.1 Semi-Annual Bond Payment																									
3.3 DWR Payments																									
3.3.1 Semi Annual DWR Capital Cost Payment																									
3.3.2 Semi Annual DWR Coastal Branch Extension Payment																									
3.3.3 Monthly DWR Minimum and Variable OMP&R Cost Payment																									
4.0 WATER TRANSFERS AND SALES																									
4.1 CCWA Turnback Pool Sales																									
4.2 DWR Turnback Pool Sales																									

\*Contains the FY 2012/2013 Budget and the Four-Year Financial Plan for FY 2012/13 through FY 2015/16

<ul style="list-style-type: none"> <li><span style="color: green;">◆</span> DWR Statement Received</li> <li><span style="color: green;">★</span> CCWA Board / Committee Milestone</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: red;">←</span> CCWA Bond Payment/Period</li> <li><span style="color: teal;">←</span> SLO WTP Billing Due Date/Period</li> <li><span style="color: teal;">←</span> Participants' Bond Payment Due Date/Period</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: green;">▼</span> CCWA Staff Milestone</li> <li><span style="color: purple;">←</span> Participant's DWR Billing Due Date/Period</li> <li><span style="color: purple;">←</span> Participant Assessment Due Date/Period</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: purple;">←</span> DWR Payment/Period</li> <li><span style="color: blue;">←</span> CCWA Expense Period/Payment</li> <li><span style="color: blue;">←</span> Participant's Task/Milestone</li> </ul>
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Central Coast Water Authority  
**Financial Reporting Basis**  
Fiscal Year 2012/13 Budget

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**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 2012/13 Budget

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The Fiscal Year 2012/13 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 2012/13 Budget

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- 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 2012/13 Budget

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- 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 2012/13 Budget

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- 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 2012/13 Budget

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- 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 2012/13 Budget

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- 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.



*La Purisima Roundabout Encasement Project*

## *Budget Summary*

**T**he Budget Summary section of the FY 2012/13 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 2015/16 are included in this section as well as cost per acre-foot amounts based on the FY 2012/13 Budget.

# Highlights

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## Budget Summary

• FY 2012/13 Gross Budget	\$ 51,345,624
• FY 2011/12 Gross Budget	<u>\$ 55,704,409</u>
Decrease:	\$ (4,358,785)
• FY 2012/13 CCWA Credits	\$ 559,996
• FY 2011/12 CCWA Credits	<u>\$ 689,927</u>
Increase:	\$ (129,931)
• FY 2012/13 Net Budget (After CCWA Credits)	\$ 50,785,628
• FY 2011/12 Net Budget (After CCWA Credits)	<u>\$ 55,014,482</u>
Decrease:	\$ (4,228,854)

## Significant Budget Changes

- DWR Fixed cost decrease of \$3.5 million
- DWR Variable cost decrease of \$0.7 million
- CCWA Fixed O&M Expense budget increase of \$289,586
- CCWA Variable O&M Expense budget decrease of \$23,717
- CCWA capital improvement projects budget decrease of \$457,000



Central Coast Water Authority  
**Budget Summary**  
Fiscal Year 2012/13 Budget

	FY 2010/11		FY 2011/12		Change from FY 2011/12 Budget	Change from FY 2011/12 Est. Actual
	Actual	Budget	Estimated Actual	Budget		
Beginning Cash Balance	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000		
<b>SOURCES OF CASH</b>						
CCWA Operating Expenses <sup>(1)</sup>	6,890,793	6,868,067	6,868,067	7,133,936	265,869	265,869
Debt Service Payments	11,534,804	11,506,417	11,506,417	11,569,637	63,220	63,220
Capital Improvement Projects	209,325	625,572	625,572	168,141	(457,431)	(457,431)
Non-Annual Recurring Expenses	-	-	-	-	-	-
Investment Income and Other	132,624	-	100,000	-	-	(100,000)
CCWA Credits	-	(689,927)	(689,927)	(559,996)	129,931	129,931
Subtotal Revenues	18,767,546	18,310,129	18,410,129	18,311,717	1,588	(98,412)
<u>Pass-Through Expenses</u>						
DWR Fixed Costs	33,121,782	31,366,677	31,366,677	27,884,475	(3,482,202)	(3,482,202)
DWR Variable Costs	3,545,903	5,209,517	5,209,517	4,531,494	(678,023)	(678,023)
Warren Act Charges	98,255	128,159	128,159	57,942	(70,217)	(70,217)
Subtotal Pass-Through Expenses	36,765,941	36,704,353	36,704,353	32,473,910	(4,230,443)	(4,230,443)
<b>TOTAL SOURCES OF CASH</b>	<b>55,533,487</b>	<b>55,014,482</b>	<b>55,114,482</b>	<b>50,785,628</b>	<b>(4,228,854)</b>	<b>(4,328,854)</b>
<b>USES OF CASH</b>						
<u>CCWA Operating Expenses</u>						
Personnel	3,539,683	3,865,467	3,526,303	4,131,035	265,568	604,732
Office Expenses	20,259	21,920	24,516	19,520	(2,400)	(4,996)
Supplies and Equipment	960,971	1,218,563	800,267	1,299,185	80,622	498,918
Monitoring Expenses	59,298	60,648	62,609	71,760	11,112	9,151
Repairs and Maintenance	181,464	210,025	151,403	214,025	4,000	62,622
Professional Services	228,374	240,534	169,053	228,509	(12,025)	59,456
General and Administrative	235,809	216,715	230,143	231,901	15,186	1,758
Utilities	386,329	424,217	235,929	300,279	(123,938)	64,350
Other Expenses	415,063	609,978	502,078	637,722	27,744	135,644
Total Operating Expenses	6,027,249	6,868,067	5,702,302	7,133,936	265,870	1,431,634
<u>Other Expenditures</u>						
Warren Act Charges	98,255	128,159	128,159	57,942	(70,217)	(70,217)
Capital Improvement Projects <sup>(1)</sup>	180,428	625,572	625,572	168,141	(457,431)	(457,431)
CCWA Credits	-	(689,927)	(689,927)	(559,996)	129,931	129,931
2006 Revenue Bond Debt Service	11,534,804	11,506,417	11,506,417	11,569,637	63,220	63,220
Unexpended O&M Assessments	1,025,065	-	1,265,765	-	-	-
Total Other Expenditures	12,838,552	11,570,221	12,835,986	11,235,723	(334,498)	(334,498)
Total CCWA Expenditures	18,865,801	18,438,288	18,538,288	18,369,659	(68,628)	1,097,136
<u>DWR Charges</u>						
Fixed DWR Charges	33,121,782	31,366,677	31,366,677	27,884,475	(3,482,202)	(3,482,202)
Variable DWR Charges	3,545,903	5,209,517	5,209,517	4,531,494	(678,023)	(678,023)
Total DWR Charges	36,667,686	36,576,194	36,576,194	32,415,968	(4,160,226)	(4,160,226)
<b>TOTAL USES OF CASH</b>	<b>55,533,487</b>	<b>55,014,482</b>	<b>55,114,482</b>	<b>50,785,628</b>	<b>(4,228,854)</b>	<b>(3,063,089)</b>
<b>Ending Cash Balance</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ (0)</b>	<b>-</b>
Non-Annual Recurring Balance	-	-	-	-		
Operating Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000		
General Fund Balance	\$ (0)	\$ 0	\$ 0	\$ -		

(1) Includes carryover revenues from the prior year.

**Central Coast Water Authority  
Total Expenditures Summary  
Fiscal Year 2012/13 Budget**

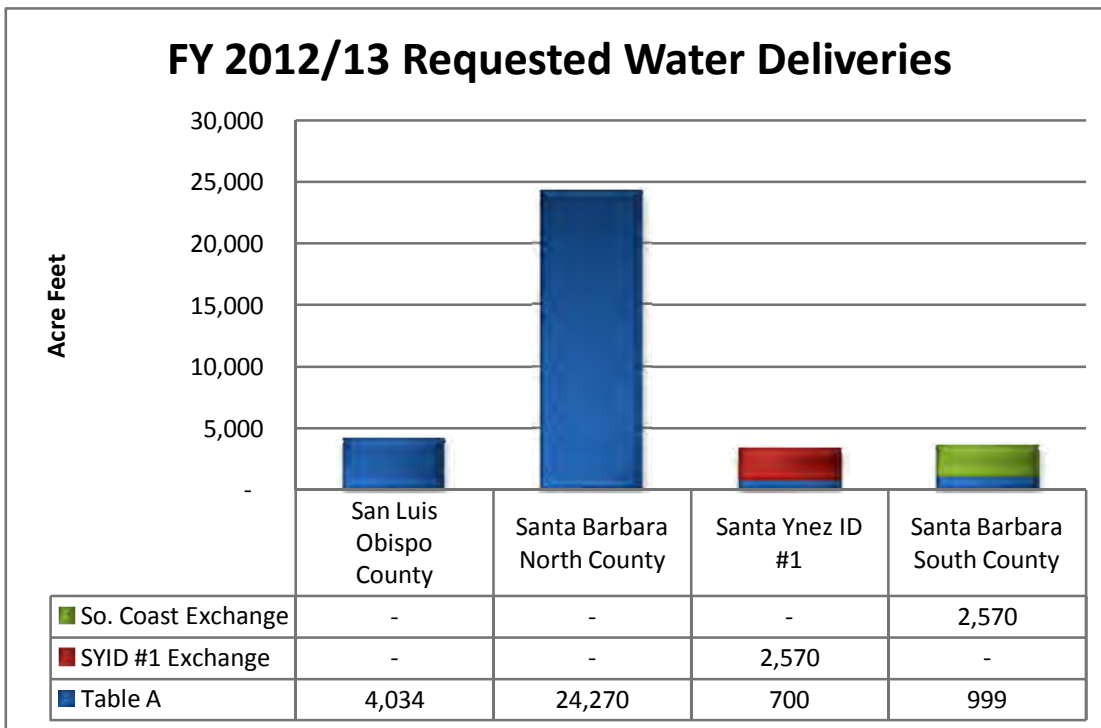
Project Participant	Unadjusted Operating Expense (1)	Unadjusted Variable Operating Expense	Exchange Agreement Adjustment Cap. & Fixed	Exchange Agreement Adjustment Variable	Regional WTP Allocation	Regional WTP Credit	Adjusted Charge	Warren Act Charges (2)	2006A			Subtotal FY 2012/13 CCWA	Non-Annual Recurring Expenses	CCWA (Credits)/ Amount Due	Total FY 2012/13 CCWA
									Revenue	Bond Debt Service	Service				
Guadalupe	64,012	19,553	-	-	\$22,080	\$0	\$105,645	-	164,776	-	\$270,421	-	(\$30,542)	\$	239,879
Santa Maria	1,858,518	565,237	-	-	\$649,980	-	3,073,734	-	-	-	3,073,734	-	(16,028)	\$	3,057,706
Golden State Water	61,374	18,964	-	-	\$20,114	-	100,452	-	-	-	100,452	-	(12,328)	-	88,124
Vandenberg AFB	744,234	216,521	-	-	\$221,534	-	1,182,289	-	-	-	1,182,289	-	(246,044)	-	936,245
Buellton	89,832	23,677	-	-	\$23,314	-	136,823	-	291,885	-	428,709	-	(21,587)	-	407,121
Santa Ynez (Solvang)	228,977	49,748	-	-	\$60,093	-	338,818	-	896,755	-	1,235,572	-	(37,411)	-	1,198,161
Santa Ynez	77,262	25,776	349,125	94,562	\$123,641	-	670,366	-	336,779	1,007,145	1,006,303	-	(842)	-	1,006,303
Goleta	826,676	34,045	(125,783)	(34,069)	\$139,062	(\$486,003)	353,929	11,600	2,826,403	3,180,332	3,180,332	-	(95,264)	-	3,085,068
Morehart Land	36,741	23,917	-	0	\$8,038	(\$34,556)	34,140	43,152	129,739	175,479	175,479	-	(901)	-	165,367
La Cumbre	183,706	88,970	-	0	\$39,860	(\$163,353)	149,183	3,190	621,386	813,721	813,721	-	(324)	-	812,820
Raytheon	9,185	6,577	-	0	\$2,016	(\$8,823)	8,955	-	27,158	39,303	39,303	-	(640)	-	38,980
Santa Barbara	551,118	22,497	(83,583)	(22,639)	\$92,786	(\$324,286)	235,893	-	1,737,478	1,973,371	1,973,371	-	(2,553)	-	1,972,732
Montecito	551,118	22,497	(83,583)	(22,639)	\$92,786	(\$324,286)	235,893	-	2,042,182	2,278,075	2,278,075	-	(43,777)	-	2,234,298
Carpinteria	367,412	15,357	(56,175)	(15,215)	\$61,728	(\$215,725)	157,380	-	1,167,507	1,324,887	1,324,887	-	(821)	-	1,281,110
Shandon	7,258	-	-	-	-	-	7,258	-	13,110	20,369	20,369	-	(26,021)	-	19,548
Chorro Valley	173,597	86,088	-	-	-	-	259,685	-	1,044,414	1,304,099	1,304,099	-	(14,800)	-	1,278,078
Lopez	189,168	62,465	-	-	-	-	251,633	-	270,064	521,697	521,697	-	-	-	506,897
<b>TOTAL:</b>	<b>6,020,187</b>	<b>\$1,281,890</b>	<b>(0)</b>	<b>(0)</b>	<b>\$1,557,032</b>	<b>(\$1,557,032)</b>	<b>\$7,302,077</b>	<b>\$57,942</b>	<b>\$11,569,637</b>	<b>\$18,929,655</b>	<b>\$18,929,655</b>	<b>\$0</b>	<b>(\$59,996)</b>	<b>\$</b>	<b>\$18,369,659</b>

(1) Includes capital improvement projects.

Project Participant	Transportation Capital Through Reach 35	Transportation Capital Reach 37	Transportation Capital Reach 38	DWR FIXED CHARGES Transportation Minimum OMP&R	Water System Revenue Bond	Delta Water Charges	Total Fixed	Off-Aqueeduct Charges	Variable OMP&R	Total Variable	DWR Interest Income	Total DWR Charges	TOTAL DWR and CCWA
Guadalupe	\$ 251,934	\$ -	\$ -	\$ -	\$ 20,234	\$ 27,159	\$ 356,014	\$ 21,232	\$ 55,376	\$ 76,608	\$ (116)	\$ 432,506	\$ 672,385
Santa Maria	7,420,596	596,918	-	1,776,201	595,995	799,951	11,189,661	919,985	1,808,562	2,728,547	(20,454)	13,897,754	16,955,461
Golden State Water	229,031	18,423	-	51,022	18,395	24,690	341,561	17,169	59,188	76,356	(97)	417,820	505,944
Vandenberg AFB	2,519,338	202,657	332,312	564,788	202,344	271,588	4,093,028	214,957	678,361	893,318	-	4,986,347	5,922,592
Buellton	264,760	21,297	34,923	59,702	21,264	28,550	430,497	30,104	68,944	99,048	(116)	529,429	936,550
Santa Ynez (Solvang)	680,998	55,270	90,631	147,855	53,603	67,733	1,096,090	29,423	133,240	162,664	(296)	1,258,458	2,456,619
Santa Ynez	235,125	18,423	30,210	57,679	19,977	31,026	392,441	43,189	87,469	130,658	(109)	522,990	1,529,293
Goleta	2,061,277	165,811	271,892	257,671	165,554	222,209	3,144,413	-	114,904	114,904	(10,369)	3,248,948	6,334,016
Morehart Land	91,612	7,369	12,084	20,315	7,358	9,876	148,615	-	7,884	7,884	(233)	155,727	321,094
La Cumbre	458,061	36,847	60,420	-	36,790	49,380	641,498	-	79,102	79,102	(9)	720,367	1,533,187
Raytheon	22,903	1,842	3,021	5,900	1,839	2,469	2,207,354	4,409	5,704	10,114	(9)	48,080	87,059
Santa Barbara	1,374,184	110,540	181,261	282,859	110,369	148,139	2,207,354	25,619	77,042	102,661	(4,663)	2,305,352	4,278,083
Montecito	1,374,184	110,540	181,261	246,859	110,369	148,139	2,171,354	-	2,171,354	-	(4,560)	2,166,793	4,442,315
Carpinteria	916,123	73,694	120,841	187,481	73,580	98,759	1,470,477	212	49,418	49,630	(3,211)	1,516,896	2,798,006
Goleta 2500 AF	19,479	-	-	55,265	21,556	112,203	208,502	-	-	-	-	208,502	208,502
Shandon	-	-	-	-	-	-	-	-	-	-	-	-	19,548
Chorro Valley	-	-	-	-	-	-	-	-	-	-	-	-	1,278,078
Lopez	-	-	-	-	-	-	-	-	-	-	-	-	506,897
<b>TOTAL:</b>	<b>\$ 17,919,605</b>	<b>\$ 1,419,634</b>	<b>\$ 1,318,857</b>	<b>\$ 3,770,286</b>	<b>\$ 1,469,227</b>	<b>\$ 2,041,872</b>	<b>\$ 27,929,481</b>	<b>\$ 1,306,300</b>	<b>\$ 3,225,194</b>	<b>\$ 4,531,494</b>	<b>\$ (45,007)</b>	<b>\$ 32,415,968</b>	<b>\$ 50,785,628</b>

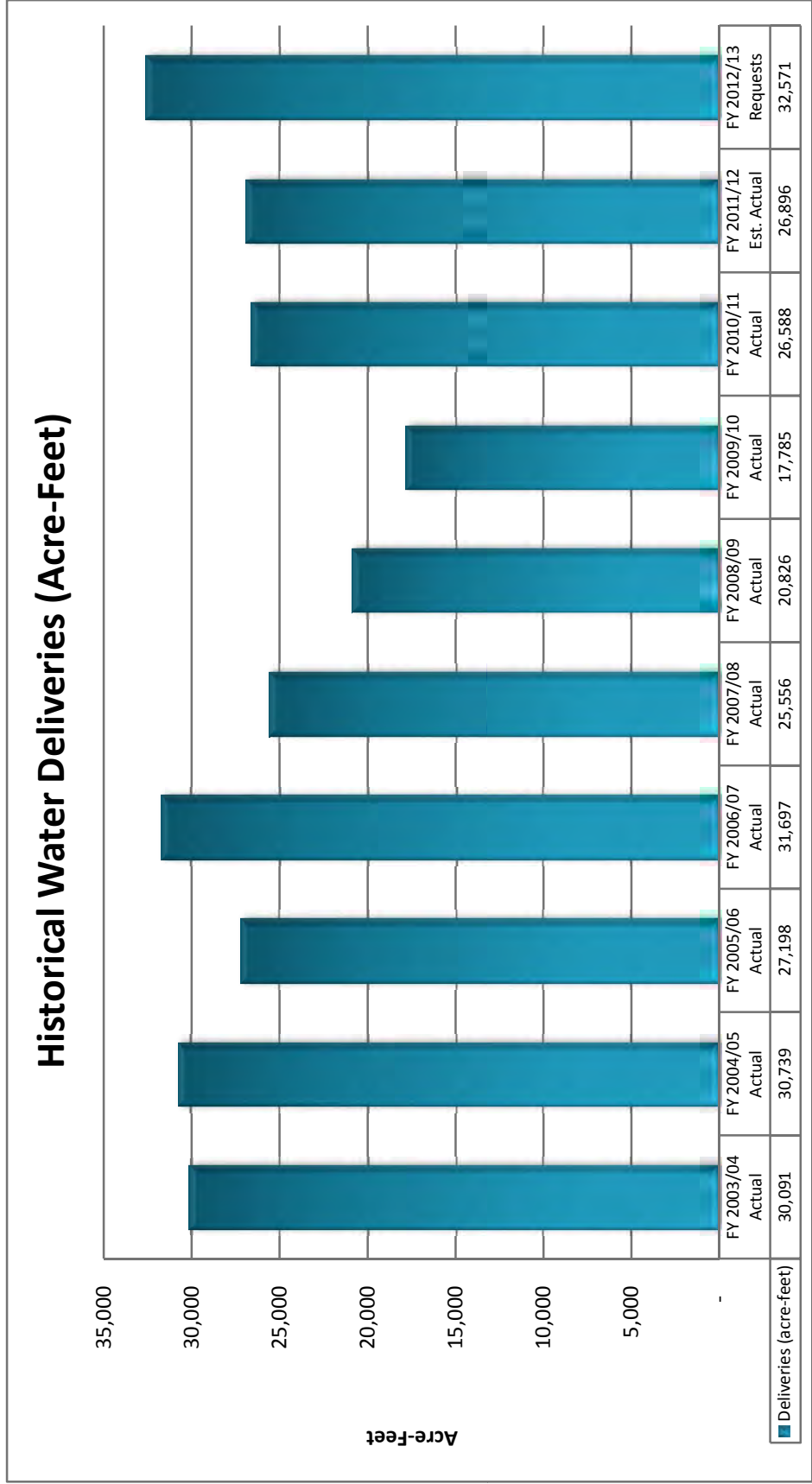
Central Coast Water Authority  
**FY 2012/13 Delivery Requests (Acre Feet)**

Project Participant	Requested Deliveries	Exchange Deliveries	Net Deliveries
Shandon	-	-	-
Lopez	1,696	-	1,696
Chorro Valley	2,338	-	2,338
Guadalupe	531	-	531
Santa Maria	15,350	-	15,350
Golden State Water	515	-	515
VAFB	5,880	-	5,880
Buellton	643	-	643
Solvang	1,351	-	1,351
Santa Ynez	700	2,570	3,270
Goleta	925	(925)	(0)
Morehart	200	-	200
La Cumbre	744	-	744
Raytheon	55	-	55
Santa Barbara	615	(615)	-
Montecito	615	(615)	-
Carpinteria	413	(413)	-
<b>TOTAL:</b>	<b>32,571</b>	<b>(0)</b>	<b>32,573</b>

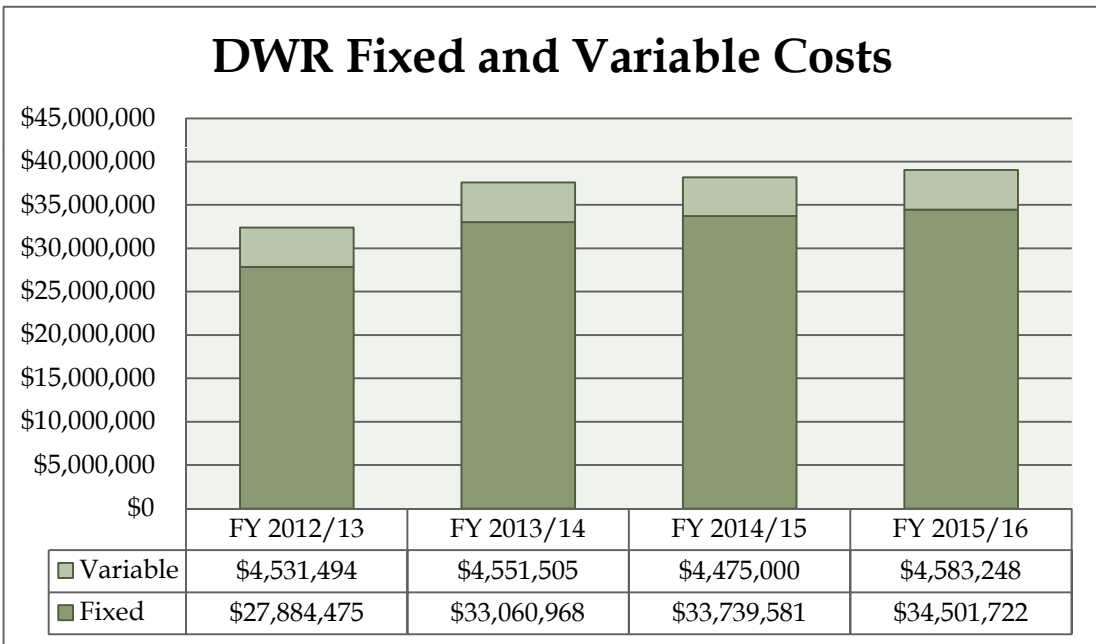
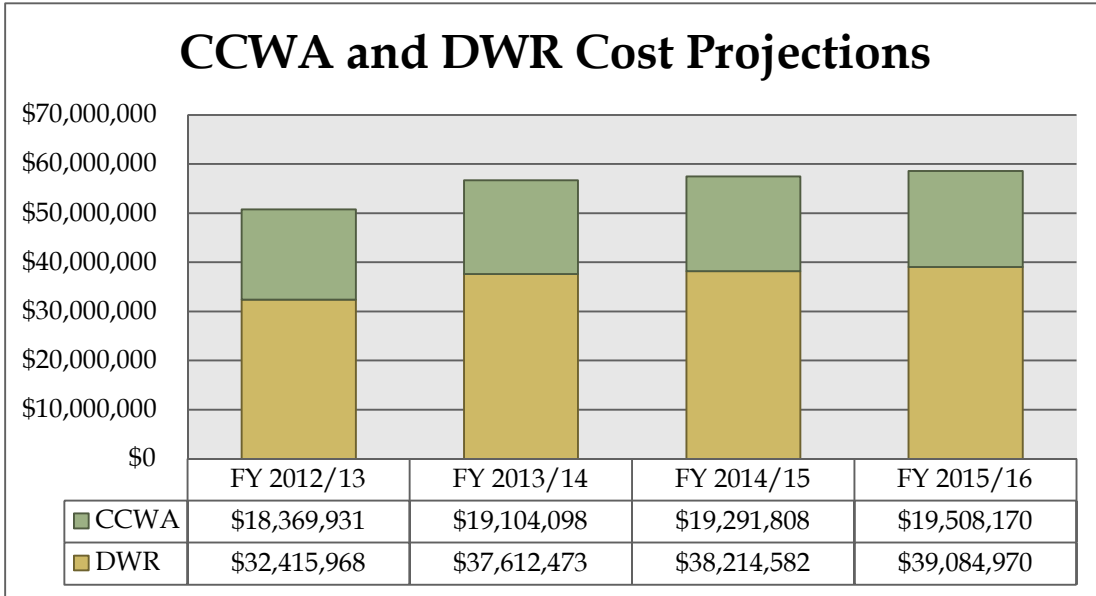


Santa Ynez ID#1 exchanges its Lake Cachuma entitlement for an equal amount of the Santa Barbara County south coast project participant State water. The amounts in the graph above show both the Santa Ynez ID#1 exchanged State water and the South coast Cachuma water taken in the exchange.

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

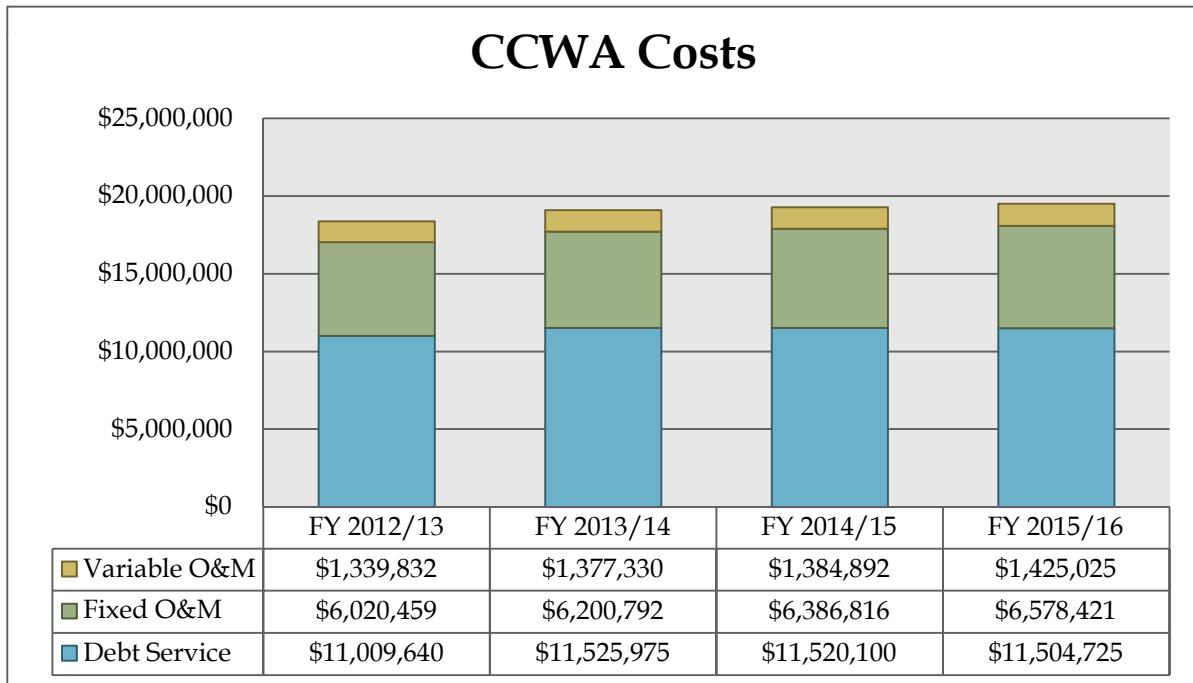
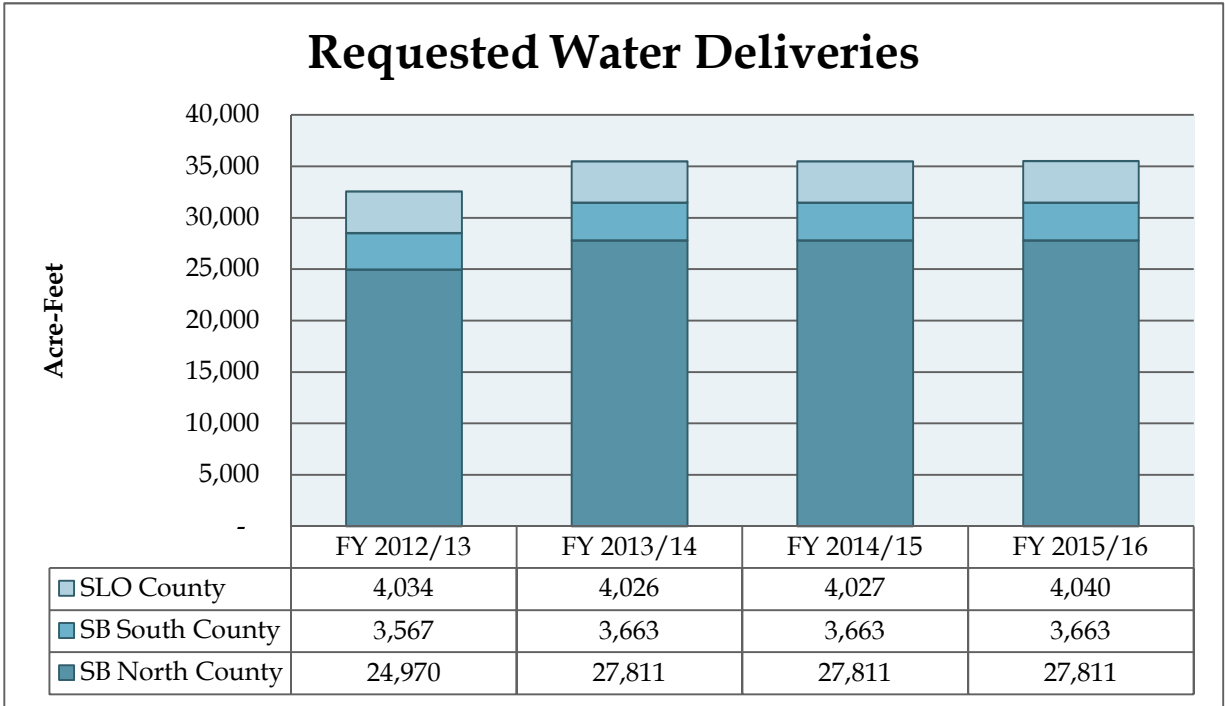


Central Coast Water Authority  
**Projected Future State Water Costs**  
 FY 2012/13 to 2015/16



*FY 2012/13 charges net of CCWA credits.*

Central Coast Water Authority  
**Projected Future State Water Costs**  
 FY 2012/13 to 2015/16



Central Coast Water Authority  
**Cost Per Acre-Foot Analysis**  
 Fiscal Year 2012/13 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 2012/13 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	\$ 606,081	\$ 1,101.97
Santa Maria	16,200	13,657,917	843.08
Golden State Water C	500	422,288	844.58
VAFB	5,500	5,051,217	918.40
Buellton	578	834,583	1,443.92
Santa Ynez (Solvang)	1,500	2,279,877	1,519.92
Santa Ynez <sup>(1)</sup>	500	925,798	1,651.65
Goleta	4,500	6,314,294	1,403.18
Morehart	200	306,513	1,532.56
La Cumbre	1,000	1,392,455	1,392.46
Raytheon	50	72,647	1,452.93
Santa Barbara	3,000	4,175,988	1,392.00
Montecito	3,000	4,444,795	1,481.60
Carpinteria	2,000	2,792,145	1,396.07
<b>TOTAL:</b>	<b>39,078</b>	<b>\$ 43,276,596</b>	

Central Coast Water Authority  
**Cost Per Acre-Foot Analysis**  
Fiscal Year 2012/13 Budget

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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 2012/13 Budget

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

***FY 2012/13 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 2012/13 Requested Deliveries			Variable Cost Per Acre-Foot <b>TABLE A DELIVERIES</b>							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	531	-	531	\$ 19,553		\$ 685		\$ 86,019		\$ 106,256	\$ 200.11
Santa Maria	15,350	-	15,350	565,237		19,787		2,486,607		3,071,631	200.11
Golden State Water C	515	-	515	18,964		664		83,427		103,055	200.11
VAFB	5,880	-	5,880	216,521		7,580		952,524		1,176,625	200.11
Buellton	643	-	643	23,677		829		104,162		128,668	200.11
Santa Ynez (Solvang)	1,351	-	1,351	49,748		1,742		218,854		270,344	200.11
Santa Ynez <sup>(1)</sup>	700	2,570	3,270	25,776		4,215		113,396		143,387	200.11
Goleta	925	(925)	(0)	34,062	83	(0)	7	149,844	(12)	183,984	-
Morehart	200	-	200	7,365	16,552	258	(7,365)	32,399	11,600	60,808	304.04
La Cumbre	744	-	744	27,396	61,573	959	(27,398)	120,524	43,152	226,206	304.04
Raytheon	55	-	55	2,025	4,552	71	(2,025)	8,910	3,190	16,722	304.04
Santa Barbara	615	(615)	0	22,646	-	0	66	99,626	12	122,351	-
Montecito	615	(615)	0	22,646	-	0	66	99,626	12	122,351	-
Carpinteria	413	(413)	(0)	15,208	83	(0)	(66)	66,904	(12)	82,116	-
<b>TOTAL:</b>	<b>28,539</b>	<b>0</b>	<b>28,539</b>	<b>\$ 1,050,825</b>	<b>\$ 82,843</b>	<b>\$ 36,789</b>	<b>\$ (36,715)</b>	<b>\$ 4,622,821</b>	<b>\$ 57,942</b>	<b>\$ 5,814,505</b>	

(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 2012/13 Budget

**FY 2012/13 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.

<b>Variable Cost Per Acre-Foot - EXCHANGE DELIVERIES</b>						
Project Participant	Exchange Deliveries	CCWA Exchange Variable	CCWA Fixed & Capital Exchange	DWR Variable	Total Exchange Costs	Exchange Variable Cost/AF
Guadalupe						
Santa Maria						
Golden State Water Co.						
VAFB						
Buellton						
Santa Ynez (Solvang)						
Santa Ynez	2,570	\$ 94,562	\$ 349,125	-	\$ 443,687	\$ 172.64
Goleta	(925)			\$ 149,877	149,877	161.99
Morehart	-			-	-	
La Cumbre	-			-	-	
Raytheon (SBRC)	-			-	-	
Santa Barbara	(615)			99,594	99,594	161.99
Montecito	(615)			99,594	99,594	161.99
Carpinteria	(413)			66,936	66,936	161.99
<b>TOTAL:</b>	<b>0</b>	<b>\$ 94,562</b>	<b>\$ 349,125</b>	<b>\$ 416,000</b>	<b>\$ 859,687</b>	

**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.



Lab testing samples

## *Revenues and Sources of Cash*

**T**he Revenues and Sources of Cash section of the FY 2012/13 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 2012/13 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**

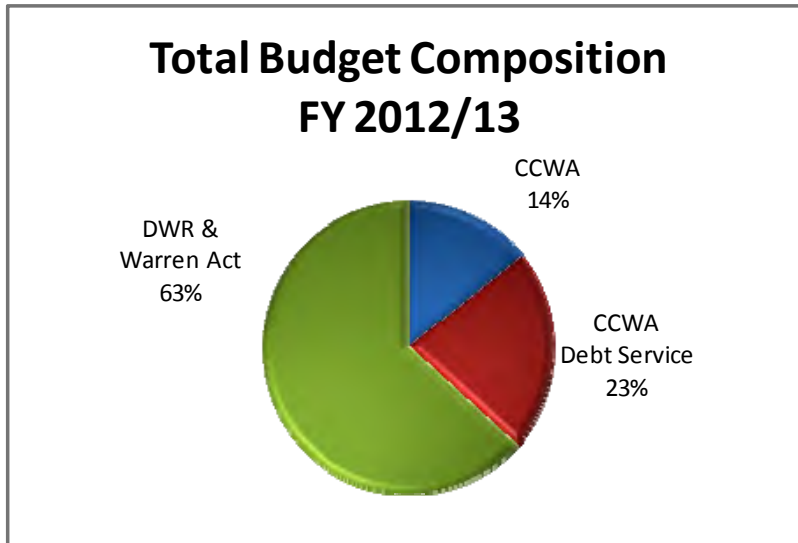
Revenues	FY 2010/11 Actual	FY 2011/12 Estimated Actual	FY 2012/13 Budget
CCWA Operating Expenses <sup>(1)</sup>	\$ 6,890,793	\$ 6,868,067	\$ 7,133,936
Debt Service Payments	11,534,804	11,506,417	11,569,637
Capital Improvement Projects (CIP)	209,325	625,572	168,141
Investment Income	132,624	100,000	-
<b>Subtotal Revenues</b>	18,767,546	19,100,056	18,871,714
<u>Pass-Through Expenses</u>			
DWR Fixed Costs	33,659,707	31,441,677	27,929,481
DWR Variable Costs	3,545,903	5,209,517	4,531,494
DWR Account Interest	(537,925)	(75,000)	(45,007)
Warren Act Charges <sup>(1)</sup>	98,255	128,159	57,942
<b>Subtotal Pass Through Expenses</b>	36,765,941	36,704,353	32,473,910
<b>Gross Budget Before Credits</b>	55,533,487	55,804,409	51,345,624
Credits and Prepayments	-	(689,927)	(559,996)
<b>TOTAL SOURCES OF CASH</b>	\$ 55,533,487	\$ 55,114,482	\$ 50,785,628

(1) Adjusted for Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority  
**Revenues and Sources of Cash**  
Fiscal Year 2012/13 Budget

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Revenues and Other Sources of Cash



**FY 2011/12 Actual Cash Receipts**

The actual cash receipts for FY 2011/12 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 2010/11, (2) interest income for FY 2010/11, 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 2012/13 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 2012/13 OPERATING EXPENSES  
 AND CAPITAL IMPROVEMENT PROJECTS***

Project Participant	CCWA Fixed Operating Expenses	CCWA Variable Operating Expenses	Regional WTP Allocation	Regional WTP Allocation Credit	Exchange Agreement Adjustment Cap. and Fixed	Exchange Agreement Adjustment Variable	Adjusted CCWA Operating Expenses
Guadalupe	\$ 64,012	\$ 19,553	\$ 22,080	\$ -	\$ -	\$ -	\$ 105,645
Santa Maria	1,858,518	565,237	649,980	-	-	-	3,073,734
Golden State Water Co.	61,374	18,964	20,114	-	-	-	100,452
Vandenberg AFB	744,234	216,521	221,534	-	-	-	1,182,289
Buellton	89,832	23,677	23,314	-	-	-	136,823
Santa Ynez (Solvang)	228,977	49,748	60,093	-	-	-	338,818
Santa Ynez	77,262	25,776	123,641	-	349,125	94,562	670,366
Goleta	826,676	34,045	139,062	(486,003)	(125,783)	(34,069)	353,929
Morehart Land	36,741	23,917	8,038	(34,556)	-	-	34,140
La Cumbre	183,706	88,970	39,860	(163,353)	-	-	149,183
Raytheon	9,185	6,577	2,016	(8,823)	-	-	8,955
Santa Barbara	551,118	22,497	92,786	(324,286)	(83,583)	(22,639)	235,893
Montecito	551,118	22,497	92,786	(324,286)	(83,583)	(22,639)	235,893
Carpinteria	367,412	15,357	61,728	(215,725)	(56,175)	(15,215)	157,380
Shandon	7,258	-	-	-	-	-	7,258
Chorro Valley	173,597	86,088	-	-	-	-	259,685
Lopez	189,168	62,465	-	-	-	-	251,633
<b>TOTAL:</b>	<b>\$ 6,020,187</b>	<b>\$ 1,281,890</b>	<b>\$ 1,557,032</b>	<b>(\$ 1,557,032)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,302,077</b>

The adjusted total CCWA Operating Expense revenues, including capital improvement projects funded with CCWA O&M assessments for Fiscal Year 2012/13, are **\$7,302,077**.

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 2012/13 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 2012/13, total net revenue for debt service payments will be \$10,743,850 or about \$21,000 more than the FY 2011/12 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 2012/13 Debt Service Payments <sup>(1)</sup>	Local Project Debt Service Payments <sup>(2)</sup>	FY 2012/13 Net Debt Service Revenue
Avila Beach	\$ 13,241	\$ (1,888)	\$ 11,353
California Men's Colony	115,819	(42,175)	73,644
County of SLO	123,378	(44,977)	78,401
Cuesta College	57,914	(21,090)	36,824
Morro Bay	747,303	(322,621)	424,682
Oceano	96,814	(12,864)	83,950
Pismo Beach	160,009	(21,239)	138,770
Shandon	13,110	(1,520)	11,591
Guadalupe	164,776	(54,851)	109,925
Buellton	291,885	(8,928)	282,958
Santa Ynez (Solvang)	896,755	(23,815)	872,940
Santa Ynez	336,779	(10,553)	326,226
Goleta	2,826,403	(135,585)	2,690,818
Morehart Land	129,739	(624)	129,115
La Cumbre	621,386	(3,121)	618,265
Raytheon	27,158	(824)	26,334
Santa Barbara	1,737,478	(29,599)	1,707,879
Montecito	2,042,182	(47,089)	1,995,093
Carpinteria	1,167,507	(42,425)	1,125,082
<b>TOTAL:</b>	<b>\$ 11,569,637</b>	<b>\$ (825,786)</b>	<b>\$ 10,743,850</b>
(1) 2006A revenue bond principal and interest, minus FY 2011/12 debt service account interest income credits plus bond trustee fees.			
(2) Payments from project participants for local facilities financed with CCWA revenue bonds.			



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**FY 2012/13 CCWA Credits**

The following table shows a summary of the FY 2012/13 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	\$30,130	\$117	\$ 295		\$30,542
Santa Maria	5,023	3,465	7,539		16,028
Golden State Water Co.	12,222	107	-		12,328
Vandenberg AFB	246,044	-	-		246,044
Buellton	21,010	123	454		21,587
Santa Ynez (Solvang)	36,025	321	1,065		37,411
Santa Ynez	-	107	735		842
Goleta	94,305	960	-		95,264
Morehart Land	8,692	43	-	1,378	10,112
La Cumbre	-	213	687		901
Raytheon	-	11	-	313	324
Santa Barbara	-	640	-		640
Montecito	-	642	1,912		2,553
Carpinteria	41,917	426	1,434		43,777
Shandon	794		27		821
Oceano CSD					-
Avila Beach CSD					-
Pismo Beach					-
Avila Valley Water Co.					-
San Miguelito Water Co.					-
San Luis School					-
Chorro Valley	26,021				26,021
Lopez	14,800				14,800
<b>TOTAL:</b>	<b>\$536,982</b>	<b>\$7,175</b>	<b>\$14,149</b>	<b>\$1,691</b>	<b>\$559,996</b>

**Investment Income and Cash Management**

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

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

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Bank Account Cash Balances

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

Debt Service Payments

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

**Investment Income**

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

DWR Payment Investments

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

CCWA Operating Expense Revenue

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

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**Pass-Through Expenses**

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

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

Warren Act Charges

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

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

The following table shows the calculation of the Warren Act and Trust Fund payments for FY 2012/13.

**Warren Act and Trust Fund Charges**

Project Participant	Total FY 2012/13 Deliveries to Lake Cachuma (AF)	Total Warren Act and Trust Fund Payments (\$58/AF)
Goleta	(0)	\$ -
Morehart Land Co.	200	11,600
LaCumbre	744	43,152
Raytheon	55	3,190
Santa Barbara	0	-
Montecito	0	-
Carpinteria	(0)	-
<b>TOTAL:</b>	<b>997</b>	<b>\$ 57,942</b>

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The following table represents the Fiscal Year 2012/13 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 2012/13 DWR Fixed Charges	FY 2012/13 DWR Variable Charges	FY 2012/13 Interest Income	FY 2012/13 Warren Act Charges <sup>(1)</sup>	Total Pass-Through Expenses
Guadalupe	\$356,014	\$76,608	(\$116)	\$ -	\$432,506
Santa Maria	11,189,661	2,728,547	(20,454)	-	13,897,754
Golden State Water Co.	341,561	76,356	(97)	-	417,820
Vandenberg AFB	4,093,028	893,318	-	-	4,986,347
Buellton	430,497	99,048	(116)	-	529,429
Santa Ynez (Solvang)	1,096,090	162,664	(296)	-	1,258,458
Santa Ynez	392,441	130,658	(109)	-	522,990
Goleta	3,352,916	114,904	(10,369)	-	3,457,450
Morehart Land	148,615	7,884	(772)	11,600	167,327
LaCumbre	641,498	79,102	(233)	43,152	763,519
Raytheon	37,975	10,114	(9)	3,190	51,270
Santa Barbara	2,207,354	102,661	(4,663)	-	2,305,352
Montecito	2,171,354	-	(4,560)	-	2,166,793
Carpinteria	1,470,477	49,630	(3,211)	-	1,516,896
Shandon	N/A	N/A	-	-	-
Chorro Valley	N/A	N/A	-	-	-
Lopez	N/A	N/A	-	-	-
<b>TOTAL:</b>	<b>\$27,929,481</b>	<b>\$4,531,494</b>	<b>(\$45,007)</b>	<b>\$57,942</b>	<b>\$32,473,910</b>
(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 1<sup>st</sup> 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 \$22/AF for 2012) and one-quarter the delta water rate (about \$11/ for 2012) 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 1<sup>st</sup> of each year for the ensuing fiscal year which begins on July 1<sup>st</sup>. 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 1<sup>st</sup> variable billing.

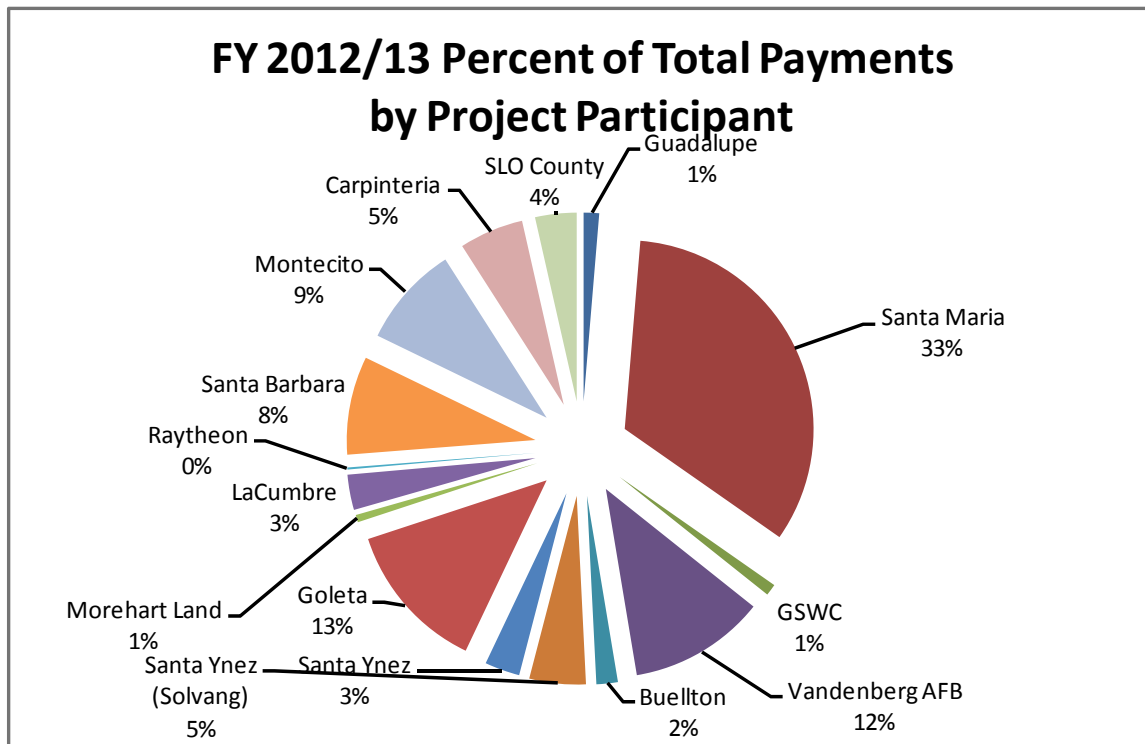
The following table provides a breakdown of the various revenues and pass-through expenses for Fiscal Year 2012/13 for each project participant.

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Project Participant	FY 2012/13 Operating Expenses <sup>(1)</sup>	FY 2012/13 Debt Service Payments	FY 2012/13 DWR Costs	FY 2012/13 Warren Act Charges <sup>(2)</sup>	FY 2012/13 CCWA Credits	FY 2012/13 Total Payments
Guadalupe	\$105,645	\$ 164,776	\$432,506	\$0	\$ (30,542)	\$672,385
Santa Maria	3,073,734	-	13,897,754	-	(16,028)	16,955,461
Golden State Water Co.	100,452	-	417,820	-	(12,328)	505,944
Vandenberg AFB	1,182,289	-	4,986,347	-	(246,044)	5,922,592
Buellton	136,823	291,885	529,429	-	(21,587)	936,550
Santa Ynez (Solvang)	338,818	896,755	1,258,458	-	(37,411)	2,456,619
Santa Ynez	670,366	336,779	522,990	-	(842)	1,529,293
Goleta	353,929	2,826,403	3,457,450	-	(95,264)	6,542,518
Morehart Land	34,140	129,739	155,727	11,600	(10,112)	321,094
La Cumbre	149,183	621,386	720,367	43,152	(901)	1,533,187
Raytheon	8,955	27,158	48,080	3,190	(324)	87,059
Santa Barbara	235,893	1,737,478	2,305,352	-	(640)	4,278,083
Montecito	235,893	2,042,182	2,166,793	-	(2,553)	4,442,315
Carpinteria	157,380	1,167,507	1,516,896	-	(43,777)	2,798,006
Shandon	7,258	13,110	N/A	-	(821)	19,548
Chorro Valley	259,685	1,044,414	N/A	-	(26,021)	1,278,078
Lopez	251,633	270,064	N/A	-	(14,800)	506,897
<b>TOTAL:</b>	<b>\$7,302,077</b>	<b>\$11,569,637</b>	<b>\$32,415,968</b>	<b>\$57,942</b>	<b>(\$559,996)</b>	<b>\$50,785,628</b>

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

(2) Adjusted for Santa Ynez Exchange Agreement Modifications.





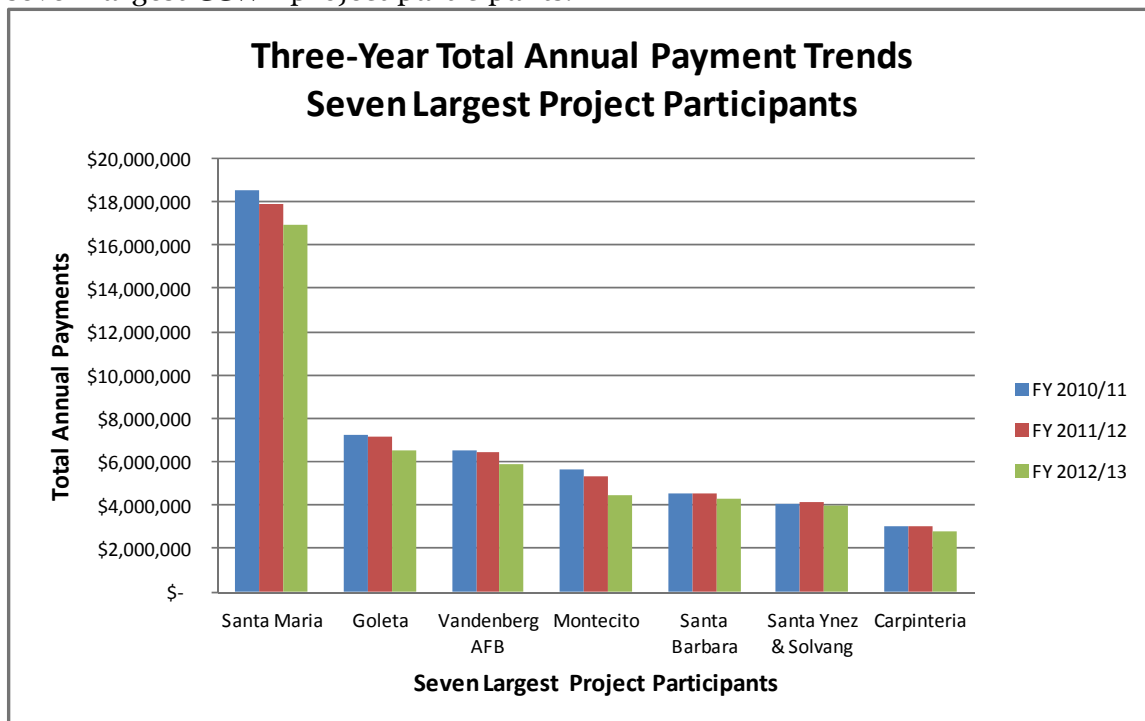
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The following table shows the three-year trend in total payments due for each project participant and the corresponding increase or (decrease).

**Three-Year Total Payments History by Project Participant**

Project Participant	Total	Total	Total	Change	Change
	Payments FY 2010/11	Payments FY 2011/12	Payments FY 2012/13	FY 2010/11 to FY 2011/12	FY 2011/12 to FY 2012/13
Guadalupe	\$755,337	\$ 726,821	\$672,385	\$ (28,516)	(\$54,436)
Santa Maria	18,493,387	17,865,306	16,955,461	(628,081)	(909,845)
Golden State Water Co.	575,203	575,304	505,944	101	(69,361)
Vandenberg AFB	6,514,998	6,484,381	5,922,592	(30,617)	(561,789)
Buellton	997,441	991,567	936,550	(5,874)	(55,017)
Santa Ynez (Solvang)	2,722,027	2,715,420	2,456,619	(6,607)	(258,801)
Santa Ynez	1,322,905	1,447,451	1,529,293	124,546	81,841
Goleta	7,256,637	7,131,387	6,542,518	(125,250)	(588,869)
Morehart Land	336,706	363,031	321,094	26,325	(41,937)
La Cumbre	1,926,137	1,871,967	1,533,187	(54,170)	(338,780)
Raytheon	85,177	93,186	87,059	8,009	(6,127)
Santa Barbara	4,537,856	4,568,848	4,278,083	30,992	(290,765)
Montecito	5,616,521	5,352,201	4,442,315	(264,320)	(909,886)
Carpinteria	3,042,734	3,058,031	2,798,006	15,297	(260,025)
Shandon	17,736	19,621	19,548	1,885	(74)
Chorro Valley	1,286,140	1,247,141	1,278,078	(38,999)	30,937
Lopez	478,003	503,176	506,897	25,173	3,721
<b>TOTAL:</b>	<b>\$55,964,945</b>	<b>\$55,014,840</b>	<b>\$50,785,628</b>	<b>(\$950,465)</b>	<b>(\$4,229,573)</b>

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







*DWR Raw Water Tank 3 approximately 10" from spilling on April 16, 2012*

## *Department of Water Resources Charges*

**T**he Department of Water Resources (DWR) section of the FY 2012/13 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 2012/13 DWR charges.

# ***Highlights***

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**Total FY 2012/13 DWR Charges**                      **\$ 32,415,968**

- DWR Fixed Charges                                      \$ 27,929,481
- DWR Variable Charges                                 \$ 4,531,494

## **Fixed Charge Highlights**

- Total fixed charge decrease over FY 2011/12 of \$3,458,002.
- Decrease in Transportation Minimum OMP&R charges of about \$2.1 million due to the correction of DWR's overhead allocation percentages.
- DWR release of excess revenue bond reserve funds and interest earnings of about \$1.4 million.

## **Variable Charge Highlights**

- Total variable charge decrease over FY 2011/12 of \$678,023.
- Estimated Variable OMP&R unit rate for 2012: \$115.54; 2013: \$120.00.

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

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

DWR Billing Procedures

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

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

Summary of FY 2012/13 DWR Charges

The DWR charges for the first half of FY 2012/13 are based on the 2012 Statement of Charges. The DWR charges for the second half of FY 2012/13 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 XX shows fixed and variable DWR costs for each project participant.

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**Department of Water Resources Charges**  
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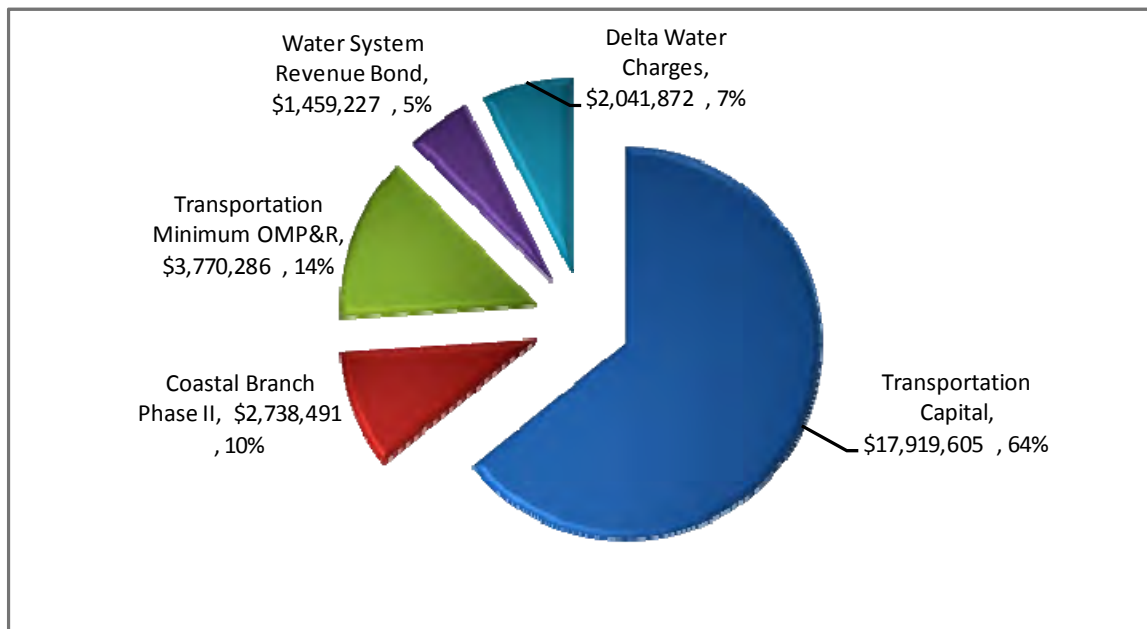
The following table provides a comparison of the FY 2010/11 through the FY 2012/13 DWR charges.

<b>DWR Fixed and Variable Cost Comparison</b>					
Cost Component	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Est. Actual <sup>(1)</sup>	FY 2012/13 Budget	FY 2012/13 Budget to FY 2011/12 Budget Increase (Decrease)
Transportation Capital	\$ 20,565,659	\$ 19,114,068	\$ 19,275,957	\$ 17,919,605	\$ (1,194,463)
Coastal Branch Phase II	1,884,585	2,782,009	2,834,247	2,738,491	(43,518)
Transportation Minimum OMP&R	7,401,816	5,884,893	5,547,624	3,770,286	(2,114,607)
Water System Revenue Bond	1,444,221	1,611,763	1,482,794	1,459,227	(152,536)
Delta Water Charges	1,810,377	1,994,750	1,884,248	2,041,872	47,122
Subtotal Fixed DWR Charges	<u>33,106,658</u>	<u>31,387,483</u>	<u>31,024,870</u>	<u>27,929,481</u>	<u>(3,458,002)</u>
Off-Aqueduct Charges	1,698,534	1,904,045	1,452,936	1,306,300	(597,745)
Variable OMP&R	1,970,201	3,305,472	1,645,439	3,225,194	(80,278)
Subtotal Variable DWR Charges	<u>3,668,735</u>	<u>5,209,517</u>	<u>3,098,375</u>	<u>4,531,494</u>	<u>(678,023)</u>
DWR Account Investment Income	<u>(106,082)</u>	<u>(20,805)</u>	<u>(75,000)</u>	<u>(45,007)</u>	<u>(24,202)</u>
Total DWR Charges	<u>\$ 36,669,311</u>	<u>\$ 36,576,195</u>	<u>\$ 34,048,245</u>	<u>\$ 32,415,968</u>	<u>\$ (4,160,227)</u>

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

**DWR FIXED COSTS**

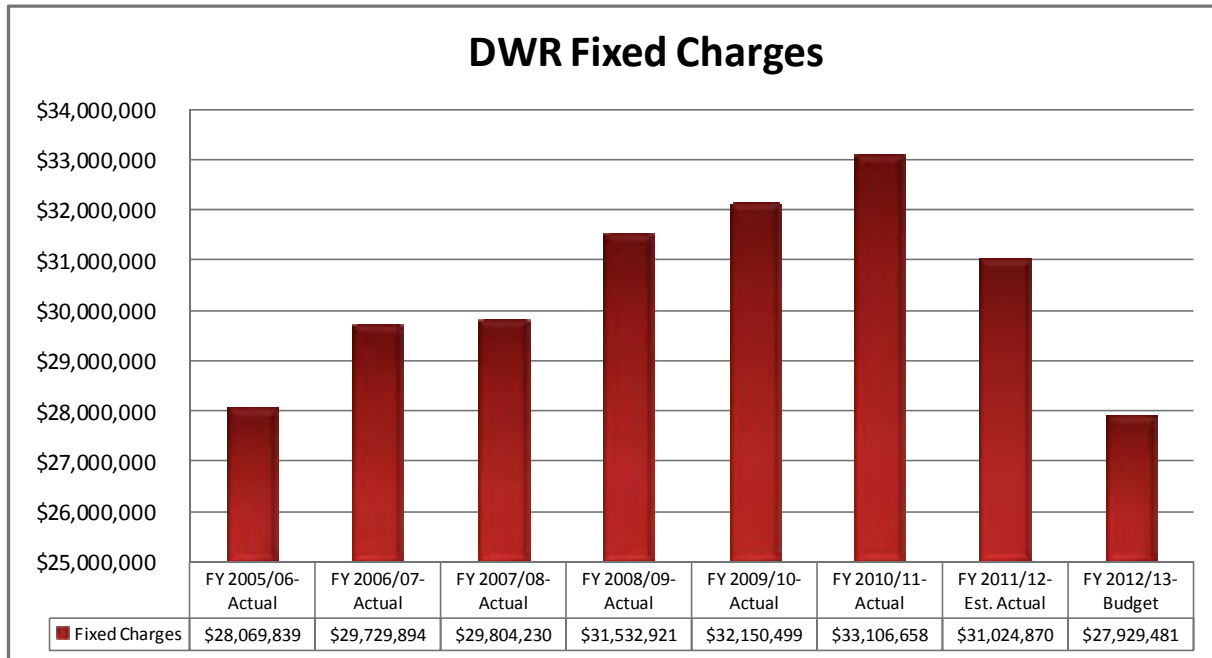
The DWR fixed costs are comprised of the following cost components:



The FY 2012/13 DWR fixed charges total \$27,929,481, which is \$3,458,002 less than the FY 2011/12 Budget. The reasons for the cost component variances are described later in this section.

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

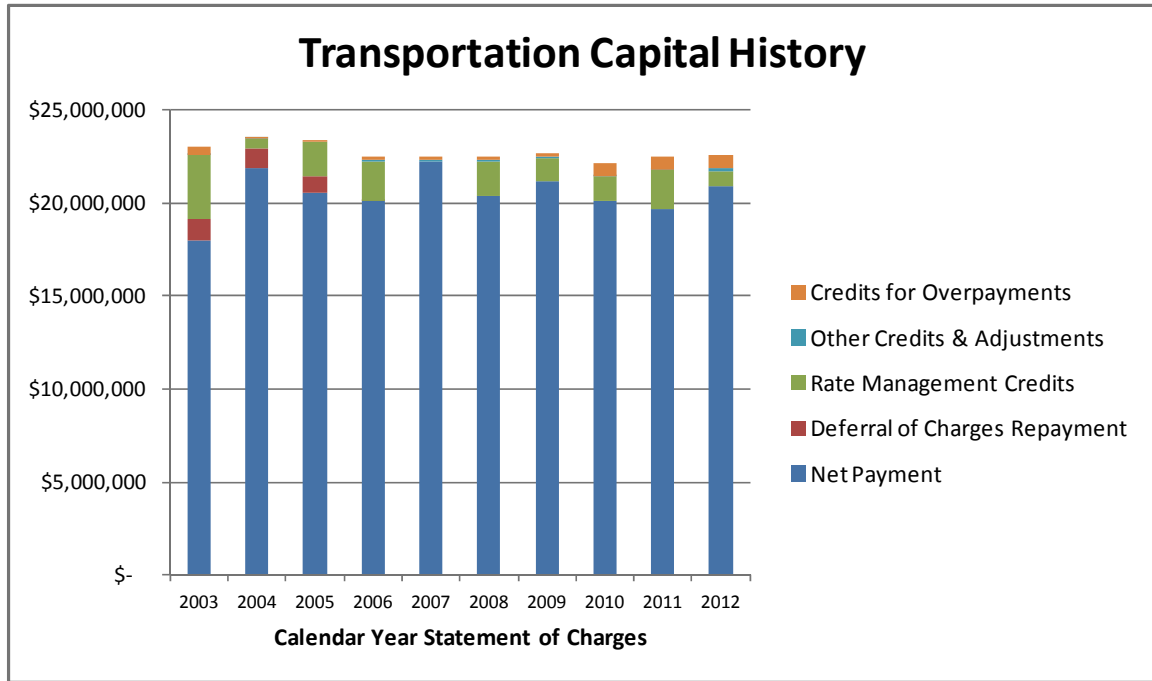


**Transportation Capital**

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

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

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The following table shows the allocation of the FY 2012/13 Transportation Capital charges to each of the CCWA project participants:

**TRANSPORTATION CAPITAL CHARGES**

Project Participant	Table A	Percentage	Reaches 1 to 35 <sup>(1)</sup>	One-Shot Adjustment	Rate Management Funds Credit	Prior Year DWR Credits for Overpayments <sup>(2)</sup>	DWR Excess Bond Reserve Fund Credit & Interest <sup>(4)</sup>	FY 2012/13 Transportation Capital Charges
Guadalupe	550	1.41%	\$ 318,623	\$ (1,259)	\$ (34,275)	\$ (10,317)	\$ (20,838)	\$ 251,934
Santa Maria	16,200	41.46%	9,384,890	(37,079)	(1,009,552)	(303,887)	(613,775)	7,420,596
Golden State Water Co.	500	1.28%	289,657	(1,144)	(31,159)	(9,379)	(18,944)	229,031
VAFB	5,500	14.07%	3,186,228	(12,589)	(342,749)	(103,172)	(208,381)	2,519,338
Buellton	578	1.48%	334,844	(1,323)	(36,020)	(10,842)	(21,899)	264,760
Santa Ynez (Solvang) <sup>(3)</sup>	1,500	3.84%	861,485	(3,433)	(92,817)	(27,895)	(56,341)	680,998
Santa Ynez <sup>(3)</sup>	500	1.28%	297,143	(1,144)	(31,819)	(9,622)	(19,433)	235,125
Goleta	4,500	11.52%	2,606,914	(10,300)	(280,431)	(84,413)	(170,493)	2,061,277
Morehart	200	0.51%	115,863	(458)	(12,464)	(3,752)	(7,577)	91,612
La Cumbre	1,000	2.56%	579,314	(2,289)	(62,318)	(18,758)	(37,887)	458,061
Raytheon	50	0.13%	28,966	(114)	(3,116)	(938)	(1,894)	22,903
Santa Barbara	3,000	7.68%	1,737,943	(6,866)	(186,954)	(56,275)	(113,662)	1,374,184
Montecito	3,000	7.68%	1,737,943	(6,866)	(186,954)	(56,275)	(113,662)	1,374,184
Carpinteria	2,000	5.12%	1,158,628	(4,578)	(124,636)	(37,517)	(75,775)	916,123
<b>Subtotal:</b>	<b>39,078</b>	<b>100.00%</b>	<b>\$ 22,638,440</b>	<b>\$ (89,443)</b>	<b>\$ (2,435,264)</b>	<b>\$ (733,044)</b>	<b>\$ (1,480,562)</b>	<b>\$ 17,900,126</b>
Goleta Additional Table A	2,500	5.50%	24,580	-	(2,698)	(796)	(1,608)	19,479
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-
<b>TOTAL:</b>	<b>45,486</b>		<b>\$ 22,663,020</b>	<b>\$ (89,443)</b>	<b>\$ (2,437,961)</b>	<b>\$ (733,840)</b>	<b>\$ (1,482,170)</b>	<b>\$ 17,919,605</b>

- (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.  
 (4) DWR release of excess revenue bond reserve funds and bond reserve fund interest earnings from 2008 through 2012.

The FY 2012/13 Transportation capital charges are decreasing by \$1,194,463 due to the following:



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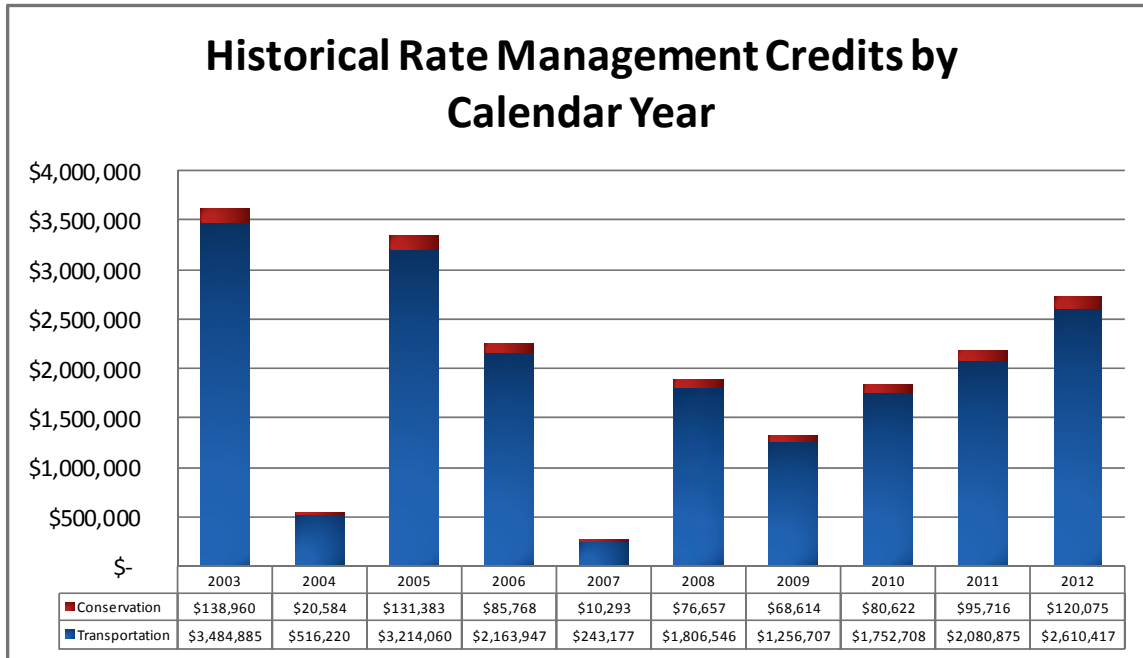
<b>Transportation Capital Budget-to-Budget Changes</b>			
	<b>FY 2011/12</b>	<b>FY 2012/13</b>	<b>Change</b>
Calculated Component	\$ 22,579,174	\$ 22,663,020	\$ 83,846
Rate Management Credits	(2,728,736)	(2,437,961)	290,775
Excess Reserve Fund Credits	-	(1,482,170)	(1,482,170)
Prior Year Overcollection Credit	(737,279)	(733,840)	3,439
Other Adjustments	909	(89,443)	(90,352)
Total:	\$ 19,114,068	\$ 17,919,605	\$ (1,194,463)

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 2012 rate management credits are estimated to total \$2,730,492 (both Transportation Capital and Conservation Capital), of which \$780,000 was applied against the January 2012 DWR payments, and the remaining balance of \$1,950,351 is estimated to be applied against the July 2012 DWR payments. Beginning with the 2011 Statement of Charges (SOC), DWR changed the method in which it allocates rate management credits so that an initial calculation is prepared to analyze the revenues available for rate management credits and one quarter of that amount is included in the current calendar year SOC. Then, after the close of the prior calendar year, DWR recalculates the revenues available for rate management credits, subtracts out the credits already provided and distributes a revised invoice applying the balance against the July payment to DWR. This revised calculation is anticipated to occur in late April or early May each year. Since this is after the final adoption of the CCWA budget, an estimate is being used in this budget to anticipate the 2012 rate management credits. For this budget, it is estimated that DWR will have sufficient revenues in calendar year 2012 to pay 86% of maximum rate management credits, or a total of \$2.7 million, of which approximately \$0.7 million was previously applied against the FY 2011/12 Budget.

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

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credits for the second half of the fiscal year. This budget includes an estimate of rate management credits for the first half of calendar year 2013 based on 25% of full funding, or \$0.8 million.

Excess Reserve Fund Credits and Interest Income

DWR amended its general bond resolution so that the cash reserves it is required to maintain for all outstanding revenue bonds are aggregated. In effect, this significantly reduced the reserve requirement DWR must maintain, and therefore DWR is able to credit these excess funds back to each Contractor.

CCWA's estimated share of the excess reserve is about \$1 million. Additionally, DWR has been retaining bond reserve fund interest earnings and is releasing about \$10 million of the \$20 million in interest earnings, of which CCWA's share is approximately \$460,000.

**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.

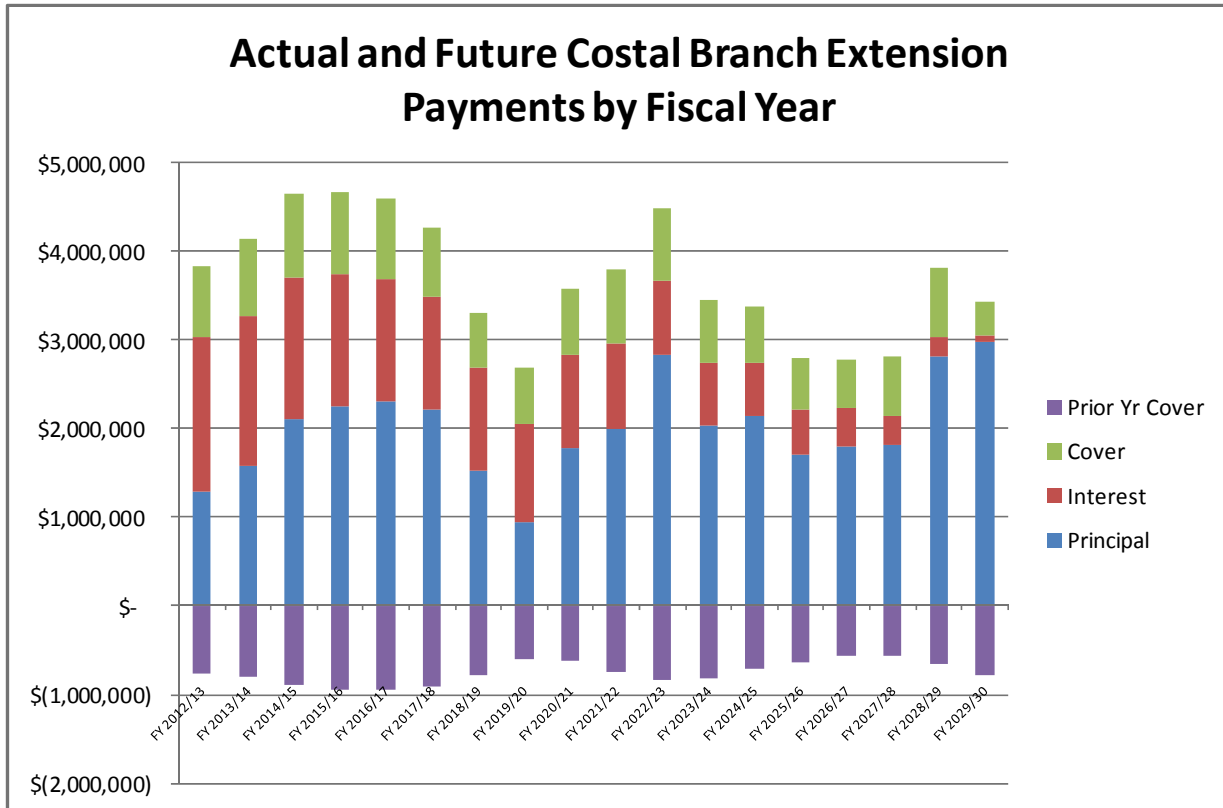
Coastal Branch Extension debt service payments for FY 2012/13 total \$2,894,537, which is \$112,529 higher than the prior year amount due to the following:

<b>Coastal Branch Extension Debt Service</b>				
	<b>FY 2011/12</b>	<b>FY 2012/13</b>	<b>Change</b>	
Principal Payments	\$ 1,237,279	\$ 1,294,212	\$	56,933
Interest Payments	1,945,428	1,754,335		(191,093)
Bond Cover	802,713	798,611		(4,102)
Rate Management Credits	(192,555)	(181,778)		10,777
Return of Prior Year Cover	(1,010,857)	(770,844)		240,014
<b>Total:</b>	<b>\$ 2,782,008</b>	<b>\$ 2,894,537</b>	<b>\$</b>	<b>112,529</b>

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.

DWR still has not finalized the corrections to the Coastal Branch Extension debt service schedules for the overallocation of revenue bonds above the construction costs. The corrections, once implemented, will reduce the total debt service costs for the Coastal Branch Extension facilities. DWR anticipates this correction to be completed in the spring of 2012.

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The following tables show the allocation of the DWR Coastal Branch Extension debt service amounts for FY 2012/13.

**TRANSPORTATION CAPITAL-COASTAL BRANCH EXTENSION**

Project Participant	Reach 37				
	Table A	Percentage	Transportation Capital	Reach 37 Credits <sup>(1)</sup>	Net Reach 37 Transp. Costs
Guadalupe	-	0.00%	-	-	\$ -
Santa Maria	16,200	42.05%	838,578	(207,646)	630,932
Golden State Water Co.	500	1.30%	25,882	(6,409)	19,473
VAFB	5,500	14.28%	284,702	(70,497)	214,205
Buellton	578	1.50%	29,920	(7,409)	22,511
Santa Ynez (Solvang)	1,500	3.89%	77,646	(19,227)	58,420
Santa Ynez	500	1.30%	25,882	(6,409)	19,473
Goleta	4,500	11.68%	232,938	(57,680)	175,259
Morehart	200	0.52%	10,353	(2,564)	7,789
La Cumbre	1,000	2.60%	51,764	(12,818)	38,946
Raytheon	50	0.13%	2,588	(641)	1,947
Santa Barbara	3,000	7.79%	155,292	(38,453)	116,839
Montecito	3,000	7.79%	155,292	(38,453)	116,839
Carpinteria	2,000	5.19%	103,528	(25,635)	77,893
<b>Total:</b>	<b>38,528</b>	<b>100.00%</b>	<b>1,994,367</b>	<b>(493,839)</b>	<b>\$ 1,500,528</b>

Project Participant	Reach 38					FY 2012/13
	Table A	Percentage	Transportation Capital	Reach 38 Credits <sup>(1)</sup>	Net Reach 38 Transp. Costs	Transportation Capital Charges
Guadalupe	-	0.00%	-	-	\$ -	\$ -
Santa Maria	-	0.00%	-	-	-	630,932
Golden State Water Co.	-	0.00%	-	-	-	19,473
VAFB	5,500	25.20%	466,848	(115,599)	351,248	565,454
Buellton	578	2.65%	49,061	(12,148)	36,913	59,424
Santa Ynez (Solvang)	1,500	6.87%	127,322	(31,527)	95,795	154,215
Santa Ynez	500	2.29%	42,441	(10,509)	31,932	51,405
Goleta	4,500	20.62%	381,966	(94,581)	287,385	462,644
Morehart	200	0.92%	16,976	(4,204)	12,773	20,562
La Cumbre	1,000	4.58%	84,881	(21,018)	63,863	102,810
Raytheon	50	0.23%	4,244	(1,051)	3,193	5,140
Santa Barbara	3,000	13.74%	254,644	(63,054)	191,590	308,429
Montecito	3,000	13.74%	254,644	(63,054)	191,590	308,429
Carpinteria	2,000	9.16%	169,763	(42,036)	127,727	205,620
<b>Total:</b>	<b>21,828</b>	<b>100.00%</b>	<b>1,852,791</b>	<b>(458,783)</b>	<b>\$ 1,394,009</b>	<b>\$ 2,894,537</b>

(1) Includes credits for the return of bond cover of \$770,844 and Rate Management Funds Credits of \$181,778.

**Transportation Minimum OMP&R**

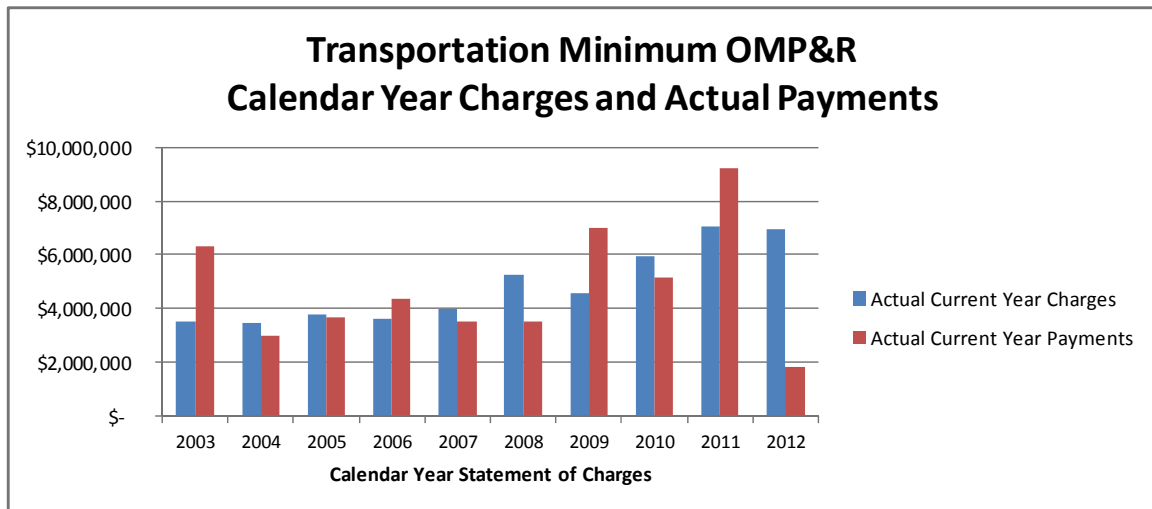
Transportation Minimum OMP&R charges are the operations and maintenance costs incurred by DWR to operate the State Water Project that generally, do not depend on or vary with the quantities of water delivered to CCWA.

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For FY 2012/13, total Transportation Minimum OMP&R charges are \$3,770,286, which is \$2,114,608 less than the prior year amount due to the following:

<b>Transportation Minimum OMP&amp;R</b>			
	FY 2011/12	FY 2012/13	Change
Calculated Component	\$ 4,441,677	\$ 6,464,301	\$ 2,022,624
Prior Year (Over)/Under Collection	1,414,391	(2,551,570)	(3,965,961)
DHCCP Costs	28,826	349,096	320,270
Prior Year Credits	-	(187,541)	(187,541)
Transfers from other DWR accounts	-	(304,000)	(304,000)
<b>Total:</b>	<b>\$ 5,884,894</b>	<b>\$ 3,770,286</b>	<b>\$ (2,114,608)</b>

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.



As the above graph shows, the calendar year 2011 and 2012 charges are significantly higher than any other year. The reasons for this increase are more fully explained below.

DWR Overhead Allocation Procedures

DWR uses a number of different allocation methods to allocate costs which are not specific to a particular project or financial reach. One of those allocation methods allocates “state-wide” costs to each financial reach based on the

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actual employee hours incurred in each financial reach in the preceding year. These overhead allocation percentages are supposed to be updated each year to reflect the prior year actual salary expenses.

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

CCWA has filed a letter of protest on this issue with DWR requesting that the overhead allocation factors be updated immediately and that the costs be reallocated for every year back to 2006. DWR corrected the overhead allocation factors and included the adjustments in the calendar year 2012 Statement of Charges which resulted in a reduction of the 2012 Transportation Minimum OMP&R charges of about \$5.1 million.

Bay Delta Conservation Plan Supplemental Funding Agreement

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

Subsequent to expenditure of the initial \$140 million, DWR determined it needed an additional \$100 million to complete the initial work, of which CCWA’s share is about \$519,000.

The following table shows the allocation of the FY 2012/13 BDCP costs. The City of Santa Maria agreed to pay the BDCP costs for the City of Santa Barbara, Carpinteria Valley Water District, Montecito Water District and the Goleta Valley Water District.

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**FY 2012/13 BDCP Cost Allocation**

Project Participant	Table A		BDCP		TOTAL
	& Drought Buffer	Percentage	Costs		
Guadalupe	605	1.33%	\$ 4,643	\$ 4,643	\$ 4,643
Santa Maria	34,070	74.90%	261,481		261,481
Golden State Water Co.	550	1.21%	4,221		4,221
VAFB	6,050	13.30%	46,433		46,433
Buellton	636	1.40%	4,881		4,881
Santa Ynez (Solvang) <sup>(1)</sup>	1,500	3.30%	11,512		11,512
Santa Ynez <sup>(1)</sup>	700	1.54%	5,372		5,372
Goleta	-	0.00%	-		-
Morehart	220	0.48%	1,688		1,688
La Cumbre	1,100	2.42%	8,442		8,442
Raytheon	55	0.12%	422		422
Santa Barbara	-	0.00%	-		-
Montecito	-	0.00%	-		-
Carpinteria	-	0.00%	-		-
	45,486	100.00%	\$ 349,096	\$ 349,096	\$ 349,096

The following table shows the allocation of the FY 2012/13 Transportation Minimum OMP&R charges to each of the CCWA project participants.

**TRANSPORTATION MINIMUM OMP&R**

Project Participant	Table A		Calculated Component		Prior Year(s) Overcollections	DHCCP Costs and Litigation Costs <sup>(2)</sup>	FY 2011/12 Credit Amount	Transfers from Off-Aqueduct Account <sup>(3)</sup>	FY 2012/13 Transportation Minimum OMP&R
	Table A	Percentage	FY 2012/13						
Guadalupe	550	1.41%	\$ 89,717	\$ (35,426)	\$ 4,643	\$ (2,248)	\$ -	\$ 56,687	
Santa Maria	16,200	41.46%	2,642,585	(1,043,451)	261,481	(84,413)	-	1,776,201	
Golden State Water Co.	500	1.28%	81,561	(32,205)	4,221	(2,555)	-	51,022	
VAFB	5,500	14.07%	897,174	(354,258)	46,433	(24,560)	-	564,788	
Buellton	578	1.48%	94,285	(37,229)	4,881	(2,235)	-	59,702	
Santa Ynez (Solvang) <sup>(1)</sup>	1,500	3.84%	237,527	(93,864)	11,512	(7,321)	-	147,855	
Santa Ynez <sup>(1)</sup>	500	1.28%	88,718	(34,957)	5,372	(1,454)	-	57,679	
Goleta	4,500	11.52%	734,051	(289,847)	-	(16,533)	(170,000)	257,671	
Morehart	200	0.51%	32,625	(12,882)	1,688	(1,116)	-	20,315	
La Cumbre	1,000	2.56%	163,123	(64,411)	8,442	(3,755)	(116,000)	-	
Raytheon	50	0.13%	8,156	(3,221)	422	543	-	5,900	
Santa Barbara	3,000	7.68%	489,368	(193,232)	-	(13,277)	-	282,859	
Montecito	3,000	7.68%	489,368	(193,232)	-	(31,277)	(18,000)	246,859	
Carpinteria	2,000	5.12%	326,245	(128,821)	-	(9,943)	-	187,481	
Subtotal:	39,078	100.00%	\$ 6,374,501	\$ (2,517,035)	\$ 349,096	\$ (200,142)	\$ (304,000)	\$ 3,715,021	
Goleta Additional Table A	2,500	-	89,799	(34,535)	-	-	-	\$ 55,265	
CCWA Drought Buffer	3,908	-	-	-	-	-	-	-	
<b>TOTAL:</b>	<b>45,486</b>		<b>\$ 6,464,301</b>	<b>\$ (2,551,570)</b>	<b>\$ 349,096</b>	<b>\$ (200,142)</b>	<b>\$ (304,000)</b>	<b>\$ 3,770,286</b>	

(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.

The City of Santa Maria has agreed to pay the DHCCP costs for Goleta, Santa Barbara, Montecito and Carpinteria. Please see the corresponding table showing the allocation of these costs.

(3) Transfer of excess funds in the off-aqueduct account to the Transportation Minimum OMP&R account.



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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 2011/12, the WSRB is almost exactly the same as the prior year amount.

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

**WATER SYSTEM REVENUE BOND SURCHARGE**

Project Participant	Table A	Percentage	Gross WSRB Charges	Return of Bond Cover <sup>(2)</sup>	FY 2012/13 WSRB Charges
Guadalupe	550	1.41%	\$ 35,098	\$ (14,863)	\$ 20,234
Santa Maria	16,200	41.46%	1,033,785	(437,790)	595,995
Golden State Water Co.	500	1.28%	31,907	(13,512)	18,395
VAFB	5,500	14.07%	350,976	(148,632)	202,344
Buellton	578	1.48%	36,884	(15,620)	21,264
Santa Ynez (Solvang) <sup>(1)</sup>	1,500	3.84%	92,974	(39,372)	53,603
Santa Ynez <sup>(1)</sup>	500	1.28%	34,654	(14,677)	19,977
Goleta	4,500	11.52%	287,162	(121,608)	165,554
Morehart	200	0.51%	12,763	(5,405)	7,358
La Cumbre	1,000	2.56%	63,814	(27,024)	36,790
Raytheon	50	0.13%	3,191	(1,351)	1,839
Santa Barbara	3,000	7.68%	191,442	(81,072)	110,369
Montecito	3,000	7.68%	191,442	(81,072)	110,369
Carpinteria	2,000	5.12%	127,628	(54,048)	73,580
Subtotal	39,078	100.00%	\$ 2,493,719	\$ (1,056,047)	\$ 1,437,671
Goleta Additional Table A	2,500	-	\$ 37,433	(15,878)	\$ 21,556
CCWA Drought Buffer	3,908	-	-	-	-
<b>TOTAL:</b>	<b>45,486</b>		<b>\$ 2,531,152</b>	<b>\$ (1,071,925)</b>	<b>\$ 1,459,227</b>

(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 2011 and January 2012 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 2012/13.

The FY 2012/13 Delta Water Charge totals \$2,041,872, which is \$47,123 higher than the prior year amount for the following reasons.

<b>Delta Water Charge</b>			
	FY 2011/12	FY 2012/13	Change
Rate per acre-foot	\$ 44.43	\$ 46.27	\$ 1.84
Delta Water Charge	2,020,791	2,104,792	84,001
Rate Management Credits	(122,472)	(120,107)	2,365
Replacement Deposits	96,430	57,187	(39,243)
Total:	\$ 1,994,749	\$ 2,041,872	\$ 47,123

As the table above shows, the FY 2012/13 rate per acre-foot totals \$46.27, which is \$1.84/AF higher than the prior year amount.

The FY 2012/13 rate includes an estimated \$5.00/AF increase for calendar year 2013 for potential other conservation and delta related facilities (\$2.50/AF on a fiscal year basis).

Beginning with the calendar year 2011 Statement of Charges, DWR began billing for deposits associated with replacing certain equipment at DWR conservation facilities. Under the Contract, this is called the “Replacement Accounting System” deposits (RAS). DWR and the State Water Project Contractors agreed to include a charge on the Delta Water Charge cost per acre-foot beginning with the 2011 SOC to fund these conservation facility replacements.

Central Coast Water Authority  
**Department of Water Resources Charges**  
 Fiscal Year 2012/13 Budget

The following table shows the allocation of the FY 2012/13 Delta Water Charge to each of the CCWA project participants.

<b>DELTA WATER CHARGE</b>							
Project Participant	Table A		Gross Delta Water Charges	Replacement Accounting System Deposits	Rate Management Funds Credit	FY 2012/13 Delta Water Charges	
	Including Drought Buffer	Percentage					
Guadalupe	605	1.41%	\$ 27,995	\$ 761	(1,597)	\$ 27,159	
Santa Maria	17,820	41.46%	824,592	22,404	(47,045)	799,951	
Golden State Water Co.	550	1.28%	25,450	691	(1,452)	24,690	
VAFB	6,050	14.07%	279,954	7,606	(15,972)	271,588	
Buellton	636	1.48%	29,430	800	(1,679)	28,550	
Santa Ynez (Solvang)	1,500	3.49%	69,410	1,886	(3,563)	67,733	
Santa Ynez	700	1.63%	32,391	880	(2,245)	31,026	
Goleta	4,950	11.52%	229,053	6,223	(13,068)	222,209	
Morehart	220	0.51%	10,180	277	(581)	9,876	
La Cumbre	1,100	2.56%	50,901	1,383	(2,904)	49,380	
Raytheon	55	0.13%	2,545	69	(145)	2,469	
Santa Barbara	3,300	7.68%	152,702	4,149	(8,712)	148,139	
Montecito	3,300	7.68%	152,702	4,149	(8,712)	148,139	
Carpinteria	2,200	5.12%	101,801	2,766	(5,808)	98,759	
Subtotal	42,986	100.00%	\$ 1,989,108	\$ 54,044	\$ (113,483)	\$ 1,929,669	
Goleta Additional Table A	2,500	5.50%	\$ 115,683	\$ 3,143	(6,623)	\$ 112,203	
TOTAL:	45,486	-	\$ 2,104,792	\$ 57,187	\$ (120,107)	\$ 2,041,872	

<b>2012 COST PER AF:</b>	<b>\$ 43.7734</b>
<b>Increase for 2013 SOC per AF /2</b>	<b>\$ 2.5000</b>
<b>Estimated rate for FY 2012/13</b>	<b>\$ 46.2734</b>

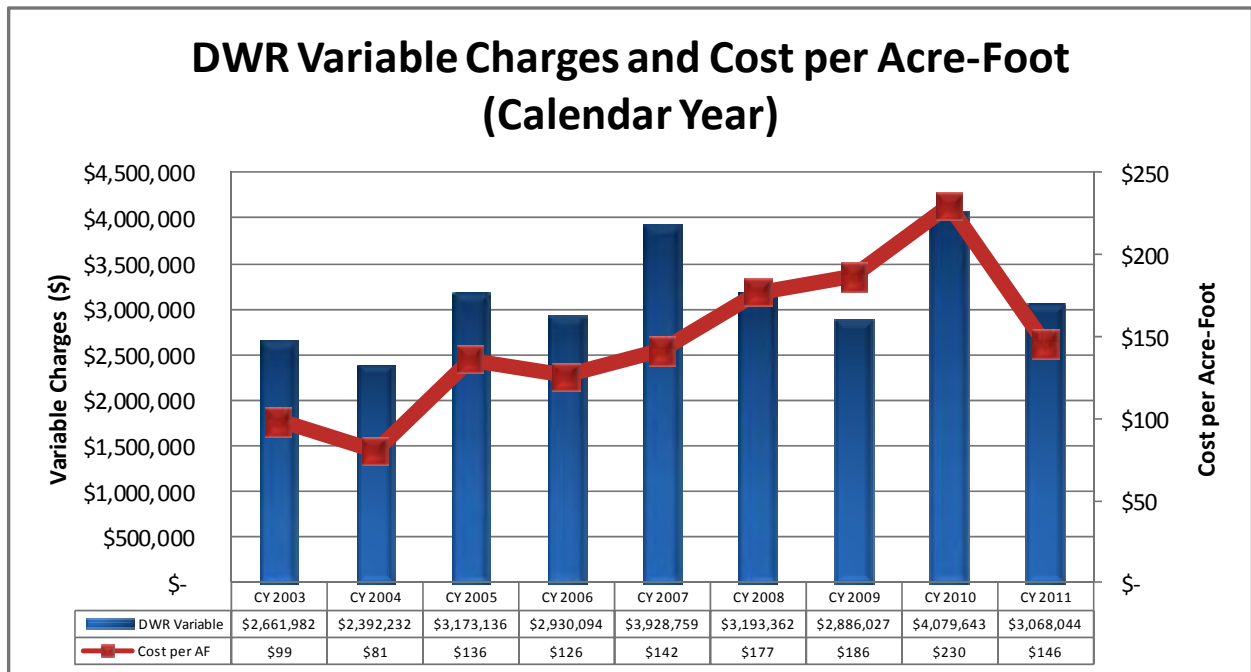
Central Coast Water Authority  
**Department of Water Resources Charges**  
 Fiscal Year 2012/13 Budget

**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 2012/13 total \$4,531,494, which is \$678,023 lower than the budgeted FY 2011/12 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 2012/13, the off-aqueduct charges total \$1,306,300, which is \$597,745 higher than the prior year budget. This decrease is due to the closeout of the contract with Nevada Energy for the Reid Gardner power plant. The calendar year 2012 off-aqueduct charges were \$2,231,883 and DWR estimates the calendar year 2013 charges to be \$807,786.

Central Coast Water Authority  
**Department of Water Resources Charges**  
 Fiscal Year 2012/13 Budget

The following table shows the allocation of off-aqueduct charges for FY 2012/13.

Project Participant	OFF-AQUEDUCT CHARGES				Requested Delivery AF <sup>(1)</sup>	Delivery Percentage	2013 Off-Aqueduct <sup>(3)</sup>	Half-Year 2013 Charges	FY 2011/12 (Credits) Charges <sup>(4)</sup>	TOTAL FY 2012/13 Off-Aqueduct
	Requested Delivery AF <sup>(1)</sup>	Delivery Percentage	2012 Off-Aqueduct <sup>(1 &amp; 2)</sup>	Half-Year 2012 Charges						
Guadalupe	252	1.82%	\$ 33,531	\$ 16,765	279	1.90%	\$ 15,350	\$ 7,675	\$ (3,208)	\$ 21,232
Santa Maria	7,100	51.25%	944,716	472,358	8,250	56.19%	453,905	226,953	220,674	919,985
Golden State Water Co.	262	1.89%	34,861	17,431	253	1.72%	13,920	6,960	(7,222)	17,169
VAFB	2,985	21.54%	397,180	198,590	2,895	19.72%	159,279	79,640	(63,273)	214,957
Buellton	333	2.40%	44,309	22,154	310	2.11%	17,056	8,528	(578)	30,104
Santa Ynez (Solvang) <sup>(5)</sup>	646	4.66%	85,956	42,978	705	4.80%	38,788	19,394	(32,949)	29,423
Santa Ynez <sup>(6)</sup>	390	2.81%	51,893	25,946	310	2.11%	17,056	8,528	8,715	43,189
Goleta	526	3.80%	69,989	34,994	399	2.72%	21,953	10,976	(49,304)	-
Morehart	89	0.64%	11,842	5,921	111	0.76%	6,107	3,054	(10,238)	-
La Cumbre	300	2.17%	39,918	19,959	444	3.02%	24,428	12,214	(33,071)	-
Raytheon	38	0.27%	5,056	2,528	17	0.12%	935	468	1,414	4,409
Santa Barbara	350	2.53%	46,571	23,285	265	1.80%	14,580	7,290	(4,956)	25,619
Montecito	350	2.53%	46,571	23,285	265	1.80%	14,580	7,290	(31,307)	-
Carpinteria	234	1.69%	31,136	15,568	179	1.22%	9,848	4,924	(20,280)	212
	13,855	100.00%	\$ 1,843,527	\$ 921,764	14,682	100.00%	\$ 807,786	\$ 403,893	\$ (25,582)	\$ 1,306,300

- (1) Off-aqueduct charges are billed to the project participants based on requested deliveries. South coast deliveries include exchange deliveries with Santa Ynez ID#1.
- (2) Source: DWR invoice dated November 30, 2011 for Calendar Year 2012 Statement of Charges. Amount represents an estimated decrease in 2012 off-aqueduct charges in anticipation of reduced water delivery requests to DWR in March of 2012. DWR will revise the remaining 2012 monthly off-aqueduct invoices to reflect the revised water deliveries for the year.
- (3) Source: Attachment #3, November 3, 2011 DWR Invoice for calendar year 2012.
- (4) Credits for reconciliation of 2011 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.

**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 2012/13, the variable OMP&R charges total \$3,225,194 which is \$80,278 less than the prior year amount. The budget is based on estimated water deliveries of 28,539 acre-feet.

The cost per acre-foot for water deliveries in the first half of FY 2012/13 is estimated to be \$115.54/AF and \$120.00/AF for the second half of the fiscal year.

The following table shows the allocation of the FY 2012/13 variable OMP&R costs.

Central Coast Water Authority  
**Department of Water Resources Charges**  
 Fiscal Year 2012/13 Budget

**VARIABLE OMP&R CHARGES**

Project Participant	July 1, 2012 to Dec 31, 2012 <sup>(1)</sup>			\$115.54/AF <sup>(2)</sup>	Jan 1, 2013 to June 30, 2013 <sup>(3)</sup>			\$120/AF <sup>(4)</sup>		TOTAL
	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2012 Var OMP&R	Requested Delivery	SYID#1 Exchanges	Net Deliveries	2013 Var OMP&R	FY 2011/12 Credits <sup>(5)</sup>	FY 2012/13 Var. OMP&R
Guadalupe	252	-	252	\$ 29,116	279	-	279	\$ 33,480	\$ (7,220)	\$ 55,376
Santa Maria	7,100	-	7,100	820,334	8,250	-	8,250	990,000	(1,772)	1,808,562
Golden State Water Co.	262	-	262	30,271	253	-	253	30,360	(1,444)	59,188
VAFB	2,985	-	2,985	344,887	2,895	-	2,895	347,400	(13,926)	678,361
Buellton	333	-	333	38,475	310	-	310	37,200	(6,731)	68,944
Santa Ynez (Solvang)	646	-	646	74,639	705	-	705	84,600	(25,998)	133,240
Santa Ynez <sup>(6)</sup>	390	1,461	1,851	45,061	310	1,109	1,419	37,200	5,209	87,469
Goleta	526	(526)	0	60,774	399	(399)	(0)	47,880	6,250	114,904
Morehart	89	-	89	10,283	111	-	111	13,320	(15,719)	7,884
La Cumbre	300	-	300	34,662	444	-	444	53,280	(8,840)	79,102
Raytheon	38	-	38	4,391	17	-	17	2,040	(726)	5,704
Santa Barbara	350	(350)	0	40,439	265	(265)	(0)	31,800	4,803	77,042
Montecito	350	(350)	0	40,439	265	(265)	(0)	31,800	(82,814)	-
Carpinteria	234	(234)	0	27,036	179	(179)	(0)	21,480	901	49,418
<b>Total</b>	<b>13,855</b>	<b>0</b>	<b>13,857</b>	<b>\$ 1,600,807</b>	<b>14,682</b>	<b>-</b>	<b>14,682</b>	<b>\$ 1,761,840</b>	<b>\$ (148,028)</b>	<b>\$ 3,225,194</b>

(1) 2012 Requested Deliveries based on anticipated actual demand by each project participant without regard to the current DWR delivery allocation percentage.

(2) Source: July 1, 2011 Statement of Charges for calendar year 2012.

(3) 2013 Requested Deliveries based on a 100% delivery allocation.

(4) Source: Estimate of invoice rate for 2013.

(5) Credits for FY 2011/12 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 2012/13 Budget

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**Other DWR Charges and Credits**

Table A Entitlement Reductions These reductions are the result of elections by certain project participants to temporarily decrease their Table A allocation. This election eliminates the Delta Water Charge associated with the amount of State water Table A that has been reduced. No Table A reductions are assumed for calendar years 2012 or 2013.

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 2012/13 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	\$ 251,934	\$ -	\$ -	\$ 56,687	\$ 20,234	\$ 27,159	\$ 356,014	\$ 21,232	\$ 55,376	\$ 76,608	\$ (116)	\$ 432,506
Santa Maria	7,420,596	596,918	-	1,776,201	595,995	799,951	11,189,661	919,985	1,808,562	2,728,547	(20,454)	13,897,754
Golden State Water Co.	229,031	18,423	-	51,022	18,395	24,690	341,561	17,169	59,188	76,356	(97)	417,820
Vanden Berg AFB	2,519,338	202,657	332,312	564,788	202,344	271,588	4,093,028	214,957	678,361	893,318	-	4,986,347
Buellton	264,760	21,297	34,923	59,702	21,264	28,550	430,497	30,104	68,944	99,048	(116)	529,429
Santa Ynez (Solvang)	680,998	55,270	90,631	147,855	53,603	67,733	1,096,090	29,423	133,240	162,664	(296)	1,258,458
Santa Ynez	235,125	18,423	30,210	57,679	19,977	31,026	392,441	43,189	87,469	130,658	(109)	522,990
Goleta	2,061,277	165,811	271,892	257,671	165,554	222,209	3,144,413	-	114,904	114,904	(10,369)	3,248,948
Morehart Land	91,612	7,369	12,084	20,315	7,358	9,876	148,615	-	7,884	7,884	(772)	155,727
La Cumbre	458,061	36,847	60,420	-	36,790	49,380	641,498	-	79,102	79,102	(233)	720,367
Raytheon	22,903	1,842	3,021	5,900	1,839	2,469	37,975	4,409	5,704	10,114	(9)	48,080
Santa Barbara	1,374,184	110,540	181,261	282,859	110,369	148,139	2,207,354	25,619	77,042	102,661	(4,663)	2,305,352
Montecito	1,374,184	110,540	181,261	246,859	110,369	148,139	2,171,354	-	-	-	(4,560)	2,166,793
Carpinteria	916,123	73,694	120,841	187,481	73,580	98,759	1,470,477	212	49,418	49,630	(3,211)	1,516,896
Goleta 2500 AF	19,479	-	-	55,265	21,556	112,203	208,502	-	-	-	-	208,502
<b>Total</b>	<b>\$ 17,919,605</b>	<b>\$ 1,419,634</b>	<b>\$ 1,318,857</b>	<b>\$ 3,770,286</b>	<b>\$ 1,459,227</b>	<b>\$ 2,041,872</b>	<b>\$ 27,929,481</b>	<b>\$ 1,306,300</b>	<b>\$ 3,225,194</b>	<b>\$ 4,531,494</b>	<b>\$ (45,007)</b>	<b>\$ 32,415,968</b>





*Raccoon, bobcat and frog visiting CCWA facilities*

## *Operating Expenses*

**T**he Operating Expenses section of the FY 2012/13 Budget contains a summary of the consolidated department operating expenses and allocation of the Authority's operating expenses to its project participants.

# Highlights

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## Summary Information

- **Total FY 2012/13 Operating Expenses**     **\$ 7,133,936**
- Fixed expense increase                     \$ 289,586
- Variable expense decrease                 \$ (23,717)
- Increase over FY 2011/12 Budget         \$ 265,870
  
- Percentage increase                                 3.87%

## Significant Operating Expense Changes

- Includes a proposed salary pool for FY 2012/13 of \$108,628, equivalent to a 5.17% increase (excludes pay increases of \$5,000 each for the Executive Director and Deputy Director), comprised of a 3% merit percentage and a 2.17% change in the consumer price index.
- Includes a new Maintenance, Calibration and Repair Technician position allocated 20% to the Water Treatment Plant and 80% to the Distribution Department at a fully burdened cost of about \$108,000.
- Includes a new Accounting Technician position to be hired in January 2013 at a fully burdened cost of about \$49,000 (half-year).
- Chemical costs budgeted at \$34.57 an acre-foot (excluding Santa Ynez Pumping facility chemical costs)
- Budgeted employee benefits percentage for FY 2012/13: 38.49%

Central Coast Water Authority  
**Operating Expense Overview**  
Fiscal Year 2012/13 Budget

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

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

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

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

The Operations and Maintenance staff comprise the bulk (26) of the 31 Authority employees. They are charged with the mission of providing San Luis Obispo and Santa Barbara Counties with reliable, high quality supplemental water and the objectives of protecting the environment, cost effectively operating and maintaining all facilities and ensuring the water supply meets or exceeds health and safety standards.

**Operating Expense Budget and Exchange Agreement Modifications**

The Operating Expense Budget presented in this document represents the anticipated expenses to operate the Authority for Fiscal Year 2012/13. 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 2012/13 Budget

The Santa Ynez Exchange Agreement modifications for the Fiscal Year 2012/13 budget are as follows:

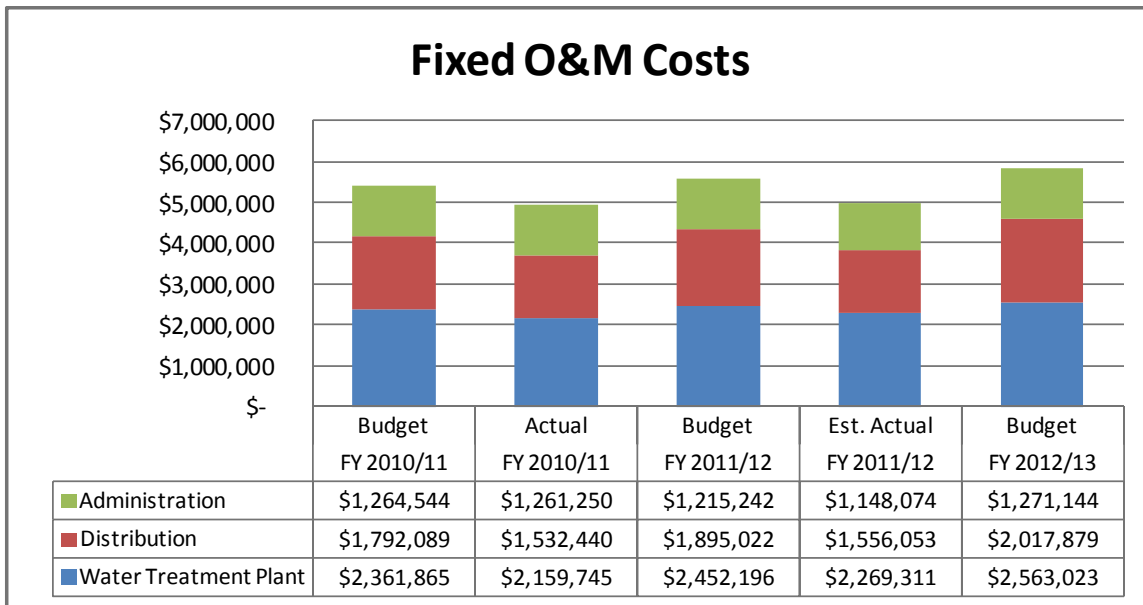
- Decrease in electrical costs at the Santa Ynez Pumping Facility of \$212,693.
- Decrease in Warren Act charges of \$149,060 (Warren Act charges are not included in the Operating Expense budget and are treated as a pass-through expense).

#### Fixed and Variable Operating Expenses

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

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

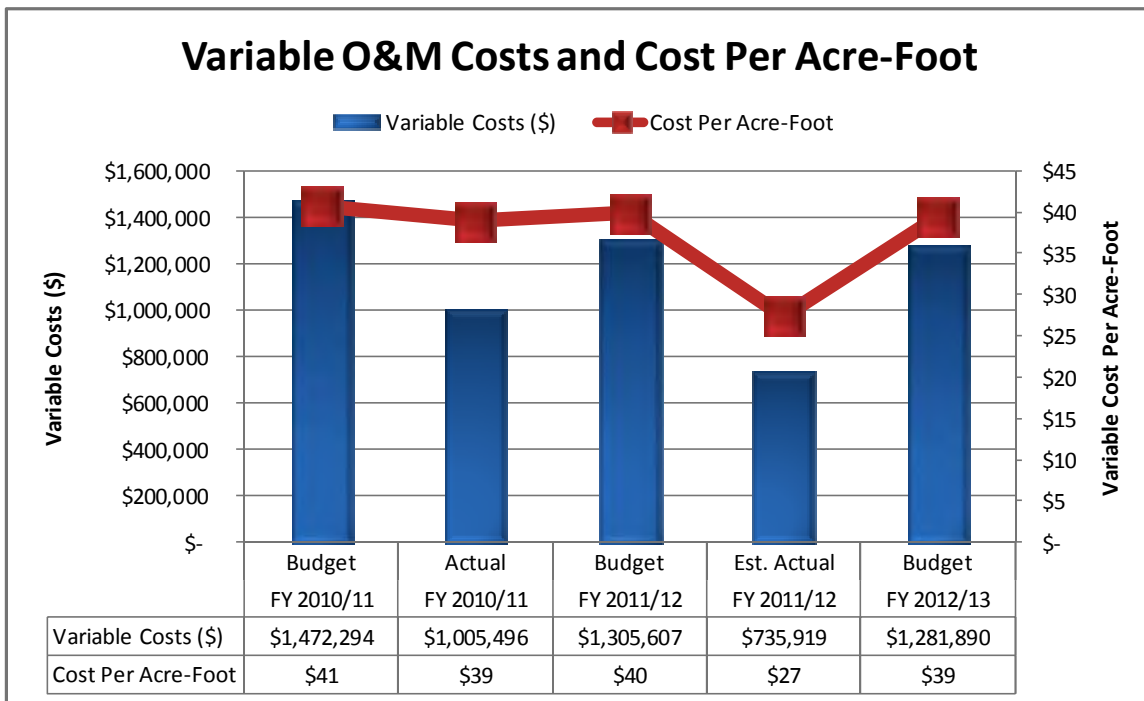
The following chart shows the three-year history of the fixed O&M costs in total and for each of the three departments.



Central Coast Water Authority  
**Operating Expense Overview**  
 Fiscal Year 2012/13 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 2012/13 Consolidated Departmental Operating Expense Budget totals \$7,133,936, which is \$265,870 higher than the Fiscal Year 2011/12 Budget, a 3.87% increase. Explanations for the various changes within the budget are found in the departmental operating expense budgets that follow.

Approximately 58% 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 84 provides a detailed breakdown of the components of the FY 2012/13 budget.

Central Coast Water Authority  
**Operating Expense Overview**  
 Fiscal Year 2012/13 Budget

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**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%.

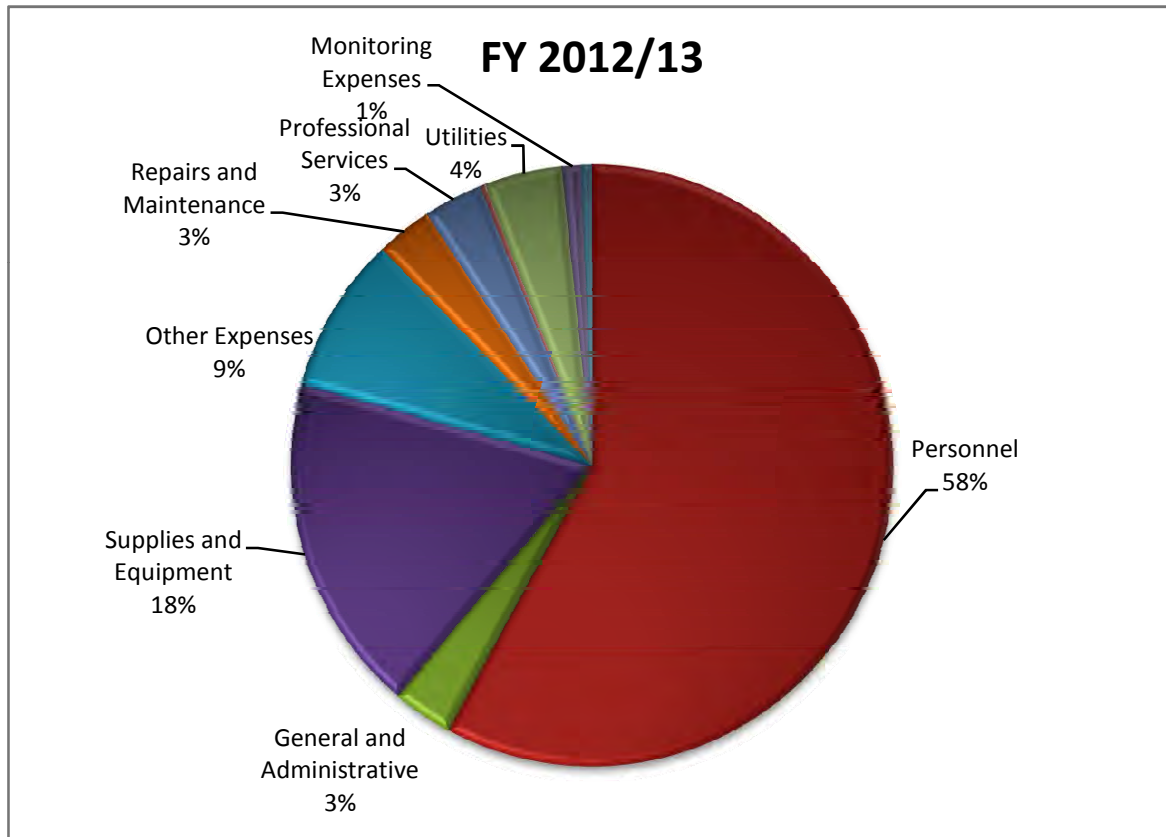
The following table shows the Employee Benefits Percentage calculation for the actual, estimated actual, and budget for the years 2010/11 through 2012/13.

	FY 2010/11 Actual	FY 2011/12 Est. Actual	FY 2012/13 Budget
Total Regular Salaries	\$ 2,350,182	\$ 2,314,372	\$ 2,721,289
<u>Benefits</u>			
PERS Retirement	464,118	456,388	542,011
Health Insurance	410,583	350,378	403,819
Cafeteria Plan Benefits	24,892	29,409	30,491
Dental/Vision Plan	47,719	53,926	48,528
Long-Term Disability	9,262	9,796	10,772
Life Insurance	10,842	11,048	11,700
Total Benefits:	<u>\$ 967,416</u>	<u>\$ 910,946</u>	<u>\$ 1,047,322</u>
Employee Benefits Percentage	41.16%	39.36%	38.49%

In FY 2011/12, CCWA changed medical insurance providers from ACWA to the PERS medical insurance program at a significantly lower cost to CCWA. As such, the EBP projections for both FY 2011/12 and FY 2012/13 are lower and anticipated to be much closer to the 38% limit established by the policy.

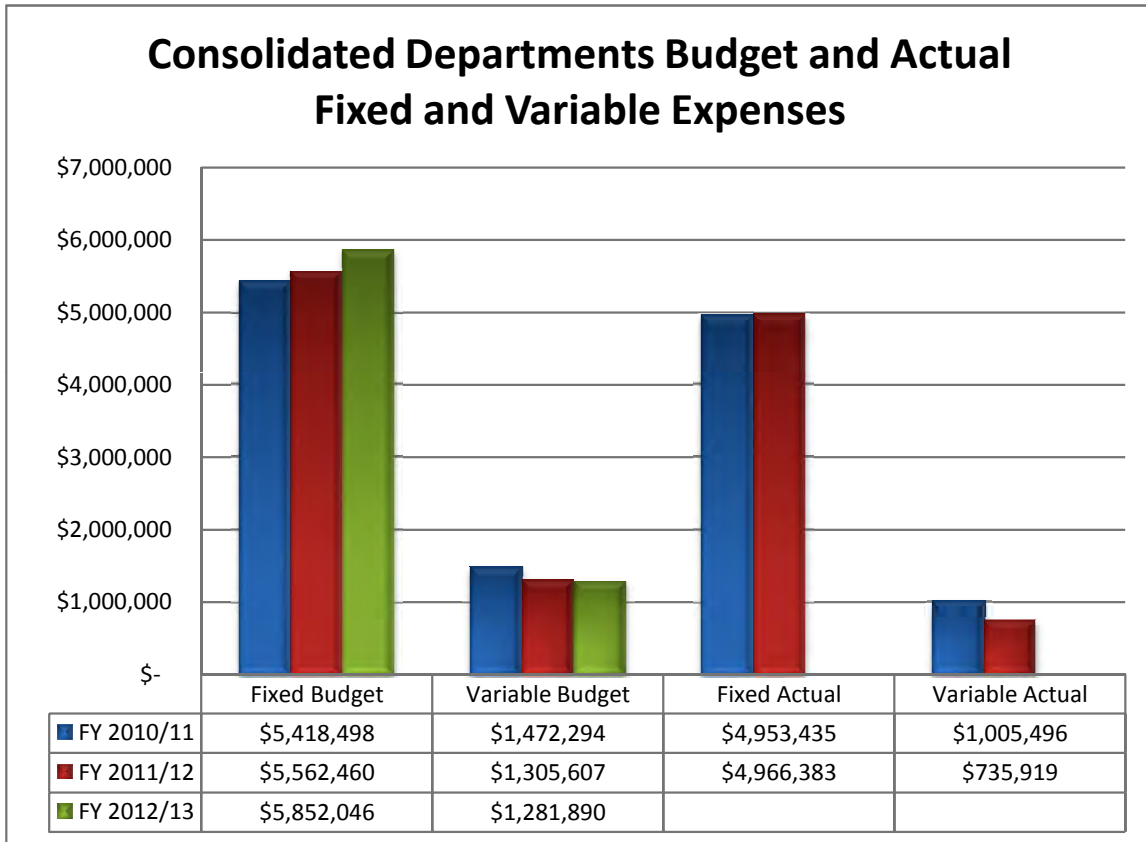
Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2012/13 Budget

Item	FY 2012/13 Budget
Personnel	\$ 4,131,035
Office Expenses	19,520
Supplies and Equipment	1,299,185
Monitoring Expenses	71,760
Repairs and Maintenance	214,025
Professional Services	228,509
General and Administrative	231,901
Utilities	300,279
Other Expenses	598,516
Turnouts	39,207
<b>TOTAL:</b>	<b>\$ 7,133,936</b>



Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2012/13 Budget

Item	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget
Personnel	\$ 3,707,459	\$ 3,524,038	\$ 3,865,467	\$ 3,526,303	\$ 4,131,035
Office Expenses	23,600	20,259	21,920	24,516	19,520
Supplies and Equipment	1,288,571	960,971	1,218,563	800,267	1,299,185
Monitoring Expenses	78,630	59,297	60,648	62,609	71,760
Repairs and Maintenance	207,558	181,463	210,025	151,403	214,025
Professional Services	307,730	228,375	240,534	169,053	228,509
General and Administrative	259,518	235,810	216,715	230,143	231,901
Utilities	502,520	348,577	424,217	235,929	300,279
Other Expenses	493,137	373,954	583,004	475,621	598,516
Turnouts	22,071	26,187	26,974	26,457	39,207
<b>Total:</b>	<b>\$ 6,890,793</b>	<b>\$ 5,958,931</b>	<b>\$ 6,868,067</b>	<b>\$ 5,702,302</b>	<b>\$ 7,133,936</b>





Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>PERSONNEL EXPENSES</u></b>								
5000.10	Full-Time Regular Wages	\$ 2,425,980	\$ 2,280,032	\$ 2,514,274	\$ 2,314,372	\$ 2,721,289	\$ 207,015	8.23%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	110,359	109,559	115,418	85,350	121,316	5,898	5.11%
5000.40	Standby Pay	45,902	46,763	50,195	46,476	52,210	2,015	4.01%
5000.50	Shift Differential Pay	13,500	14,087	13,500	13,027	14,000	500	3.70%
5100.10	PERS Retirement	463,052	445,742	495,953	456,388	542,011	46,058	9.29%
5100.15	Medicare Taxes	37,638	35,680	39,475	35,899	42,627	3,153	7.99%
5100.20	Health Insurance	409,577	394,085	404,586	350,378	403,819	(767)	-0.19%
5100.25	Workers' Compensation	84,873	57,026	84,839	65,541	71,720	(13,118)	-15.46%
5100.30	Vehicle Expenses	18,000	18,069	18,000	16,754	18,000	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	-	-	29,000	29,000	31,000	2,000	6.90%
5100.40	Cafeteria Plan Benefits	21,390	24,892	12,384	29,409	30,491	18,107	146.22%
5100.45	Dental/Vision Plan	48,554	47,720	58,875	53,926	48,528	(10,347)	-17.57%
5100.50	Long-Term Disability	10,048	8,896	9,980	9,796	10,772	792	7.94%
5100.55	Life Insurance	9,034	10,383	9,437	11,048	11,700	2,263	23.98%
5100.60	Employee Physicals	900	295	900	160	900	-	0.00%
5000.30	Temporary Services	-	13,073	-	-	2,000	2,000	N/A
5100.80	Employee Incentive Programs	6,400	3,586	6,400	5,904	6,400	-	0.00%
5100.65	Employee Education Reimbursement	2,250	76	2,250	698	2,250	-	0.00%
1300.60	Capitalized Employee Benefits	-	14,074	-	2,176	-	-	N/A
<b>Total Personnel Expenses:</b>		<b>3,707,459</b>	<b>3,524,038</b>	<b>3,865,467</b>	<b>3,526,303</b>	<b>4,131,035</b>	<b>265,568</b>	<b>6.87%</b>

Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>OFFICE EXPENSES</u></b>								
5200.20	Office Supplies	13,080	12,573	13,300	9,738	10,900	(2,400)	-18.05%
5200.30	Misc. Office Expenses	10,520	7,686	8,620	14,778	8,620	-	0.00%
<b>Total Office Expenses:</b>		23,600	20,259	21,920	24,516	19,520	(2,400)	-10.95%
<b><u>SUPPLIES AND EQUIPMENT</u></b>								
5500.10	Uniform Expenses	16,830	12,669	14,065	11,619	14,502	437	3.11%
5500.15	Minor Tools and Equipment	10,000	8,587	10,000	12,648	13,800	3,800	38.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	5,500	2,875	1,500	95	1,500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,136,520	841,453	1,066,167	663,230	1,142,053	75,886	7.12%
5500.35	Maintenance Supplies/Hardware	20,000	19,225	20,000	25,343	20,000	-	0.00%
5500.40	Safety Supplies	11,000	6,885	10,000	4,971	10,000	-	0.00%
5500.45	Fuel and Lubricants	76,221	64,816	85,330	82,135	85,830	500	0.59%
5500.50	Seed/Erosion Control Supplies	12,000	4,301	11,000	-	11,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	160	500	226	500	-	0.00%
<b>Total Supplies and Equipment:</b>		1,288,571	960,971	1,218,563	800,267	1,299,185	80,622	6.62%
<b><u>MONITORING EXPENSES</u></b>								
5600.10	Lab Supplies	43,000	45,546	45,028	52,104	53,455	8,427	18.72%
5600.20	Lab Tools and Equipment	4,350	2,330	1,000	-	-	(1,000)	-100.00%
5600.30	Lab Testing	31,280	11,421	14,620	10,505	18,305	3,685	25.21%
<b>Total Monitoring Expenses:</b>		78,630	59,297	60,648	62,609	71,760	11,112	18.32%

Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>REPAIRS AND MAINTENANCE</u></b>								
5700.10	Equipment Repairs and Maintenance	129,400	115,374	130,000	89,651	135,000	5,000	3.85%
5700.20	Vehicle Repairs and Maintenance	15,000	10,593	15,000	10,033	15,000	-	0.00%
5700.30	Building Maintenance	51,218	45,321	52,965	41,923	51,965	(1,000)	-1.89%
5700.40	Landscape Maintenance	11,940	10,175	12,060	9,796	12,060	-	0.00%
<b>Total Repairs and Maintenance:</b>		<b>207,558</b>	<b>181,463</b>	<b>210,025</b>	<b>151,403</b>	<b>214,025</b>	<b>4,000</b>	<b>1.90%</b>
<b><u>PROFESSIONAL SERVICES</u></b>								
5400.10	Professional Services	91,050	42,631	95,450	44,098	95,925	475	0.50%
5400.20	Legal Services	160,000	148,668	90,000	72,075	75,000	(15,000)	-16.67%
5400.30	Engineering Services	10,000	2,272	7,500	13,136	10,000	2,500	33.33%
5400.40	Permits	21,700	12,538	21,700	18,769	21,700	-	0.00%
5400.50	Non-Contractual Services	2,980	2,266	3,884	975	3,884	-	0.00%
5400.60	Accounting Services	22,000	20,000	22,000	20,000	22,000	-	0.00%
<b>Total Professional Services:</b>		<b>307,730</b>	<b>228,375</b>	<b>240,534</b>	<b>169,053</b>	<b>228,509</b>	<b>(12,025)</b>	<b>-5.00%</b>

Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>GENERAL AND ADMINISTRATIVE</u></b>								
5300.10	Meetings and Travel	48,500	56,607	48,500	62,661	55,500	7,000	14.43%
5300.20	Mileage Reimbursement	1,150	391	1,650	1,278	1,650	-	0.00%
5300.30	Dues and Memberships	175,488	152,946	133,335	133,627	140,841	7,506	5.63%
5300.40	Publications	3,780	2,967	3,530	3,197	2,750	(780)	-22.10%
5300.50	Training	15,000	11,946	15,000	16,636	15,000	-	0.00%
5300.60	Advertising	3,500	1,812	3,850	2,006	4,350	500	12.99%
5300.70	Printing and Binding	4,600	3,184	4,000	3,311	4,000	-	0.00%
5300.80	Postage	7,500	5,957	6,850	7,428	7,810	960	14.01%
<b>Total General and Administrative:</b>		259,518	235,810	216,715	230,143	231,901	15,186	7.01%
<b><u>UTILITIES</u></b>								
5800.20	Natural Gas	7,245	7,795	7,245	2,228	7,432	187	2.58%
5800.30	Electric-Fixed	128,590	151,004	148,018	137,512	123,195	(24,823)	-16.77%
5800.35	Electric-Variable	335,775	164,043	239,439	72,689	139,837	(99,602)	-41.60%
5800.40	Water	2,410	2,450	2,450	2,786	2,750	300	12.24%
5800.50	Telephone	18,820	15,539	17,720	14,662	17,720	-	0.00%
5800.60	Waste Disposal	9,680	7,746	9,345	6,053	9,345	-	0.00%
<b>Total Utilities:</b>		502,520	348,577	424,217	235,929	300,279	(123,938)	-29.22%

Central Coast Water Authority  
**Consolidated Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>OTHER EXPENSES</u></b>								
5900.10	Insurance	133,388	132,640	139,511	138,000	143,000	3,488	2.50%
5900.30	Non-Capitalized Projects	28,589	71,744	122,503	132,217	115,970	(6,533)	-5.33%
5900.40	Equipment Rental	33,252	28,414	31,852	27,150	30,440	(1,412)	-4.43%
5900.50	Non-Capitalized Equipment	17,500	6,224	14,500	6,548	14,500	-	0.00%
5900.60	Computer Expenses	145,727	134,932	166,100	171,707	180,629	14,529	8.75%
5900.70	Appropriated Contingency	134,681	-	108,538	-	113,977	5,439	5.01%
<b>Total Other Expenses:</b>		493,137	373,954	583,004	475,621	598,516	15,512	2.66%
Turnout Expenses		22,071	26,187	26,974	26,457	39,207	12,232	45.35%
<b>TOTAL OPERATING EXPENSES</b>		\$ 6,890,793	\$ 5,958,931	\$ 6,868,067	\$ 5,702,302	\$ 7,133,936	\$ 265,870	3.87%

Central Coast Water Authority  
**Operating Expense and CIP Expense Allocation by Department**  
 Fiscal Year 2012/13 Budget

Project Participant	Administration Department			Water Treatment Plant Department Fixed Costs					Total Fixed WTP Costs	Turnout Costs
	Table A		Administration Expenses	WTP Fixed	WTP and Capital Retirement	Exchange Fixed and Capital Adjustments	Total Fixed WTP Costs			
	Table A	Percentage						Table A		
Shandon	-	-	\$ -	100	0.23%	\$ 6,118	-	6,118	-	\$ -
Chorro Valley	-	-	-	2,338	5.32%	143,045	-	143,045	-	3,900
Lopez	-	-	-	2,392	5.45%	146,349	-	146,349	-	2,489
Guadalupe	550	1.41%	17,891	550	1.25%	33,650	21,395	55,046	-	1,953
Santa Maria	16,200	41.46%	526,960	16,200	36.90%	991,158	630,193	1,621,350	-	2,365
Golden State Water Co.	500	1.28%	16,264	500	1.14%	30,591	19,450	50,042	-	4,085
VAFB	5,500	14.07%	178,906	5,500	12.53%	336,504	213,954	550,458	-	18,971
Buellton	578	1.48%	18,801	578	1.32%	35,364	22,485	57,848	-	2,252
Santa Ynez (Solvang)	1,500	3.84%	48,793	1,500	3.42%	91,774	58,351	150,125	-	1,692
Santa Ynez	500	1.28%	16,264	500	1.14%	30,591	119,425	499,142	349,125	1,500
Goleta	4,500	11.52%	146,378	4,500	10.25%	275,322	(346,947)	(197,409)	(125,783)	-
Morehart Land	200	0.51%	6,506	200	0.46%	12,237	(19,411)	(7,174)	-	-
La Cumbre	1,000	2.56%	32,528	1,000	2.28%	61,183	(97,054)	(35,871)	-	-
Raytheon (SBRC)	50	0.13%	1,626	50	0.11%	3,059	(4,853)	(1,794)	-	-
Santa Barbara	3,000	7.68%	97,585	3,000	6.83%	183,548	(231,492)	(131,528)	(83,583)	-
Montecito	3,000	7.68%	97,585	3,000	6.83%	183,548	(231,492)	(131,528)	(83,583)	-
Carpinteria	2,000	5.12%	65,057	2,000	4.55%	122,365	(154,005)	(87,815)	(56,175)	-
<b>TOTAL:</b>	<b>39,078</b>	<b>100.00%</b>	<b>\$ 1,271,144</b>	<b>43,908</b>	<b>100.00%</b>	<b>\$ 2,686,405</b>	<b>\$ (0)</b>	<b>\$ 2,686,404</b>	<b>\$ (0)</b>	<b>\$ 39,207</b>

Project Participant	Distribution Department Fixed Costs										Total Fixed Operating & CIP Costs	
	Reach 33B		Reach 34		Reach 35		Reach 37		Reach 38			Total Fixed Distribution Costs
	Reach 33B	Reach 34	Reach 35	Reach 37	Reach 38	Mission Hills II	Santa Ynez I	Santa Ynez II				
Shandon	1,140	-	-	-	-	-	-	-	-	-	1,140	7,258
Chorro Valley	26,652	-	-	-	-	-	-	-	-	-	26,652	173,597
Lopez	27,268	13,063	-	-	-	-	-	-	-	-	40,331	189,168
Guadalupe	6,270	3,004	1,244	-	-	-	-	-	-	-	10,518	85,407
Santa Maria	184,671	88,470	36,652	28,242	-	-	-	-	-	-	338,035	2,488,710
Golden State Water Co.	5,700	2,731	1,131	872	-	-	-	-	-	-	10,433	80,824
VAFB	62,697	30,036	12,443	9,588	18,725	76,363	-	-	-	-	209,853	958,188
Buellton	6,589	3,157	1,308	1,008	1,968	8,025	11,362	-	-	-	33,416	112,317
Santa Ynez (Solvang)	17,099	8,192	3,394	2,615	5,107	20,826	29,486	-	-	-	86,719	287,328
Santa Ynez	5,700	2,731	1,131	872	1,702	6,942	9,829	-	-	-	28,906	545,812
Goleta	51,298	24,575	10,181	7,845	15,320	62,479	88,458	144,822	-	-	404,977	353,946
Morehart Land	2,280	1,092	452	349	681	2,777	3,931	6,437	-	-	17,999	17,330
La Cumbre	11,399	5,461	2,262	1,743	3,404	13,884	19,657	32,183	-	-	89,995	86,652
Raytheon (SBRC)	570	273	113	87	170	694	983	1,609	-	-	4,500	4,333
Santa Barbara	34,198	16,383	6,787	5,230	10,213	41,653	58,972	96,548	-	-	269,985	236,042
Montecito	34,198	16,383	6,787	5,230	10,213	41,653	58,972	96,548	-	-	269,985	236,042
Carpinteria	22,799	10,922	4,525	3,487	6,809	27,768	39,315	64,365	-	-	179,990	157,232
<b>TOTAL:</b>	<b>500,528</b>	<b>226,473</b>	<b>88,412</b>	<b>67,167</b>	<b>74,313</b>	<b>303,065</b>	<b>320,964</b>	<b>442,510</b>	<b>2,023,431</b>	<b>\$</b>	<b>\$ 6,020,187</b>	

Central Coast Water Authority  
**Operating Expense and CIP Expense Allocation by Department**  
 Fiscal Year 2012/13 Budget

Project Participant	Distribution Department Variable Costs	Water Treatment Plant Variable Costs					Total Variable Operating Costs	TOTAL FIXED AND VARIABLE OPERATING & CIP COSTS
		WTP Variable	WTP Variable Retreatment	WTP Variable Exchange Adjustments	Total WTP Variable Costs	Total Variable Operating Costs		
Shandon	\$ -	\$ -				\$ -	\$ 7,258	
Chorro Valley	-	86,088			86,088	86,088	259,685	
Lopez	-	62,465			62,465	62,465	251,633	
Guadalupe	-	19,553	685		20,238	20,238	105,645	
Santa Maria	-	565,237	19,787		585,024	585,024	3,073,734	
Golden State Water Co.	-	18,964	664		19,628	19,628	100,452	
VAFB	-	216,521	7,580		224,100	224,100	1,182,289	
Buellton	-	23,677	829		24,506	24,506	136,823	
Santa Ynez (Solvang)	-	49,748	1,742		51,490	51,490	338,818	
Santa Ynez	-	25,776	4,215	94,562	124,553	124,553	670,366	
Goleta	(17)	34,062	7	(34,069)	(0)	(17)	353,929	
Morehart Land	16,552	7,365	(7,107)	0	257	16,809	34,140	
La Cumbre	61,573	27,396	(26,439)	0	957	62,531	149,183	
S.B. Research	4,552	2,025	(1,955)	0	71	4,623	8,955	
Santa Barbara	(149)	22,646	(7)	(22,639)	0	(149)	235,893	
Montecito	(149)	22,646	(7)	(22,639)	0	(149)	235,893	
Carpinteria	149	15,208	7	(15,215)	(0)	149	157,380	
<b>TOTAL:</b>	\$ 82,512	\$ 1,199,378	\$ 0	\$ (0)	\$ 1,199,378	\$ 1,281,890	\$ 7,302,077	

Summary of Total Costs	
<b>Fixed O&amp;M Costs</b>	
Administration	\$ 1,271,144
Water Treatment Plant	2,563,023
Distribution	2,000,909
<b>Total Fixed O&amp;M Costs</b>	<b>5,835,076</b>
<b>Variable O&amp;M Costs</b>	
Water Treatment Plant	1,199,378
Distribution	82,512
<b>Total Variable O&amp;M Costs</b>	<b>1,281,890</b>
Capital Improvement Projects	185,111
<b>Total O&amp;M and CIP Costs:</b>	<b>\$ 7,302,077</b>







*CCWA Buellton Administration Building*

## *Administration Department*

**T**he 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

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## Department Information

- |   |                               |
|---|-------------------------------|
| • Number of employees ( <i>proposed</i> ) | 5.50                          |
| • 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 2012/13 O&M Budget         | \$1,271,144 |
| • O&M Budget increase over FY 2011/12 | \$ 55,903   |
| • Percentage increase over FY 2011/12 | 4.60%       |

## Significant Accomplishments During FY 2011/12

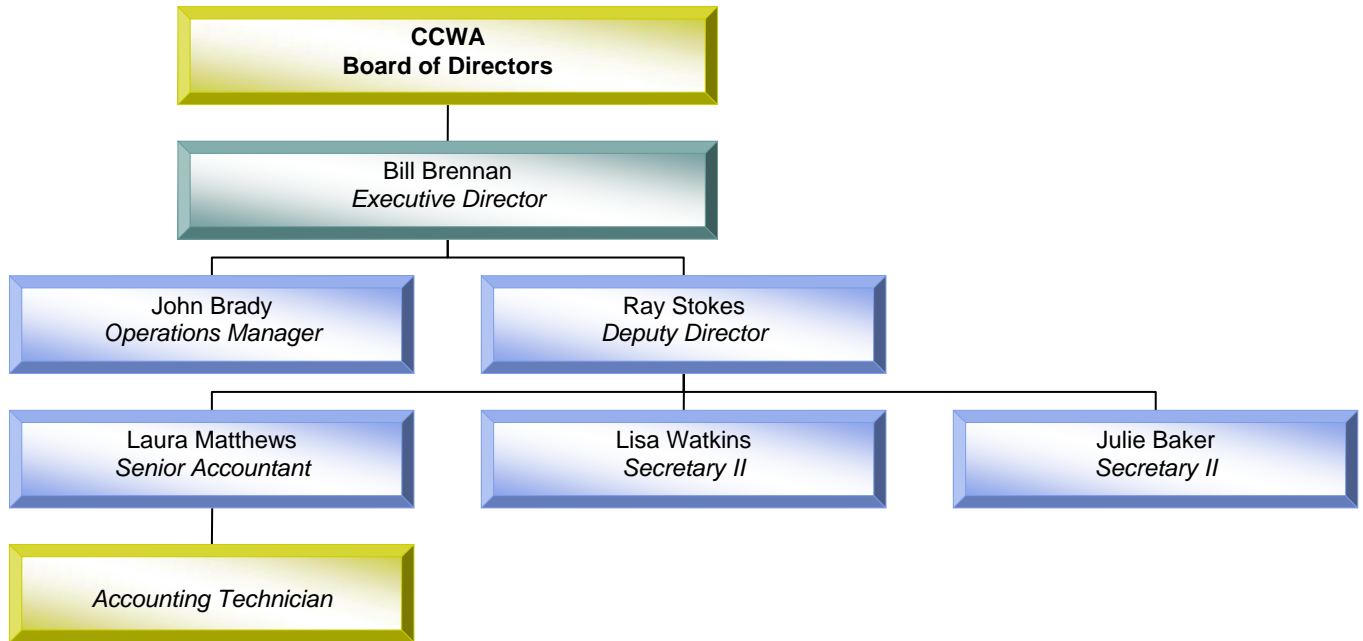
- Through the audit of the DWR Statement of Charges, CCWA staff identified an incorrect allocation percentage used by DWR to allocate overhead charges. DWR corrected the allocation percentages and included the correction in the 2012 Statement of Charges, resulting in a reduction of costs of about \$5.5 million.
- Completed water exchange programs totaling almost 20,000 acre-feet for water which would have been lost in calendar year 2011 and will instead be available for delivery in later years.

## Significant Goals for FY 2012/13

- Audit the entire Statement of Charges from DWR to CCWA for calendar year 2013.
- Continue working with DWR and San Luis Obispo County to create capacity for water exchange programs.
- Investigate exchange, groundwater banking and storage opportunities in Santa Barbara County, the Central Valley and elsewhere in California.

Central Coast Water Authority  
**Administration Department**  
Fiscal Year 2012/13 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 2012/13 Budget

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**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.

Central Coast Water Authority  
**Administration Department**  
Fiscal Year 2012/13 Budget

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**2011 ACCOMPLISHMENTS AND 2012 GOALS**

The following pages list all of the Authority's 2011 goals and their status (i.e., "Accomplishments") and the Authority's 2012 goals. The 2011 accomplishments and 2012 goals that are the responsibility of the Water Treatment Plant and Distribution Departments are repeated in the Water Treatment Plant and Distribution Department sections of this budget. Also included is a table of performance indicators ("Service Efforts and Accomplishments") for the Administration Department.

**Administration and Accounting**

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

**Status** 2011 Statement of Charges audited. Found \$7.5 million in errors which were corrected in the 2012 SOC.

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

**Status** DWR updated the allocation percentages as requested, resulting in an estimated reduction in the charges of about \$5.5 million on the 2012 SOC.

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

**Status** DWR anticipated to have this completed in January 2012.

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

**Status** In progress. Ray on the SWC "Contract Extension Committee" working with DWR to address the issue.

**Goal** Evaluate and prepare a presentation to the CCWA Personnel Committee and Board of Directors recommending a change from the current ACWA health

Central Coast Water Authority  
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insurance plan to the PERS health insurance program. Preliminary calculations indicate CCWA could save between \$80K to \$115K per year due to the change [2/11]

**Status** Completed 4/11. Savings have been included in FY 2011/12 CCWA budget.

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

**Status** Completed.

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

**Status** Santa Barbara County Public Works staff have shown little interest in pursuing this effort. Additionally, most CCWA project participants have also lost interest due to the large initial capital cost. This effort will be put on hold.

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

**Status** SLOC Public Works Dept. is currently evaluating its strategic water plan with respect to a permanent capacity for Table A exchange and shows continued interest in developing a permanent capacity/ Table A exchange.

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

**Status** Dudley Ridge WD, Palmdale WD and Irvine Ranch WD signed exchange banking agreements amounting to a total of nearly 20,000 AF.

**Goal** Devise alternate storage mechanisms to reduce the risk of losing 2010 carryover water currently in San Luis Reservoir [2/11]

**Status** Exchanged 2,539 AF with Palmdale Water District and protected 2,731 AF through Article 14(b) carryover program.

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

**Status** In progress.

**Goal** Prepare the FY 2011/12 Budget in conformance with Government Finance

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Officers Association (GFOA) standards and submit it to GFOA for the “Distinguished Budget Presentation” award. [7/11]

**Status** Submitted to GFOA.

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

**Status** Submitted to GFOA.

**Contracts**

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

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

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

**Status** Work being done in conjunction with the Contract Extension Committee.

**DWR Coordination**

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

**Status** DWR and staff successfully completed a project to remove, transport and dispose of sediment from the Polonio Pass Pumping Plant forebay.

Staff completed a full internal inspection of the water treatment plant. In addition, staff expanded the inspection protocol to include in-situ, nondestructive concrete hardness testing.

Staff completed the internal inspection of isolation vault #2. In addition, staff completed the annual hydrostatic leak test of the pipeline. No leakage was identified within the pipeline.

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

**Status** The Operations Manager is participating on the Sanitary Survey subcommittee and is reviewing the Survey report as it is developed.

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

**Status** As requested by CCWA staff, DWR completed the internal inspection of the Badger Hill Pumping Plant discharge lines.

**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** The Operations Manager has participated in the State Water Contractors O&M and Engineering Committees. In addition, staff worked with DWR and other SWP contractors during the Badger Hill Unit #6 motor rebuild project to ensure the project was completed in a timely manner.

**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 DWR strategic energy acquisitions plan and began work on first update. Assisted DWR partnership with NCPA to construct a new gas fired power generating facility. Working with DWR to close out Reid Gardner coal fueled generation plant contract.

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

**Status** Ongoing.

**Post 2011 Goals**

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

**Status** Continued work on capacity for Table A exchange with San Luis Obispo county and exchange/transfer opportunities with other SWCs.

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

**Status** Placed 20,000 AF into banking/exchange programs in 2011.

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

**Status** Initiated work with Federal Contractors to develop the underpinnings of a water transfer policy.



Central Coast Water Authority  
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**2012 Goals**

**Administration and Accounting**

Audit the entire Statement of Charges from DWR to CCWA for calendar year 2013 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.

In conjunction with DWR, finalize the adjustments to the Coastal Branch Extension debt service allocations due to prior allocation errors in which DWR has allocated approximately \$10 million more in debt service costs to CCWA for the Coastal Branch Extension than the total construction costs financed. [01/12]

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

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

Create and present possible succession plan scenarios for CCWA personnel. [3/12]

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

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

Devise alternate storage mechanisms to reduce the risk of losing future carryover water that gets stored in San Luis Reservoir.

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

Prepare the FY 2012/13 Budget in conformance with Government Finance Officers Association (GFOA) standards and submit it to GFOA for the "Distinguished Budget Presentation" award. [7/12]

Prepare a Comprehensive Annual Financial Report for FY 2011/12 in conformance with GFOA and submit it to GFOA for the "Excellence in Financial Reporting" award. [12/12]

**Contracts**

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

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

Central Coast Water Authority  
**Administration Department**  
Fiscal Year 2012/13 Budget

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**DWR Coordination**

Coordinate pipeline and water treatment plant inspections with annual DWR shutdown for Coastal Branch Phase I maintenance. [11/12]

Continue to participate within DWR's Municipal Water Quality Investigation Program. In addition, assist the DWR MWQI program with development of the five year update of the Delta Sanitary Survey. [finalized First Quarter 2012]

Cooperate with and assist DWR in developing and implementing effective canal/forebay/tank maintenance. In addition, work with DWR to complete the internal inspection of the raw water pipeline at the Highway 46 crossing. [12/12]

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]

**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 2012/13 is increasing by \$55,903 or 4.60% when compared to the FY 2011/12 Budget. The total FY 2012/13 budget is \$1,271,144 compared to the FY 2011/12 budget of \$1,215,242. The following items represent the major changes in the Administration Department budget.

Personnel Expenses Total personnel expenses are increasing by approximately \$67,000 due to the following:

- Administration Department FY 2012/13 salary pool allocation of \$19,445 based on a salary pool percentage of 5.17%.
- Additional Accounting Technician position to be hired in January 2013 as part of the succession planning proposal. The Accounting Technician will be responsible for accounts payable and payroll process. Anticipated FY

Central Coast Water Authority  
**Administration Department**  
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- 2012/13 fully burdened costs for one-half of the fiscal year is about \$49,000.
- PERS retirement expense increase of \$11,000 for higher salary amount for FY 2012/13, the new Accounting Technician position and a slightly higher PERS contribution rate.
  - Health insurance increase of about \$8,000 for an anticipated 5% increase in premiums on January 1, 2013 and the new Accounting Technician position described above.

Professional Services The professional services budget is decreasing by \$22,000 primarily due to a \$15,000 decrease in the legal services budget to more closely match the actual historical legal fees expenditures.

General and Administrative The General and Administrative expenses are increasing by about \$15,000 due to an increase in meeting and travel expenses and dues and memberships.

Central Coast Water Authority  
**Personnel Services Summary**  
**Administration Department**  
 Fiscal Year 2012/13 Budget

<b>PERSONNEL COUNT SUMMARY</b>					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2010/11	Auth. FY 2011/12	Requested FY 2012/13	Over FY 2010/11	Over FY 2011/12
Executive Director <sup>(1)</sup>	0.50	0.50	0.50	-	-
Deputy Director	1.00	1.00	1.00	-	-
Operations Manager <sup>(1)</sup>	0.25	0.25	0.25	-	-
Senior Accountant	1.00	1.00	1.00	-	-
Accounting Technician <sup>(2)</sup>	-	-	1.00	1.00	1.00
Secretary II	1.75	1.75	1.75	-	-
<b>TOTAL:</b>	4.50	4.50	5.50	1.00	1.00

<b>PERSONNEL WAGE SUMMARY</b>						
Position Title	No.	Position Classification	Minimum	Maximum	FY 2011/12	Allocation
	of Emp.		Monthly Salary	Monthly Salary	Total Annual Salary	to Admin Department
Executive Director <sup>(1)</sup>	1	N/A	N/A	N/A	\$ 212,523	\$ 106,263
Deputy Director	1	N/A	N/A	N/A	\$ 187,203	\$ 187,203
Operations Manager <sup>(1)</sup>	1	25	\$ 9,184	\$ 11,204	\$ 129,328	\$ 32,332
Senior Accountant	1	18	\$ 6,361	\$ 7,761	\$ 85,963	\$ 85,963
Accounting Technician <sup>(2)</sup>	1	12	\$ 4,686	\$ 5,716	\$ -	\$ 31,209
Secretary II	2	11	\$ 4,447	\$ 5,425	\$ 112,548	\$ 112,548
FY 2012/13 Salary Pool						\$ 19,445
<b>TOTAL:</b>						\$ 574,962

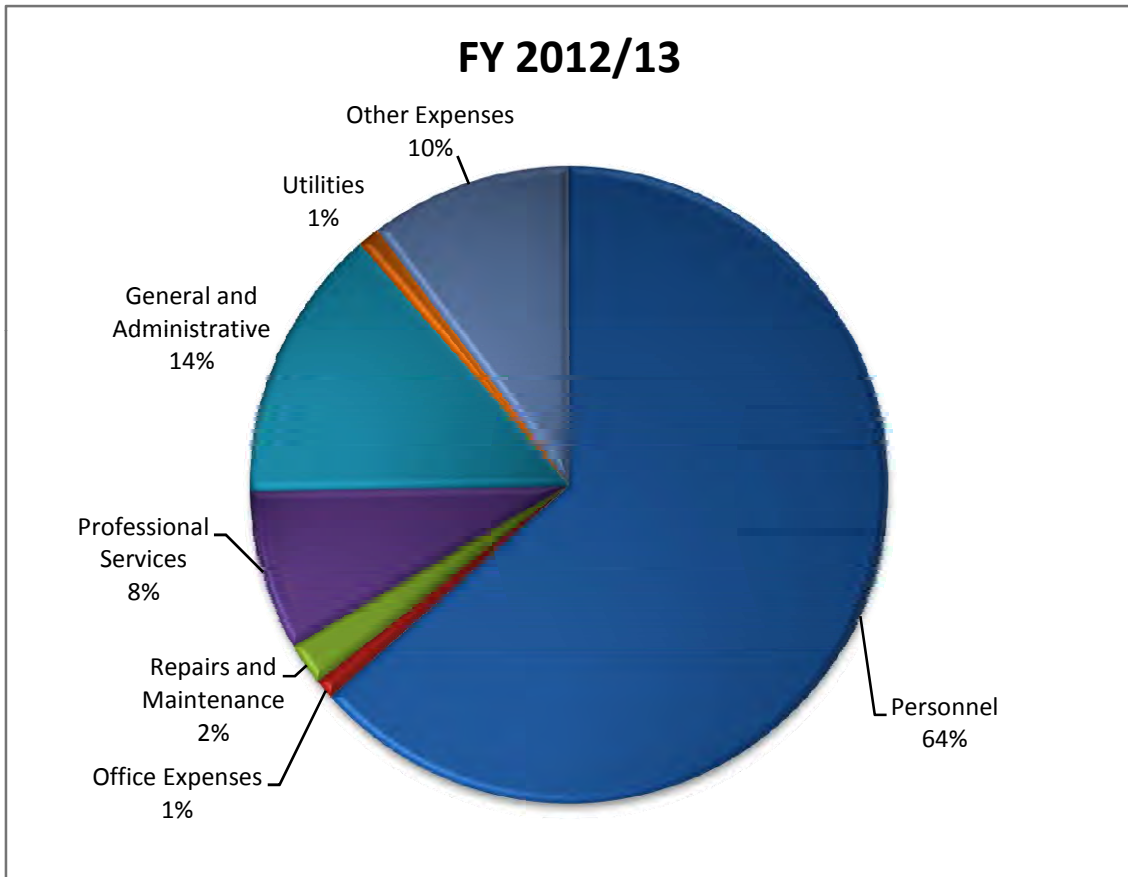
(1) The Executive Director is allocated to Administration (50%), Water Treatment Plant (25%) and Distribution (25%).

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

(2) The Accounting Technician expected to be hired in January 2013, or one-half of the fiscal year.

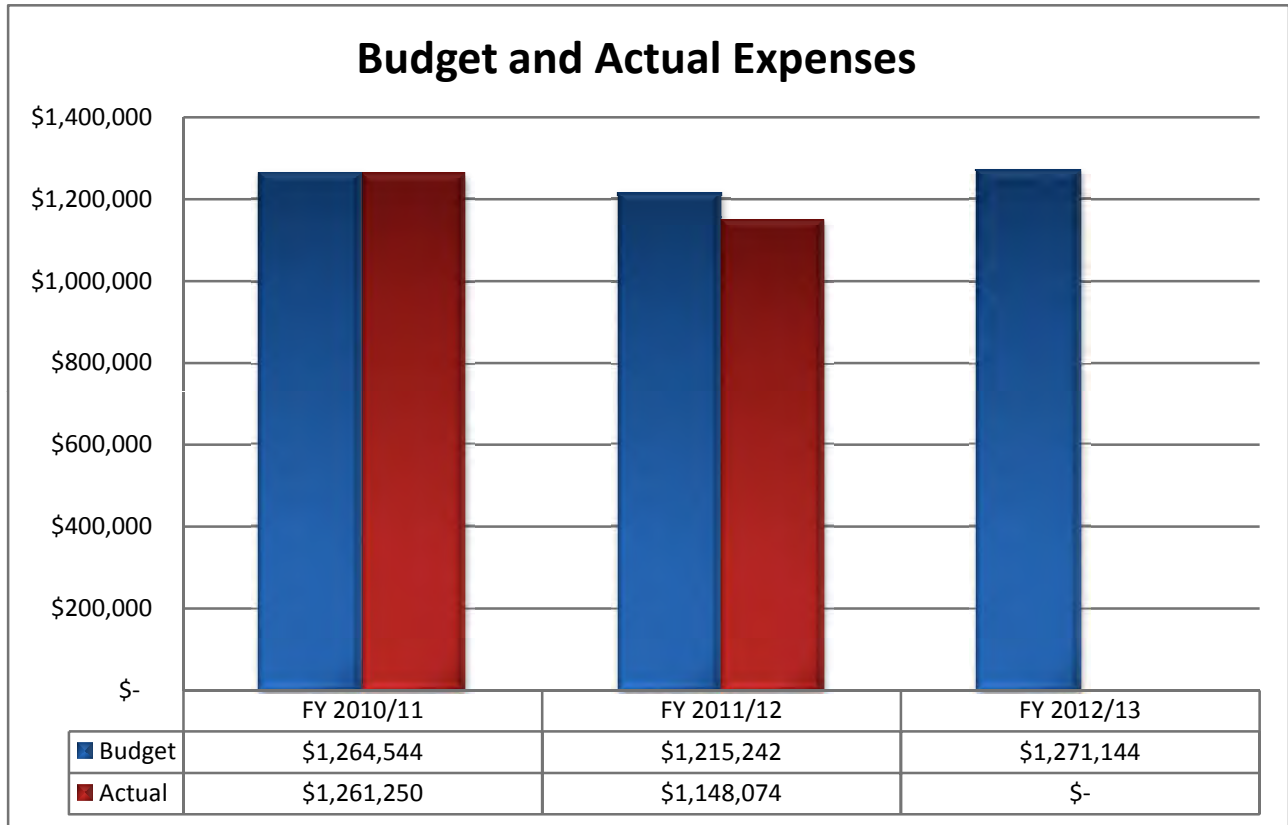
Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2012/13 Budget

Item	FY 2012/13 Budget
Personnel	\$ 805,877
Office Expenses	12,700
Repairs and Maintenance	27,375
Professional Services	103,824
General and Administrative	176,801
Utilities	14,192
Other Expenses	130,375
<b>TOTAL:</b>	<u><u>\$ 1,271,144</u></u>



Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2012/13 Budget

Item	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget
Personnel	\$ 686,617	\$ 749,705	\$ 739,012	\$ 745,001	\$ 805,877
Office Expenses	15,040	13,453	15,100	15,302	12,700
Supplies and Equipment	-	-	-	-	-
Repairs and Maintenance	27,608	27,994	28,375	22,542	27,375
Professional Services	187,460	178,288	126,224	83,846	103,824
General and Administration	209,368	190,341	162,115	167,202	176,801
Utilities	15,458	11,194	14,084	12,388	14,192
Other Expenses	122,993	90,275	130,332	101,793	130,375
<b>TOTAL:</b>	<b>\$ 1,264,544</b>	<b>\$ 1,261,250</b>	<b>\$ 1,215,242</b>	<b>\$ 1,148,074</b>	<b>\$ 1,271,144</b>



Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>PERSONNEL EXPENSES</u></b>									
5000.10	Full-Time Regular Wages	\$ 498,791	\$ 535,269	\$ 525,908	\$ 534,801	\$ 574,962	\$ 49,054	\$ 49,054	9.33%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	-	N/A
5000.20	Overtime	2,000	3,379	4,000	703	2,000	(2,000)	(2,000)	-50.00%
5000.40	Standby Pay	-	-	-	-	-	-	-	N/A
5000.50	Shift Differential Pay	-	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	97,035	105,934	105,755	103,644	117,142	11,388	11,388	10.77%
5100.15	Medicare Taxes	7,261	8,844	7,753	8,747	8,449	697	697	8.99%
5100.20	Health Insurance	39,707	39,641	47,162	44,294	55,143	7,981	7,981	16.92%
5100.25	Workers' Compensation	4,856	4,125	4,967	4,344	4,226	(741)	(741)	-14.92%
5100.30	Vehicle Expenses	18,000	18,069	18,000	16,754	18,000	-	-	0.00%
5100.35	Retiree Medical Future Liability Dep.	-	-	4,750	4,750	5,750	1,000	1,000	21.05%
5100.40	Cafeteria Plan Benefits	6,100	8,778	6,192	7,517	7,522	1,330	1,330	21.47%
5100.45	Dental/Vision Plan	7,953	8,311	9,643	12,796	7,237	(2,407)	(2,407)	-24.96%
5100.50	Long-Term Disability	2,053	1,836	2,022	1,990	2,216	194	194	9.58%
5100.55	Life Insurance	1,411	1,399	1,411	1,566	1,781	370	370	26.19%
5100.60	Employee Physicals	-	-	-	-	-	-	-	N/A
5000.30	Temporary Services	-	13,073	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	1,200	738	1,200	1,149	1,200	-	-	0.00%
5100.65	Employee Education Reimbursement	250	-	250	379	250	-	-	0.00%
5100.86	Non-Capitalized Projects Overhead	-	309	-	1,568	-	-	-	N/A
<b>Total Personnel Expenses:</b>		686,617	749,705	739,012	745,001	805,877	66,865	66,865	9.05%

Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>OFFICE EXPENSES</u></b>								
5200.20	Office Supplies	8,040	8,909	9,600	5,992	7,200	(2,400)	-25.00%
5200.30	Miscellaneous Office Expenses	7,000	4,544	5,500	9,310	5,500	-	0.00%
<b>Total Office Expenses:</b>		15,040	13,453	15,100	15,302	12,700	(2,400)	-15.89%
<b><u>SUPPLIES AND EQUIPMENT</u></b>								
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-Variabile	-	-	-	-	-	-	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
<b>Total Supplies and Equipment:</b>		-	-	-	-	-	-	N/A
<b><u>MONITORING EXPENSES</u></b>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
<b>Total Monitoring Expenses:</b>		-	-	-	-	-	-	-



Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>REPAIRS AND MAINTENANCE</u></b>								
5700.10	Equipment Repairs and Maintenance	4,400	6,706	5,000	2,288	5,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	-	-	-	-	-	-	N/A
5700.30	Building Maintenance	20,268	18,906	20,315	17,804	19,315	(1,000)	-4.92%
5700.40	Landscape Maintenance	2,940	2,382	3,060	2,450	3,060	-	0.00%
	<b>Total Repairs and Maintenance:</b>	<b>27,608</b>	<b>27,994</b>	<b>28,375</b>	<b>22,542</b>	<b>27,375</b>	<b>(1,000)</b>	<b>-3.52%</b>
<b><u>PROFESSIONAL SERVICES</u></b>								
5400.10	Professional Services	3,400	8,840	10,900	2,871	3,500	(7,400)	-67.89%
5400.20	Legal Services	160,000	147,182	90,000	60,000	75,000	(15,000)	-16.67%
5400.30	Engineering Services	-	-	-	-	-	-	N/A
5400.40	Permits	-	-	-	-	-	-	N/A
5400.50	Non-Contractual Services	2,060	2,266	3,324	975	3,324	-	0.00%
5400.60	Accounting Services	22,000	20,000	22,000	20,000	22,000	-	0.00%
	<b>Total Professional Services:</b>	<b>187,460</b>	<b>178,288</b>	<b>126,224</b>	<b>83,846</b>	<b>103,824</b>	<b>(22,400)</b>	<b>-17.75%</b>
<b><u>GENERAL AND ADMINISTRATIVE</u></b>								
5300.10	Meeting and Travel	29,500	37,540	29,500	35,896	36,500	7,000	23.73%
5300.20	Mileage Reimbursement	500	309	1,000	329	1,000	-	0.00%
5300.30	Dues and Memberships	163,988	141,180	117,635	117,635	125,141	7,506	6.38%
5300.40	Publications	2,780	1,907	2,530	2,500	1,750	(780)	-30.83%
5300.50	Training	3,000	2,478	3,000	2,500	3,000	-	0.00%
5300.60	Advertising	500	429	850	670	850	-	0.00%
5300.70	Printing and Binding	4,600	3,184	4,000	3,311	4,000	-	0.00%
5300.80	Postage	4,500	3,314	3,600	4,362	4,560	960	26.67%
	<b>Total General and Administrative:</b>	<b>209,368</b>	<b>190,341</b>	<b>162,115</b>	<b>167,202</b>	<b>176,801</b>	<b>14,686</b>	<b>9.06%</b>

Central Coast Water Authority  
**Administration Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b>UTILITIES</b>									
5800.20	Natural Gas	420	334	420	250	420	-	-	0.00%
5800.30	Electric-Fixed	8,478	5,961	8,244	7,182	8,052	(192)	(192)	-2.33%
5800.35	Electric-Variable	-	-	-	-	-	-	-	N/A
5800.40	Water	960	956	900	1,224	1,200	300	300	33.33%
5800.50	Telephone	2,820	1,962	2,220	2,060	2,220	-	-	0.00%
5800.60	Waste Disposal	2,780	1,981	2,300	1,672	2,300	-	-	0.00%
<b>Total Utilities:</b>		15,458	11,194	14,084	12,388	14,192	108	108	0.77%
<b>OTHER EXPENSES</b>									
5900.10	Insurance	20,135	19,803	21,009	21,000	21,576	567	567	2.70%
5900.30	Non-Capitalized Projects	-	-	-	-	-	-	-	N/A
5900.40	Equipment Rental	6,752	6,314	6,752	5,793	5,340	(1,412)	(1,412)	-20.91%
5900.50	Non-Capitalized Equipment	2,500	1,295	2,500	-	2,500	-	-	0.00%
5900.60	Computer Expenses	68,811	62,863	76,243	75,000	76,035	(208)	(208)	-0.27%
5900.70	Appropriated Contingency	24,795	-	23,828	-	24,924	1,096	1,096	4.60%
<b>Total Other Expenses:</b>		122,993	90,275	130,332	101,793	130,375	43	43	0.03%
<b>TOTAL OPERATING EXPENSES</b>		\$ 1,264,544	\$ 1,261,250	\$ 1,215,242	\$ 1,148,074	\$ 1,271,144	\$ 55,903	\$ 55,903	4.60%

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 BUDGET**

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

Description:                      Funds for the Administration Department regular employees. Includes \$27,130 for the FY 2012/13

<b>FY 12/13 Requested Budget</b>	574,962
<b>FY 11/12 Estimated Actual</b>	534,801
<b>Increase (Decrease)</b>	40,160

salary pool and one additional position titled "Accounting Technician" to be hired in January 2013. The Accounting Technician position will be responsible for accounts payable and payroll as part of the succession plan currently being considered by the CCWA Board of Directors.

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

Description:                      Overtime expenses for non-exempt Administration employees.

<b>FY 12/13 Requested Budget</b>	2,000
<b>FY 11/12 Estimated Actual</b>	703
<b>Increase (Decrease)</b>	1,297

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

Description:                      Not funded.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

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

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

<b>FY 12/13 Requested Budget</b>	117,142
<b>FY 11/12 Estimated Actual</b>	103,644
<b>Increase (Decrease)</b>	13,498

Based on a 20.374% contribution rate for FY 2012/13

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**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 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.

<b>FY 12/13 Requested Budget</b>	8,449
<b>FY 11/12 Estimated Actual</b>	8,747
<b>Increase (Decrease)</b>	(297)

**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 2013 estimated at 5% and medical insurance for 1/2 year for the Family: \$ 17,238      new Accounting Technician position. Emp+1: \$ 13,260 Emp: \$ 6,630

<b>FY 12/13 Requested Budget</b>	55,143
<b>FY 11/12 Estimated Actual</b>	44,294
<b>Increase (Decrease)</b>	10,849

**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 77%. Based on a 5% premium increase over FY 2011/12.

<b>FY 12/13 Requested Budget</b>	4,226
<b>FY 11/12 Estimated Actual</b>	4,344
<b>Increase (Decrease)</b>	(118)

**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.

<b>FY 12/13 Requested Budget</b>	18,000
<b>FY 11/12 Estimated Actual</b>	16,754
<b>Increase (Decrease)</b>	1,246

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 BUDGET**

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

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

<b>FY 12/13 Requested Budget</b>	5,750
<b>FY 11/12 Estimated Actual</b>	4,750
<b>Increase (Decrease)</b>	1,000

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

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

<b>FY 12/13 Requested Budget</b>	7,522
<b>FY 11/12 Estimated Actual</b>	7,517
<b>Increase (Decrease)</b>	4

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

Description:      Funds for the self-funded dental/vision plan. The plan provides \$3,096 per year per family for dental and vision expenses. Budgeted amount is \$1,703 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

<b>FY 12/13 Requested Budget</b>	7,237
<b>FY 11/12 Estimated Actual</b>	12,796
<b>Increase (Decrease)</b>	(5,559)

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

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

<b>FY 12/13 Requested Budget</b>	2,216
<b>FY 11/12 Estimated Actual</b>	1,990
<b>Increase (Decrease)</b>	226

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 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.

<b>FY 12/13 Requested Budget</b>	1,781
<b>FY 11/12 Estimated Actual</b>	1,566
<b>Increase (Decrease)</b>	215

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

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

<b>FY 12/13 Requested Budget</b>	250
<b>FY 11/12 Estimated Actual</b>	379
<b>Increase (Decrease)</b>	(129)

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

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

<b>FY 12/13 Requested Budget</b>	1,200
<b>FY 11/12 Estimated Actual</b>	1,149
<b>Increase (Decrease)</b>	51

Safety Program	\$	600
EAAP	\$	600
<b>TOTAL:</b>	\$	1,200

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

Description:      Funds for Office supplies for the Administration Department. Based on \$600 per month in office supply expenses.

<b>FY 12/13 Requested Budget</b>	7,200
<b>FY 11/12 Estimated Actual</b>	5,992
<b>Increase (Decrease)</b>	1,208

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 BUDGET**

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

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

<b>FY 12/13 Requested Budget</b>	5,500
<b>FY 11/12 Estimated Actual</b>	9,310
<b>Increase (Decrease)</b>	(3,810)

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

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

<b>FY 12/13 Requested Budget</b>	36,500
<b>FY 11/12 Estimated Actual</b>	35,896
<b>Increase (Decrease)</b>	604

\$	2,500	ACWA Conferences
\$	30,000	SWCA Meetings (\$2,500 per month)
\$	4,000	Other miscellaneous meetings
\$	36,500	TOTAL

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

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

<b>FY 12/13 Requested Budget</b>	1,000
<b>FY 11/12 Estimated Actual</b>	329
<b>Increase (Decrease)</b>	671

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

Description:                      Funds for professional dues.

<b>FY 12/13 Requested Budget</b>	125,141
<b>FY 11/12 Estimated Actual</b>	117,635
<b>Increase (Decrease)</b>	7,506

\$	77,500	SWC Bay Delta Charges
\$	14,000	SWPCA JPA & SFCWA JPA Dues
\$	4,900	MWQI Charges for 2013 Calendar Year
\$	15,991	ACWA
\$	500	SWPCA Delta Specific Project Committee
\$	2,250	Support various water education programs
\$	7,000	Prop 84 Fee
\$	3,000	Employee Professional Dues and Misc.
\$	125,141	TOTAL

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 BUDGET**

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

Description:      Funds for publications received by CCWA

<b>FY 12/13 Requested Budget</b>	1,750
<b>FY 11/12 Estimated Actual</b>	2,500
<b>Increase (Decrease)</b>	(750)

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

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

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

<b>FY 12/13 Requested Budget</b>	3,000
<b>FY 11/12 Estimated Actual</b>	2,500
<b>Increase (Decrease)</b>	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."

<b>FY 12/13 Requested Budget</b>	850
<b>FY 11/12 Estimated Actual</b>	670
<b>Increase (Decrease)</b>	180

**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).

<b>FY 12/13 Requested Budget</b>	4,000
<b>FY 11/12 Estimated Actual</b>	3,311
<b>Increase (Decrease)</b>	689



**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 BUDGET**

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

Description:      Funds for all postal and mail expenses.

<b>FY 12/13 Requested Budget</b>	4,560
<b>FY 11/12 Estimated Actual</b>	4,362
<b>Increase (Decrease)</b>	198

\$	3,960	Postage meter expenses (\$330 per month)
\$	600	Overnight and shipping svcs (\$50 per month)
\$	4,560	TOTAL

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

Description:      Funds for miscellaneous consultants and other services.

<b>FY 12/13 Requested Budget</b>	3,500
<b>FY 11/12 Estimated Actual</b>	2,871
<b>Increase (Decrease)</b>	629

\$	2,500	Administration office alarm system
\$	1,000	Other services
\$	3,500	TOTAL

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

Description:      Funds for CCWA legal services.

<b>FY 12/13 Requested Budget</b>	75,000
<b>FY 11/12 Estimated Actual</b>	60,000
<b>Increase (Decrease)</b>	15,000

\$	70,000	Brownstein Hyatt Farber General Counsel
	5,000	Sheppard Mullin Personnel Counsel
\$	75,000	TOTAL

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

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

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 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.

<b>FY 12/13 Requested Budget</b>	3,324
<b>FY 11/12 Estimated Actual</b>	975
<b>Increase (Decrease)</b>	2,349

\$	1,164	IRC 125 Plan administraton fees (\$97 per mo)
\$	1,160	Employee Assistance Program
\$	1,000	Other miscellaneous
\$	3,324	TOTAL

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

Description:                      Funds for the annual audit of the FY 2011/12 Financial Statements.

<b>FY 12/13 Requested Budget</b>	22,000
<b>FY 11/12 Estimated Actual</b>	20,000
<b>Increase (Decrease)</b>	2,000


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

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

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	2,288
<b>Increase (Decrease)</b>	2,712

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

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

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

<b>FY 12/13 Requested Budget</b>	19,315
<b>FY 11/12 Estimated Actual</b>	17,804
<b>Increase (Decrease)</b>	1,511

\$	575	Monthly Pest Control
\$	13,250	Janitorial services and supplies
\$	4,000	Building repairs (includes \$2,000 for HVAC)
\$	1,490	HVAC quarterly maintenance
\$	19,315	TOTAL

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 BUDGET**

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

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

<b>FY 12/13 Requested Budget</b>	3,060
<b>FY 11/12 Estimated Actual</b>	2,450
<b>Increase (Decrease)</b>	610

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

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

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

<b>FY 12/13 Requested Budget</b>	420
<b>FY 11/12 Estimated Actual</b>	580
<b>Increase (Decrease)</b>	(160)


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

Description:                      Funds for electrical service to the Administration building (\$671.00 per month).

<b>FY 12/13 Requested Budget</b>	8,052
<b>FY 11/12 Estimated Actual</b>	7,182
<b>Increase (Decrease)</b>	870


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

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

<b>FY 12/13 Requested Budget</b>	1,200
<b>FY 11/12 Estimated Actual</b>	1,224
<b>Increase (Decrease)</b>	(24)


**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 BUDGET**

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

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

<b>FY 12/13 Requested Budget</b>	2,220	\$	60	Long distance (\$5 per month)
<b>FY 11/12 Estimated Actual</b>	2,060	\$	1,260	Local long distance (\$105 per month)
<b>Increase (Decrease)</b>	160	\$	900	Cell phone airtime (\$75 per month)
		\$	2,220	TOTAL

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

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

<b>FY 12/13 Requested Budget</b>	2,300	\$	2,100	Waste Disposal service (\$175 per month)
<b>FY 11/12 Estimated Actual</b>	1,672	\$	200	Hazardous Waste Disposal
<b>Increase (Decrease)</b>	628	\$	2,300	TOTAL

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

Description: Funds for insurance related expenses.

<b>FY 12/13 Requested Budget</b>	21,576	\$	1,516	Property and auto insurance based on allocation provided by JPIA
<b>FY 11/12 Estimated Actual</b>	21,000	\$	16,490	General Liability and E&O apportioned by payroll percentages
<b>Increase (Decrease)</b>	576	\$	3,570	Employee fidelity bond
		\$	21,576	TOTAL

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

Description: Funds for rental of equipment.

<b>FY 12/13 Requested Budget</b>	5,340	\$	1,780	Postage meter (\$445 per quarter)
<b>FY 11/12 Estimated Actual</b>	5,793	\$	3,060	Copier lease (\$255 per month)
<b>Increase (Decrease)</b>	(453)	\$	500	Other
		\$	5,340	TOTAL

**CENTRAL COAST WATER AUTHORITY  
ADMINISTRATION FY 2012/13 BUDGET**

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

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

<b>FY 12/13 Requested Budget</b>	2,500
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	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.

<b>FY 12/13 Requested Budget</b>	76,035
<b>FY 11/12 Estimated Actual</b>	75,000
<b>Increase (Decrease)</b>	1,035

\$	57,535	CompuVision, Annual Service Agreements and Software Subscriptions
\$	18,500	Software and other computer services
\$	76,035	TOTAL

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

Description:      2.0% of operating expenses

<b>FY 12/13 Requested Budget</b>	24,924
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	24,924





*Polonio Pass Water Treatment Plant Operators*

# *Water Treatment Plant Department*

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

# Highlights

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## Department Information

- Number of employees 14.20 (*proposed*)
- Polonio Pass Water Treatment Plant capacity 50 million gallons per day
- FY 2012/13 requested water deliveries 32,571 acre-feet

## Budget Information

- Total FY 2012/13 O&M Budget \$ 3,762,401
- O&M Budget increase over FY 2011/12 \$ 200,481
  - Fixed cost increase over FY 2011/12 \$ 110,826
  - Variable cost increase over FY 2011/12 \$ 62,478
- Percentage increase 4.83%
- Fixed O&M Expenses \$ 2,563,023
- Variable O&M Expenses \$ 1,199,378
- FY 2012/13 budgeted chemical cost \$ 34.57 per acre-foot
- Regional Water Treatment Plant Cost Per AF:
  - Fixed and Capital \$ 38.90
  - Variable \$ 1.29
- Exchange Agreement Modifications Per AF:
  - Fixed and Capital \$ 136.00
  - Variable \$ 36.82

## Significant Accomplishments During FY 2011/12

- Working with a consultant, the WTP and Engineering staff successfully completed development of the specifications for the Supervisory Control and Data Acquisition System (SCADA) upgrade project.
- WTP staff worked cooperatively with DWR to successfully complete a project to remove, transport and dispose of sediment from the Polonio Pass Pumping Plant forebay.

## Significant Goals for FY 2012/13

- Implement additional internal corrosion monitoring techniques for the pipeline. These techniques will include weekly Calcium Carbonate Precipitation Potential and Langelier Index testing at all routine sample locations along the pipeline.
- Conduct an engineering study to evaluate and develop a corrective action plan to address the side slope leakage from Lagoons A and B into Lagoon C at the WTP.

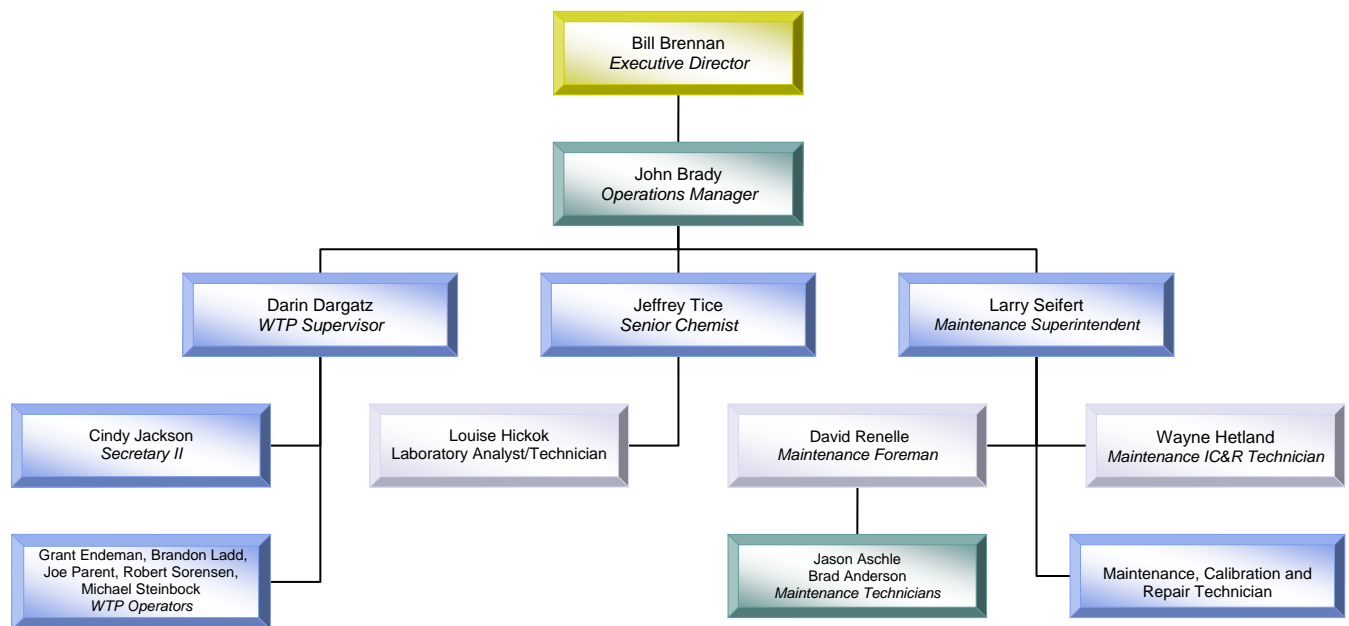


Central Coast Water Authority  
**Water Treatment Plant Department**  
Fiscal Year 2012/13 Budget

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

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



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

The Maintenance Superintendent oversees plant maintenance and supervises the Maintenance/IC&R Technician, Maintenance Foreman and will supervise the new Maintenance, Calibration and Repair Technician. 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.

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The Senior Chemist and Chemist operate the plant laboratory. All analyses required by the Environmental Protection Agency and Department of Public Health or needed for plant process control are either performed in-house or sent to a contract 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 2011 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2012 goals for the Water Treatment Plant Department.



Floc/Sed basin refilling

Central Coast Water Authority  
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**2011 ACCOMPLISHMENTS AND 2012 GOALS**

- Goal** Implement the MIB study, which is designed to enhance understanding of why MIB increases along the length of the raw water pipeline. [09/11]
- Status** Completed 9/11.
- Goal** Continue the raw water canal ammonia study on a quarterly basis to evaluate the water quality impacts of DWR's canal and pumping plant forebay cleaning. [throughout 2011]
- Status** Work continues. The data developing through this monitoring program was provided to DWR to assist with preparation of the Delta Sanitary Survey Update.
- Goal** Continue monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. [throughout 2011]
- Status** Work continues. Samples of the filter media have been collected and analyzed. No loss in hydraulic performance has been detected.
- Goal** Initiate off-peak pumping during the PG&E Summer Season at the Santa Ynez Pumping Plant. [05/11 - 11/11]
- Status** Pumping operations were made during off-peak periods only during the summer of 2011.
- 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** Work continues.
- Goal** Identify and pursue approaches to maximize delivery allocation and maintain high water quality consistent with project participants' needs. [Ongoing]
- Status** Work continues.
- Goal** Assist project participants in preparing to meet new federal and state water quality regulations. [Ongoing]
- Status** Provided Vandenberg Air Force Base training on nitrification identification and control. In addition, Vandenberg AFB staff was provided a tour of the Treatment Plant.
- Staff worked with project participants during the preparation of

Central Coast Water Authority  
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their Urban Water Management Plans.

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

**Status** Work continues. In addition to the re-chlorination systems at Tank 5 and 7, all chlorine analyzers on the pipeline are set to alarm when chlorine residuals fall below 1.5 mg/l as a nitrification control measure. Tanks levels are also managed to control water age.

**2012 Goals**

Review distribution operations and compare to AWWA G200-09 Distribution System Operations and Management. Confirm that operation is managed pursuant to the standard. [6/12]

Review treatment plant operations and compare to AWWA G100-11 Water Treatment Plant Operations and Management. Confirm that operation is managed pursuant to the standard. [6/12]

Implement a formal valve exercise program. [12/12]

Implement additional internal corrosion monitoring techniques for the pipeline. [4/12]

Expand the cathodic protection system monitoring program through including close interval surveys to ultimately cover the entire length of the pipeline. In addition, internal pipeline inspection will be expanded to include mortar sampling, if merited. [throughout 2012]

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 2012]

Continue with off-peak pumping during the PG&E Summer Season at the Santa Ynez Pumping Plant and continue monitoring pumping efficiency. [throughout 2012]

Continue monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. In addition, continue to conduct special studies on filter performance as a means to optimize filter life and treatment effectiveness. [throughout 2012]

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

Central Coast Water Authority  
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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]

Develop an in-house asphalt pavement inspection and repair program to include staff training and the purchase of required asphalt repair equipment to facilitate more cost effective repairs, while increasing the longevity of asphalt surfaces. [3/12]

Implement a feasibility study to consider the use of wireless voltage and current monitoring of the pipeline cathodic protection system rectifiers. [12/12]

Central Coast Water Authority  
**Water Treatment Plant Department**  
 Fiscal Year 2012/13 Budget

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**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.

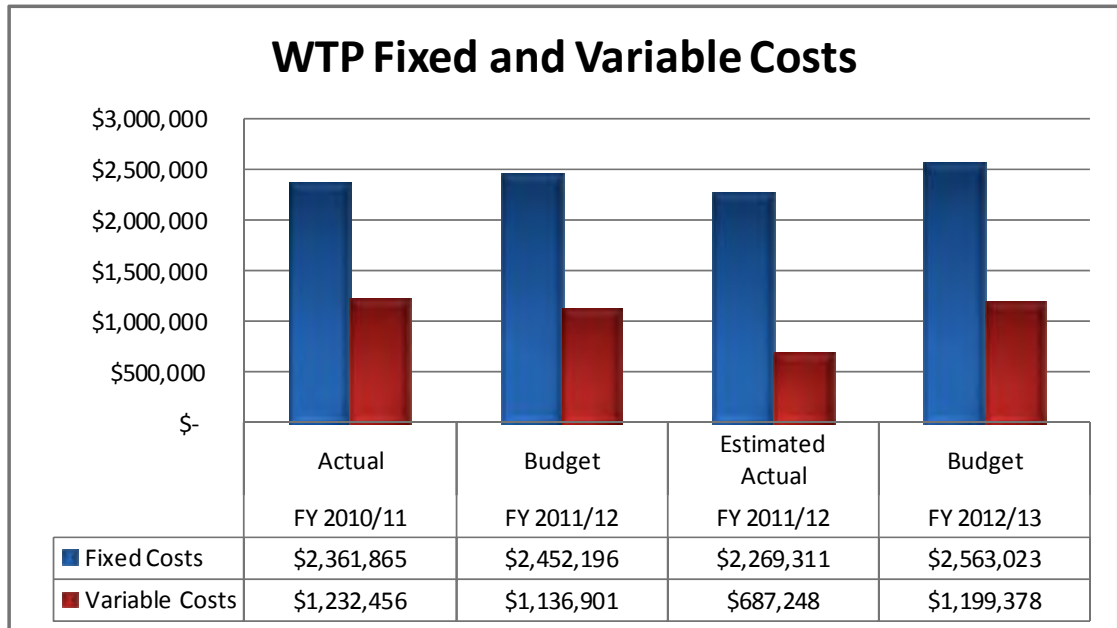
**Fixed O&M Costs** are costs of the treatment plant that do not vary with the amount of water processed at the treatment plant. These include personnel costs, professional services, general and administrative costs.

For FY 2012/13, the Water Treatment Plant fixed O&M costs total \$2,563,023 or \$110,826 more than the FY 2011/12 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 2012/13, the Water Treatment Plant variable O&M costs total \$1,199,378, or \$62,478 more than the FY 2011/12 budget. The FY 2012/13 variable O&M budget is comprised of \$1,142,053 for chemical expenses and \$57,325 for electrical costs based on treatment and delivery of 32,571 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 2012/13 Budget

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

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

***Fiscal Year 2012/13 Operating Expense Budget***

The FY 2011/12 water treatment plant operating expense budget is \$3,762,401 which is \$173,304 more than the previous year's budget of \$3,589,097, a 4.83% increase.

The personnel expense section of the Water Treatment Plant budget represents approximately 49% 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 XXX shows the allocation of the various components of the water treatment plant operating expense budget.

Personnel Expenses Total personnel expenses are increasing by about \$73,000 when compared to the FY 2011/12 budget for the following reasons.

- An increase in full-time regular wages for the FY 2012/13 salary pool allocation of \$56,676, 20% of a new Maintenance, Calibration and Repair Technician, with the remaining 80% funded from the Distribution Department budget.
- Health insurance, workers' compensation insurance, dental/vision plan and cafeteria plan combined expenses are decreasing by about \$15,000.
- PERS retirement expense increase of about \$16,000 for an increase in the employee annual salaries and a slight increase in the PERS rate for FY 2012/13.

Supplies and Equipment Total supplies and equipment expenses for FY 2012/13 are about \$80,000 higher than the previous year primarily due to an increase in chemical expense cost per acre-foot and a slight increase in the requested water deliveries for the year.

Utility Expenses Utility expenses are decreasing by about \$23,000 due to a decrease in projected fixed and variable electrical costs.

Other Expenses Other expenses are increasing by approximately \$29,000 due to an increase in non-capitalized projects and computer expenses.

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

Central Coast Water Authority  
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 Fiscal Year 2012/13 Budget

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CCWA O&M assessments. Additionally, certain portions of the facilities around the Polonio Pass Water Treatment are owned by DWR but also operated and maintained by CCWA such as the access road to the Water Treatment Plant. Since CCWA does not own the DWR facilities, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the Water Treatment Plant which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table is a summary of the FY 2012/13 Water Treatment Plant Non-Capitalized Projects.

<b><i>Non-Capitalized Projects-Reach Specific</i></b>			
Project Description	Financial		
	Reach	Amount <sup>(1)</sup>	
Tank Inspections -Clearwell/Backwash	WTP	\$	23,100
SCADA UPS Battery Monitor	WTP		2,815
Electromagnetic Flow Meter Replacement	WTP		6,757
Alum Sulfate Tank Inspections	WTP		12,180
Flash Mix Pump Project	WTP		11,261
On-Line Particle Counter	WTP		5,518
Fall Protection Equipment	WTP		6,869
<b>TOTAL:</b>		<b>\$</b>	<b>68,501</b>

(1) Excludes CCWA labor and overhead costs.



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<b>Tank Inspection – Phase II (Clearwell/Backwash Tanks)</b>	
Department:	Water Treatment Plant
Expanded Description	The American Water Works Association recommends that distribution tanks be inspected once every five years. It has been over five years since the last tank inspection. CCWA staff recommends implementing the tank inspection program in three phases. This is the second of a three phase project and will include inspection of the Treatment Plant’s Clearwell and Backwash Tanks. Previously, Tank 5 A and 5B were inspected and cleaned.
Estimated Charge - Contractor	\$22,000
Contingency (5%)	\$1,100
Subtotal without CCWA Labor	<b>\$23,100</b>
Labor and overhead	\$5,700
Total Cost	\$28,800
Operating Budget Impact:	Tank inspections and cleaning are an important element of distribution system maintenance. Tanks that are not routinely inspected and cleaned can create biological contamination issues, including nitrification. Proper inspection and cleaning can prevent the added costs to responding to biological contamination or nitrification events. Phasing the tank inspection program, over a three year period will also reduce the annual cost of the program to more manageable levels.

Central Coast Water Authority  
**Water Treatment Plant Department**  
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<b>Description:</b>	<b>SCADA UPS Battery Monitor</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	CCWA's Supervisory Control and Data Acquisition (SCADA) System resides on a server unit located at the Water Treatment Plant, which is powered by an uninterruptable power supply (UPS). A critical component of the UPS unit is the battery set. These batteries are continuously charged to provide reserve power. If the batteries are differentially charged and one of the batteries becomes nonfunctional, the UPS unit will be rendered useless. If a power failure were to occur while the UPS unit is compromised, the SCADA System would essentially shutdown. The proposed project is to install a battery monitor unit to both ensure that all batteries are charged equally and identify degrading battery performance before it becomes problematic. This will replace the manual monitoring that is currently performed.
Estimated Charge – Materials	\$2,500
Taxes (7.25%)	\$181
Contingency (5%)	\$134
Subtotal without CCWA Labor	<b>\$2,815</b>
CCWA Labor	\$3,000
<b>Total Cost</b>	<b>\$5,815</b>
<b>Operating Budget Impact:</b>	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.

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<b>Description:</b>	<b>Electromagnetic Flow Meter Replacement Program</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	CCWA currently utilizes over 40 electromagnetic flow meters (Mag-meters). Recently, the manufacture of these meters (ABB) has changed the basic design and has stopped manufacturing the older models. The manufacturer currently has spare parts in inventory for the older models. Staff has developed a replacement plan for CCWA's 40 mag-meters which will be to: (1) purchase \$6,000 worth of transmitters, which are the parts typically needed for repair and are interchangeable, and (2) initiate first wave of replacements in 3 years, old meters will serve as a source of spare parts.
Estimated Charge - Materials	\$6,000
Taxes (7.25%)	\$435
Contingency (5%)	<u>\$322</u>
Subtotal without CCWA Labor	<b>\$6,757</b>
CCWA Labor	\$1,900
Total Cost	\$8,657
<b>Operating Budget Impact:</b>	The CCWA operation requires the use of highly accurate flow meters for measuring chemical dosage rates and water deliveries. The electromagnetic flow meters in use have proven to be a highly reliable, precise and accurate. The purchase of spare parts at this time will result in cost savings when compared to purchasing the spare parts when the supply is low and in high demand. Maintaining an inventory of spare parts will also ensure that they are available to CCWA staff, which will reduced the amount of staff time needed to identify a source to purchase the required parts.

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<b>Description:</b>	<b>Aluminum Sulfate Storage Tank Inspections</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	The main chemical utilized at the Water Treatment Plant is Aluminum Sulfate, which is stored in two 26,000 gallon tanks. The existing tanks have been in service since the original construction in 1997. The interior of the tanks includes a liner system. Routine inspections have suggested that the liner system may be damaged, at least at the outlet flange connection. The project is to conduct a full interior inspection, using a holiday testing method, to evaluate the condition of the liner.
Estimated Charge – Contractor	\$11,600
Contingency (5%)	<u>\$580</u>
Subtotal without CCWA Labor	<b>\$12,180</b>
CCWA Labor	\$2,500
Total Cost	\$14,680
<b>Operating Budget Impact:</b>	If the Aluminum Sulfate Tank liner system is compromised, the steel shell of the tank may begin to corrode. The liner is an important cathodic protection system for the tank. Uncontrolled corrosion can lead to tank leakage, which will require repair and disposal of any chemical released from the tank. Proactive preventative maintenance will prevent the costs associated with repair a leaking tank and disposal of waste chemical.

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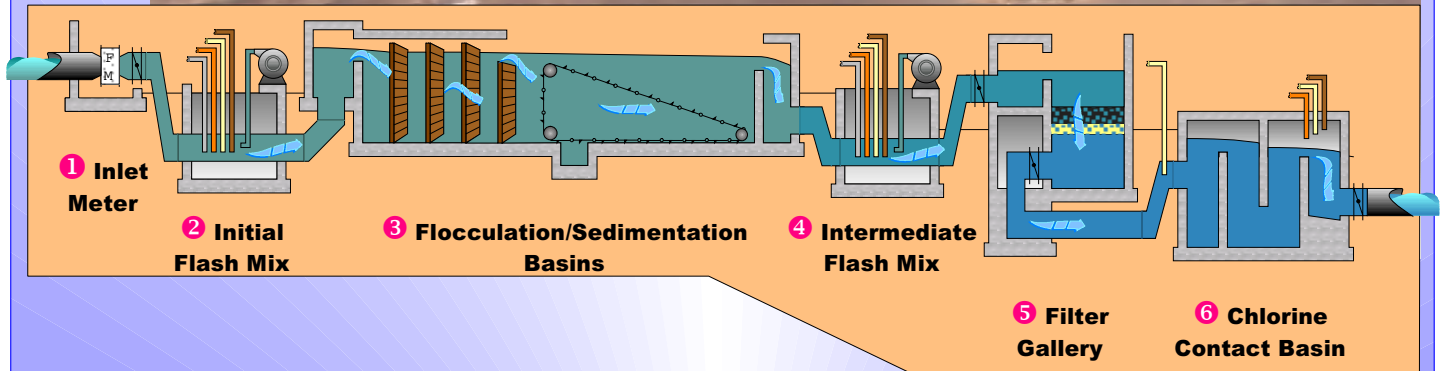
<b>Description:</b>	<b>Flash Mix Pump Project</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	The Plant is equipped with two carrier water flash mix pumps that are used to assist with blending water treatment chemicals and dosing the water stream. One pump is located near the inlet of the plant, while the other is located upstream of the filters. Due to corrosion damage to the intermediate flash mix pump, a project is proposed to replace the damaged pump while adding redundancy to the initial flash mix system. The project will be to (1) purchase one carrier water pump and install on Initial Flash Mix (IFM), (2) build a manifold at IFM so that existing pump remains online, (3) rebuild upstream basket filter to improve its function and, (4) install the existing spare pump on Intermediate Flash Mix to replace existing corroded pump.
<b>Estimated Charge - Materials</b>	\$10,000
<b>Tax (7.25%)</b>	\$725
<b>Contingency (5%)</b>	<u>\$536</u>
<b>Subtotal without CCWA Labor</b>	<b>\$11,261</b>
<b>CCWA Labor</b>	\$5,000
<b>Total Cost</b>	\$16,261
<b>Operating Budget Impact:</b>	The Initial Flash Mix carrier water pump is one of the only elements of the plant that does not have a redundant system to allow uninterrupted service. Through utilizing existing equipment and modifying the carrier water system, the plant will have a full redundant initial flash mix. This will avoid costs associated with emergency response to a break down condition of the initial flash mix system. The spare pump will be maintained in a “ready-to-use” mode, as opposed to being stored in inventory.

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<b>Description:</b>	<b>On-Line Particle Counter</b>
Department:	Water Treatment Plant
Expanded Description	One existing filtered water particle counter will be replaced. This instrument is an important process monitoring tool and is utilized by the Treatment Plant Operators. The existing unit has proven to be a valuable tool due to its ability to measure particles at extremely low concentrations, which allows for the detection of filter breakthrough at its earliest possible moment. This helps the plant operator to identify the end of a filter's runtime well in advance of any NTU change. The ability to both count and size particles in filter effluent provides critical information that more clearly depicts filtration efficiency. This level of monitoring far exceeds the capabilities of light scatter turbidity measurements.
Estimated Charge - Materials	\$4,900
Sales Tax	\$355
Contingency (5%)	<u>\$263</u>
Subtotal without CCWA Labor	<b>\$5,518</b>
Labor and overhead	\$4,000
Total Cost	\$9,518
Operating Budget Impact:	The filtered water particle counter is an important process monitoring instrument and is used to monitor for changes in the treatment/filtration chemistry. The existing unit has been in service for over ten years, which is beyond its anticipated service life. The cost of replacing aging components of the existing unit will range up to \$1700. A complete replacement of the instrument will ensure that water is reliably treated to meet applicable drinking water standards. Failure of the existing instrument may require additional resources to respond to undetected changes in water chemistry, which can increase treatment costs. Additionally, this new generation of particle counter will no longer require an offsite manufacturer calibration procedure as the existing unit requires. CCWA staff can perform the calibration in-house at an annual savings of at least \$500.

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<b>Description:</b>	<b>Supplemental Fall Protection Equipment</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	As part of CCWA's safety program, a job hazard analysis was conducted at various locations within the plant, as a follow-up to a work related fall injury. This analysis identified the need for additional supplemental equipment to reduce the fall hazard within the plant. This project proposes to: (1) Install an existing catwalk unit onto the Plant's two caustic tanks to provide a safe access to a work area. Additional railing will be purchased and also installed (2) Purchase and utilize a Scissors Lift. This will be used for work in areas where ladders are insufficient. (3) Purchase and install Ladder Ups at the Backwash Tank Vaults and Equalization Tank Vaults.
Estimated Charge – Materials	\$6,100
Tax (7.25%)	\$442
Contingency (5%)	\$327
<b>Subtotal without CCWA Labor</b>	<b>\$6,869</b>
CCWA Labor	\$6,500
<b>Total Cost</b>	<b>\$13,369</b>
<b>Operating Budget Impact:</b>	The installation and use of this equipment will reduce work related fall injuries and associated costs. It will also increase staff productivity through providing a safer and quicker access to work locations.



# Polonio Pass Water Treatment Plant

Central Coast Water Authority



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**Water Treatment Plant Department**  
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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 2012/13 Regional Water Treatment Plant Allocation and Credit.

Central Coast Water Authority  
**Regional Water Treatment Plant Allocation and Credit**  
 FY 2012/13 Budget

Project Participant	Allocated Table A <sup>(1)</sup>		Unadjusted Fixed & Capital		Adjusted Fixed & Capital <sup>(4)</sup>		Fixed & Capital Retirement Charge <sup>(6)</sup>		
	Table A Amount	Exchange Deliveries	WTP Fixed Operating Costs <sup>(2)</sup>	Imputed WTP Debt Service Costs <sup>(3)</sup>	Total Unadjusted Fixed & Cap.	Retirement Adjustment	Capital Retirement Adjustment	Allocated Table A %	Fixed & Capital Retirement Charge <sup>(6)</sup> Cost Per AF of Allocated Table A Amount
Guadalupe	550	1.25%	\$ 33,649	\$ 41,123	\$ 74,772	\$ 52,888	\$ 43,277	1.41%	\$ 21,395
Santa Maria	16,200	36.89%	991,113	1,211,268	2,202,381	1,557,796	1,274,715	41.45%	\$ 630,193
Golden State Water	500	1.14%	30,590	37,385	67,975	48,080	39,343	1.28%	\$ 19,450
VAFB	5,500	12.53%	336,489	411,233	747,722	528,881	432,774	14.07%	\$ 213,954
Buellton	578	1.32%	35,362	43,217	78,579	55,581	45,481	1.48%	\$ 22,485
Santa Ynez (Solvang)	1,500	3.42%	91,770	112,154	203,924	144,240	118,029	3.84%	\$ 58,351
Santa Ynez	500	6.99%	187,822	37,385	225,207	295,212	241,566	7.86%	\$ 119,425
Goleta	4,500	8.14%	218,706	336,463	555,169	343,754	281,287	9.15%	\$ 139,063
Morehart	200	0.46%	12,236	14,954	27,190	19,232	15,737	0.51%	\$ 7,780
La Cumbre	1,000	2.28%	61,180	74,770	135,949	96,160	78,686	2.56%	\$ 38,901
Raytheon	50	0.11%	3,059	3,738	6,797	4,808	3,934	0.13%	\$ 1,945
Santa Barbara	3,000	5.43%	145,926	224,309	370,235	229,361	187,682	6.10%	\$ 92,786
Montecito	3,000	5.43%	145,926	224,309	370,235	229,361	187,682	6.10%	\$ 92,786
Carpinteria	2,000	3.61%	97,080	149,539	246,619	152,587	124,859	4.06%	\$ 61,728
SB County Subtotal:	39,078	2	2,390,906	2,921,848	5,312,754	3,757,943	3,075,054	100.00%	\$ 1,520,243
SLO County	4,830	-	295,498	361,137	656,636	0	-	-	-
TOTAL:	43,908	-	2,686,405	3,282,985	5,969,390	3,757,943	3,075,054	100.00%	\$ 1,520,243

**Fixed & Capital Retirement Allocation Factor**

Total South Coast Table A	11,182
Total SB County Table A	39,078
Subtotal:	50,260
South Coast Retreated %	1.29

Total Adjusted Fixed & Capital Costs (SB County) \$ 6,832,997  
 Total Unadjusted Fixed & Capital Costs (SB County) 5,312,754  
**Fixed & Capital WTP Allocation Amount** \$ 1,520,243

Project Participant	South Coast Fixed & Capital Retirement Credits <sup>(6)</sup>	
	South Coast Allocated Table A	South Coast Credit/AF On Allocated Table A
Guadalupe	3,575	(486,010)
Santa Maria	200	(27,191)
Golden State Water	1,000	(135,954)
VAFB	50	(6,798)
Buellton	2,385	(324,279)
Santa Ynez (Solvang)	2,385	(324,279)
Santa Ynez	1,587	(215,733)
Goleta	11,182	(1,520,243)
Morehart	200	(27,191)
La Cumbre	1,000	(135,954)
Raytheon	50	(6,798)
Santa Barbara	2,385	(324,279)
Montecito	2,385	(324,279)
Carpinteria	1,587	(215,733)
SB County Subtotal:	0	(1,520,243)
SLO County	11,182	100.00%
TOTAL:	11,182	100.00%

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

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

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**Regional Water Treatment Plant Allocation and Credit**  
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Project Participant	WTP Requested Water Deliveries			WTP Variable Operating Costs				South Coast Variable Retirement Credits				TOTAL	
	Requested Deliveries	Exchange Deliveries	Net Deliveries	WTP Variable Costs	Variable Retirement Adjustment	Retirement Variable Allocation	Retirement Variable Cost Per AF	South Coast Actual Deliveries	South Coast Delivery Percentage	South Coast Variable Credit	Credit/AF On Actual Deliveries	Fixed, Capital & Variable Retirement	Fixed, Capital & Variable Credits
Guadalupe	531		531	\$ 19,553	20,238	685	1.29					\$ 22,080	
Santa Maria	15,350		15,350	565,237	585,024	19,787	1.29					649,980	
Golden State Water	515		515	18,964	19,628	664	1.29					20,114	
VAFB	5,880		5,880	216,521	224,100	7,580	1.29					221,534	
Buellton	643		643	23,677	24,506	829	1.29					23,314	
Santa Ynez (Solvang)	1,351	2,570	1,351	49,748	51,490	1,742	1.29					60,093	
Santa Ynez	700	(925)	3,270	120,412	124,627	4,215	1.29					123,641	
Goleta	925		(0)	(7)	(8)	(0)	1.29	(0)	-0.02%	\$ 7	(36.83)	139,062	\$ (486,003)
Morehart	200		200	7,365	7,622	258	1.29	200	20.02%	(7,365)	(36.83)	8,038	(34,556)
La Cumbre	744		744	27,396	28,356	959	1.29	744	74.47%	(27,398)	(36.83)	39,860	(163,353)
Raytheon	55		55	2,025	2,096	71	1.29	55	5.51%	(2,025)	(36.83)	2,016	(8,823)
Santa Barbara	615	(615)	0	7	8	0	1.29	0	0.02%	(7)	(36.83)	92,786	(324,286)
Montecito	615	(615)	0	7	8	0	1.29	0	0.02%	(7)	(36.83)	92,786	(324,286)
Carpinteria	413	(413)	(0)	(7)	(8)	(0)	1.29	(0)	-0.02%	7	(36.83)	61,728	(215,725)
SB County Subtotal:	28,537	0	28,539	1,050,899	1,087,688	36,789	1.29	999	100.00%	(36,789)		1,557,032	(1,557,032)
SLO County	4,034		4,034	148,553	-	-		0	0.00%	-		-	-
TOTAL:	32,571	0	32,571	\$ 1,199,452	\$ 1,087,688	\$ 36,789		999	100.00%	\$ (36,789)		\$ 1,557,032	\$ (1,557,032)

**Variable Retirement Allocation Factor**  
 Total South Coast Deliveries 999  
 Total SB County Deliveries 28,537  
 Subtotal: 29,536

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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 2012/13 Santa Ynez Exchange Agreement modifications.

Central Coast Water Authority  
**Santa Ynez Exchange Agreement Modifications**  
**FY 2012/13 Budget**

Project Participant	Table A Amounts			WTP Fixed O&M Exchange Modifications			WTP Capital Exchange Modifications			Total Fixed & Capital Exchange Mods
	Table A Amount	Exchange Deliveries	Table A Percentage	WTP Fixed Operating Costs	WTP Fixed O&M Cost Per AF	WTP Fixed O&M Exchange Adjustments	Imputed WTP Debt Service Costs	Imputed WTP Debt Service Per AF	WTP Capital Exchange Adjustments	
Guadalupe	550		1.25%	\$ 33,650	\$ 61	-	\$ 41,123	\$ 75	-	-
Santa Maria	16,200		36.90%	991,158	61	-	1,211,268	75	-	-
Golden State Water	500		1.14%	30,591	61	-	37,385	75	-	-
VAFB	5,500		12.53%	336,504	61	-	411,233	75	-	-
Buellton	578		1.32%	35,364	61	-	43,217	75	-	-
Santa Ynez (Solvang)	1,500		3.42%	91,774	61	-	112,154	75	-	-
Santa Ynez	500	2,570	1.14%	30,591	61	157,239	336,463	75	192,158	349,125
Goleta	4,500	(925)	10.25%	275,322	61	(56,606)	14,954	75	(69,177)	(125,783)
Morehart	200	-	0.46%	12,237	61	-	74,770	75	-	-
La Cumbre	1,000	-	2.28%	61,183	61	-	3,738	75	-	-
Raytheon	50	-	0.11%	3,059	61	-	224,309	75	(45,968)	(83,583)
Santa Barbara	3,000	(615)	6.83%	183,548	61	(37,615)	224,309	75	(45,968)	(83,583)
Montecito	3,000	(615)	6.83%	183,548	61	(37,615)	224,309	75	(45,968)	(83,583)
Carpinteria	2,000	(413)	4.55%	122,365	61	(25,281)	149,539	75	(30,895)	(56,175)
SB County Subtotal:	39,078	0	89.00%	2,390,893		122	2,921,848			(0)
SLO County	4,830	-	11.00%	295,512			361,137			
TOTAL:	43,908	0	100.00%	\$ 2,686,405	\$	122	\$ 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	531		531	\$ 19,553	\$ 36.82	-	-	-	
Santa Maria	15,350		15,350	565,237	36.82	-	-	-	
Golden State Water	515		515	18,964	36.82	-	-	-	
VAFB	5,880		5,880	216,521	36.82	-	-	-	
Buellton	643		643	23,677	36.82	-	-	-	
Santa Ynez (Solvang)	1,351		1,351	49,748	36.82	-	-	-	
Santa Ynez	700	2,570	3,270	25,776	36.82	94,562	443,687	173	
Goleta	925	(925)	(0)	34,062	36.82	(34,069)	(159,852)	(173)	
Morehart	200	-	200	7,365	36.82	-	-	-	
La Cumbre	744	-	744	27,396	36.82	-	-	-	
Raytheon	55	-	55	2,025	36.82	-	-	-	
Santa Barbara	615	(615)	0	22,646	36.82	(22,639)	(106,222)	(173)	
Montecito	615	(615)	0	22,646	36.82	(22,639)	(106,222)	(173)	
Carpinteria	413	(413)	(0)	15,208	36.82	(15,215)	(71,391)	(173)	
SB County Subtotal:	28,537	0	28,539	1,050,825		(0)			
SLO County	4,034		4,034	148,553		-			
TOTAL:	32,571	0	32,571	\$ 1,199,378	\$	(0)	\$	-	

Central Coast Water Authority  
**Personnel Services Summary**  
**Water Treatment Plant Department**  
Fiscal Year 2012/13 Budget

<b>PERSONNEL COUNT SUMMARY</b>					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2010/11	Auth. FY 2011/12	Requested FY 2012/13	Over FY 2010/11	Over FY 2011/12
Executive Director <sup>(1)</sup>	0.25	0.25	0.25	-	-
Operations Manager <sup>(2)</sup>	0.35	0.35	0.35	-	-
WTP Supervisor	1.00	1.00	1.00	-	-
Maintenance Superintendent <sup>(3)</sup>	0.60	0.60	0.60	-	-
Maintenance Foreman	1.00	1.00	1.00	-	-
Regulatory Specialist <sup>(4)</sup>	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	-	-
Maintenance, Calibration & Repair Tech <sup>(5)</sup>	-	-	0.20	0.20	0.20
WTP Operators	5.00	5.00	5.00	-	-
Laboratory Analyst	1.00	1.00	1.00	-	-
Secretary II	0.75	0.75	0.75	-	-
<b>TOTAL:</b>	14.00	14.00	14.20	0.20	0.20

<b>PERSONNEL WAGE SUMMARY</b>						
Position Title	No. of Emp.	Position Classification	Minimum Monthly Salary	Maximum Monthly Salary	FY 2011/12 Total Annual Salary	Allocation to WTP Dept.
Executive Director <sup>(1)</sup>	1	N/A	N/A	N/A	\$ 212,523	\$ 53,131
Operations Manager <sup>(2)</sup>	1	25	\$ 9,184	\$ 11,204	\$ 129,328	\$ 45,265
WTP Supervisor	1	20	\$ 7,065	\$ 8,619	\$ 99,030	\$ 99,030
Maintenance Superintendent <sup>(3)</sup>	1	20	\$ 7,065	\$ 8,619	\$ 103,425	\$ 62,055
Maintenance Foreman	1	16	\$ 5,727	\$ 6,987	\$ 83,840	\$ 83,840
Regulatory Specialist <sup>(4)</sup>	1	18	\$ 6,361	\$ 7,761	\$ 93,130	\$ 23,283
Senior Chemist	1	18	\$ 6,361	\$ 7,761	\$ 79,648	\$ 79,648
Maintenance Technicians	2	14	\$ 5,155	\$ 6,289	\$ 135,641	\$ 135,641
Maintenance/IC&R Technician	1	15	\$ 5,434	\$ 6,629	\$ 76,804	\$ 61,443
Maintenance, Calibration Tech <sup>(5)</sup>	1	15	\$ 5,434	\$ 6,629	\$ -	\$ 14,475
WTP Operators	5	14	\$ 5,155	\$ 6,289	\$ 365,667	\$ 365,667
Laboratory Analyst	1	13	\$ 4,892	\$ 5,968	\$ 67,198	\$ 67,198
Secretary II	1	11	\$ 4,447	\$ 5,425	\$ 48,084	\$ 48,084
FY 2012/13 Salary Pool						\$ 56,676
<b>TOTAL:</b>						<b>\$ 1,195,435</b>

(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%).

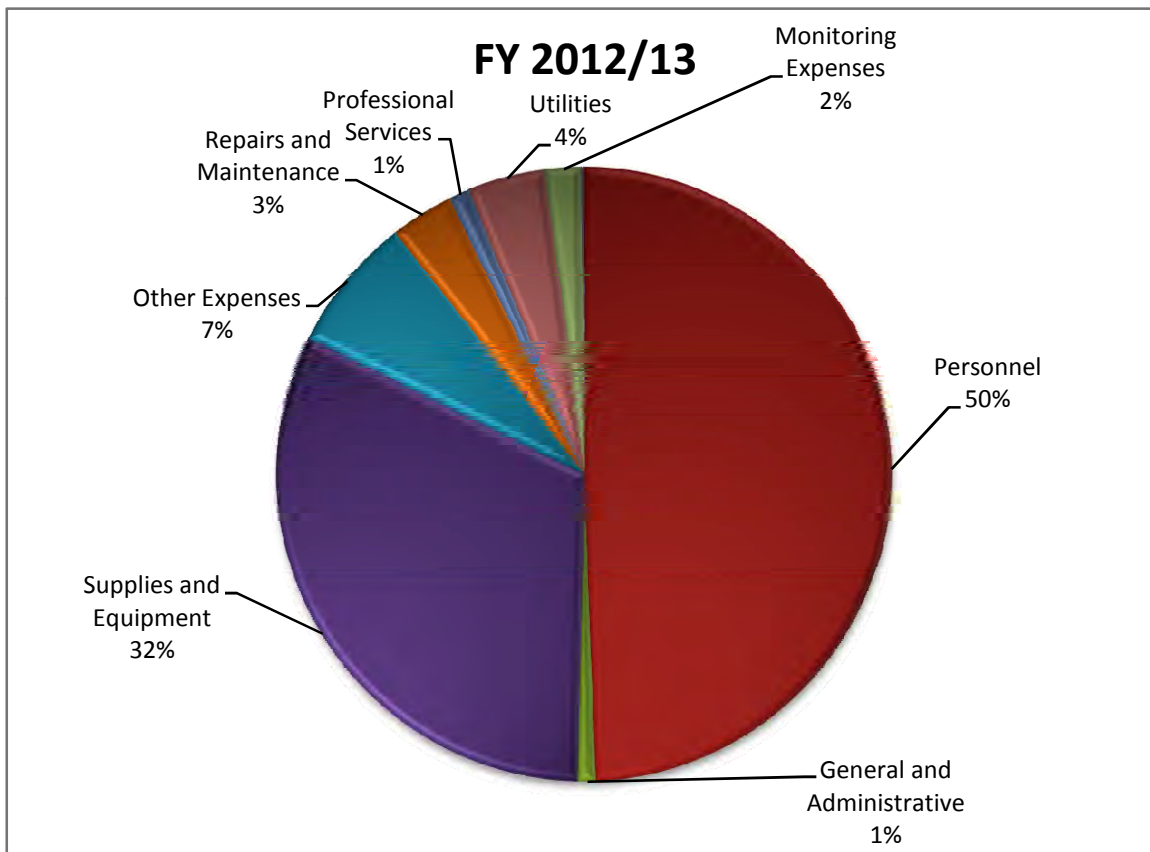
(3) The Maintenance Superintendent is allocated to Water Treatment Plant (60%) and Distribution (40%).

(4) The Regulatory Specialist is allocated to Water Treatment Plant (25%) and Distribution (75%).

(5) The Maintenance, Calibration Technician is allocated to Water Treatment Plant (20%) and Distribution (80%).

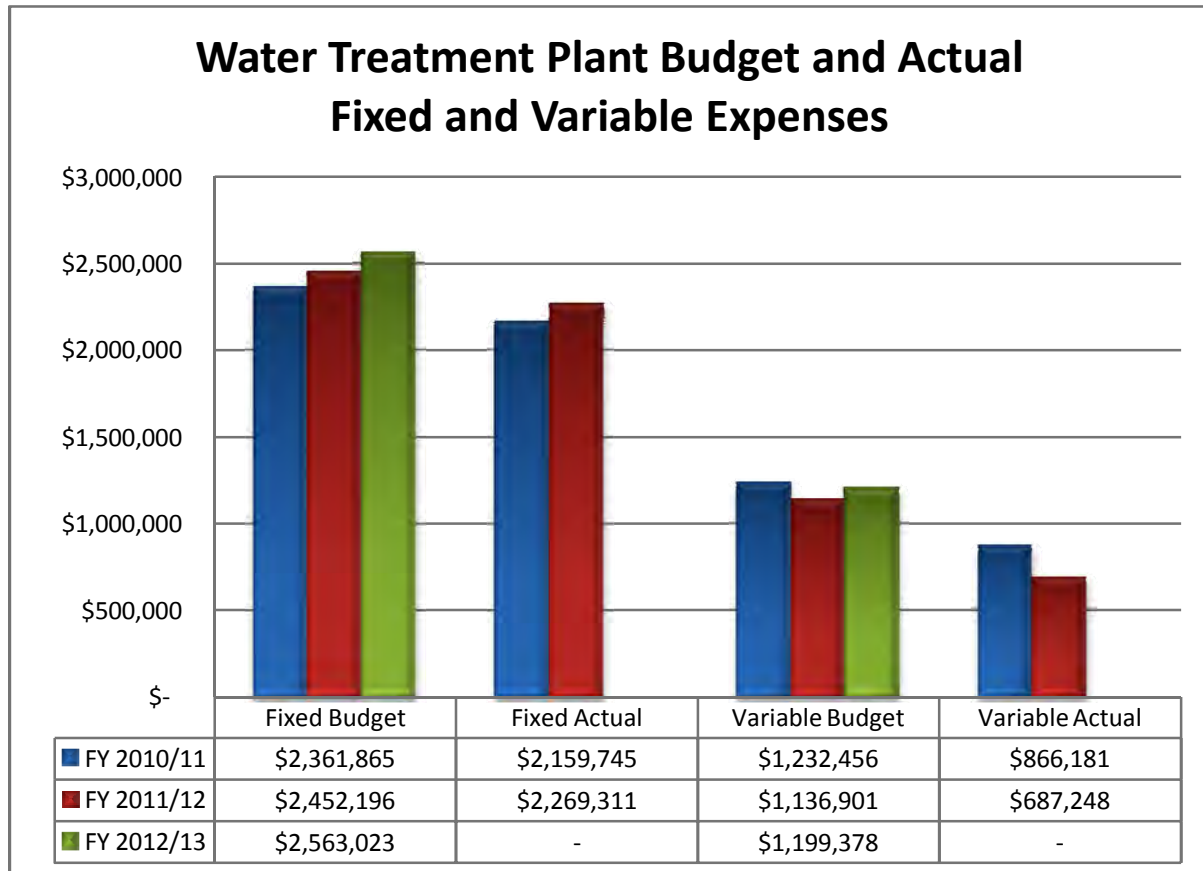
Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2012/13 Budget

Item	FY 2012/13 Budget
Personnel	\$ 1,858,126
Office Expenses	5,020
Supplies and Equipment	1,203,558
Monitoring Expenses	71,760
Repairs and Maintenance	125,450
Professional Services	41,760
General and Administrative	36,200
Utilities	152,596
Other Expenses	267,931
<b>TOTAL:</b>	<b>\$ 3,762,401</b>



Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2012/13 Budget

Item	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget
Personnel	\$ 1,739,870	\$ 1,661,822	\$ 1,785,244	\$ 1,651,136	\$ 1,858,126
Office Expenses	5,760	4,899	5,020	5,809	5,020
Supplies and Equipment	1,198,735	886,554	1,123,617	725,240	1,203,558
Monitoring Expenses	78,630	59,297	60,648	62,609	71,760
Repairs and Maintenance	124,750	104,625	125,450	93,300	125,450
Professional Services	36,060	19,659	37,960	43,280	41,760
General and Administrative	32,150	28,964	36,350	38,164	36,200
Utilities	177,838	139,880	175,957	129,990	152,596
Other Expenses	200,529	120,226	238,850	207,032	267,931
<b>Total:</b>	<b>\$ 3,594,322</b>	<b>\$ 3,025,926</b>	<b>\$ 3,589,097</b>	<b>\$ 2,956,559</b>	<b>\$ 3,762,401</b>





Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>PERSONNEL EXPENSES</u></b>								
5000.10	Full-Time Regular Wages	\$ 1,106,837	\$ 1,031,713	\$ 1,132,404	\$ 1,051,772	\$ 1,195,435	\$ 63,031	5.57%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	55,342	65,514	56,620	39,439	59,772	3,152	5.57%
5000.40	Standby Pay	20,411	25,863	22,104	26,934	22,922	818	3.70%
5000.50	Shift Differential Pay	13,500	14,087	13,500	13,027	14,000	500	3.70%
5100.10	PERS Retirement	213,138	204,707	225,347	210,662	241,054	15,707	6.97%
5100.15	Medicare Taxes	17,343	16,168	17,964	16,152	18,945	982	5.46%
5100.20	Health Insurance	223,903	226,189	209,057	195,242	199,188	(9,869)	-4.72%
5100.25	Workers' Compensation	46,379	31,936	45,851	35,998	37,743	(8,108)	-17.68%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	-	-	14,250	14,250	14,450	200	1.40%
5100.40	Cafeteria Plan Benefits	6,593	10,382	6,192	14,677	15,438	9,246	149.32%
5100.45	Dental/Vision Plan	23,858	23,499	28,930	19,224	22,902	(6,028)	-20.84%
5100.50	Long-Term Disability	4,458	4,299	4,515	4,732	4,767	252	5.59%
5100.55	Life Insurance	4,057	5,539	4,460	5,818	5,459	999	22.39%
5100.60	Employee Physicals	450	225	450	450	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	2,000	2,000	N/A
5100.80	Employee Incentive Programs	2,600	1,690	2,600	2,600	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	-	1,000	-	1,000	-	0.00%
1300.60	Capitalized Employee Benefits	-	11	-	608	-	-	N/A
<b>Total Personnel Expenses:</b>		<b>1,739,870</b>	<b>1,661,822</b>	<b>1,785,244</b>	<b>1,651,136</b>	<b>1,858,126</b>	<b>72,881</b>	<b>4.08%</b>

Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
5200.20	Office Supplies	3,240	2,621	2,500	1,938	2,500	-	0.00%
5200.30	Miscellaneous Office Expenses	2,520	2,278	2,520	3,871	2,520	-	0.00%
<b>Total Office Expenses:</b>		5,760	4,899	5,020	5,809	5,020	-	0.00%

**OFFICE EXPENSES**

**SUPPLIES AND EQUIPMENT**

5500.10	Uniform Expenses	10,265	6,770	7,500	5,530	7,755	255	3.40%
5500.15	Minor Tools and Equipment	5,000	4,288	5,000	10,263	8,800	3,800	76.00%
5500.20	Spare Parts	-	-	-	25	-	-	N/A
5500.25	Landscape Equipment and Supplies	4,500	2,328	500	25	500	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	1,136,520	841,453	1,066,167	663,230	1,142,053	75,886	7.12%
5500.35	Maintenance Supplies/Hardware	10,000	9,982	10,000	16,110	10,000	-	0.00%
5500.40	Safety Supplies	6,000	3,524	5,000	3,042	5,000	-	0.00%
5500.45	Fuel and Lubricants	26,450	18,157	26,450	27,040	26,450	-	0.00%
5500.50	Seed/Erosion Control Supplies	-	-	3,000	-	3,000	-	0.00%
5500.55	Backflow Prevention Supplies	-	52	-	-	-	-	N/A
<b>Total Supplies and Equipment:</b>		1,198,735	886,554	1,123,617	725,240	1,203,558	79,941	7.11%

**MONITORING EXPENSES**

5600.10	Lab Supplies	43,000	45,546	45,028	52,104	53,455	8,427	18.72%
5600.20	Lab Tools and Equipment	4,350	2,330	1,000	-	-	(1,000)	-100.00%
5600.30	Lab Testing	31,280	11,421	14,620	10,505	18,305	3,685	25.21%
<b>Total Monitoring Expenses:</b>		78,630	59,297	60,648	62,609	71,760	11,112	18.32%

Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>REPAIRS AND MAINTENANCE</u></b>								
5700.10	Equipment Repairs and Maintenance	90,000	73,389	90,000	67,174	90,000	-	0.00%
5700.20	Vehicle Repairs and Maintenance	5,000	4,138	5,000	1,946	5,000	-	0.00%
5700.30	Building Maintenance	24,750	23,138	25,450	19,950	25,450	-	0.00%
5700.40	Landscaping Maintenance	5,000	3,960	5,000	4,230	5,000	-	0.00%
<b>Total Repairs and Maintenance:</b>		124,750	104,625	125,450	93,300	125,450	-	0.00%
<b><u>PROFESSIONAL SERVICES</u></b>								
5400.10	Professional Services	13,400	9,626	15,300	16,062	19,100	3,800	24.84%
5400.20	Legal Services	-	-	-	12,075	-	-	N/A
5400.30	Engineering Services	5,000	1,136	5,000	-	5,000	-	0.00%
5400.40	Permits	17,100	8,897	17,100	15,143	17,100	-	0.00%
5400.50	Non-Contractual Services	560	-	560	-	560	-	0.00%
5400.60	Accounting Services	-	-	-	-	-	-	N/A
<b>Total Professional Services:</b>		36,060	19,659	37,960	43,280	41,760	3,800	10.01%
<b><u>GENERAL AND ADMINISTRATIVE</u></b>								
5300.10	Meeting and Travel	10,000	9,251	10,000	14,421	10,000	-	0.00%
5300.20	Mileage Reimbursement	650	82	650	834	500	(150)	-23.08%
5300.30	Dues and Memberships	10,000	10,332	14,200	14,200	14,200	-	0.00%
5300.40	Publications	500	715	500	188	500	-	0.00%
5300.50	Training	7,000	4,852	7,000	5,038	7,000	-	0.00%
5300.60	Advertising	1,500	1,265	1,500	668	1,500	-	0.00%
5300.70	Printing and Binding	-	-	-	-	-	-	N/A
5300.80	Postage	2,500	2,467	2,500	2,814	2,500	-	0.00%
<b>Total General and Administrative:</b>		32,150	28,964	36,350	38,164	36,200	(150)	-0.41%

Central Coast Water Authority  
**Water Treatment Plant Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b>UTILITIES</b>								
5800.20	Natural Gas	6,000	6,632	6,000	1,548	6,165	165	2.75%
5800.30	Electric-Fixed	63,901	98,910	87,579	96,072	77,461	(10,118)	-11.55%
5800.35	Electric-Variable	95,937	24,728	70,733	24,018	57,325	(13,408)	-18.96%
5800.40	Water	-	-	-	-	-	-	N/A
5800.50	Telephone	8,000	6,831	7,500	5,848	7,500	-	0.00%
5800.60	Waste Disposal	4,000	2,779	4,145	2,504	4,145	-	0.00%
<b>Total Utilities:</b>		<b>177,838</b>	<b>139,880</b>	<b>175,957</b>	<b>129,990</b>	<b>152,596</b>	<b>(23,361)</b>	<b>-13.28%</b>

<b>OTHER EXPENSES</b>								
5900.10	Insurance	69,115	68,869	72,046	72,000	73,073	1,027	1.43%
5900.30	Non-Capitalized Projects	5,824	4,174	58,062	67,777	68,501	10,439	17.98%
5900.40	Equipment Rental	11,500	11,134	13,100	17,460	13,100	-	0.00%
5900.50	Non-Capitalized Equipment	5,000	-	5,000	-	5,000	-	0.00%
5900.60	Computer Expenses	38,613	36,049	42,560	49,795	58,002	15,442	36.28%
5900.70	Appropriated Contingency	70,477	-	48,082	-	50,255	2,173	4.52%
<b>Total Other Expenses:</b>		<b>200,529</b>	<b>120,226</b>	<b>238,850</b>	<b>207,032</b>	<b>267,931</b>	<b>29,081</b>	<b>12.18%</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 3,594,322</b>	<b>\$ 3,025,926</b>	<b>\$ 3,589,097</b>	<b>\$ 2,956,559</b>	<b>\$ 3,762,401</b>	<b>\$ 173,304</b>	<b>4.83%</b>

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5000.10

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

Description: Funds for the WTP staff salaries.  
Includes \$58,175 for the FY 2012/13 salary pool.

<b>FY 12/13 Requested Budget</b>	1,195,435
<b>FY 11/12 Estimated Actual</b>	1,051,772
<b>Increase (Decrease)</b>	143,663

**ACCOUNT NUMBER:** 5000.20

**ACCOUNT TITLE:** Overtime

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

<b>FY 12/13 Requested Budget</b>	59,772
<b>FY 11/12 Estimated Actual</b>	39,439
<b>Increase (Decrease)</b>	20,333

**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.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5000.30

**ACCOUNT TITLE:** Temporary Services

Description: Temporary services for the  
Water Treatment Plant Department.

<b>FY 12/13 Requested Budget</b>	2,000
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	2,000

\$ 2,000 Laborer to help lay asphalt  
\$ 2,000 TOTAL

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 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 \$1.85 per hour (5% of average hourly rate) for 8,760 hours for WTP operator and \$2.30 per hour for Instrumentation and Control employee stand-by pay (1/3 to WTP and 2/3 to Distribution)

<b>FY 12/13 Requested Budget</b>	22,922
<b>FY 11/12 Estimated Actual</b>	26,934
<b>Increase (Decrease)</b>	(4,012)

**ACCOUNT NUMBER:** 5000.50

**ACCOUNT TITLE:** Shift Differential Pay

Description: Funds for shift employee pay.

<b>FY 12/13 Requested Budget</b>	14,000
<b>FY 11/12 Estimated Actual</b>	13,027
<b>Increase (Decrease)</b>	973

**ACCOUNT NUMBER:** 5100.10

**ACCOUNT TITLE:** PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 20.374% contribution rate for FY 2012/13

<b>FY 12/13 Requested Budget</b>	241,054
<b>FY 11/12 Estimated Actual</b>	210,662
<b>Increase (Decrease)</b>	30,392

**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.

<b>FY 12/13 Requested Budget</b>	18,945
<b>FY 11/12 Estimated Actual</b>	16,152
<b>Increase (Decrease)</b>	2,793

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5100.20

**ACCOUNT TITLE:** Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for WTP employees. Amount is based on the Cafeteria plan elections for each employee. Includes an estimated premium increase of 5% in 2013.  
Family: \$ 17,238  
Emp+1: \$ 13,260  
Emp: \$ 6,630

<b>FY 12/13 Requested Budget</b>	199,188
<b>FY 11/12 Estimated Actual</b>	195,242
<b>Increase (Decrease)</b>	3,946

**ACCOUNT NUMBER:** 5100.25

**ACCOUNT TITLE:** Workers' Compensation Insurance

Description: Funds for Workers' Compensation insurance for the WTP Department. Based on an X-Mod rate of 77%. Based on a 5% premium increase over FY 2011/12.

<b>FY 12/13 Requested Budget</b>	37,743
<b>FY 11/12 Estimated Actual</b>	35,998
<b>Increase (Decrease)</b>	1,745

**ACCOUNT NUMBER:** 5100.35

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

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

<b>FY 12/13 Requested Budget</b>	14,450
<b>FY 11/12 Estimated Actual</b>	14,250
<b>Increase (Decrease)</b>	200

**ACCOUNT NUMBER:** 5100.40

**ACCOUNT TITLE:** Cafeteria Plan Benefits

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

<b>FY 12/13 Requested Budget</b>	15,438
<b>FY 11/12 Estimated Actual</b>	14,677
<b>Increase (Decrease)</b>	761

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5100.45

**ACCOUNT TITLE:** Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,096 per year per family for dental and vision expenses. Budgeted amount is \$1,703 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

<b>FY 12/13 Requested Budget</b>	22,902
<b>FY 11/12 Estimated Actual</b>	19,224
<b>Increase (Decrease)</b>	3,678

**ACCOUNT NUMBER:** 5100.50

**ACCOUNT TITLE:** Long-Term Disability

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

<b>FY 12/13 Requested Budget</b>	4,767
<b>FY 11/12 Estimated Actual</b>	4,732
<b>Increase (Decrease)</b>	35

**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.

<b>FY 12/13 Requested Budget</b>	5,459
<b>FY 11/12 Estimated Actual</b>	5,818
<b>Increase (Decrease)</b>	(359)

**ACCOUNT NUMBER:** 5100.60

**ACCOUNT TITLE:** Employee Physicals

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

<b>FY 12/13 Requested Budget</b>	450
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	450

\$ 450 3 physicals @ \$150 each



**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 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.

<b>FY 12/13 Requested Budget</b>	1,000
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	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
<b>TOTAL:</b>	\$	2,600

<b>FY 12/13 Requested Budget</b>	2,600
<b>FY 11/12 Estimated Actual</b>	2,600
<b>Increase (Decrease)</b>	-

**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.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	608
<b>Increase (Decrease)</b>	(608)

**ACCOUNT NUMBER:** 5200.20

**ACCOUNT TITLE:** Office Supplies

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

<b>FY 12/13 Requested Budget</b>	2,500
<b>FY 11/12 Estimated Actual</b>	1,938
<b>Increase (Decrease)</b>	562

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 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.

<b>FY 12/13 Requested Budget</b>	2,520
<b>FY 11/12 Estimated Actual</b>	3,871
<b>Increase (Decrease)</b>	<b>(1,351)</b>

**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.

<b>FY 12/13 Requested Budget</b>	10,000
<b>FY 11/12 Estimated Actual</b>	14,421
<b>Increase (Decrease)</b>	<b>(4,421)</b>

**ACCOUNT NUMBER:** 5300.20

**ACCOUNT TITLE:** Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

<b>FY 12/13 Requested Budget</b>	500
<b>FY 11/12 Estimated Actual</b>	834
<b>Increase (Decrease)</b>	<b>(334)</b>

**ACCOUNT NUMBER:** 5300.30

**ACCOUNT TITLE:** Dues and Memberships

Description: Funds for professional dues.

<b>FY 12/13 Requested Budget</b>	14,200
<b>FY 11/12 Estimated Actual</b>	14,200
<b>Increase (Decrease)</b>	<b>-</b>

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

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5300.40

**ACCOUNT TITLE:** Publications

Description: Funds for publications received by the WTP.

<b>FY 12/13 Requested Budget</b>	500
<b>FY 11/12 Estimated Actual</b>	188
<b>Increase (Decrease)</b>	312

**ACCOUNT NUMBER:** 5300.50

**ACCOUNT TITLE:** Training

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

\$ 7,000 \$500 per employee

<b>FY 12/13 Requested Budget</b>	7,000
<b>FY 11/12 Estimated Actual</b>	5,038
<b>Increase (Decrease)</b>	1,962

**ACCOUNT NUMBER:** 5300.60

**ACCOUNT TITLE:** Advertising

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

<b>FY 12/13 Requested Budget</b>	1,500
<b>FY 11/12 Estimated Actual</b>	668
<b>Increase (Decrease)</b>	832

**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.

<b>FY 12/13 Requested Budget</b>	2,500
<b>FY 11/12 Estimated Actual</b>	2,814
<b>Increase (Decrease)</b>	(314)

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5400.10

**ACCOUNT TITLE:** Professional Services  
**Description:** Outside professional services including:  
 \$ 1,000 Cathodic protection  
 4,000 Fire system/extinguisher inspection  
 5,400 Security  
 2,300 Crane inspection  
 700 Oil analysis  
 500 Miscellaneous  
 2,200 Emergency generator/forklift service  
 3,000 Equipment Calibration  
 \$ 19,100 TOTAL

<b>FY 12/13 Requested Budget</b>	19,100
<b>FY 11/12 Estimated Actual</b>	16,062
<b>Increase (Decrease)</b>	3,038

**ACCOUNT NUMBER:** 5400.20

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

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	12,075
<b>Increase (Decrease)</b>	(12,075)

**ACCOUNT NUMBER:** 5400.30

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

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	5,000

**ACCOUNT NUMBER:** 5400.40

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

<b>FY 12/13 Requested Budget</b>	17,100
<b>FY 11/12 Estimated Actual</b>	15,143
<b>Increase (Decrease)</b>	1,957

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5400.50

**ACCOUNT TITLE:** Non-Contractual Services

Description: Funds for miscellaneous non-contractual services.

<b>FY 12/13 Requested Budget</b>	560
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	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.

<b>FY 12/13 Requested Budget</b>	7,755
<b>FY 11/12 Estimated Actual</b>	5,530
<b>Increase (Decrease)</b>	2,225

\$ 4,830 Uniform Service (\$403 per month)

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

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

- Misc. uniform requirements (jackets, etc.)

\$ 7,755 TOTAL

**ACCOUNT NUMBER:** 5500.15

**ACCOUNT TITLE:** Minor Tools and Equipment

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

<b>FY 12/13 Requested Budget</b>	8,800
<b>FY 11/12 Estimated Actual</b>	10,263
<b>Increase (Decrease)</b>	(1,463)

**ACCOUNT NUMBER:** 5500.20

**ACCOUNT TITLE:** Spare Parts

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

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5500.25

**ACCOUNT TITLE:** Landscape Supplies

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

<b>FY 12/13 Requested Budget</b>	500
<b>FY 11/12 Estimated Actual</b>	25
<b>Increase (Decrease)</b>	475

\$ 500 Herbicide

\$ 500 TOTAL

**ACCOUNT NUMBER:** 5500.31

**ACCOUNT TITLE:** Chemicals-Variable

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

<b>FY 12/13 Requested Budget</b>	1,142,053
<b>FY 11/12 Estimated Actual</b>	663,230
<b>Increase (Decrease)</b>	478,823

(1) WTP Plant: \$34.57 per acre foot and 33,267 acre feet of requests  
 (2) Santa Ynez Pumping Station: \$3.45/af for 997 AF pumped water  
 (3) Tank 5 and 7 Chlorination at \$2.08/af for 12,141 AF @ 50%

**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.

<b>FY 12/13 Requested Budget</b>	10,000
<b>FY 11/12 Estimated Actual</b>	16,110
<b>Increase (Decrease)</b>	(6,110)

**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.

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	3,042
<b>Increase (Decrease)</b>	1,958

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5500.50

**ACCOUNT TITLE:** Seed/Plants/Erosion Control Supplies

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

<b>FY 12/13 Requested Budget</b>	3,000
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	3,000

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

**ACCOUNT NUMBER:** 5500.45

**ACCOUNT TITLE:** Fuel and Lubricants

Description: Funds for the purchase of fuel and lubricants for WTP vehicles, equipment and emergency generator. Does not include mileage reimbursement expenses.

<b>FY 12/13 Requested Budget</b>	26,450
<b>FY 11/12 Estimated Actual</b>	27,040
<b>Increase (Decrease)</b>	(590)


**ACCOUNT NUMBER:** 5600.10

**ACCOUNT TITLE:** Laboratory Supplies

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

<b>FY 12/13 Requested Budget</b>	53,455
<b>FY 11/12 Estimated Actual</b>	52,104
<b>Increase (Decrease)</b>	1,351


**ACCOUNT NUMBER:** 5600.20

**ACCOUNT TITLE:** Laboratory Tools and Equipment

Description: Funds for the purchase of non-capitalized tools and equipment for the laboratory.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-


**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5600.30

**ACCOUNT TITLE:** Lab Testing

Description: Funds for outside lab services.

<b>FY 12/13 Requested Budget</b>	18,305
<b>FY 11/12 Estimated Actual</b>	10,505
<b>Increase (Decrease)</b>	7,800

\$	4,320	MIB Monitoring
	7,330	Annual Compliance Monitoring
	530	Monthly Compliance Monitoring
	3,850	DBP
	1,800	Cryptosporidium and Giardia
	475	DI Water Testing
\$	18,305	TOTAL

**ACCOUNT NUMBER:** 5700.10

**ACCOUNT TITLE:** Equipment Repairs and Maintenance

Description: Funds for repairs and maintenance of WTP equipment including pumps, motors, valves, instrumentation, equipment, etc.

<b>FY 12/13 Requested Budget</b>	90,000
<b>FY 11/12 Estimated Actual</b>	67,174
<b>Increase (Decrease)</b>	22,826


**ACCOUNT NUMBER:** 5700.20

**ACCOUNT TITLE:** Vehicle Repairs and Maintenance

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

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	1,946
<b>Increase (Decrease)</b>	3,054


**ACCOUNT NUMBER:** 5700.30

**ACCOUNT TITLE:** Building Maintenance

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

<b>FY 12/13 Requested Budget</b>	25,450
<b>FY 11/12 Estimated Actual</b>	19,950
<b>Increase (Decrease)</b>	5,500

\$	1,000	Miscellaneous repairs
	3,200	Site improvements (includes painting)
	14,350	Janitorial service
	3,000	HVAC
	3,900	Janitorial Supplies
\$	25,450	TOTAL



**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5700.40

**ACCOUNT TITLE:** Landscape Maintenance

Description: Funds for the maintenance of the WTP facility landscape. Includes weed abatement for sludge lagoons and leachfield.

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	4,230
<b>Increase (Decrease)</b>	770

**ACCOUNT NUMBER:** 5800.20

**ACCOUNT TITLE:** Natural Gas Service

Description: Funds for natural gas service to the WTP.

<b>FY 12/13 Requested Budget</b>	6,165
<b>FY 11/12 Estimated Actual</b>	1,548
<b>Increase (Decrease)</b>	4,617

**ACCOUNT NUMBER:** 5800.30

**ACCOUNT TITLE:** Electric Service-Fixed

Description: Funds for electrical service to the WTP.

<b>FY 12/13 Requested Budget</b>	77,461
<b>FY 11/12 Estimated Actual</b>	96,072
<b>Increase (Decrease)</b>	(18,611)

**ACCOUNT NUMBER:** 5800.31

**ACCOUNT TITLE:** Electric Service-Variable

Description: Funds for electrical service to the WTP. Variable electrical costs estimated at \$1.76/ at 33,267 AF.

<b>FY 12/13 Requested Budget</b>	57,325
<b>FY 11/12 Estimated Actual</b>	24,018
<b>Increase (Decrease)</b>	33,307

	\$1.76 \$/AF
	32,571 AF
<b>\$</b>	57,325 TOTAL

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5800.40

**ACCOUNT TITLE:** Water/Sewer

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

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5800.50

**ACCOUNT TITLE:** Telephone

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

<b>FY 12/13 Requested Budget</b>	7,500
<b>FY 11/12 Estimated Actual</b>	5,848
<b>Increase (Decrease)</b>	1,652

**ACCOUNT NUMBER:** 5800.60

**ACCOUNT TITLE:** Waste Disposal

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

<b>FY 12/13 Requested Budget</b>	4,145
<b>FY 11/12 Estimated Actual</b>	2,504
<b>Increase (Decrease)</b>	1,641

\$	2,415	Garbage
	630	Bulk Dumpster
	1,000	Waste Oil/Solvent
	100	Light Bulbs
\$	4,145	TOTAL

**ACCOUNT NUMBER:** 5900.10

**ACCOUNT TITLE:** Insurance

Description: Funds for insurance coverage.

<b>FY 12/13 Requested Budget</b>	73,073
<b>FY 11/12 Estimated Actual</b>	72,000
<b>Increase (Decrease)</b>	1,073

\$	38,789	Property and auto coverage based on the apportionment provided by JPIA.
\$	34,285	General liability and E&O based on salary proportions.
\$	73,073	TOTAL

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5900.30

**ACCOUNT TITLE:** Non-Capitalized Projects

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

See the detailed description of the WTP Non-Capitalized Projects in this section of the Budget.

<b>FY 12/13 Requested Budget</b>	68,501
<b>FY 11/12 Estimated Actual</b>	67,777
<b>Increase (Decrease)</b>	723

**ACCOUNT NUMBER:** 5900.40

**ACCOUNT TITLE:** Equipment Rental

Description: Funds for rental of equipment for the WTP.

\$	3,900	Copier lease
	7,200	Motorize equipment
	2,000	Lagoon cleaning
\$	13,100	TOTAL

<b>FY 12/13 Requested Budget</b>	13,100
<b>FY 11/12 Estimated Actual</b>	17,460
<b>Increase (Decrease)</b>	(4,360)

**ACCOUNT NUMBER:** 5900.50

**ACCOUNT TITLE:** Non-Capitalized Fixed Assets

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

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	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.

\$	44,002	CompuVision, Annual Service Agreements and Software Subscriptions
\$	14,000	Software, New Computers and other computer services.
\$	58,002	TOTAL

<b>FY 12/13 Requested Budget</b>	58,002
<b>FY 11/12 Estimated Actual</b>	49,795
<b>Increase (Decrease)</b>	8,207

**CENTRAL COAST WATER AUTHORITY  
WATER TREATMENT PLANT FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5900.70

**ACCOUNT TITLE:** Appropriated Contingency

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

<b>FY 12/13 Requested Budget</b>	50,255
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	50,255




*Willow Road Encasement Project - December 2011*

## ***Distribution Department***

**T**he 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

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## Department Information

- Number of employees 10.80 (*proposed*)
- 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 2012/13 O&M Budget \$ 2,100,391
- O&M Budget increase over FY 2011/12 \$ 36,663
  - Fixed cost increase over FY 2011/12 \$ 122,857
  - Variable cost decrease over FY 2011/12 \$ (86,194)
- Percentage increase 1.78%
- Fixed O&M expenses \$ 2,017,879
- Variable O&M expenses \$ 82,512
- FY 2012/13 budgeted electrical cost \$82.76 per acre-foot

## Significant Accomplishments During FY 2011/12

- The Distribution and Engineering staff successfully completed the Willow Road Pipeline Encasement Project and the La Purisima traffic roundabout pipeline encasement project on time and within budget.
- Working with a consultant, the Distribution and Engineering staff successfully completed development of the specifications for the Supervisory Control and Data Acquisition System (SCADA) upgrade project.

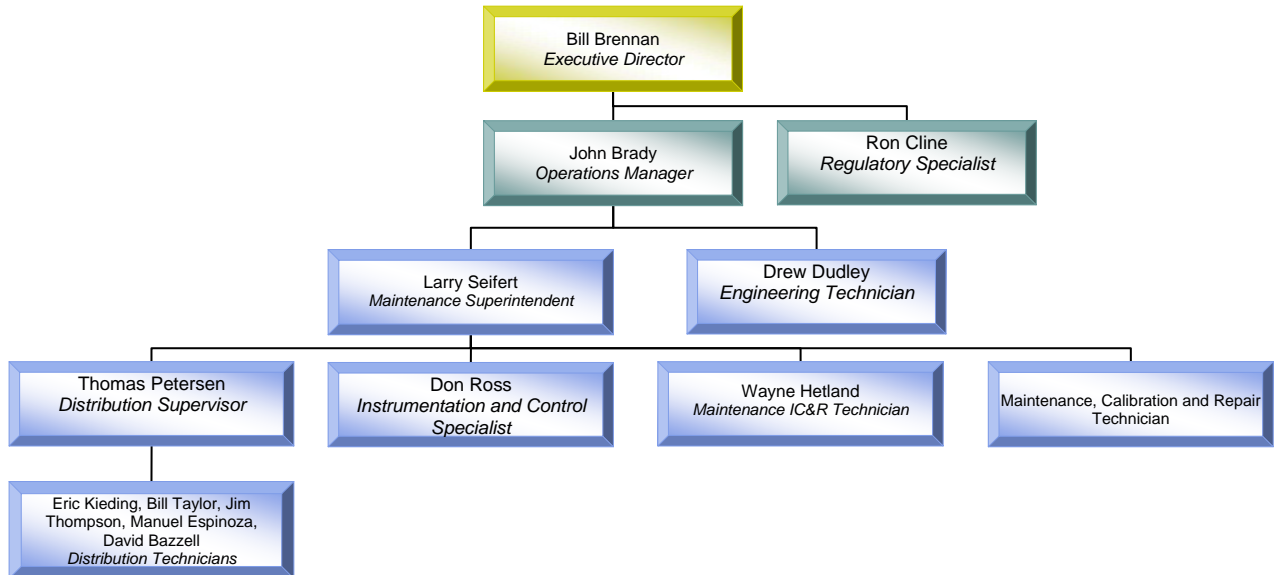
## Significant Goals for FY 2012/13

- Expand the cathodic protection system monitoring program through including close interval surveys to ultimately cover the entire length of the pipeline. In addition, internal pipeline inspection will be expanded to include mortar sampling, if merited.
- Develop a formal in-house asphalt pavement inspection and repair program to include staff training and the purchase of required asphalt repair equipment to facilitate more cost effective repairs, while increasing the longevity of the repairs.

Central Coast Water Authority  
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The Distribution Department is responsible for maintaining the distribution system (i.e., pipeline and ancillary facilities).



The Distribution Department is comprised of the field Distribution Technicians, IT/Instrumentation and Control Specialist, Maintenance IC&R Technician and new Maintenance, Calibration and Repair 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 disinfection, erosion control, right-of-way issues, revegetation, environmental compliance, and fiber optic communications. They patrol over 130 miles of pipeline and operate and maintain five storage tanks, nine turnouts, four isolation vaults, an energy dissipation vault, the Santa Ynez Pumping Facility and hundreds of valve, access, and cathodic protection structures. Additionally, they collect weekly water quality samples from each turnout and tank for the treatment plant laboratory.

The IT/Instrumentation and Control Specialist and Maintenance/Instrumentation and Control Technician report to the Maintenance Superintendent and maintain all distribution electrical, electronic, fiber optic and instrumentation systems. They also assist the Maintenance Superintendent in maintaining plant electrical, electronic and fiber optic systems.

The Distribution Maintenance and Instrumentation and Control staff are supported by the Maintenance Superintendent and Operations Manager, who provide long term planning and establish priorities.

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The Regulatory Specialist reports to the Executive Director and divides time between Distribution and Water Treatment Plant Departments. The Regulatory Specialist is responsible for safety, environmental monitoring, and regulatory compliance.

The following pages list the 2011 accomplishments, performance indicators (“Service Efforts and Accomplishments”) and 2012 goals for the Distribution Department.

**2011 ACCOMPLISHMENTS AND 2012 GOALS**

**Engineering**

**Goal** Prepare and submit the CCWA 2010 Urban Water Management Plan (UWMP) [04/11]

**Status** The UWMP has been prepared and was adopted by the Board on June 23, 2011, and submitted as required.

**Goal** Implement Phase III of the CCWA Geographical Information System (GIS) project. [06/11]

**Status** As-built records of SYII have been assembled and GPS measurements have been made along Reach SYII. In addition, Staff is working with CCWA’s GIS consultant to plan for the proper step-wise development of the GIS system to ultimately provide full enterprise level operation.

**Goal** Continue to work with San Luis Obispo County in developing and finalizing the flow capacity study of the DWR Coastal Branch pipeline. [06/11]

**Status** The flow capacity study is complete.

**Goal** Conduct pump efficiency testing at the Santa Ynez Pumping Plant, with particular focus on the effect of utilizing the variable frequency Drive. [4/11]

**Status** Staff has been collecting monitoring data on individual pumps during operation for efficiency analysis.

**Goal** Finalize the encroachment permit program to include (1) an annual mailer to property owners informing them of the CCWA encroachment program as well as CCWA contact information, (2) modify the CCWA website to include an encroachment permit program link, which will provide permit application materials and general information. [09/11]

**Status** The new CCWA website includes an encroachment permit program



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page that provides access to a permit application procedures, forms and guidelines. Annual property owner mailings will commence third quarter 2012.

**Goal** Implement and refine the existing internal inspection program of the water treatment plant with standardized forms, measurements, inspection procedures, and storing inspection data for future use. [04/11]

**Status** CCWA staff reviewed other large diameter pipeline inspection reports from other water utilities. New internal pipeline inspection forms have been prepared to ensure proper observations are made and documented.

**Goal** Develop plan to address the side slope leakage from Lagoons A and B into Lagoon C at the Water Treatment Plant and submit a proposed project for consideration in the FY 2011/12 Budget. [07/11]

**Status** Staff developed a project for addressing the side slope seepage but it was not included in the FY 2011/12 budget. Implementation will take place when funding permits.

**Goal** Through a Utility Agreement with Caltrans, initiate the design and construction of a pipeline encasement project at the Highway 246 Traffic Roundabout location. The project will be 100% funded by Caltrans and must be completed prior to October 2011. [04/11 for design 10/11 for construction]

**Status** CCWA and Caltrans entered into two Utility Agreements for the design and construction of the pipeline encasement. The design is complete and construction is currently underway. Caltrans provided advanced funding for both the design phase and construction phase of the project.

CCWA and County of San Luis Obispo entered into two Utility Agreements for the design and construction of the pipeline encasement near Willow and Thompson Roads. The design is complete and construction is currently underway. The County of San Luis Obispo provided advanced funding for both the design phase and construction phase of the project.

**Goal** Issue the Request for Qualification for the services of a SCADA System Integrator Professional and award contract to the most qualified consultant. The current SCADA program will lose manufacturer support in 2012. [01/11]

**Status** Following a competitive RFQ process, Westin Engineering Inc was awarded the project. The new SCADA system specifications and Request For Bid documents have been prepared and the project will be advertised in January 2012.

Central Coast Water Authority  
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**Goal** If Prop 84 grant funding is awarded to CCWA and if authorized by the CCWA Board of Directors, implement the selected repair strategy for the river erosion damage to the pipeline in Reach SYII. [throughout 2011]

**Status** This project received a Prop 84 grant and the project was subsequently authorized by the Board to proceed. Staff coordinated a meeting with the South County Project Participants to confirm the design approach in repairing the pipeline. Concurrence on the design approach was obtained. Staff also moved forward with a project to provide a one winter protection for the exposed pipe below Bradbury Dam.

**Goal** Continue to participate on the Steering Committee of the Proposition 84 Cooperating Partners Group and pursue grant funding for the SYII Pipeline Repair Projects. [throughout 2011]

**Status** Ongoing.

**Goal** Develop and implement an enhanced pipeline integrity monitoring program for the pipeline in Reach SYII. The enhanced program will include annual hydrostatic leak testing, reconciliation of flow meters at start and end of pipeline reach, annual right-of-way inspections and annual measurements at the cathodic test stations. [throughout 2011]

**Status** During and following a significant spill event at Bradbury Dam, the pipeline in Reach SYII was monitored through (1) static pressure monitoring, (2) flow meter reconciliation, (3) physical right-of-way inspections, (4) Cathodic Test Station Monitoring.

**Goal** Finalize the distribution water quality monitoring plan and submit to DPH. [04/11]

**Status** Work continues.

**Goal** Continue development of five- and twenty-year Capital Improvement programs. [12/11]

**Status** Work continues.

**Environmental and Safety**

**Goal** Review & Update all Safety Procedures. [throughout 2011]

**Status** All procedures reviewed with updates to occur in 2012.

**Goal** Monitor/maintain Right of Way (ROW) Oaks and Mitigation Properties.

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[throughout 2011]

**Status** Ongoing.

**Goal** Work as needed on SYII pipeline repair project. [throughout 2011]

**Status** Permits (1601 & 401) filed 12/11.

**Goal** Monitor erosion concerns on pipeline and at WTP. Repair as needed. [throughout 2011]

**Status** Erosion issues completed 4/11

**Goal** Move Habitat Conservation Plan (HCP) through final regulatory approval. [7/11]

**Status** Ready for Federal Register 12/11

**Goal** Meet new regulatory changes to Cal/OSHA's Hazard Communication standard. (Switch from MSDS to GHS) [throughout 2011]

**Status** New Regulation not adopted by OSHA to date. 12/11

**Operations and Maintenance**

**Goal** Implement the MIB study, which is designed to enhance understanding of why MIB increases along the length of the raw water pipeline. [09/11]

**Status** Completed 9/11.

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

**Status** Work continues. The data developing through this monitoring program was provided to DWR to assist with preparation of the Delta Sanitary Survey Update.

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

**Status** Work continues. Samples of the filter media have been collected and analyzed. No loss in hydraulic performance has been detected.

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

**Status** Pumping operations were made during off-peak periods only during

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the summer of 2011.

**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** Work continues.

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

**Status** Work continues.

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

**Status** Provided Vandenberg Air Force Base training on nitrification identification and control. In addition, Vandenberg AFB staff was provided a tour of the Treatment Plant.

Staff worked with project participants during their respective preparation of their Urban Water Management Plans.

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

**Status** Work continues. In addition to the re-chlorination systems at Tank 5 and 7, all chlorine analyzers on the pipeline are set to alarm when chlorine residuals fall below 1.5 mg/l as a nitrification control measure. Tanks levels are also managed to control water age.

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**2012 GOALS**

**Engineering**

Complete the Phase II SCADA Upgrade Project with the selected SCADA Integration Firm in order to complete the project prior to the end of 2012. [ 10/12]

Implement Phase IV of the CCWA Geographical Information System (GIS) project. The results of internal pipeline inspection, valve exercise program and CTS monitoring data will be incorporated into the GIS system. [06/12]

Coordinate the design, permitting and construction of the selected repair strategy for the river erosion damage to the pipeline in Reach SYII. Also, ensure that the Prop 84 grant funding for the project is properly managed as required. [throughout 2012]

Develop data interpretation techniques to understand the significance of the DWR MIB monitoring data along the conveyance system. [7/12]

Develop a refined travel time estimation protocol for flow from the Delta to the treatment plant. [7/12]

Implement plan to address the side slope leakage from Lagoons A and B into Lagoon C at the Water Treatment Plant. [07/12]

Implement annual water loss evaluation for the pipeline operation, consistent with the Best Management Practices described in the CCWA Urban Water Management Plan [12/12].

Finalize the distribution water quality monitoring plan and submit to DPH. [04/12]

Continue development of five- and twenty-year Capital Improvement programs. [12/12]

**Environmental and Safety**

Update all Safety Procedures. [7/12]

Schedule Cal/OSHA Consultation Inspection [8/12]

Monitor/Maintain R.O.W. Vegetation & Oaks + Mitigation Properties. [throughout 2012]

Work as needed on SYII pipeline repair projects. [throughout 2012]

Complete 3 Year Audit & Review of WTP RMP [6/12]

Work to Finalize HCP [throughout 2012]

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Complete DFG 2081 permit for SB Co. CTS [throughout 2012]

Operations and Maintenance

Goal

Review distribution operations and compare to AWWA G200-09 Distribution System Operations and Management. Confirm that operation is managed pursuant to the standard. [6/12]

Review treatment plant operations and compare to AWWA G100-11 Water Treatment Plant Operations and Management. Confirm that operation is managed pursuant to the standard. [6/12]

Implement a formal valve exercise program. [12/12]

Implement additional internal corrosion monitoring techniques for the pipeline. [4/12]

Expand the cathodic protection system monitoring program through including close interval surveys to ultimately cover the entire length of the pipeline. In addition, internal pipeline inspection will be expanded to include mortar sampling, if merited. [throughout 2012]

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 2012]

Continue with off-peak pumping during the PG&E Summer Season at the Santa Ynez Pumping Plant and continue monitoring pumping efficiency. [throughout 2012]

Continue monitoring of filter media for hydraulic performance, through annual sampling and analysis of granular activated carbon. In addition, continue to conduct special studies on filter performance as a means to optimize filter life and treatment effectiveness. [throughout 2012]

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

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

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

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

Develop an in-house asphalt pavement inspection and repair program to include staff

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training and the purchase of required asphalt repair equipment to facilitate more cost effective repairs, while increasing the longevity of asphalt surfaces. [3/12]

Implement a feasibility study to consider the use of wireless voltage and current monitoring of the pipeline cathodic protection system rectifiers. [12/12]

**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 193 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 2010/11 actual operating expenses for each reach. The financial reach allocation percentages are adjusted each year based on the year-end budget status report actual operating expenses from the preceding fiscal year. The following table provides the allocation percentages for the Distribution Department operating expenses.

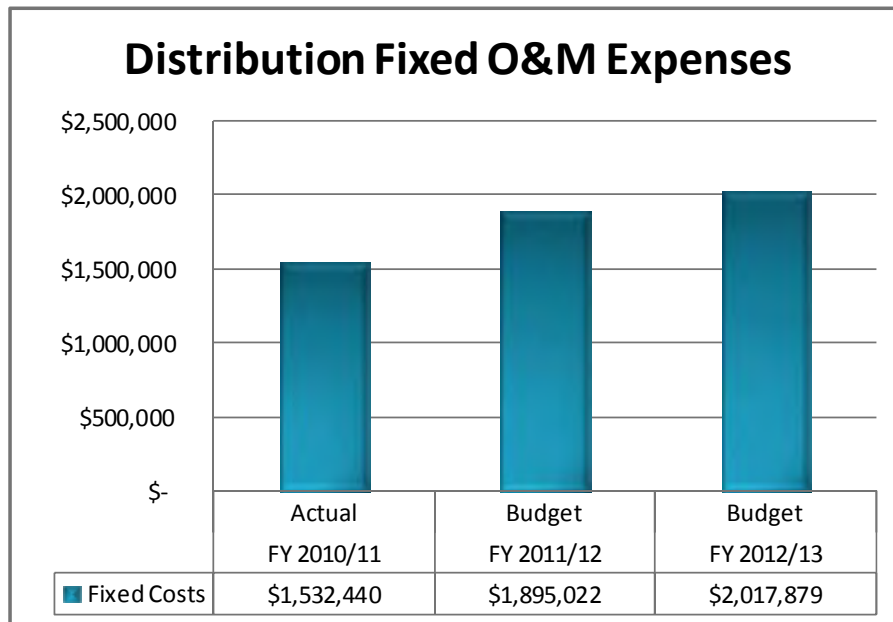


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<b>Distribution Department Financial Reach Allocation</b>			
Financial Reach	FY 2012/13 Allocation Percentage	FY 2011/12 Allocation Percentage	Increase (Decrease)
Reach 33B	25.19%	26.86%	-1.66%
Reach 34	11.26%	12.00%	-0.75%
Reach 35	4.45%	4.95%	-0.50%
Reach 37	3.38%	3.05%	0.33%
Reach 38	3.74%	3.71%	0.03%
Mission Hills II	14.20%	13.25%	0.94%
Santa Ynez I	15.84%	17.89%	-2.05%
Santa Ynez II	21.95%	18.28%	3.66%
<b>TOTAL:</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

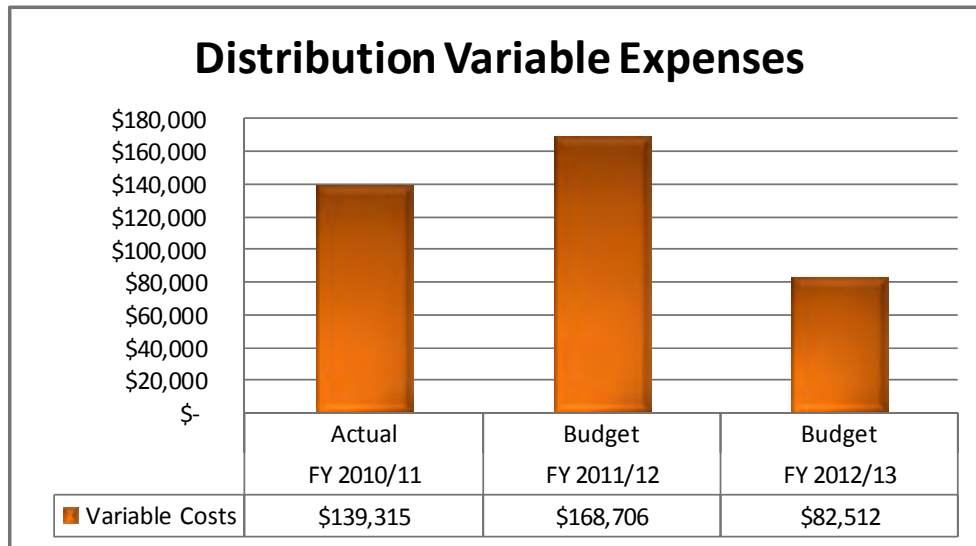
The expenses associated with the Distribution Department are divided into fixed and variable O&M costs.

**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 2012/13 fixed O&M costs are \$122,857 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 2012/13 variable O&M costs are \$86,197 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 2012/13 Budget.

Distribution Department Electrical Costs

Project Participant	Requested Table A Deliveries <sup>(1)</sup>	Distribution Electrical Costs at \$82.76/AF
Goleta	(0)	\$ (0)
Morehart	200	16,552
La Cumbre	744	61,573
Raytheon	55	4,552
Santa Barbara	0	-
Montecito	0	-
Carpinteria	(0)	(0)
<b>Total South Coast:</b>	<b>999</b>	<b>\$ 82,512</b>
<small>(1) Excludes water deliveries exchanged with Santa Ynez ID#1.</small>		

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Fiscal Year 2012/13 Operating Expense Budget

The Fiscal Year 2012/13 Distribution Department operating expense budget is \$2,100,391, which is \$36,663 higher than the previous year's budget of \$2,063,728, an increase of 1.78%. The personnel expense section of the Distribution Department budget represents approximately 70% of the budget. Utilities comprise 6%, with other expenses making up the balance of the budget. The chart on page 194 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 \$125,000 attributed to the following:

- Salary pool for FY 2012/13 of \$42,508 and a new Maintenance, Calibration and Repair Technician position, 80% funded from the Distribution Department and 20% funded from the Water Treatment Plant Department. The projected annual salary is \$72,375 and the estimated fully burdened amount for this position is \$108,098.
- \$10,000 increase in costs associated with pre-funding the estimated future liability for retiree health benefits under the PERS program.
- PERS retirement expense increase of about \$19,000 for higher salaries, a slightly higher PERS rate for FY 2012/13 and the additional Maintenance, Calibration and Repair Technician position.

Utility Expenses Utility expenses are decreasing by about \$101,000 attributed to 1,211 acre foot decrease in delivery requests to Lake Cachuma by the South Coast project participants. The estimated electrical cost per acre-foot of delivering water into Lake Cachuma is \$76.35/AF compared to \$82.76/AF the prior year.

Other Expenses Other expenses are decreasing by approximately \$14,000 primarily due to a decrease in non-capitalized project expenses (see the discussion on non-capitalized projects later in this section of the Budget).

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

The following table shows the FY 2012/13 O&M budget for the various CCWA turnouts.

<b>TURNOUT EXPENSES</b>								
Turnout	Electric Expense	Equipment Repairs and Maintenance	Phone Expenses	Other Expenses	Subtotal Operating Expenses	Capital Projects <sup>(1)</sup>	TOTAL	
Guadalupe	\$ 453	\$ 1,000	\$ -	\$ 500	\$ 1,953	\$ -	\$ 1,953	
Santa Maria	365	1,500	-	500	2,365		2,365	
Golden State Water Co.	585	3,000	-	500	4,085		4,085	
Vandenberg Air Force Base	-	1,500	-	500	2,000	16,971	18,971	
Buellton	252	1,500	-	500	2,252		2,252	
Santa Ynez (Solvang)	192	1,000	-	500	1,692		1,692	
Santa Ynez	-	1,000	-	500	1,500		1,500	
Chorro Valley	-	1,500	900	1,500	3,900		3,900	
Lopez	489	1,500	-	500	2,489		2,489	
<b>TOTAL:</b>	<b>\$ 2,336</b>	<b>\$ 13,500</b>	<b>\$ 900</b>	<b>\$ 5,500</b>	<b>\$ 22,236</b>	<b>\$ 16,971</b>	<b>\$ 39,207</b>	

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

### Non-Capitalized Projects

CCWA operates the Coastal Branch Extension for DWR through an Operations and Maintenance Agreement. Therefore, all expenses associated with the repairs and maintenance of the DWR portion of the Coastal Branch Extension are funded through the CCWA O&M assessments. Additionally, since CCWA does not own the DWR portion of the Coastal Branch Extension, capital related expenditures may not be capitalized as an asset on its books. The account also includes funding for projects on CCWA owned portions of the distribution system which are considered extraordinary expenses, but which are not eligible for capitalization.

The following table provides a summary of the Distribution Department Non-Capitalized Projects for FY 2012/13.

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<b>Non-Capitalized Projects-Reach Specific</b>			
Project Description	Financial Reach	Amount	
SYPP Carpet Replacement	SYII	\$	3,675
BAO Roof Repair	ALL		5,250
SYPP UPS Battery Monitor	SYII		2,828
EDV UPS Battery Monitor	34		2,828
Tank 7 Inspection & Cleaning	SYI		6,300
Phase IV GIS	ALL		5,657
Ethernet Radios-BAO to SYPP	ALL		11,879
Close Interval CP Survey Equipment	ALL		9,051
<b>TOTAL NON-CAPITALIZED PROJECTS</b>			<b>\$ 47,469</b>

<b>Santa Ynez Pumping Plant Carpet Replacement</b>	
Department:	Distribution - SYII
Expanded Description	The Santa Ynez Pumping Plant includes an office, which is equipped with a Supervisory Control and Data Acquisition (SCADA) Work Station. The purpose of this office space is to provide an alternate location for controlling the distribution system in the event of a natural or man-made disaster. The flooring of this office space is carpeted and the carpet has been in-place since original construction. This project will replace the existing carpet with new carpet.
Estimated Charge - Contractor	\$3,500
Contingency (5%)	\$175
Subtotal without CCWA Labor	<b>\$3,675</b>
Labor and overhead	\$2,300
Total Cost	\$5,975
Operating Budget Impact:	The impact to the operating budget will be minimal due to the low cost of the project. The current carpet is excessively worn and well beyond its anticipated service life.

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<b>Buellton Administrative Office Roof Repair - Suite C</b>	
Department:	Distribution-All
Expanded Description	The Buellton Administrative Office houses important records, communications systems and also houses the main servers for Administrative and Supervisory Control and Data Acquisition (SCADA) for the Distribution System. Currently, there is a leak in the roof of the building. To protect the internal structures as well as the computer equipment and records from water damage, the leak in the roof will require repair. This project will be to identify the location and extent of the leak and to repair it.
Estimated Charge - Contractor	\$5,000
Contingency (5%)	<u>\$250</u>
Subtotal without CCWA Labor	<b>\$5,250</b>
Labor and overhead	\$1,600
Total Cost	\$6,850
Operating Budget Impact:	The impact to the operating budget will be minimal due to the low cost of the project. The leak repair will prevent further water damage of the internal structure of the building and also protect computer equipment and important records that are housed within the building.

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<b>Description:</b>	<b>UPS Battery Monitor for Santa Ynez Pumping Plant</b>
<b>Department:</b>	Distribution - Reach SYII
<b>Expanded Description</b>	The Santa Ynez Pumping Plant houses a Programmable Logic Controller (PLC) as well as CCWA's Supervisory Control and Data Acquisition (SCADA) System workstation and communication equipment, which are all powered by an uninterruptable power supply (UPS). A critical component of the UPS unit is the battery set. These batteries are continuously charged to provide reserve power. If the batteries are differentially charged and one of the batteries becomes nonfunctional, the UPS unit will be rendered useless. If a power failure were to occur while the UPS unit is compromised, the Plant's PLC, SCADA workstation and communication equipment would essentially shutdown. The proposed project is to install a battery monitor unit to both ensure that all batteries are charged equally and will identify degrading battery performance before it becomes problematic. This will replace the manual monitoring that is currently performed.
Estimated Charge - Materials	\$2,500
Taxes (7.75%)	\$194
Contingency (5%)	<u>\$135</u>
Subtotal without CCWA Labor	<b>\$2,829</b>
CCWA Labor	\$1,300
Total Cost	\$4,129
<b>Operating Budget Impact:</b>	The Santa Ynez Pumping Plant (SYPP) operation is primarily controlled through the use of a local PLC, which is monitored and adjusted within the plant and also remotely through the SCADA system. If these units fail during a power outage, the plant will also shutdown. In addition, SCADA communication to and from the SYPP is a critical element of the over-all operation of the distribution system. In the event of uncontrolled overflow conditions at Tank 5 and 7, the SCADA system will communicate with the SYPP and cause water from the pipeline to discharge to a holding basin within the Pumping Plant grounds. This measure is designed to prevent flooding at the Tank sites, particularly Tank 7, which is located near a major highway. This project will help ensure that damage from tank overflow events will not reach a point where offsite damage will occur, which avoids the costs of potentially significant repair work.

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<b>Description:</b>	<b>UPS Battery Monitor for the Energy Dissipation Valve Vault</b>
<b>Department:</b>	Distribution - Reach 34
<b>Expanded Description</b>	The Energy Dissipation Valve Vault houses a Programmable Logic Controller (PLC) as well as Supervisory Control and Data Acquisition (SCADA) System communication equipment, which are all powered by an uninterruptable power supply (UPS). A critical component of the UPS unit is the battery set. These batteries are continuously charged to provide reserve power. If the batteries are differentially charged and one of the batteries becomes nonfunctional, the UPS unit will be rendered useless. If a power failure were to occur while the UPS unit is compromised, the Vault's PLC and SCADA communication equipment would essentially shutdown. The proposed project is to install a battery monitor unit to both ensure that all batteries are charged equally and will identify degrading battery performance before it becomes problematic. This will replace the manual monitoring that is currently performed.
Estimated Charge - Materials	\$2,500
Taxes (7.75%)	\$194
Contingency (5%)	\$135
Subtotal without CCWA Labor	<b>\$2,829</b>
CCWA Labor	\$1,300
Total Cost	\$4,129
<b>Operating Budget Impact:</b>	The Energy Dissipation Valve (EDV) Vault operation is primarily controlled through the use of a local PLC, which receives Tank 5 water level information through the SCADA system. The PLC adjusts the EDV to maintain constant a constant water level in Tank 5. Since the UPS unit powers the PLC and SCADA communication equipment, if the UPS were to fail during a power outage, the vault will also shutdown and would lock the EDV into a fixed position. If the demand for water were to significantly change during this timeframe, Tank 5 could potentially either overflow or completely drain. This project will help ensure that damage from tank overflow would not occur, which avoids the costs of potentially significant repair work. The project will also ensure continuous uninterrupted water delivery operations.



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<b>Tank Inspection – Phase II (Tank 7)</b>	
Department:	Distribution – Reach SYI
Expanded Description	The American Water Works Association recommends that distribution tanks be inspected once every five years. It has been over five years since the last tank inspection. CCWA staff recommends implementing the tank inspection program in three phases. This is the second of a three phase project and will include inspection of the Tank 7. Previously, Tanks 5A and 5B were inspected and cleaned.
Estimated Charge - Contractor	\$6,000
Contingency (5%)	<u>\$300</u>
Subtotal without CCWA Labor	<b>\$6,300</b>
Labor and overhead	\$7,200
Total Cost	\$13,500
Operating Budget Impact:	Tank inspections and cleaning are an important element of distribution system maintenance. Tanks that are not routine inspected and cleaned can create biological contamination issues, including nitrification. Proper inspection and cleaning can prevent the added costs to responding to biological contamination or nitrification events. Phasing the tank inspection program, over a three year period will also reduce the annual cost of the program to more manageable levels.

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<b>Description:</b>	<b>Phase IV Implementation of Geographical Information Systems</b>
Department:	Distribution - All Reaches
Expanded Description	The development of the CCWA Geographical Information System has been completed in a series of incremental phases. The full alignment of the pipeline has been completed, along with structuring the GIS database to be consistent with water utility standards. The GIS system has been utilized in the development of a hydraulic model, refining the underground service alert notification boundaries and storage of property records, surveys and property information. Phase IV will continue work with the implementation of field data collection to support the valve exercise, internal pipeline inspection and pavement management programs. The project will also include the purchase of one field data collection appliance.
Estimated Charge - Material	\$5,000
Sales Tax (7.75%)	\$388
Contingency (5%)	<u>\$269</u>
Subtotal without CCWA Labor	<b>\$5,657</b>
Labor and overhead	\$2,000
Total Cost	\$7,657
Operating Budget Impact:	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. With the full implementation of the GIS system, the record research time will be significantly reduced and help to better manage the facilities, which has already been experienced within the prior phases of the project.

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<b>Description:</b>	<b>Ethernet Radios for Communication between Santa Ynez Pumping Plant and Buellton Administrative Office</b>
<b>Department:</b>	Administration
<b>Expanded Description</b>	The Santa Ynez Pumping Plant (SYPP) houses a Programmable Logic Controller (PLC) as well as communication equipment and a work station for CCWA's Supervisory Control and Data Acquisition (SCADA) System. If the fiber optic communication cable between the Buellton Administrative office and SYPP is severed, the SCADA system will not be able to communicate with the SYPP. The proposed project is to install a set of Ethernet radios to provide a back-up network system that will allow SCADA communication between SYPP and the Buellton Administrative office.
<b>Estimated Charge – Materials</b>	\$10,500
<b>Taxes (7.75%)</b>	\$814
<b>Contingency (5%)</b>	\$566
<b>Subtotal without CCWA Labor</b>	<b>\$11,880</b>
<b>CCWA Labor</b>	\$9,000
<b>Total Cost</b>	\$20,880
<b>Operating Budget Impact:</b>	SCADA communication to and from the SYPP is a critical element of the over-all operation of the distribution system. In the event of uncontrolled overflow conditions at Tank 5 and 7, the SCADA system will communicate with the SYPP and cause water from the pipeline to discharge to a holding basin within the Pumping Plant grounds. This measure is designed to prevent flooding at the Tank sites, particularly Tank 7, which is located near a major highway. This project will help ensure that damage from tank overflow events will not reach a point where offsite damage will occur, which avoids the costs of potentially significant repair work. In addition, the SYPP has a SCADA workstation, which provides an alternative location for operating the distribution system in the event of a natural or man-made disaster where the Buellton Administrative office is no longer available.

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<b>Description:</b>	<b>Close Interval Cathodic Survey Equipment</b>
<b>Department:</b>	Distribution - All Reaches
<b>Expanded Description</b>	The CCWA pipeline has several cathodic protection systems in place, which includes both coating of the piping exterior and an impressed current cathodic protection system. CCWA staff conducts annual monitoring of the cathodic protection system testing station to monitor the effectiveness of the protective systems in place. However, the test stations only provide information on the immediate location of the testing. To address other areas of the pipeline, the DWR Engineering guidance requires a close interval survey to be completed for the pipeline at least once every five years. This kind of survey has never been implemented. This project will include the purchase of the required equipment and staff will conduct the survey. It is anticipated that the close interval survey will be performed annually thereafter in conjunction with the right-of-way inspection.
Estimated Charge - Material	\$8,000
Sales Tax (7.75%)	\$620
Contingency (5%)	<u>\$431</u>
Subtotal without CCWA Labor	<b>\$9,051</b>
Labor and overhead	\$24,000
<b>Total Cost</b>	<b>\$33,051</b>
<b>Operating Budget Impact:</b>	By purchasing the close interval survey equipment, CCWA staff will be able to complete the survey in-house. The data collected will continue to be reviewed and analyzed by CCWA's corrosion engineering consultant. Through conducting the survey and collecting the field data in-house, significant savings will be achieved. Close interval surveys require a three person crew, which can cover up to 6 miles of pipeline per day. This translates to over 600 man-hours of field time. A consulting firm would charge up to \$60,000 for this service.

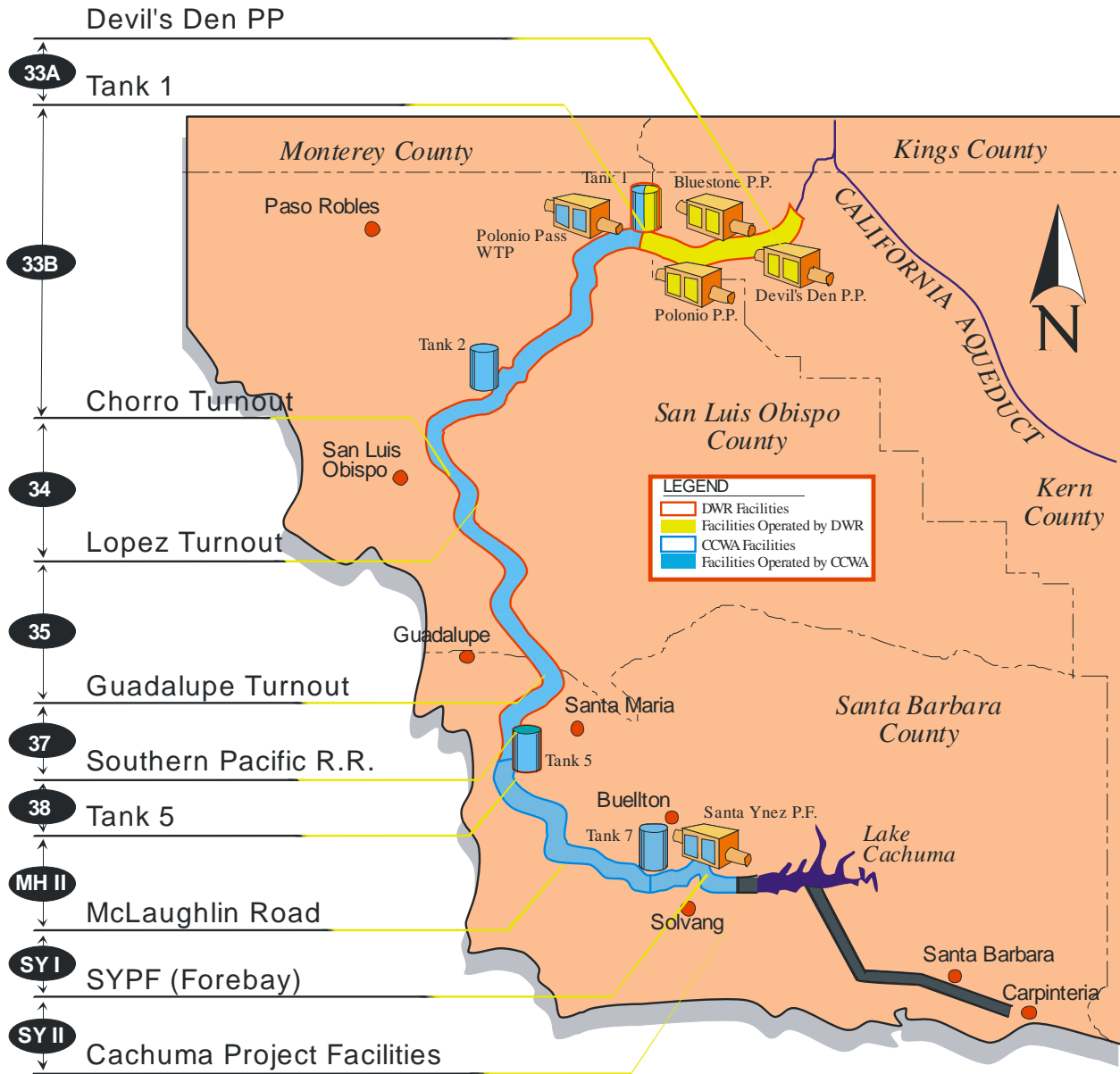
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<b>PERSONNEL COUNT SUMMARY</b>					
Position Title	Number	Number	Number	Change	Change
	Auth. FY 2010/11	Auth. FY 2011/12	Requested FY 2012/13	Over FY 2010/11	Over FY 2011/12
Executive Director <sup>(1)</sup>	0.25	0.25	0.25	-	-
Operations Manager <sup>(2)</sup>	0.40	0.40	0.40	-	-
Regulatory Specialist <sup>(3)</sup>	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 <sup>(4)</sup>	0.40	0.40	0.40	-	-
Maintenance/IC&R Technician	0.20	0.20	0.20	-	-
Maintenance, Calibration & Repair Tech.	-	-	0.80	0.80	0.80
Distribution Technician	5.00	5.00	5.00	-	-
<b>TOTAL:</b>	10.00	10.00	10.80	0.80	0.80

<b>PERSONNEL WAGE SUMMARY</b>						
Position Title	No.	Position Classification	Minimum	Maximum	FY 2011/12	Allocation
	of Emp.		Monthly Salary	Monthly Salary	Total Annual Salary	to Dist. Dept.
Executive Director <sup>(1)</sup>	1	N/A		N/A	\$ 212,523	\$ 53,131
Operations Manager <sup>(2)</sup>	1	25	\$ 9,184	\$ 11,204	\$ 129,328	\$ 51,731
Regulatory Specialist <sup>(3)</sup>	1	18	\$ 6,361	\$ 7,761	\$ 93,130	\$ 69,848
Distribution Supervisor	1	18	\$ 6,361	\$ 7,761	\$ 90,953	\$ 90,953
Engineering Technician	1	16	\$ 5,727	\$ 6,987	\$ 77,704	\$ 77,704
Instrumentation & Control Specialist	1	18	\$ 6,361	\$ 7,761	\$ 93,130	\$ 93,130
Maintenance Superintendent <sup>(4)</sup>	1	20	\$ 7,065	\$ 8,619	\$ 103,425	\$ 41,370
Maintenance/IC&R Technician	1	15	\$ 5,434	\$ 6,629	\$ 76,804	\$ 15,361
Maintenance, Calibration & Repair <sup>(5)</sup>	1	15	\$ 5,434	\$ 6,629	-	\$ 57,900
Distribution Technicians	5	14	\$ 5,155	\$ 6,289	\$ 357,257	\$ 357,257
FY 2012/13 Salary Pool						\$ 42,508
<b>TOTAL:</b>						<b>\$ 950,893</b>

- (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%).  
(5) The Maintenance Calibration & Repair Technician is allocated to Water Treatment Plant (20%) and Distribution (80%).

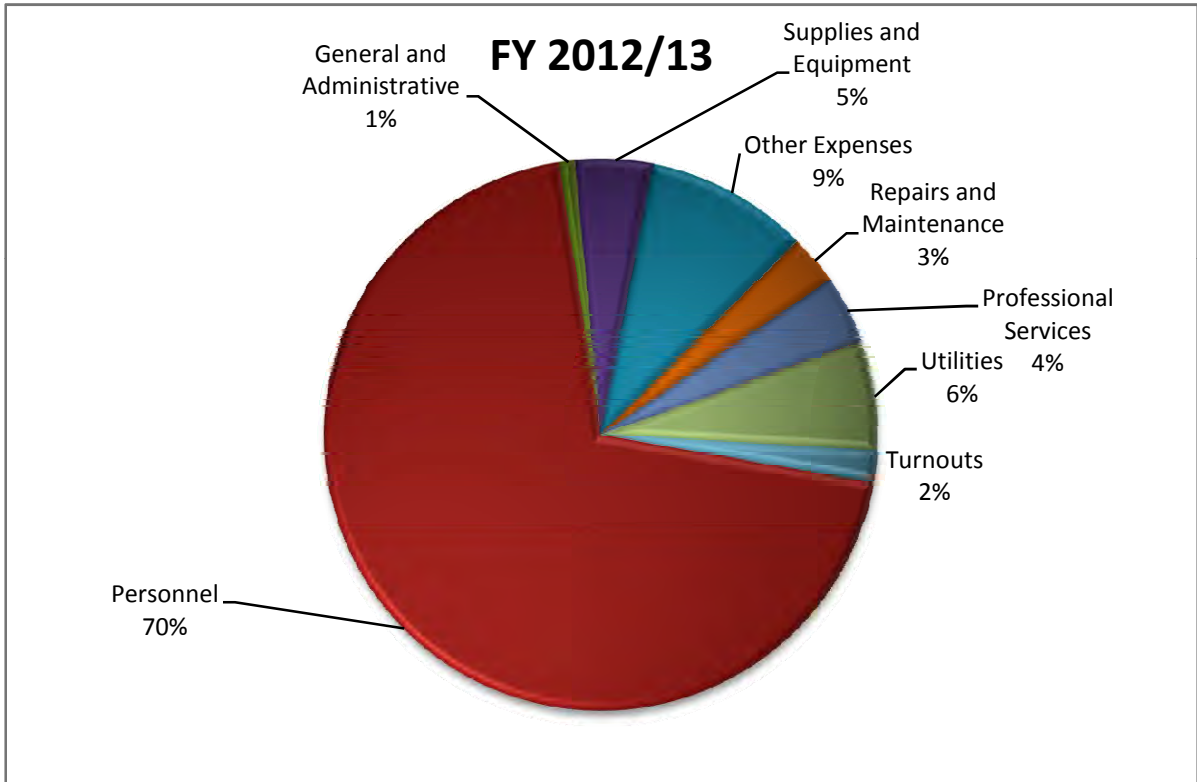
# COASTAL BRANCH FINANCIAL REACHES



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

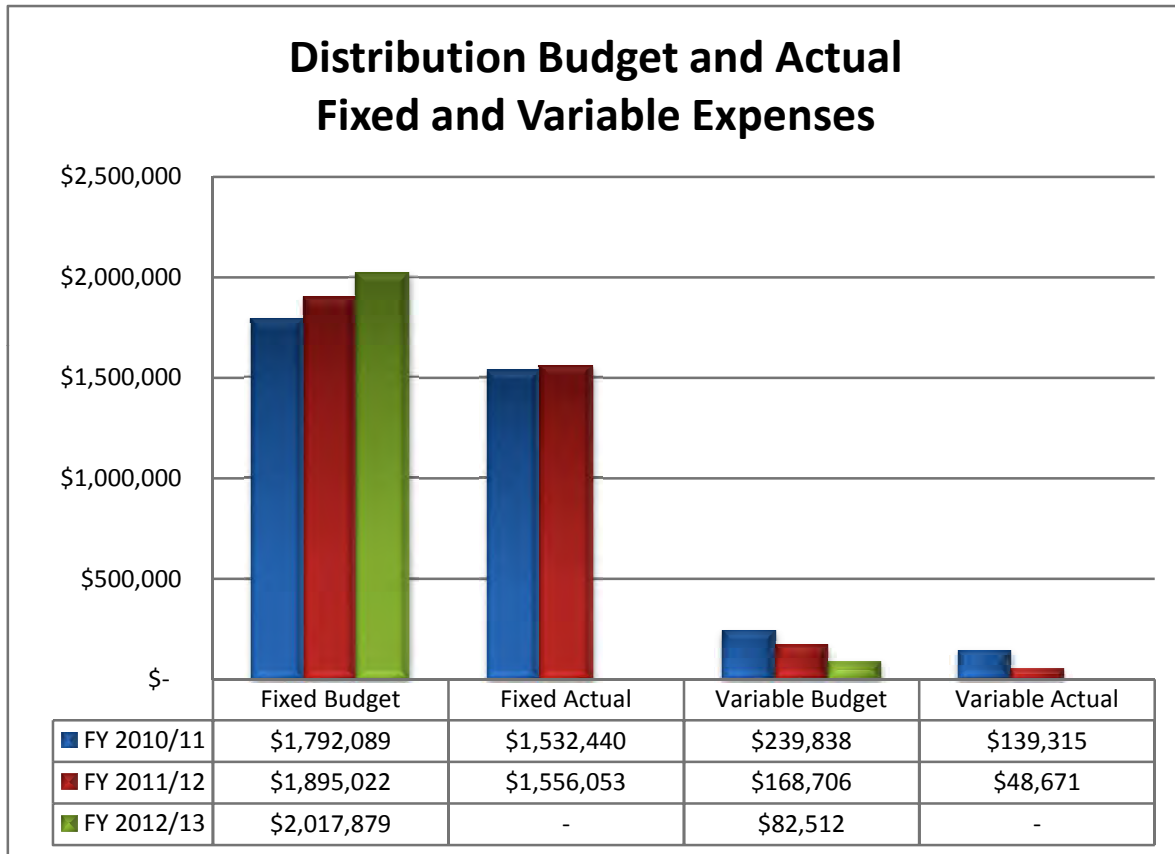
Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2012/13 Budget

Item	FY 2012/13 Budget
Personnel	\$ 1,467,032
Office Expenses	1,800
Supplies and Equipment	95,627
Monitoring Expenses	-
Repairs and Maintenance	61,200
Professional Services	82,925
General and Administrative	18,900
Utilities	133,491
Other Expenses	200,209
Turnouts	39,207
<b>TOTAL:</b>	<b>\$ 2,100,391</b>



Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2012/13 Budget

Item	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget
Personnel	\$ 1,280,971	\$ 1,112,511	\$ 1,341,210	\$ 1,137,221	\$ 1,467,032
Office Expenses	2,800	1,907	1,800	3,405	1,800
Supplies and Equipment	89,836	74,417	94,945	75,027	95,627
Monitoring Expenses	-	-	-	-	-
Repairs and Maintenance	55,200	48,844	56,200	35,561	61,200
Professional Services	84,210	30,428	76,350	41,928	82,925
General and Administrative	18,000	16,505	18,250	24,778	18,900
Utilities	309,224	197,503	234,176	93,550	133,491
Other Expenses	169,615	163,453	213,822	166,797	200,209
Turnouts	22,071	26,187	26,974	26,457	39,207
<b>TOTAL:</b>	<b>\$ 2,031,927</b>	<b>\$ 1,671,755</b>	<b>\$ 2,063,728</b>	<b>\$ 1,604,724</b>	<b>\$ 2,100,391</b>





Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>PERSONNEL EXPENSES</u></b>								
5000.10	Full-Time Regular Wages	\$ 820,353	\$ 713,050	\$ 855,963	\$ 727,799	\$ 950,893	\$ 94,930	11.09%
1300.60	Capitalized Wages and Overtime	-	-	-	-	-	-	N/A
5000.20	Overtime	53,018	40,666	54,798	45,208	59,545	4,747	8.66%
5000.40	Standby Pay	25,492	20,900	28,090	19,543	29,288	1,197	4.26%
5000.50	Shift Differential Pay	-	-	-	-	-	-	N/A
5100.10	PERS Retirement	152,879	135,101	164,852	142,082	183,815	18,962	11.50%
5100.15	Medicare Taxes	13,033	10,668	13,758	11,000	15,233	1,474	10.72%
5100.20	Health Insurance	145,967	128,255	148,367	110,842	149,488	1,121	0.76%
5100.25	Workers' Compensation	33,638	20,965	34,021	25,199	29,751	(4,270)	-12.55%
5100.30	Vehicle Expenses	-	-	-	-	-	-	N/A
5100.35	Retiree Medical Future Liability Dep.	-	-	10,000	10,000	10,800	800	8.00%
5100.40	Cafeteria Plan Benefits	8,697	5,732	-	7,214	7,532	7,532	N/A
5100.45	Dental/Vision Plan	16,743	15,910	20,302	21,906	18,390	(1,912)	-9.42%
5100.50	Long-Term Disability	3,536	2,761	3,443	3,074	3,789	346	10.05%
5100.55	Life Insurance	3,566	3,445	3,566	3,664	4,460	895	25.09%
5100.60	Employee Physicals	450	70	450	160	450	-	0.00%
5000.30	Temporary Services	-	-	-	-	-	-	N/A
5100.80	Employee Incentive Programs	2,600	1,158	2,600	2,154	2,600	-	0.00%
5100.65	Employee Education Reimbursement	1,000	76	1,000	320	1,000	-	0.00%
5100.86	Benefits-Non-Capitalized Projects	-	13,754	-	7,055	-	-	N/A
1300.60	Capitalized Employee Benefits	-	-	-	-	-	-	N/A
<b>Total Personnel Expenses:</b>		<b>1,280,971</b>	<b>1,112,511</b>	<b>1,341,210</b>	<b>1,137,221</b>	<b>1,467,032</b>	<b>125,822</b>	<b>9.38%</b>

Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>OFFICE EXPENSES</u></b>								
5200.20	Office Supplies	1,800	1,043	1,200	1,809	1,200	-	0.00%
5200.30	Miscellaneous Office Expenses	1,000	864	600	1,597	600	-	0.00%
<b>Total Office Expenses:</b>		<b>2,800</b>	<b>1,907</b>	<b>1,800</b>	<b>3,405</b>	<b>1,800</b>	<b>-</b>	<b>0.00%</b>
<b><u>SUPPLIES AND EQUIPMENT</u></b>								
5500.10	Uniform Expenses	6,565	5,899	6,565	6,089	6,747	182	2.77%
5500.15	Minor Tools and Equipment	5,000	4,299	5,000	2,385	5,000	-	0.00%
5500.20	Spare Parts	-	-	-	-	-	-	N/A
5500.25	Landscape Equipment and Supplies	1,000	547	1,000	70	1,000	-	0.00%
5500.30	Chemicals-Fixed	-	-	-	-	-	-	N/A
5500.31	Chemicals-Variable	-	-	-	-	-	-	N/A
5500.35	Maintenance Supplies/Hardware	10,000	9,243	10,000	9,233	10,000	-	0.00%
5500.40	Safety Supplies	5,000	3,361	5,000	1,929	5,000	-	0.00%
5500.45	Fuel and Lubricants	49,771	46,659	58,880	55,095	59,380	500	0.85%
5500.50	Seed/Erosion Control Supplies	12,000	4,301	8,000	-	8,000	-	0.00%
5500.55	Backflow Prevention Supplies	500	108	500	226	500	-	0.00%
<b>Total Supplies and Equipment:</b>		<b>89,836</b>	<b>74,417</b>	<b>94,945</b>	<b>75,027</b>	<b>95,627</b>	<b>682</b>	<b>0.72%</b>
<b><u>MONITORING EXPENSES</u></b>								
5600.10	Lab Supplies	-	-	-	-	-	-	N/A
5600.20	Lab Tools and Equipment	-	-	-	-	-	-	N/A
5600.30	Lab Testing	-	-	-	-	-	-	N/A
<b>Total Monitoring Expenses:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>

Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b><u>REPAIRS AND MAINTENANCE</u></b>								
5700.10	Equipment Repairs and Maintenance	35,000	35,279	35,000	20,189	40,000	5,000	14.29%
5700.20	Vehicle Repairs and Maintenance	10,000	6,455	10,000	8,087	10,000	-	0.00%
5700.30	Building Maintenance	6,200	3,277	7,200	4,169	7,200	-	0.00%
5700.40	Landscape Maintenance	4,000	3,833	4,000	3,116	4,000	-	0.00%
	<b>Total Repairs and Maintenance:</b>	<b>55,200</b>	<b>48,844</b>	<b>56,200</b>	<b>35,561</b>	<b>61,200</b>	<b>5,000</b>	<b>8.90%</b>
<b><u>PROFESSIONAL SERVICES</u></b>								
5400.10	Professional Services	74,250	24,165	69,250	25,166	73,325	4,075	5.88%
5400.20	Legal Services	-	1,486	-	-	-	-	N/A
5400.30	Engineering Services	5,000	1,136	2,500	13,136	5,000	2,500	100.00%
5400.40	Permits	4,600	3,641	4,600	3,627	4,600	-	0.00%
5400.50	Non-Contractual Services	360	-	-	-	-	-	N/A
5400.60	Accounting Services	-	-	-	-	-	-	N/A
	<b>Total Professional Services:</b>	<b>84,210</b>	<b>30,428</b>	<b>76,350</b>	<b>41,928</b>	<b>82,925</b>	<b>6,575</b>	<b>8.61%</b>
<b><u>GENERAL AND ADMINISTRATIVE</u></b>								
5300.10	Meeting and Travel	9,000	9,816	9,000	12,344	9,000	-	0.00%
5300.20	Mileage Reimbursement	-	-	-	115	150	150	N/A
5300.30	Dues and Memberships	1,500	1,434	1,500	1,792	1,500	-	0.00%
5300.40	Publications	500	345	500	509	500	-	0.00%
5300.50	Training	5,000	4,616	5,000	9,098	5,000	-	0.00%
5300.60	Advertising	1,500	118	1,500	668	2,000	500	33.33%
5300.70	Printing and Binding	-	-	-	252	-	-	N/A
5300.80	Postage	500	176	750	252	750	-	0.00%
	<b>Total General and Administrative:</b>	<b>18,000</b>	<b>16,505</b>	<b>18,250</b>	<b>24,778</b>	<b>18,900</b>	<b>650</b>	<b>3.56%</b>

Central Coast Water Authority  
**Distribution Department Operating Expenses**  
 Fiscal Year 2012/13 Administration/O&M Budget

Account Number	Account Name	FY 2010/11 Budget	FY 2010/11 Actual	FY 2011/12 Budget	FY 2011/12 Estimated Actual	FY 2012/13 Budget	Change from FY 2011/12 Budget	Percent Change FY 2011/12 Budget
<b>UTILITIES</b>								
5800.20	Natural Gas	825	829	825	430	847	22	2.67%
5800.30	Electric Fixed	56,211	46,133	52,195	34,258	37,682	(14,513)	-27.81%
5800.31	Electric-VARIABLE	239,838	139,315	168,706	48,671	82,512	(86,194)	-51.09%
5800.40	Water	1,450	1,494	1,550	1,562	1,550	-	0.00%
5800.50	Telephone	8,000	6,746	8,000	6,754	8,000	-	0.00%
5800.60	Waste Disposal	2,900	2,986	2,900	1,876	2,900	-	0.00%
	<b>Total Utilities:</b>	<b>309,224</b>	<b>197,503</b>	<b>234,176</b>	<b>93,550</b>	<b>133,491</b>	<b>(100,685)</b>	<b>-43.00%</b>
<b>OTHER EXPENSES</b>								
5900.10	Insurance	44,138	43,968	46,456	45,000	48,351	1,894	4.08%
5900.30	Non-Capitalized Projects	22,765	67,570	64,440	64,440	47,469	(16,971)	-26.34%
5900.40	Equipment Rental	15,000	10,966	12,000	3,897	12,000	-	0.00%
5900.50	Non-Capitalized Equipment	10,000	4,929	7,000	6,548	7,000	-	0.00%
5900.60	Computer Expenses	38,303	36,020	47,297	46,912	46,592	(705)	-1.49%
5900.70	Appropriated Contingency	39,409	-	36,628	-	38,798	2,170	5.92%
	<b>Total Other Expenses:</b>	<b>169,615</b>	<b>163,453</b>	<b>213,822</b>	<b>166,797</b>	<b>200,209</b>	<b>(13,613)</b>	<b>-6.37%</b>
	Turnouts	22,071	26,187	26,974	26,457	39,207	12,232	45.35%
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,031,927</b>	<b>\$ 1,671,755</b>	<b>\$ 2,063,728</b>	<b>\$ 1,604,724</b>	<b>\$ 2,100,391</b>	<b>\$ 36,663</b>	<b>1.78%</b>

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5000.10

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

Description: Funds for the Distribution regular full-time employees. Includes \$44,007 for FY 2012/13 salary pool. Includes one new Instrumentation, Calibration and Repair Technician position.

<b>FY 12/13 Requested Budget</b>	950,893
<b>FY 11/12 Estimated Actual</b>	727,799
<b>Increase (Decrease)</b>	223,093

**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.

<b>FY 12/13 Requested Budget</b>	59,545
<b>FY 11/12 Estimated Actual</b>	45,208
<b>Increase (Decrease)</b>	14,337

**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.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5000.30

**ACCOUNT TITLE:** Temporary Services

Description: Temporary services for the Distribution Dept.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5000.40

**ACCOUNT TITLE:** Stand-by Pay

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 \$1.81 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.

<b>FY 12/13 Requested Budget</b>	29,288
<b>FY 11/12 Estimated Actual</b>	19,543
<b>Increase (Decrease)</b>	9,745

**ACCOUNT NUMBER:** 5100.10

**ACCOUNT TITLE:** PERS Retirement

Description: Funds for the employer and employee portion of PERS retirement system contributions. Based on a 20.374% contribution rate for FY 2012/13 based on the 2% @ 55 formula.

<b>FY 12/13 Requested Budget</b>	183,815
<b>FY 11/12 Estimated Actual</b>	142,082
<b>Increase (Decrease)</b>	41,732

**ACCOUNT NUMBER:** 5100.15

**ACCOUNT TITLE:** Medicare

Description: Funds for the employer portion of Medicare taxes for the Distribution Department. Amount is equal to 1.45% of all wages.

<b>FY 12/13 Requested Budget</b>	15,233
<b>FY 11/12 Estimated Actual</b>	11,000
<b>Increase (Decrease)</b>	4,233

**ACCOUNT NUMBER:** 5100.20

**ACCOUNT TITLE:** Health Insurance

Description: Funds for the employer provided portion of medical insurance coverage for Distribution employees. Amount is based on the Cafeteria plan limits for each employee based on their dependent status as follows:  
Family: \$ 17,238  
Emp+1: \$ 13,260  
Emp: \$ 6,630

<b>FY 12/13 Requested Budget</b>	149,488
<b>FY 11/12 Estimated Actual</b>	110,842
<b>Increase (Decrease)</b>	38,646

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 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 77%. Based on a 5% premium increase over FY 2011/12

<b>FY 12/13 Requested Budget</b>	29,751
<b>FY 11/12 Estimated Actual</b>	25,199
<b>Increase (Decrease)</b>	4,552

**ACCOUNT NUMBER:** 5100.35

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

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

<b>FY 12/13 Requested Budget</b>	10,800
<b>FY 11/12 Estimated Actual</b>	10,000
<b>Increase (Decrease)</b>	800

**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.

<b>FY 12/13 Requested Budget</b>	7,532
<b>FY 11/12 Estimated Actual</b>	7,214
<b>Increase (Decrease)</b>	318

**ACCOUNT NUMBER:** 5100.45

**ACCOUNT TITLE:** Dental/Vision Plan

Description: Funds for the self-funded dental/vision plan. The plan provides \$3,096 per year per family for dental and vision expenses. Budgeted amount is \$1,703 per year per employee. Annual limit is based on an increase over the prior year amount for the percentage change in the CPI.

<b>FY 12/13 Requested Budget</b>	18,390
<b>FY 11/12 Estimated Actual</b>	21,906
<b>Increase (Decrease)</b>	(3,517)

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5100.50

**ACCOUNT TITLE:** Long-Term Disability

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

<b>FY 12/13 Requested Budget</b>	3,789
<b>FY 11/12 Estimated Actual</b>	3,074
<b>Increase (Decrease)</b>	715

**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.

<b>FY 12/13 Requested Budget</b>	4,460
<b>FY 11/12 Estimated Actual</b>	3,664
<b>Increase (Decrease)</b>	797

**ACCOUNT NUMBER:** 5100.60

**ACCOUNT TITLE:** Employee Physicals

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

<b>FY 12/13 Requested Budget</b>	450
<b>FY 11/12 Estimated Actual</b>	160
<b>Increase (Decrease)</b>	290

**ACCOUNT NUMBER:** 5100.65

**ACCOUNT TITLE:** Employee Education Reimbursement

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

<b>FY 12/13 Requested Budget</b>	1,000
<b>FY 11/12 Estimated Actual</b>	320
<b>Increase (Decrease)</b>	680



**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 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).

<b>FY 12/13 Requested Budget</b>	2,600
<b>FY 11/12 Estimated Actual</b>	2,154
<b>Increase (Decrease)</b>	446

Safety Program	\$	1,300
EAAP	\$	1,300
<b>TOTAL:</b>	\$	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.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5200.20

**ACCOUNT TITLE:** Office Supplies

Description: Funds for office supplies for the Distribution Department.

<b>FY 12/13 Requested Budget</b>	1,200
<b>FY 11/12 Estimated Actual</b>	1,809
<b>Increase (Decrease)</b>	(609)

**ACCOUNT NUMBER:** 5200.30

**ACCOUNT TITLE:** Miscellaneous Office Expenses

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

<b>FY 12/13 Requested Budget</b>	600
<b>FY 11/12 Estimated Actual</b>	1,597
<b>Increase (Decrease)</b>	(997)

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 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.

<b>FY 12/13 Requested Budget</b>	9,000
<b>FY 11/12 Estimated Actual</b>	12,344
<b>Increase (Decrease)</b>	(3,344)

**ACCOUNT NUMBER:** 5300.20

**ACCOUNT TITLE:** Mileage Reimbursement

Description: Funds for reimbursement to employees for mileage expenses.

<b>FY 12/13 Requested Budget</b>	150
<b>FY 11/12 Estimated Actual</b>	115
<b>Increase (Decrease)</b>	35

**ACCOUNT NUMBER:** 5300.30

**ACCOUNT TITLE:** Dues and Memberships

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

<b>FY 12/13 Requested Budget</b>	1,500
<b>FY 11/12 Estimated Actual</b>	1,792
<b>Increase (Decrease)</b>	(292)

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

**ACCOUNT NUMBER:** 5300.40

**ACCOUNT TITLE:** Publications

Description: Funds for publications received by the Distribution Department.

<b>FY 12/13 Requested Budget</b>	500
<b>FY 11/12 Estimated Actual</b>	509
<b>Increase (Decrease)</b>	(9)

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5300.50

**ACCOUNT TITLE:** Training

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

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	9,098
<b>Increase (Decrease)</b>	(4,098)

\$ 5,000 - \$500 per employee

**ACCOUNT NUMBER:** 5300.60

**ACCOUNT TITLE:** Advertising

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

<b>FY 12/13 Requested Budget</b>	2,000
<b>FY 11/12 Estimated Actual</b>	668
<b>Increase (Decrease)</b>	1,332

**ACCOUNT NUMBER:** 5300.80

**ACCOUNT TITLE:** Postage

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

<b>FY 12/13 Requested Budget</b>	750
<b>FY 11/12 Estimated Actual</b>	252
<b>Increase (Decrease)</b>	498

**ACCOUNT NUMBER:** 5400.10

**ACCOUNT TITLE:** Professional Services

Description:

\$	55,000	Environmental Services
	10,000	Cathodic protection
	2,200	Emergency generator and forklift service
	1,000	Oil analysis
	2,375	Fire extinguisher and SCBA inspections
	1,000	Crane inspections
	1,750	Security
\$	73,325	TOTAL

<b>FY 12/13 Requested Budget</b>	73,325
<b>FY 11/12 Estimated Actual</b>	25,166
<b>Increase (Decrease)</b>	48,159

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5400.20

**ACCOUNT TITLE:** Legal Services

Description: Not funded for current fiscal year.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**ACCOUNT NUMBER:** 5400.30

**ACCOUNT TITLE:** Engineering Services

Description: Funds for all non-capitalized engineering services.

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	13,136
<b>Increase (Decrease)</b>	(8,136)

**ACCOUNT NUMBER:** 5400.40

**ACCOUNT TITLE:** Permits

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

<b>FY 12/13 Requested Budget</b>	4,600
<b>FY 11/12 Estimated Actual</b>	3,627
<b>Increase (Decrease)</b>	973

1,500	Low Threat Discharge Permit
2,100	Diesel Permit
1,000	SYPP, Tank 7 and 5 Business Plan
\$ 4,600	TOTAL

**ACCOUNT NUMBER:** 5400.50

**ACCOUNT TITLE:** Non-Contractual Services

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

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5500.10

**ACCOUNT TITLE:** Uniform Expenses

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

<b>FY 12/13 Requested Budget</b>	6,747
<b>FY 11/12 Estimated Actual</b>	6,089
<b>Increase (Decrease)</b>	658

\$	3,402	Uniform Service (\$284 month)
\$	1,350	Blue jean pants (\$150/year employee allowance)
\$	1,575	Boots (\$175/year employee allowance)
\$	420	Misc. uniform requirements (jackets, etc.)
\$	6,747	TOTAL

**ACCOUNT NUMBER:** 5500.15

**ACCOUNT TITLE:** Minor Tools and Equipment

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

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	2,385
<b>Increase (Decrease)</b>	2,615

**ACCOUNT NUMBER:** 5500.20

**ACCOUNT TITLE:** Spare Parts

Description: Not funded.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**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.

<b>FY 12/13 Requested Budget</b>	1,000
<b>FY 11/12 Estimated Actual</b>	70
<b>Increase (Decrease)</b>	930

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5500.30

**ACCOUNT TITLE:** Chemicals-Fixed

Description: Not funded.

<b>FY 12/13 Requested Budget</b>	-
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	-

**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.

<b>FY 12/13 Requested Budget</b>	10,000
<b>FY 11/12 Estimated Actual</b>	9,233
<b>Increase (Decrease)</b>	767

**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.

<b>FY 12/13 Requested Budget</b>	5,000
<b>FY 11/12 Estimated Actual</b>	1,929
<b>Increase (Decrease)</b>	3,071

**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.

<b>FY 12/13 Requested Budget</b>	59,380
<b>FY 11/12 Estimated Actual</b>	55,095
<b>Increase (Decrease)</b>	4,285

\$	52,376	Vehicles
\$	1,751	Emergency Generator Sets
\$	3,502	Lubricants
\$	1,751	Miscellaneous
\$	59,380	TOTAL

**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5500.50

**ACCOUNT TITLE:** Seed/Plants/Erosion Control Supplies

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

<b>FY 12/13 Requested Budget</b>	8,000
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	8,000

\$	1,000	Seed
	1,000	Plants and materials
	6,000	Erosion control
\$	8,000	TOTAL

**ACCOUNT NUMBER:** 5500.55

**ACCOUNT TITLE:** Backflow Prevention Supplies

Description: Funds for backflow prevention.

<b>FY 12/13 Requested Budget</b>	500
<b>FY 11/12 Estimated Actual</b>	226
<b>Increase (Decrease)</b>	274


**ACCOUNT NUMBER:** 5700.10

**ACCOUNT TITLE:** Equipment Repairs and Maintenance

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

<b>FY 12/13 Requested Budget</b>	40,000
<b>FY 11/12 Estimated Actual</b>	20,189
<b>Increase (Decrease)</b>	19,811


**ACCOUNT NUMBER:** 5700.20

**ACCOUNT TITLE:** Vehicle Repairs and Maintenance

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

<b>FY 12/13 Requested Budget</b>	10,000
<b>FY 11/12 Estimated Actual</b>	8,087
<b>Increase (Decrease)</b>	1,913


**CENTRAL COAST WATER AUTHORITY  
DISTRIBUTION FY 2012/13 BUDGET**

**ACCOUNT NUMBER:** 5700.30

**ACCOUNT TITLE:** Building Maintenance

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

<b>FY 12/13 Requested Budget</b>	7,200
<b>FY 11/12 Estimated Actual</b>	4,169
<b>Increase (Decrease)</b>	3,031

\$	3,500	Janitorial Service
	1,700	Pest Control
	2,000	HVAC, includes quarterly inspection
\$	7,200	TOTAL

**ACCOUNT NUMBER:** 5700.40

**ACCOUNT TITLE:** Landscape Maintenance

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

<b>FY 12/13 Requested Budget</b>	4,000
<b>FY 11/12 Estimated Actual</b>	3,116
<b>Increase (Decrease)</b>	884

\$	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.

<b>FY 12/13 Requested Budget</b>	847
<b>FY 11/12 Estimated Actual</b>	430
<b>Increase (Decrease)</b>	417


**ACCOUNT NUMBER:** 5800.30

**ACCOUNT TITLE:** Electric Service-Fixed

Description: Funds for electrical service for the Distribution Dept.

<b>FY 12/13 Requested Budget</b>	37,682
<b>FY 11/12 Estimated Actual</b>	34,258
<b>Increase (Decrease)</b>	3,424

\$	14,311	Suite B & C	\$1,193 month
	998	2 Iso vaults	\$83 month
	5,341	2 Tanks	\$445 month
	2,250	11 Rectifiers	\$188 month
	2,782	EDV	\$232 month
	12,000	SYPF	\$1,000 month
\$	37,682	TOTAL	



**CENTRAL COAST WATER AUTHORITY  
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**ACCOUNT NUMBER:** 5800.31

**ACCOUNT TITLE:** Electric Service-Variable

Description: Funds for electrical service for the  
Distribution Department.

<b>FY 12/13 Requested Budget</b>	82,512
<b>FY 11/12 Estimated Actual</b>	48,671
<b>Increase (Decrease)</b>	33,841

Acre feet pumped	997
Cost per acre foot	\$82.76
<b>TOTAL</b>	<b>\$82,512</b>

**ACCOUNT NUMBER:** 5800.40

**ACCOUNT TITLE:** Water/Sewer

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

<b>FY 12/13 Requested Budget</b>	1,550
<b>FY 11/12 Estimated Actual</b>	1,562
<b>Increase (Decrease)</b>	(12)

**ACCOUNT NUMBER:** 5800.50

**ACCOUNT TITLE:** Telephone

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

<b>FY 12/13 Requested Budget</b>	8,000
<b>FY 11/12 Estimated Actual</b>	6,754
<b>Increase (Decrease)</b>	1,246

**ACCOUNT NUMBER:** 5800.60

**ACCOUNT TITLE:** Waste Disposal

Description: Funds for trash service and removal of  
hazardous waste (waste oil) for the Distribution Department.

<b>FY 12/13 Requested Budget</b>	2,900
<b>FY 11/12 Estimated Actual</b>	1,876
<b>Increase (Decrease)</b>	1,024

\$	2,500	Trash service
	400	Hazardous waste removal
\$	2,900	<b>TOTAL</b>

**CENTRAL COAST WATER AUTHORITY  
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**ACCOUNT NUMBER:** 5900.10

**ACCOUNT TITLE:** Insurance

Description: Funds for insurance coverage.

<b>FY 12/13 Requested Budget</b>	48,351
<b>FY 11/12 Estimated Actual</b>	45,000
<b>Increase (Decrease)</b>	3,351

\$	21,079	Property and Auto Insurance as apportioned by JPIA.
\$	27,271	General liability and E&O insurance pro rated by salary percentages.
\$	48,351	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).

<b>FY 12/13 Requested Budget</b>	47,469
<b>FY 11/12 Estimated Actual</b>	64,440
<b>Increase (Decrease)</b>	(16,971)


**ACCOUNT NUMBER:** 5900.40

**ACCOUNT TITLE:** Equipment Rental

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

<b>FY 12/13 Requested Budget</b>	12,000
<b>FY 11/12 Estimated Actual</b>	3,897
<b>Increase (Decrease)</b>	8,103


**ACCOUNT NUMBER:** 5900.50

**ACCOUNT TITLE:** Non-Capitalized Fixed Assets

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

<b>FY 12/13 Requested Budget</b>	7,000
<b>FY 11/12 Estimated Actual</b>	6,548
<b>Increase (Decrease)</b>	452


**CENTRAL COAST WATER AUTHORITY  
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**ACCOUNT NUMBER:** 5900.60

**ACCOUNT TITLE:** Computer Expenses

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

<b>FY 12/13 Requested Budget</b>	46,592
<b>FY 11/12 Estimated Actual</b>	46,912
<b>Increase (Decrease)</b>	(320)

\$	35,192	CompuVision, Annual Service Agreements, and Software Subscriptions
\$	11,400	Software, New Computers, DSL Allowance and other computer services.
\$	46,592	TOTAL

**ACCOUNT NUMBER:** 5900.70

**ACCOUNT TITLE:** Appropriated Contingency

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

<b>FY 12/13 Requested Budget</b>	38,798
<b>FY 11/12 Estimated Actual</b>	-
<b>Increase (Decrease)</b>	38,798






*Chlorine Scrubber Caustic Pump Re-pipe Project*

## *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.

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The Capital Improvements Projects (CIP) section is a component of the non-operating expense section of the budget. The CIP budget includes expenditures for fixed asset/equipment purchases as well as the accumulation of expenditures associated with construction projects undertaken by the Authority. The total CIP budget for FY 2012/13 is \$185,111.

Capitalization Criteria

The Authority capitalizes project expenditures and fixed asset purchases for those projects and assets that (1) are greater than \$10,000 and (2) have an estimated useful life longer than five years, with the exception of computer related equipment which is amortized over three years.

Carry-Over

During the previous fiscal year, certain capital improvement projects were either not completed or started during the year. However, the Authority intends to complete these projects and expend the funds in the next fiscal year. Therefore, the items are treated as a “carry-over.” This means that the project is being carried forward from the previous fiscal year to the new fiscal year capital improvement budget. Additionally, the unused funds are moved from the previous fiscal year to the new fiscal year. Currently, for FY 2011/12, it is not yet known if funds will need to be carried over into FY 2012/13 from FY 2011/12.

Funding of Capital Improvements Expenditures

The FY 2012/13 CIP expenditures are entirely funded from Project Participant Assessments.

The following table shows the allocation of the FY 2012/13 capital improvements by department and financial reach.

<b>FY 2012/13 Capital Improvements</b>						
Capital Improvements	Specific	Water Treatment				Total
	Financial Reach	Administration	Plant	Distribution	Turnouts	
Lagoon C Seepage Eval & Design	WTP		21,000			21,000
Lab Informatin Mgmt System Upgrade	WTP		23,103			23,103
Inlet Valve Replacement	WTP		39,865			39,865
Total Organic Carbon (TOC) Analyzer	WTP		39,414			39,414
VAFB Cla-Valve Replacement	VAFB				16,971	16,971
Isolation Vault #2 Engineering Support	MHII			21,000		21,000
Sample Truck Replacement	ALL			23,759		23,759
<b>Total:</b>		\$ -	\$ 123,382	\$ 44,759	\$ 16,971	\$ 185,111

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**State Water Project Construction Project**

The facilities constructed by the Authority generally include a water treatment plant located at Polonio Pass in northeastern San Luis Obispo County to serve Santa Barbara County project participants and San Luis Obispo County water purchasers and a transmission system to serve Santa Barbara County project participants consisting of: (1) the Mission Hills II Extension, a buried pipeline approximately 12.3 miles long running from the terminus of the Coastal Branch Phase II on Vandenberg Air Force Base in Santa Barbara County southerly to the vicinity of the Lompoc Valley and (2) the Santa Ynez Extension, a buried pipeline approximately 29.3 miles long running from the terminus of the Mission Hills Extension easterly through the Santa Ynez Valley to a terminus at Cachuma Lake and which includes a pumping plant near Santa Ynez and a storage tank west of Buellton. Water is conveyed from that point to the South Coast of Santa Barbara County through existing Cachuma Project facilities, which traverse the Santa Ynez Mountains.

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<b>Lagoon C Seepage Engineering Review</b>	
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	As part of the water treatment process, sludge is produced and must be managed and properly disposed. The Water Treatment Plant is equipped with a sediment removal and management system. Sludge from the treatment process is directed to one of three lagoons where it is allowed to settle and dry. Once dry it is removed and disposed of at the Plant's onsite monofill. For the past few years, Lagoon C has not been able to dry due to water seepage from the other two lagoons, which are situated at a higher elevation. Since Lagoon C cannot completely dry, sludge removal cannot be completed as required. In addition, by remaining continuously wet, Lagoon C has the potential of becoming established habitat to some of the local endangered species. This project is to retain an engineering firm to assist CCWA staff in designing a solution to this issue.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	<u>\$1,000</u>
Subtotal without CCWA Labor	<b>\$21,000</b>
Labor and overhead	\$17,800
Total Cost	\$38,800
<b>Operating Budget Impact:</b>	Lagoon C is effectively out of service and cannot be utilized for its intended purpose. This limits the capacity of the Treatment Plant's sludge removal and management system.

<b>Description:</b>	<b>Laboratory Information Management System Upgrade</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	The existing Laboratory Information Management System (LIMS) is a customized Microsoft Access database. The database was created in 2004 and developed to store the data for the water treatment plant operators' 4-hour tests and the distribution sample data. All other data is stored in a variety of file types and formats including hard copies. Incorporating data from new sample locations and test methods is difficult and time consuming, making it



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	impractical to perform regularly. Additionally, the database file is prone to corruption resulting in temporary loss of access to the data and potentially lost information. Data from sub-contract laboratories can be imported into the LIMS through electronic means, eliminating the error potential from manual entry.
Estimated Charge - Contractor	\$12,350
Estimated Charge - Software	\$9,000
Sales Tax (7.25%)	\$653
Contingency (5%)	<u>\$1,100</u>
Subtotal without CCWA Labor	<b>\$23,103</b>
Total Cost	\$23,103
Operating Budget Impact:	<p>A comprehensive LIMS package eliminates a substantial amount of lost time and resources in several area of the laboratory and exchange of information.</p> <ul style="list-style-type: none"> <li>- Reduction of time lost from searching through and collecting data from multiple sources and file types.</li> <li>- Reduction of time used for creating and proofing reports manually.</li> <li>- Laboratory data is readily backed up because it is in one location.</li> <li>- Single source for data means reports generated are consistent. Multiple versions of same data will be prevented.</li> <li>- Reduction of reporting errors helps to prevent unnecessary work due to false positives and potential fines due to false negatives.</li> <li>- Current LIMS does not reliably allow data access by more than one staff member at a time.</li> <li>- Current LIMS has instability problems which have lead to the database file being corrupted. This has resulted in temporary loss of access to the data and could cause data loss.</li> </ul>

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<b>Description:</b>	<b>Water Treatment Plant Inlet Valve Replacement</b>
<b>Department:</b>	Water Treatment Plant
<b>Expanded Description</b>	The Department of Water Resources (DWR) delivers water to the raw water tanks of the Polonio Pass Water Treatment Plant. Water is subsequently piped from the tanks to the inlet of the Treatment Plant. The flow rate of water entering the plant is controlled by a set of inlet valves, which are throttled to maintain a constant flow rate that is selected by the Treatment Plant Operator. The existing valves have been in service for approximately 10 years and they are currently experiencing excessive wear on the valves bushings. In addition, due to the deterioration of the valve bushing, the valve actuators are stressed beyond the allowable specification, which results in triggering high torque alarms. The proposed project is to replace the inlet valves with new valves that are designed for continuous throttling duty.
Estimated Charge – Materials	\$35,400
Taxes (7.25%)	\$2,567
Contingency (5%)	\$1,898
Subtotal without CCWA Labor	<b>\$39,865</b>
CCWA Labor	\$5,400
<b>Total Cost</b>	<b>\$45,265</b>
<b>Operating Budget Impact:</b>	The inlet valves are critical elements of the Plant because they are used to maintain constant flow through the Plant and are also used to effect a Plant shutdown. Constant flow through the Plant is an important consideration in water treatment. If constant flow cannot be achieved, optimum chemical dosing will become difficult. Plant operators control chemical costs through establishing an efficient dosage rate, which is to apply only that amount of chemical required to accomplish the water treatment objective. If the flow widely varies through the plant, an efficient dosing rate cannot be reliably established.

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<b>Total Organic Carbon (TOC) Analyzer</b>	
Department:	Water Treatment Plant
Expanded Description	The existing analyzer will be replaced. The instrument is needed to conduct analysis of compliance samples for the Water Treatment Plant operation and assists in the reduction of disinfection byproducts. The current TOC Analyzer is 16 years old, well beyond its normal service life of 10 years. Replacement parts are no longer available.
Estimated Charge - Materials	\$35,000
Sales Tax	\$2,538
Contingency (5%)	<u>\$1,877</u>
Subtotal without CCWA Labor	<b>\$39,415</b>
Labor and overhead	\$4,000
Total Cost	\$43,415
Operating Budget Impact:	The TOC analyzer is used regularly to monitor the water treatment process and perform the analysis of compliance samples. Replacement of the existing instrument will ensure that water is reliably treated to meet applicable drinking water standards and help reduce chemical usage in water treatment. Failure of the existing analyzer may require additional labor and increased chemical usage to address undetected changes in raw water chemistry, as well as additional outside laboratory services in order to fulfill compliance sample requirements. The cost of additional laboratory services for monitoring and compliance would be approximately \$3,072 to \$4,992. Results would also be unavailable for 2 days to 2 weeks from the sampling date. Performance of TOC analysis in-house allows for substantial savings and almost real-time monitoring.

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<b>Vandenberg Air Force Base Turnout Cla-Valve Replacement</b>	
Department:	Distribution – VBTO
Expanded Description	The Vandenberg Air Force Base Turnout is currently equipped with a Cla-valve that is used to establish the flow rate for water delivery. The interior of the existing Cla-valve did not include a coating for cathodic protection. Consequently, the existing valve is corroded and in need of replacement. The project will replace the existing Cla-valve with a new Cla-valve that has an internal coating for cathodic protection.
Estimated Charge - Materials	\$15,000
Tax (7.75%)	\$1,163
Contingency (5%)	\$808
Subtotal without CCWA Labor	<b>\$16,971</b>
Labor and overhead	\$4,200
Total Cost	\$21,171
Operating Budget Impact:	To provide reliable delivery of water to the Vandenberg Air Force Base, it is important to keep the Turnout facilities in good working order. The existing Cla-valve will continue to corrode to a point where it will not be able to function as designed. This would interrupt water delivery operations at some unknown point in time. Through replacing the valve prior to failure, the project can be appropriately planned and scheduled to avoid any conflicts with requested water deliveries.

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<b>Description:</b>	<b>Isolation Vault #2 Engineering Support</b>
<b>Department:</b>	Distribution – Reach MH II
<b>Expanded Description</b>	For several years, the pipe within Isolation Vault #2 appeared to be moving slowly with time. The structure has been routinely surveyed to monitor the extent of the movement. Although no leakage currently exists, leakage is anticipated at some point in the future. Staff proposed to retain an engineering firm to assist with developing a solution, which will include engineered drawings and specifications. This project will be implemented immediately so that if uncontrolled leakage should begin during the fiscal year, it can be repaired quickly. If no leakage occurs this fiscal year, a project to construct the repair will be proposed for fiscal year 2013/2014.
Estimated Charge - Contractor	\$20,000
Contingency (5%)	\$1,000
Subtotal without CCWA Labor	<b>\$21,000</b>
Labor and overhead	\$1,000
Total Cost	\$22,000
<b>Operating Budget Impact:</b>	The Dresser Coupling in Isolation Vault #2 will eventually begin leaking. Preparing the engineered solution in advance will result in a cost effective repair and will avoid costs associated with repairing any damage that may arise from an uncontrolled leak.





*Polonio Pass Pumping Plant Forebay Sediment Removal*

## *CCWA Bond Debt*

**T**he CCWA Bond Debt section of the FY 2012/13 Budget contains information on the Authority's outstanding revenue bonds including the Authority's authorization to issue debt, security for the bonds, bond coverage covenant, and the project participant debt payment schedule.

## ***Highlights***

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### **2006A Revenue Bond Principal and Interest Due**                      **\$ 11,582,463**

- FY 2012/13 Principal Payment                      \$ 7,335,000
- FY 2012/13 Interest Payments                      \$ 4,247,463
  
- Bond Trustee Expenses                                      \$ 2,000

### **Bond Payment Funding Sources**                                      **\$ 11,584,463**

- Fixed Assessments from Project Participants                      \$ 11,569,637
- Debt Service Account Interest Credits                      \$ 14,826

### **2006 Revenue Bond Information**

- Principal Payment Date                                      October 1<sup>st</sup>
- Interest Payment Dates                                      October 1<sup>st</sup> and April 1<sup>st</sup>
- Outstanding Principal Balance (6-30-12)                      \$ 91,020,000
- True Interest Cost (TIC)                                      4.24%
- Final maturity date                                      October 1, 2021



Central Coast Water Authority  
**CCWA Bond Debt**  
Fiscal Year 2012/13 Budget

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Authorization to Issue Debt

The Authority is authorized pursuant to state law including, but not limited to, Section 6588(c) of the Government Code of the State of California, pursuant to ordinances approved by the voters in the service areas of certain of the Project Members and pursuant to Section 5(j) of the Authority Joint Exercise of Powers Agreement, to incur indebtedness to finance Authority facilities and is authorized pursuant to state law including, but not limited to, Section 6588(m) of the Government Code, Section 24 of the Water Supply Agreements and Section 18 of the Master Water Treatment Agreement, to assign and pledge to the repayment of such indebtedness amounts payable by the financing participants to the Authority.

The Authority is also authorized pursuant to Section 6586 of the California Government Code to issue refunding bonds in that the Authority has determined that there is a demonstrable net present value savings.

CCWA Debt Limit

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the Authority as a Joint Powers Authority within the State of California. However, there are certain limitations contained in each financing participant's Water Supply Agreement that limit the amount of debt that may be issued by CCWA on behalf of the financing participant.

General Discussion

In October 1992, the Authority sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable the Authority to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users within Santa Barbara County, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, the Authority sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease the Authority's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and the Reserve Fund.

Central Coast Water Authority  
**CCWA Bond Debt**  
Fiscal Year 2012/13 Budget

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Series 2006 A Refunding Revenue Bonds

On September 28, 2006, the Authority issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996 A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24% and were issued to reduce the Authority's total debt service payments over the next 15 years by \$4.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

Security for the Bonds

Each Santa Barbara County project participant has entered into a Water Supply Agreement with the Authority pursuant to which the Santa Barbara County project participant is obligated to make certain payments to the Authority with respect to the project. Such payments, when received by or on behalf of the Authority, will constitute revenues pledged to secure the payment of the principal of and interest on the bonds.

The San Luis Obispo County Flood Control and Water Conservation District (SLOCFCWCD) has entered into a Master Water Treatment Agreement with the Authority pursuant to which SLOCFCWCD is obligated to make certain payments with respect to the water treatment plant and local projects for certain San Luis Obispo County project participants.

The bonds are not debts of the financing participants of the Authority, the State of California or any political subdivision of the State of California. The bonds are strictly a liability of the Authority.

The Bonds

The bonds are dated September 28, 2006 with interest payable on April 1 and principal and interest payable on October 1 of each year (*see the "2006A Revenue Bond Debt Service Schedule" in this section*).

Bond Coverage Covenant

Each Santa Barbara County project participant and each San Luis Obispo County water purchaser has agreed in its Water Supply Agreement or Local Water Treatment Agreement to comply with the bond coverage covenant. This covenant requires each project participant to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield net water system revenues equal to 125% of the sum of the contract payments required to be made by each participant and purchaser in such fiscal year pursuant to its Water Supply Agreement or Local Water Treatment Agreement plus debt service.

Central Coast Water Authority  
**CCWA Bond Debt**  
Fiscal Year 2012/13 Budget

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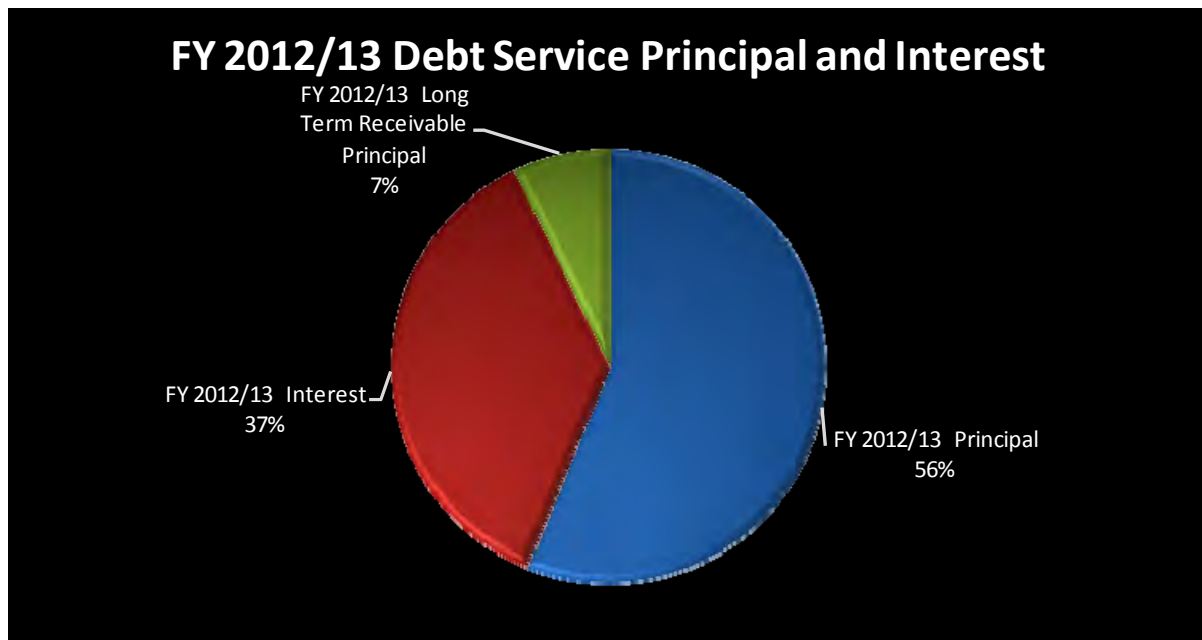
**Fiscal Year 2012/13 Debt Service Budget**

For FY 2012/13, total 2006A principal payments are \$7,335,000 and total interest due is \$4,247,463, totaling \$11,582,463. Additionally, Bond Trustee fees in the amount of \$2,000 are included in the debt service assessment.

The following are adjustments to the CCWA 2006A revenue bond debt service payments:

- Debt Service Account Interest Income Payments from the financing participants are invested in accordance with the CCWA Investment Policy. Investments are purchased which correspond to the debt service payment dates on the bonds. Total estimated investment income is \$14,826.

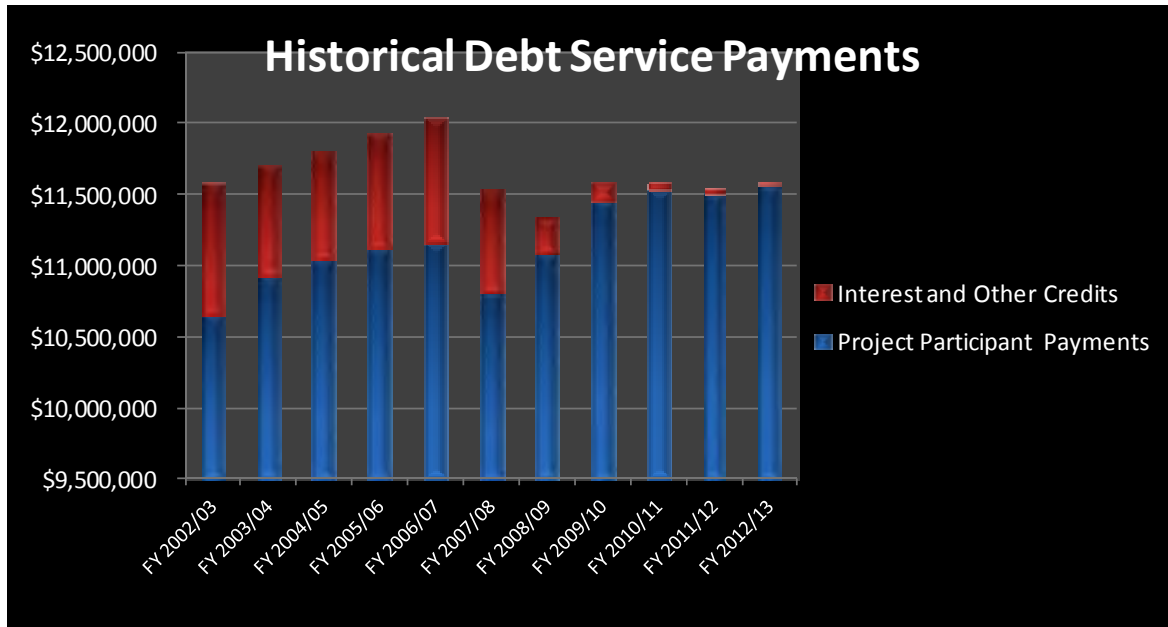
The following chart shows the total principal and interest payments for the 2006A revenue bonds for FY 2012/13.



Central Coast Water Authority  
**CCWA Bond Debt**  
 Fiscal Year 2012/13 Budget

Historical CCWA Revenue Bond Debt Service Payments

The following graph shows the composition of the source of funds for payment of the CCWA revenue bond debt service payments for the past 10 years.



Project Participant Financing of Local Facilities

When the Authority's facilities were constructed and financed with the original 1992 Revenue bond proceeds, certain financing participants elected to finance local facilities and costs with proceeds from the CCWA revenue bond issue. Since CCWA does not own these facilities, the financed costs are shown as a long-term receivable on the CCWA financial statements.

A portion of each principal payment paid by the financing participants who financed local facilities reduces the long-term receivable balance of the local facilities, and repayment of the long-term receivable is in direct proportion to the annual payment of principal on the outstanding CCWA 2006A revenue bonds.

The following table shows the original long-term receivable balance, payments against the long-term receivable prior to FY 2012/13 and the portion of the FY 2012/13 revenue bond principal payments allocated to repayment of the long-term receivable balance and corresponding ending balance.

Central Coast Water Authority

**CCWA Bond Debt**

Fiscal Year 2012/13 Budget

<b>Bond Principal Payment Allocated to Financed Local Facilities</b>				
<b>Financing Participant</b>	<b>Original Financed Local Facilities</b>	<b>Principal Payments Prior to FY 2012/13</b>	<b>FY 2012/13 Bond Principal Allocated to Local Facilities</b>	<b>Long Term Receivable Balance</b>
Avila Beach	\$ 41,348	\$ (17,918)	\$ (1,888)	\$ 21,542
California Men's Colony	915,568	(392,220)	(42,175)	481,173
County of SLO	976,433	(418,312)	(44,977)	513,144
Cuesta College	457,835	(196,132)	(21,090)	240,613
Morro Bay	7,036,800	(3,033,402)	(322,621)	3,680,777
Oceano	281,692	(122,067)	(12,864)	146,762
Pismo Beach	465,088	(201,539)	(21,239)	242,311
Shandon	33,276	(14,420)	(1,520)	17,337
Guadalupe	1,201,137	(520,494)	(54,851)	625,792
Buellton	195,505	(84,719)	(8,928)	101,858
Santa Ynez (Solvang)	479,456	(150,999)	(23,815)	304,642
Santa Ynez	159,819	(61,802)	(10,553)	87,464
Goleta	2,969,066	(1,286,598)	(135,585)	1,546,883
Morehart Land	12,390	(4,644)	(624)	7,122
La Cumbre	61,948	(23,218)	(3,121)	35,608
Raytheon	18,052	(7,823)	(824)	9,405
Santa Barbara	648,172	(280,875)	(29,599)	337,697
Montecito	934,625	(350,302)	(47,089)	537,234
Carpinteria	929,035	(402,583)	(42,425)	484,027
<b>TOTAL:</b>	<b>\$ 17,817,245</b>	<b>\$ (7,570,065)</b>	<b>\$ (825,786)</b>	<b>\$ 9,421,393</b>

Central Coast Water Authority  
**CCWA Bond Debt**  
 Fiscal Year 2012/13 Budget

Central Coast Water Authority  
**2006 Revenue Bond Series A Debt Service Payments**  
 Fiscal Year 2012/13 Budget

Financing Participant	Allocation Percentage	FY 2012/13 Series A (10/1/12)		FY 2012/13 Series A (10/1/12)		FY 2012/13 Series A (4/1/13)		Trustee Expenses	Debt Service Account Interest & Credits <sup>(1)</sup>	FY 2012/13 Total Payments
		Principal Payment	Interest Payment	Interest Payment	Interest Payment	Interest Payment	Interest Payment			
Avila Beach	0.11449%	\$ 8,398	\$ 2,521	\$ 2,342	\$ 2	\$ (21)	\$ 13,241			
California Men's Colony	1.00140%	73,453	22,047	20,487	20	(188)	115,819			
County of SLO	1.06675%	78,246	23,486	21,824	21	(200)	123,378			
Cuesta College	0.50074%	36,729	11,025	10,244	10	(94)	57,914			
Morro Bay	6.46135%	473,940	142,257	132,186	129	(1,210)	747,303			
Oceano	0.83707%	61,399	18,430	17,125	17	(157)	96,814			
Pismo Beach	1.38347%	101,478	30,459	28,303	28	(259)	160,009			
Shandon	0.11336%	8,315	2,496	2,319	2	(21)	13,110			
Guadalupe	1.42469%	104,501	31,367	29,146	28	(267)	164,776			
Buellton	2.52375%	185,117	55,565	51,631	50	(478)	291,885			
Santa Ynez (Solvang)	7.75040%	568,492	170,638	158,558	155	(1,088)	896,755			
Santa Ynez	2.91069%	213,499	64,084	59,547	58	(408)	336,779			
Goleta	24.42782%	1,791,780	537,818	499,744	489	(3,428)	2,826,403			
Morehart Land	1.12175%	82,280	24,697	22,949	22	(209)	129,739			
La Cumbre	5.37046%	393,924	118,240	109,869	107	(754)	621,386			
Raytheon	0.23482%	17,224	5,170	4,804	5	(44)	27,158			
Santa Barbara	15.01654%	1,101,463	330,614	307,208	300	(2,107)	1,737,478			
Montecito	17.65001%	1,294,628	388,594	361,084	353	(2,477)	2,042,182			
Carpinteria	10.09044%	740,134	222,157	206,430	202	(1,416)	1,167,507			
<b>TOTAL:</b>	<b>100.00000%</b>	<b>\$ 7,335,000</b>	<b>\$ 2,201,663</b>	<b>\$ 2,045,800</b>	<b>\$ 2,000</b>	<b>\$ (14,826)</b>	<b>\$ 11,569,637</b>			

(1) Represents interest on the financing participant debt service payments for FY 2011/12.

Central Coast Water Authority  
**CCWA Bond Debt**  
 Fiscal Year 2012/13 Budget

Central Coast Water Authority  
**Series 2006A Revenue Bond Debt Service Schedule**  
 Dated September 28, 2006

Debt Service Date	Interest Rate	Serial Maturity	Interest Due	Principal Outstanding	Fiscal Year Debt Service (Cash)
4/1/2007			2,927,860	123,190,000	2,927,860
10/1/2007	4.000%	5,895,000	2,879,863	117,295,000	
4/1/2008			2,761,963	117,295,000	11,536,825
10/1/2008	4.000%	6,190,000	2,761,963	111,105,000	
4/1/2009			2,638,163	111,105,000	11,590,125
10/1/2009	4.000%	6,430,000	2,638,163	104,675,000	
4/1/2010			2,509,563	104,675,000	11,577,725
10/1/2010	4.000%	6,695,000	2,509,563	97,980,000	
4/1/2011			2,375,663	97,980,000	11,580,225
10/1/2011	5.000%	6,960,000	2,375,663	91,020,000	
4/1/2012			2,201,663	91,020,000	11,537,325
<b>10/1/2012</b>	<b>4.00% - 4.50%</b>	<b>7,335,000</b>	<b>2,201,663</b>	<b>83,685,000</b>	
<b>4/1/2013</b>			<b>2,045,800</b>	<b>83,685,000</b>	<b>11,582,463 FY 2012/13</b>
10/1/2013	5.000%	7,625,000	2,045,800	76,060,000	
4/1/2014			1,855,175	76,060,000	11,525,975
10/1/2014	5.000%	8,010,000	1,855,175	68,050,000	
4/1/2015			1,654,925	68,050,000	11,520,100
10/1/2015	5.000%	8,405,000	1,654,925	59,645,000	
4/1/2016			1,444,800	59,645,000	11,504,725
10/1/2016	5.000%	8,825,000	1,444,800	50,820,000	
4/1/2017			1,224,175	50,820,000	11,493,975
10/1/2017	4.000%	9,265,000	1,224,175	41,555,000	
4/1/2018			1,038,875	41,555,000	11,528,050
10/1/2018	5.000%	9,640,000	1,038,875	31,915,000	
4/1/2019			797,875	31,915,000	11,476,750
10/1/2019	5.000%	10,125,000	797,875	21,790,000	
4/1/2020			544,750	21,790,000	11,467,625
10/1/2020	5.000%	10,630,000	544,750	11,160,000	
4/1/2021			279,000	11,160,000	11,453,750
10/1/2021	5.000%	11,160,000	279,000	-	11,439,000
			<b>\$ 123,190,000</b>	<b>\$ 52,552,498</b>	<b>\$ - \$ 175,742,498</b>







*A Dry Winter (SB Co. Rainfall 57% of normal at 4/4/2012)*

## *Reserves and Cash Management*

**T**he Reserves and Cash Management section of the FY 2012/13 Budget includes information regarding the Authority's O&M Reserve Fund, Rate Coverage Reserve Fund and cash management information.

# *Highlights*

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## FY 2012/13 Total Reserve Balances

**\$10,050,875**

- O&M Reserve Fund \$ 2,000,000
- Rate Coverage Reserve Fund \$ 8,050,875

Central Coast Water Authority  
**Reserves and Cash Management**  
Fiscal Year 2012/13 Budget

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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 2012/13 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
<b>TOTAL</b>	<b>39,078</b>	<b>100.00%</b>	<b>\$ 2,000,000</b>

Central Coast Water Authority  
**Reserves and Cash Management**  
Fiscal Year 2012/13 Budget

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**Rate Coverage Reserve Fund**

During its December 18, 1997 regular meeting, the Board of Directors also adopted the “Rate Coverage Reserve Fund” policy as follows:

- Purpose:** The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).
- Contributions:** Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor, which has elected to participate in the Rate Fund, shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor’s Contract Payments with respect to that year. A participating Contractor’s initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund’s creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty-days (60) of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor’s obligations until the subsequent July 1. For example to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund’s creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.
- Withdrawal:** A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority  
**Reserves and Cash Management**  
 Fiscal Year 2012/13 Budget

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**Administration:** Investments of deposits in the Rate Coverage Reserve Fund will be in Permitted Investments described in clause (A) of the definition thereof contained in the Indenture of Trust, dated as of November 1, 1996, with maturities of one year or less or in the Local Agency Investment Fund or in other investments approved in writing by AMBAC. Rate Fund investment earnings shall be credited to the Contractors account within the Fund except to the extent the Contractor directs the Authority to credit said earnings to the Contractor's payments obligations or as otherwise directed by the Contractor. Deposits and related earnings on deposits for each project participant will be accounted for on an individual project participant basis even if commingled for investment purposes. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the Rate Fund.

**Use of Funds:** Monies in the Rate Fund shall not be expended for any purpose, except upon approval of the Board of Directors (i) for emergency expenses, and (ii) to the extent necessary to supplement funds available from the O&M Reserve Fund provided that the Contractor submits written documentation to the Authority that it is in compliance with its WSA rate coverage obligations without considering the proposed expenditure from the fund.

The following table shows the Rate Coverage Reserve Fund balances, including interest income as of December 31, 2011. Participation in the fund for FY 2012/13 is not yet known. Prior to June 30, 2012, each project participant will be notified of the allowable deposit in the Rate Coverage Reserve Fund for FY 2012/13.

***FY 2011/12 Rate Coverage Reserve Fund***

Project Participant	FY 2011/12 Deposit
City of Buellton	\$ 258,427
Carpinteria Valley Water District	816,100
City of Guadalupe	167,787
La Cumbre Mutual Water Company	391,135
Montecito Water District	1,087,787
City of Santa Maria	4,290,188
Santa Ynez, RWCD, I.D. #1 (Solvang)	606,183
Santa Ynez, RWCD, I.D. #1	418,061
County of San Luis Obispo (Shandon)	15,206
<b>TOTAL:</b>	<b>\$ 8,050,875</b>

Central Coast Water Authority  
**Reserves and Cash Management**  
Fiscal Year 2012/13 Budget

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### Cash Management

The cash balances presented in “Total Budget Summary” page at the beginning of this document exclude cash balances invested in the CCWA Investment Pool (described below) with the exception of the CCWA O&M Reserve Fund. Additionally, the effects of other accounts receivables and payables have been added or subtracted from the cash balance presentation of the “Total Budget Summary” sheet to show the cash balances as if all receivables and payables had been received or paid.

### Reconciliation of Prior Year Budget and Actual Amounts

It is the Authority’s policy to refund unexpended operating assessments and investment income on the Authority’s general operating account after the close of each fiscal year. This reconciliation occurs in conjunction with the closeout of the fiscal year and the preparation of the annual financial statements.

Since all excess “revenues” are returned to the project participants any “deficits” are collected from the project participants, the general fund balance, defined as total cash minus reserves, is projected to be zero. However, since the Authority receives assessment income in advance of the anticipated payment date, the actual cash balance will be positive.

### CCWA Investment Pool

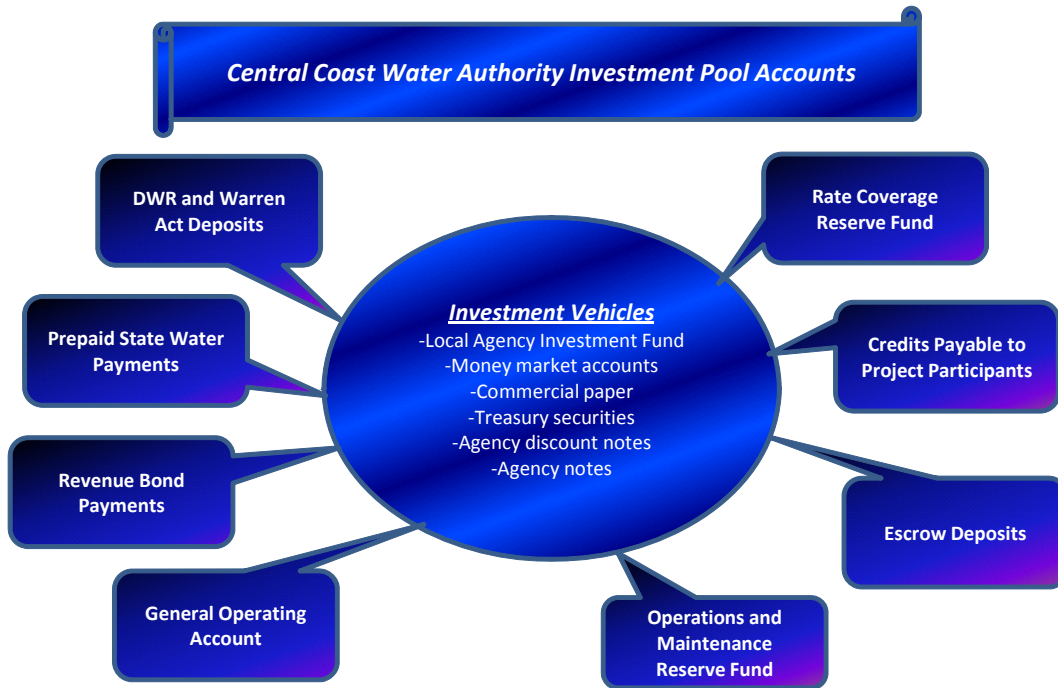
All cash and investments paid by the project participants to the Authority are invested in accordance with the Authority’s Investment Policy found in the Appendix to this document. All cash and investments other than those funds held by the Authority’s Revenue bond trustee are allocated and invested 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 2012/13 Budget

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Investment Pool Account Descriptions

- General Operating Account – general account for the investment of current year O&M budget funds and general unallocated funds [all operations and maintenance expenses and capital improvement projects listed in this budget].
- Operations and Maintenance Reserve Fund – a \$2 million operating reserve for emergency purposes [described in this section of the budget].
- Rate Coverage Reserve Fund – a fund in which certain project participants that are required to meet the coverage obligation in the Water Supply Agreement may elect to participant to aid them in meeting the coverage obligation [described in this section of the budget].
- Prepaid State Water Payments – Similar to the rate coverage reserve fund, certain project participants may elect to “prepay” a portion of the next year CCWA payments to decrease the coverage obligation in that year. In order to reduce the coverage obligation, the prepayment must be received and held by CCWA one full fiscal year in advance of when the prepayment will be applied against the payments.
- Revenue Bond Payments – funds paid by those project participants who participated in the CCWA revenue bonds. Deposits in this account



Central Coast Water Authority  
**Reserves and Cash Management**  
Fiscal Year 2012/13 Budget

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represent annual debt service payments on the outstanding revenue bonds [refer to the “CCWA Bond Debt” section of this budget].

- DWR and Warren Act Deposits – funds paid by the CCWA project participants for both fixed and variable DWR payments and payments to the US Bureau of Reclamation for Warren Act charges for delivery of State Water into Lake Cachuma [refer to the “DWR” section of this budget].
- Escrow Deposits – deposits received from certain “non-public agency” project participants as required under their individual water supply agreements. The deposits are approximately equal to one year’s State water payment.
- Credits payable to Project Participants– credits from many sources but primarily for O&M credits and interest income credits for under-expended O&M costs from the prior fiscal year.





*Water Treatment Plant Facilities*

## ***Four Year Financial Plan***

**T**he Four Year Financial Plan contains pro-forma projections for each Santa Barbara and San Luis Obispo County project participant through FY 2014/15. Additionally, this section includes each project participants' requested water deliveries for five years on a fiscal year and calendar year basis.



Central Coast Water Authority  
**Four Year Financial Plan**  
 Fiscal Year 2012/13 Budget

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The Four Year Financial Plan shows the allocated share of the Authority’s costs to each project participant for four consecutive fiscal years beginning with the current budget year.

The Four Year Financial Plan is prepared to provide each project participant an estimate of future costs for the Authority. Specifically, these projections are used by the Authority’s project participants to assist in establishing water rates for their local agencies and ensuring their water system revenues are sufficient to meet the coverage covenant contained in the Water Supply Agreements (*please refer to the “Budget Foreword” section of this document for additional information regarding the Water Supply Agreements and the coverage covenant*).

The Four Year Financial Plan consists of two pages for each project participant. The first page shows the requested water deliveries on a multi-year basis. The next two sections show allocation of the Authority’s fixed and variable charges, including modifications for the Regional Water Treatment Plant Allocation and Santa Ynez Exchange Agreement, if applicable (*see the Water Treatment Plant section to this document for additional information on the Regional Water Treatment Plant and Santa Ynez Exchange Agreements*). The last section shows the allocation of the DWR fixed and variable costs and a summary of projected total costs, by cost type, on a multi-year basis.

The second page of the Four Year Financial Plan shows an estimate of the payments due, by invoice date, for the cost projections shown on the first page of the Four Year Financial Plan.

Basis of Future Cost Estimates

The following is a list of the assumptions used in preparing the future cost estimates in the Four-Year Financial Plan.

	<i>Calendar Years</i>			
	2013	2014	2015	2016
CCWA Fixed & Variable O&M Inflation Factor	3%	3%	3%	3%
Delta Water Charge cost per acre-foot	\$ 49	\$ 56	\$ 64	\$ 74
Transportation Minimum Costs (millions)	\$ 6.34	\$ 6.30	\$ 6.60	\$ 6.90
Off-Aqueduct Charges (millions)	\$ 0.80	\$ 0.20	\$ 0.20	\$ 0.10
Variable OMP&R cost per acre-foot	\$ 130	\$ 135	\$ 140	\$ 145
Rate Management Credits (millions)	\$ 1.80	\$ 1.80	\$ 1.80	\$ 1.80

Central Coast Water Authority  
**Water Request Projections**  
 Four Year Financial Plan

Project Participant	Fiscal Year Water Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				Calendar Year Deliveries (acre feet) <i>Excluding Exchange Deliveries</i>				
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	2012	2013	2014	2015	2016
Shandon	-	-	-	-	-	-	-	-	-
Chorro Valley	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338
Lopez	1,696	1,688	1,689	1,702	1,697	1,696	1,676	1,701	1,705
Guadalupe	531	605	605	605	605	605	605	605	605
Santa Maria	15,350	17,770	17,770	17,770	13,700	17,770	17,770	17,770	17,770
Golden State Water Co.	515	550	550	550	610	550	550	550	550
VAFB	5,880	6,050	6,050	6,050	5,600	6,050	6,050	6,050	6,050
Buellton	643	636	636	636	636	636	636	636	636
Santa Ynez (Solvang)	1,351	1,500	1,500	1,500	1,144	1,500	1,500	1,500	1,500
Santa Ynez	700	700	700	700	700	700	700	700	700
Goleta	925	925	925	925	936	925	925	925	925
Morehart Land	200	220	220	220	160	220	220	220	220
La Cumbre	744	820	820	820	600	820	820	820	820
Raytheon	55	55	55	55	55	55	55	55	55
Santa Barbara	615	615	615	615	623	615	615	615	615
Montecito	615	615	615	615	623	615	615	615	615
Carpinteria	413	413	413	413	417	413	413	413	413
<b>TOTAL:</b>	<b>32,573</b>	<b>35,500</b>	<b>35,501</b>	<b>35,514</b>	<b>30,444</b>	<b>35,508</b>	<b>35,488</b>	<b>35,513</b>	<b>35,517</b>

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 2012/13	32,574	-	32,574
FY 2013/14	35,500	-	35,500
FY 2014/15	35,501	-	35,501
FY 2015/16	35,514	-	35,514

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 6,020,187	\$ 1,520,243	\$ (1,520,243)	\$ -	\$ 150	\$ 122	\$ 272	\$ 11,009,640	\$ 17,030,099
FY 2013/14	6,200,792	1,506,336	(1,506,336)	-	-	-	-	11,525,975	17,726,767
FY 2014/15	6,386,816	1,526,448	(1,526,448)	-	-	-	-	11,520,100	17,906,916
FY 2015/16	6,578,421	1,547,164	(1,547,164)	-	-	-	-	11,504,725	18,083,146

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits

**CCWA Variable O&M Charges**

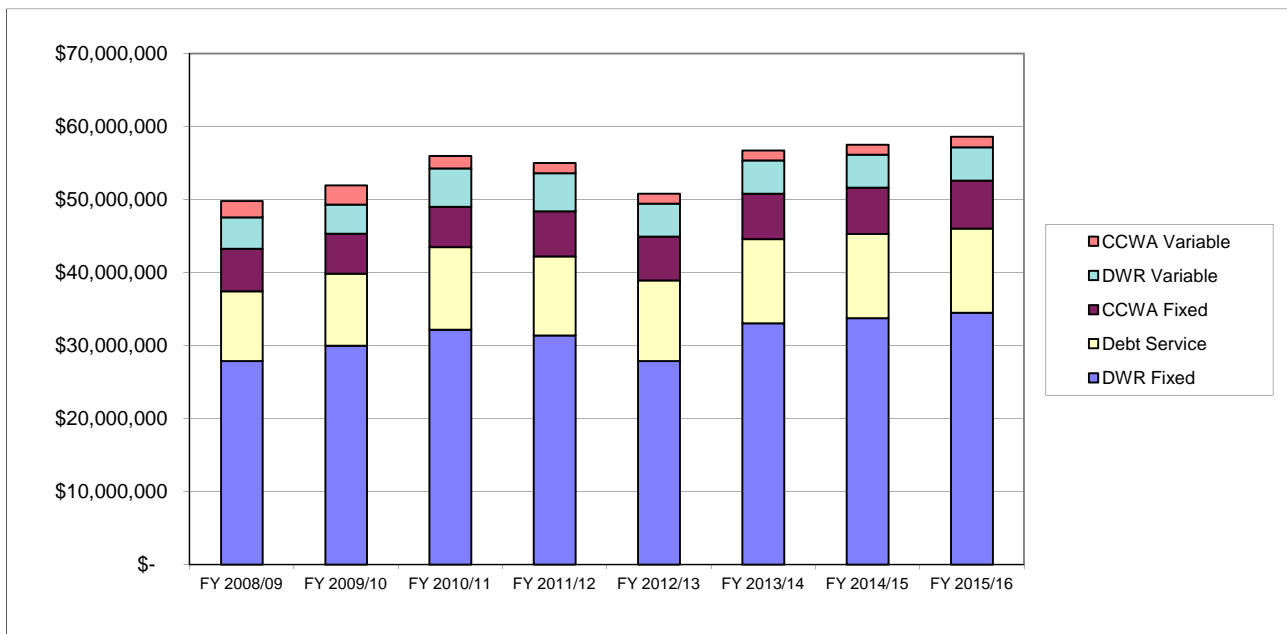
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 1,281,890	\$ 207,002	\$ 36,789	\$ (36,789)	\$ 0	\$ (0)	\$ (149,060)	\$ -	\$ 1,339,832
FY 2013/14	1,314,052	212,454	37,595	(37,595)	-	-	(149,176)	-	1,377,330
FY 2014/15	1,321,498	212,454	38,723	(38,723)	-	-	(149,060)	-	1,384,892
FY 2015/16	1,361,631	212,454	39,884	(39,884)	-	-	(149,060)	-	1,425,025

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2012/13	\$ 27,884,475	\$ 4,531,494	\$ 32,415,968	\$ 6,020,459	\$ 1,339,832	\$ 11,009,640	\$ 27,884,475	\$ 4,531,494	\$ 50,785,628
FY 2013/14	33,060,968	4,551,505	37,612,473	6,200,792	1,377,330	11,525,975	33,060,968	4,551,505	56,716,571
FY 2014/15	33,739,581	4,475,000	38,214,582	6,386,816	1,384,892	11,520,100	33,739,581	4,475,000	57,506,390
FY 2015/16	34,501,722	4,583,248	39,084,970	6,578,421	1,425,025	11,504,725	34,501,722	4,583,248	58,593,140

(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 2012/13	28,537	-	28,537
FY 2013/14	31,474	-	31,474
FY 2014/15	31,474	-	31,474
FY 2015/16	31,474	-	31,474

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 5,486,641	\$ 1,520,243	\$ (1,520,243)	\$ -	\$ 150	\$ 122	\$ 272	\$ 9,887,218	\$ 15,374,130
FY 2013/14	5,819,669	1,506,336	(1,506,336)	-	-	-	-	10,202,951	16,022,620
FY 2014/15	5,994,259	1,526,448	(1,526,448)	-	-	-	-	10,197,750	16,192,009
FY 2015/16	6,174,086	1,547,164	(1,547,164)	-	-	-	-	10,184,140	16,358,227

- (1) Includes capital improvement projects.  
 (2) Net of CCWA credits.

**CCWA Variable O&M Charges**

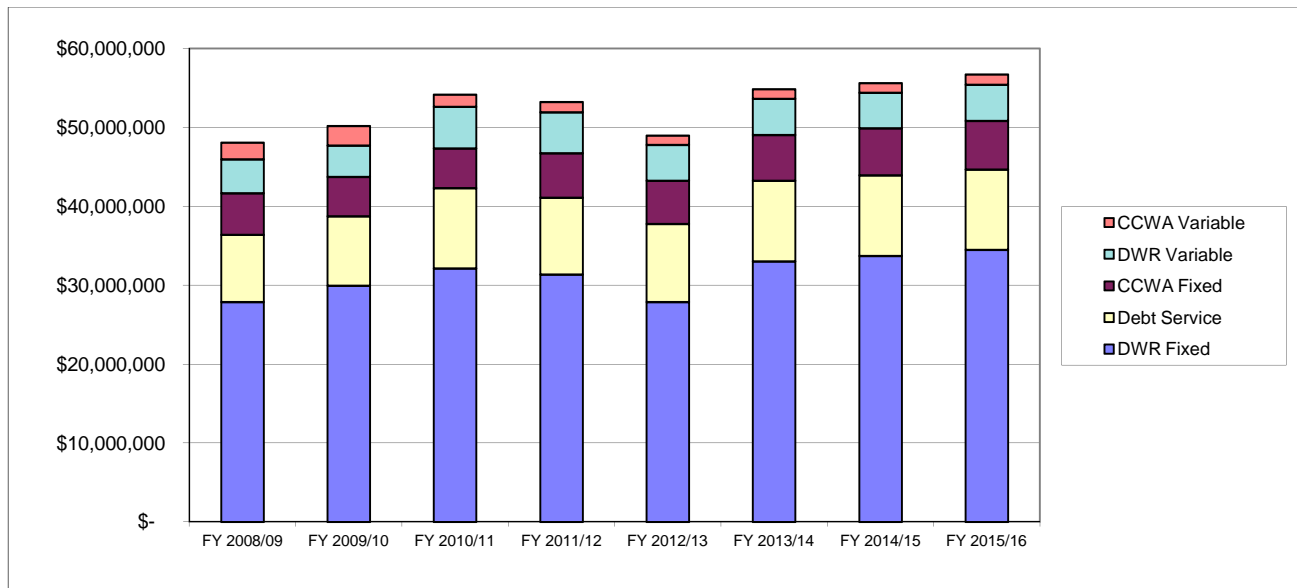
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 1,133,337	\$ 207,002	\$ 36,789	\$ (36,789)	\$ 0	\$ (0)	\$ (149,060)	\$ -	\$ 1,191,278
FY 2013/14	1,175,584	212,454	37,595	(37,595)	-	-	(149,176)	-	1,238,862
FY 2014/15	1,178,831	212,454	38,723	(38,723)	-	-	(149,060)	-	1,242,225
FY 2015/16	1,214,196	212,454	39,884	(39,884)	-	-	(149,060)	-	1,277,590

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13	\$ 27,884,475	\$ 4,531,494	\$ 32,415,968	\$ 5,486,913	\$ 1,191,278	\$ 9,887,218	\$ 27,884,475	\$ 4,531,494
FY 2013/14	33,060,968	4,551,505	37,612,473	5,819,669	1,238,862	10,202,951	33,060,968	4,551,505	54,873,954
FY 2014/15	33,739,581	4,475,000	38,214,582	5,994,259	1,242,225	10,197,750	33,739,581	4,475,000	55,648,816
FY 2015/16	34,501,722	4,583,248	39,084,970	6,174,086	1,277,590	10,184,140	34,501,722	4,583,248	56,720,787

- (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 2012/13	-	-	-
FY 2013/14	-	-	-
FY 2014/15	-	-	-
FY 2015/16	-	-	-

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 7,258							\$ 12,289	\$ 19,548
FY 2013/14	7,476							13,065	20,541
FY 2014/15	7,700							13,059	20,759
FY 2015/16	7,931							13,041	20,972

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

**CCWA Variable O&M Charges**

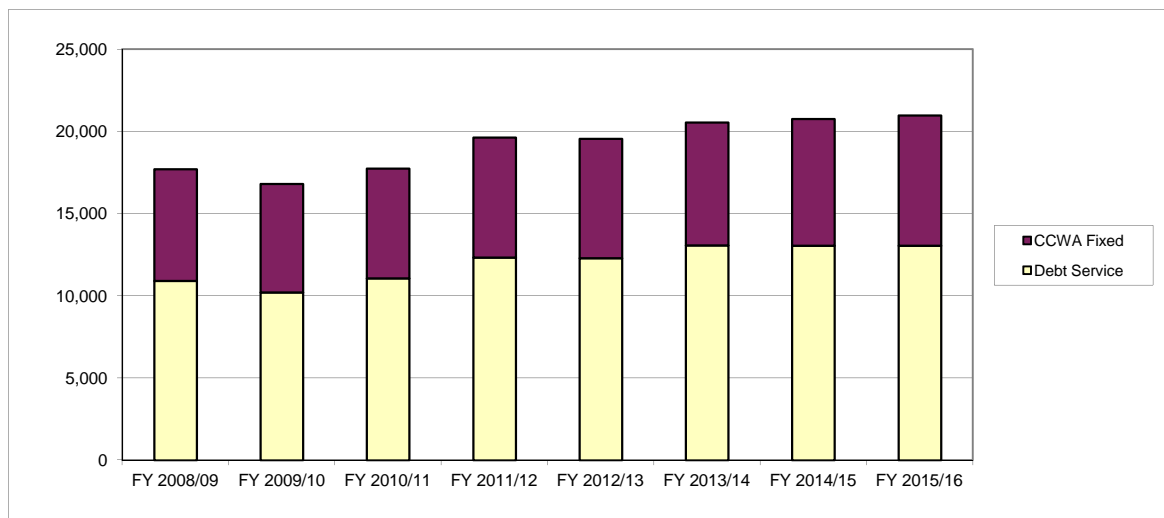
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$0								\$ -
FY 2013/14	-								-
FY 2014/15	-								-
FY 2015/16	-								-

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(2)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13			\$ -	\$ 7,258	\$ -	\$ 12,289	\$ -	\$ -
FY 2013/14			-	7,476	-	13,065	-	-	20,541
FY 2014/15			-	7,700	-	13,059	-	-	20,759
FY 2015/16			-	7,931	-	13,041	-	-	20,972

(2) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**Shandon**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ -	0
June 1, 2012	\$ 19,548	n/a
July 1, 2012	\$ -	0
October 1, 2012	\$ -	0
January 1, 2013	\$ -	0
April 1, 2013	\$ -	0
June 1, 2013	\$ 20,541	n/a
July 1, 2013	\$ -	0
October 1, 2013	\$ -	0
January 1, 2014	\$ -	0
April 1, 2014	\$ -	0
June 1, 2014	\$ 20,759	n/a
July 1, 2014	\$ -	0
October 1, 2014	\$ -	0
January 1, 2015	\$ -	0
April 1, 2015	\$ -	0
June 1, 2015	\$ 20,972	n/a
July 1, 2015	\$ -	0
October 1, 2015	\$ -	0
January 1, 2016	\$ -	0

Central Coast Water Authority  
**Chorro Valley Turnout**  
 Four Year Financial Plan Charges

<b>Table A Including Drought Buffer</b>				<b>2,338</b>
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2012/13	2,338	-	2,338	
FY 2013/14	2,338	-	2,338	
FY 2014/15	2,338	-	2,338	
FY 2015/16	2,338	-	2,338	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 173,597							\$ 1,018,393	\$ 1,191,989
FY 2013/14	178,805							1,040,823	1,219,628
FY 2014/15	184,169							1,040,293	1,224,462
FY 2015/16	189,694							1,038,904	1,228,598

(1) Includes capital improvement projects.  
 (2) Net of CCWA credits.

**CCWA Variable O&M Charges**

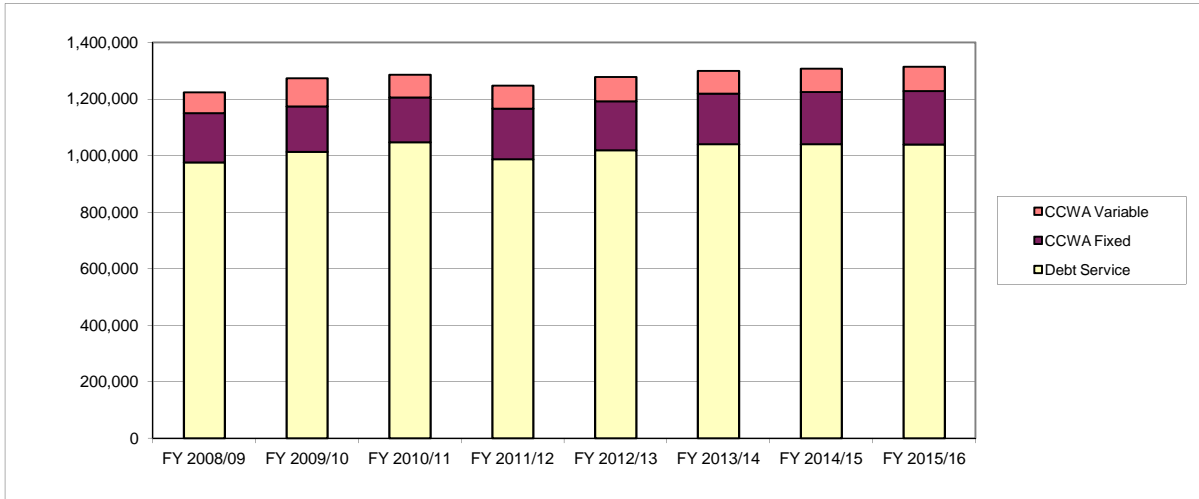
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 86,088								\$ 86,088
FY 2013/14	80,414								80,414
FY 2014/15	82,826								82,826
FY 2015/16	85,311								85,311

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(2)</sup>	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2012/13			\$ -	\$ 173,597	\$ 86,088	\$ 1,018,393	\$ -	\$ -	\$ 1,278,078
FY 2013/14			-	178,805	80,414	1,040,823	-	-	1,300,042
FY 2014/15			-	184,169	82,826	1,040,293	-	-	1,307,288
FY 2015/16			-	189,694	85,311	1,038,904	-	-	1,313,909

(2) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**Chorro Valley**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ 26,852	729
June 1, 2012	\$ 1,191,989	n/a
July 1, 2012	\$ 19,667	534
October 1, 2012	\$ 15,543	422
January 1, 2013	\$ 24,026	652
April 1, 2013	\$ 25,082	729
June 1, 2013	\$ 1,219,628	n/a
July 1, 2013	\$ 18,371	534
October 1, 2013	\$ 14,519	422
January 1, 2014	\$ 22,442	652
April 1, 2014	\$ 25,835	729
June 1, 2014	\$ 1,224,462	n/a
July 1, 2014	\$ 18,922	534
October 1, 2014	\$ 14,954	422
January 1, 2015	\$ 23,115	652
April 1, 2015	\$ 26,610	729
June 1, 2015	\$ 1,228,598	n/a
July 1, 2015	\$ 19,490	534
October 1, 2015	\$ 15,403	422
January 1, 2016	\$ 23,809	652

Central Coast Water Authority  
**Lopez Turnout**  
 Four Year Financial Plan Charges

<b>Table A Including Drought Buffer</b>				<b>2,392</b>
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2012/13	1,696	-	1,696	
FY 2013/14	1,688	-	1,688	
FY 2014/15	1,689	-	1,689	
FY 2015/16	1,702	-	1,702	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 189,168							\$ 255,263	\$ 444,432
FY 2013/14	194,843							269,135	463,979
FY 2014/15	200,689							268,998	469,687
FY 2015/16	206,709							268,639	475,348

- (1) Includes capital improvement projects.  
 (2) Net of CCWA credits.

**CCWA Variable O&M Charges**

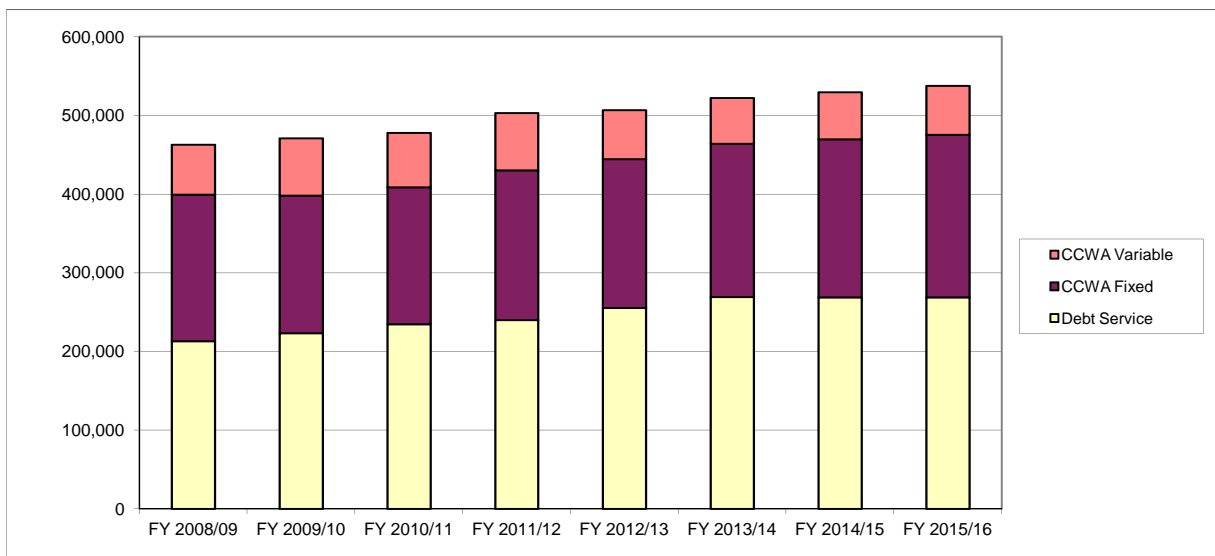
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 62,465								\$ 62,465
FY 2013/14	58,055								58,055
FY 2014/15	59,840								59,840
FY 2015/16	62,124								62,124

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(2)</sup>	DWR Variable Costs	Total DWR Costs	CCWA		Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
				Fixed	Variable O&M				
FY 2012/13			-	\$ 189,168	\$ 62,465	\$ 255,263	\$ -	\$ -	\$ 506,897
FY 2013/14			-	194,843	58,055	269,135	-	-	522,034
FY 2014/15			-	200,689	59,840	268,998	-	-	529,527
FY 2015/16			-	206,709	62,124	268,639	-	-	537,472

- (2) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**Lopez**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ 19,646	534
June 1, 2012	\$ 444,432	n/a
July 1, 2012	\$ 12,234	332
October 1, 2012	\$ 12,034	327
January 1, 2013	\$ 18,552	504
April 1, 2013	\$ 18,352	534
June 1, 2013	\$ 463,979	n/a
July 1, 2013	\$ 11,430	332
October 1, 2013	\$ 10,895	317
January 1, 2014	\$ 17,378	505
April 1, 2014	\$ 18,785	530
June 1, 2014	\$ 469,687	n/a
July 1, 2014	\$ 11,487	324
October 1, 2014	\$ 11,649	329
January 1, 2015	\$ 17,919	506
April 1, 2015	\$ 19,506	535
June 1, 2015	\$ 475,348	n/a
July 1, 2015	\$ 12,126	332
October 1, 2015	\$ 11,998	329
January 1, 2016	\$ 18,493	507

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 2012/13	531	-	531	
FY 2013/14	605	-	605	
FY 2014/15	605	-	605	
FY 2015/16	605	-	605	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 64,012	\$ 21,395	\$ -	\$ 21,395	\$ -	\$ -	\$ -	\$ 134,234	\$ 219,641
FY 2013/14	65,932	21,201	-	21,201	-	-	-	164,210	251,343
FY 2014/15	67,910	21,484	-	21,484	-	-	-	164,126	253,520
FY 2015/16	69,947	21,775	-	21,775	-	-	-	163,907	255,630

(1) Includes capital improvement projects.  
 (2) Net of CCWA credits.

**CCWA Variable O&M Charges**

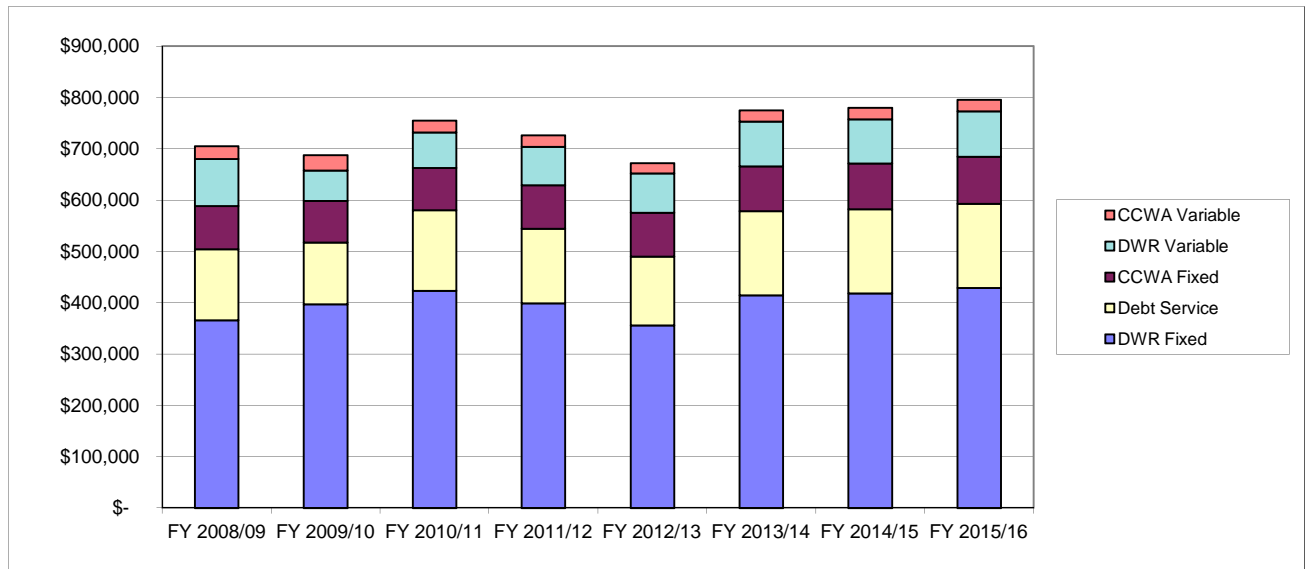
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 19,553	\$ -	\$ 685	\$ -	\$ 685	\$ -	\$ -	\$ -	\$ 20,238
FY 2013/14	20,810	-	723	-	723	-	-	-	21,532
FY 2014/15	21,434	-	744	-	744	-	-	-	22,178
FY 2015/16	22,077	-	767	-	767	-	-	-	22,844

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13	\$ 355,898	\$ 76,608	\$ 432,506	\$ 85,407	\$ 20,238	\$ 134,234	\$ 355,898	\$ 76,608
FY 2013/14	414,552	87,512	502,064	87,133	21,532	164,210	414,552	87,512	774,939
FY 2014/15	418,317	86,011	504,329	89,394	22,178	164,126	418,317	86,011	780,027
FY 2015/16	429,357	88,086	517,442	91,723	22,844	163,907	429,357	88,086	795,916

(3) Net of DWR account interest income.





Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**City of Guadalupe**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ 27,504	147
June 1, 2012	\$ 575,539	n/a
July 1, 2012	\$ 21,937	105
October 1, 2012	\$ 25,486	150
January 1, 2013	\$ 21,918	129
April 1, 2013	\$ 31,353	171
June 1, 2013	\$ 665,895	n/a
July 1, 2013	\$ 28,419	155
October 1, 2013	\$ 26,490	150
January 1, 2014	\$ 22,782	129
April 1, 2014	\$ 30,382	171
June 1, 2014	\$ 671,837	n/a
July 1, 2014	\$ 27,539	155
October 1, 2014	\$ 27,026	150
January 1, 2015	\$ 23,243	129
April 1, 2015	\$ 30,998	171
June 1, 2015	\$ 684,986	n/a
July 1, 2015	\$ 28,098	155
October 1, 2015	\$ 27,867	150
January 1, 2016	\$ 23,966	129

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 2012/13	15,350	-	15,350	
FY 2013/14	17,770	-	17,770	
FY 2014/15	17,770	-	17,770	
FY 2015/16	17,770	-	17,770	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			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 2012/13	\$ 1,858,518	\$ 630,193	-	\$ 630,193	-	-	-	\$ (16,028)	\$ 2,472,682
FY 2013/14	1,914,273	624,460	-	624,460	-	-	-	-	2,538,733
FY 2014/15	1,971,701	632,798	-	632,798	-	-	-	-	2,604,499
FY 2015/16	2,030,852	641,385	-	641,385	-	-	-	-	2,672,238

(1) Includes capital improvement projects.

**CCWA Variable O&M Charges**

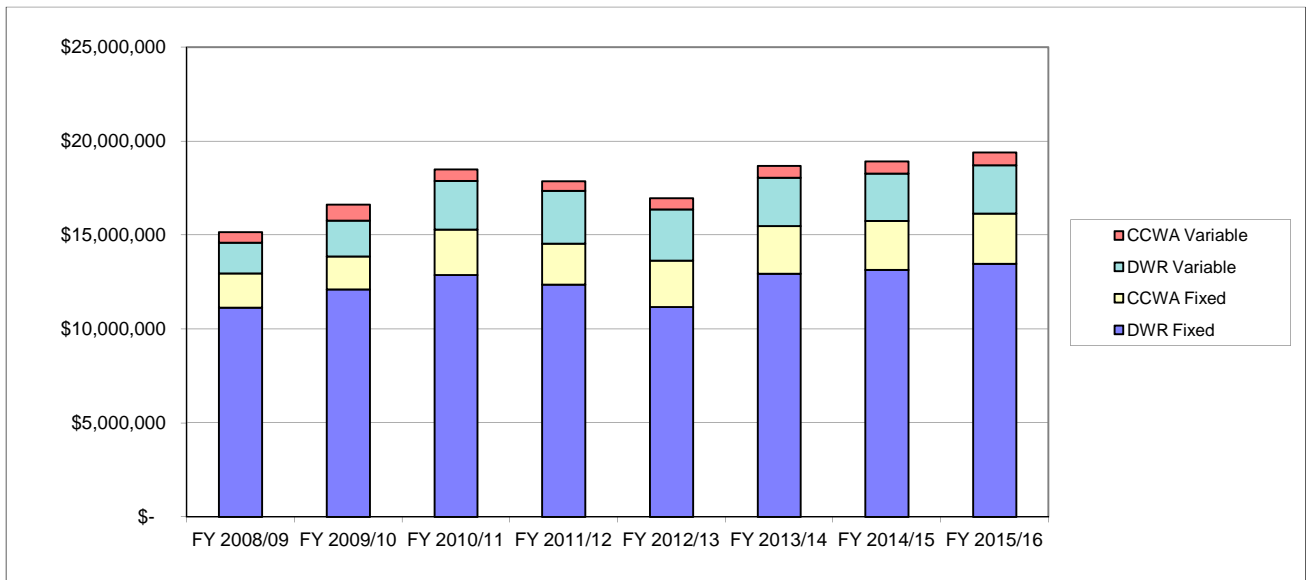
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 565,237	-	\$ 19,787	-	\$ 19,787	-	-	-	\$ 585,024
FY 2013/14	611,216	-	21,226	-	21,226	-	-	-	632,442
FY 2014/15	629,552	-	21,863	-	21,863	-	-	-	651,415
FY 2015/16	648,439	-	22,518	-	22,518	-	-	-	670,957

**DWR Charges**

**Total State Water Charges**

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>					
	DWR Fixed Costs <sup>(2)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2012/13	\$ 11,169,207	\$ 2,728,547	\$ 13,897,754	\$ 2,488,710	\$ 585,024	\$ (16,028)	\$ 11,169,207	\$ 2,728,547	\$ 16,955,461
FY 2013/14	12,941,463	2,570,014	15,511,477	2,538,733	632,442	0	12,941,463	2,570,014	18,682,652
FY 2014/15	13,141,575	2,526,455	15,668,030	2,604,499	651,415	0	13,141,575	2,526,455	18,923,943
FY 2015/16	13,460,800	2,587,492	16,048,292	2,672,238	670,957	0	13,460,800	2,587,492	19,391,487

(2) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**City of Santa Maria**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ 1,155,020	4,200
June 1, 2012	\$ 13,641,889	n/a
July 1, 2012	\$ 645,144	2,900
October 1, 2012	\$ 687,913	3,750
January 1, 2013	\$ 825,495	4,500
April 1, 2013	\$ 944,250	5,150
June 1, 2013	\$ 15,480,196	n/a
July 1, 2013	\$ 801,237	4,370
October 1, 2013	\$ 662,259	3,750
January 1, 2014	\$ 794,710	4,500
April 1, 2014	\$ 915,001	5,150
June 1, 2014	\$ 15,746,073	n/a
July 1, 2014	\$ 776,418	4,370
October 1, 2014	\$ 675,660	3,750
January 1, 2015	\$ 810,792	4,500
April 1, 2015	\$ 933,570	5,150
June 1, 2015	\$ 16,133,038	n/a
July 1, 2015	\$ 792,175	4,370
October 1, 2015	\$ 696,684	3,750
January 1, 2016	\$ 836,021	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 2012/13	515	-	515	
FY 2013/14	550	-	550	
FY 2014/15	550	-	550	
FY 2015/16	550	-	550	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 61,374	\$ 19,450	\$ -	\$ 19,450	\$ -	\$ -	\$ -	\$ (12,328)	\$ 68,496
FY 2013/14	63,215	19,273	-	19,273	-	-	-	-	82,488
FY 2014/15	65,111	19,531	-	19,531	-	-	-	-	84,642
FY 2015/16	67,065	19,796	-	19,796	-	-	-	-	86,860

(1) Includes capital improvement projects.

**CCWA Variable O&M Charges**

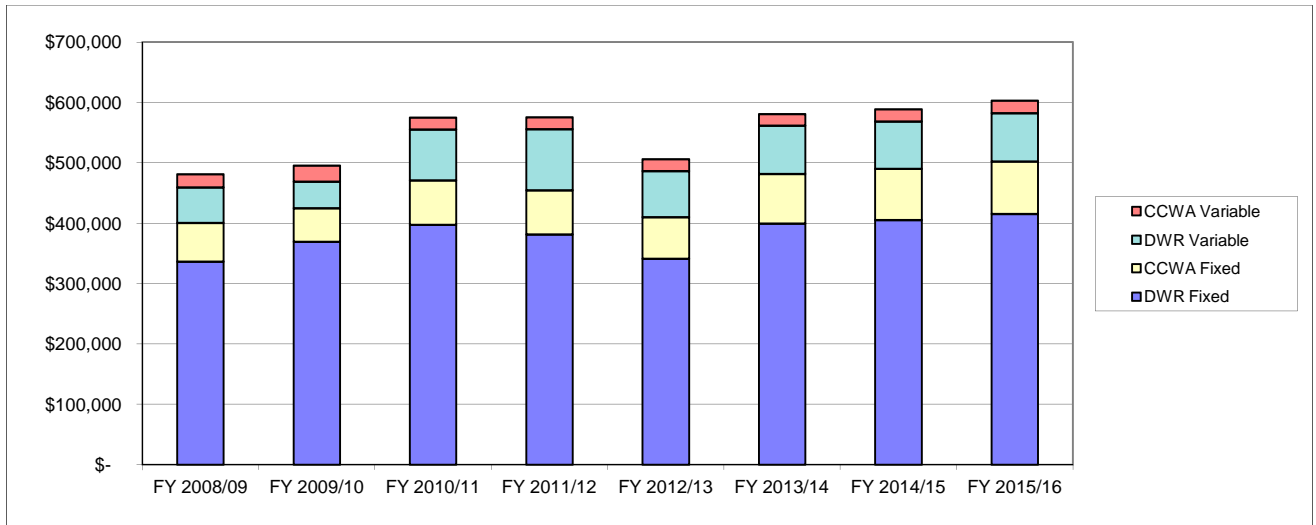
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 18,964	\$ -	\$ 664	\$ -	\$ 664	\$ -	\$ -	\$ -	\$ 19,628
FY 2013/14	18,918	-	657	-	657	-	-	-	19,575
FY 2014/15	19,485	-	677	-	677	-	-	-	20,162
FY 2015/16	20,070	-	697	-	697	-	-	-	20,767

**DWR Charges**

**Total State Water Charges**

Fiscal Year	<u>DWR Charges</u>		Total DWR Costs	<u>Total State Water Charges</u>					
	DWR Fixed Costs <sup>(2)</sup>	DWR Variable Costs		CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2012/13	\$ 341,464	\$ 76,356	\$ 417,820	\$ 80,824	\$ 19,628	\$ (12,328)	\$ 341,464	\$ 76,356	\$ 505,944
FY 2013/14	399,428	79,560	478,988	82,488	19,575	0	399,428	79,560	581,051
FY 2014/15	405,604	78,191	483,795	84,642	20,162	0	405,604	78,191	588,599
FY 2015/16	415,457	80,075	495,532	86,860	20,767	0	415,457	80,075	603,159

(2) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**Golden State Water Company**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ 27,470	158
June 1, 2012	\$ 409,959	n/a
July 1, 2012	\$ 22,835	104
October 1, 2012	\$ 21,666	120
January 1, 2013	\$ 24,013	133
April 1, 2013	\$ 28,786	157
June 1, 2013	\$ 481,916	n/a
July 1, 2013	\$ 25,669	140
October 1, 2013	\$ 21,192	120
January 1, 2014	\$ 23,488	133
April 1, 2014	\$ 27,894	157
June 1, 2014	\$ 490,246	n/a
July 1, 2014	\$ 24,874	140
October 1, 2014	\$ 21,621	120
January 1, 2015	\$ 23,963	133
April 1, 2015	\$ 28,460	157
June 1, 2015	\$ 502,317	n/a
July 1, 2015	\$ 25,379	140
October 1, 2015	\$ 22,294	120
January 1, 2016	\$ 24,709	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 2012/13	5,880	-	5,880	
FY 2013/14	6,050	-	6,050	
FY 2014/15	6,050	-	6,050	
FY 2015/16	6,050	-	6,050	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			CCWA Credits	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 744,234	\$ 213,954	-	\$ 213,954	-	-	-	\$ (246,044)	\$ 712,144
FY 2013/14	766,561	212,008	-	212,008	-	-	-	-	978,569
FY 2014/15	789,558	214,839	-	214,839	-	-	-	-	1,004,396
FY 2015/16	813,244	217,754	-	217,754	-	-	-	-	1,030,999

(1) Includes capital improvement projects.

**CCWA Variable O&M Charges**

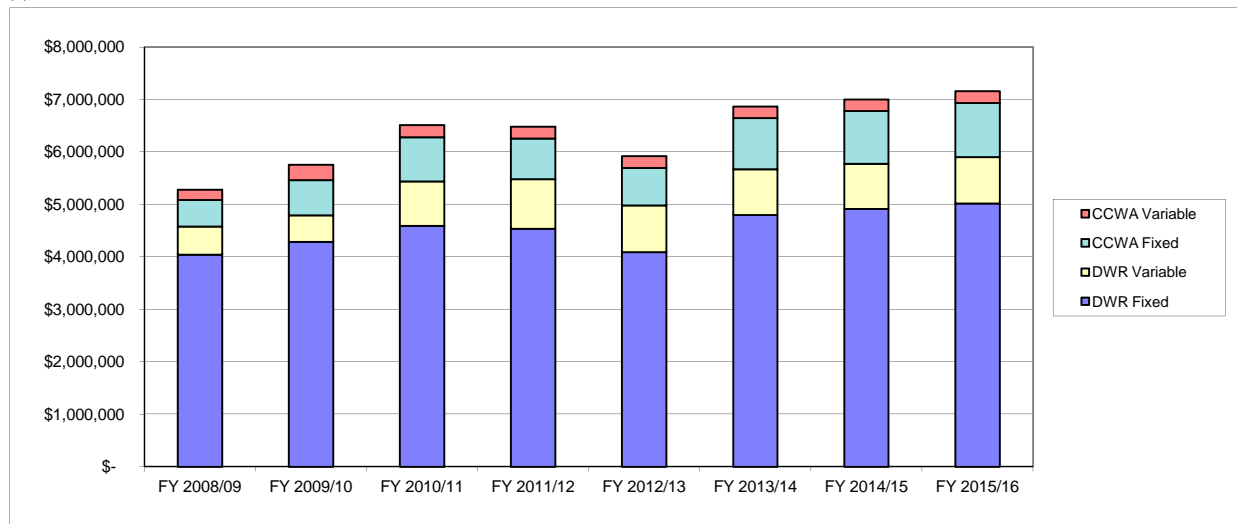
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 216,521	-	\$ 7,580	-	\$ 7,580	-	-	-	\$ 224,100
FY 2013/14	208,095	-	7,227	-	7,227	-	-	-	215,322
FY 2014/15	214,338	-	7,443	-	7,443	-	-	-	221,782
FY 2015/16	220,768	-	7,667	-	7,667	-	-	-	228,435

**DWR Charges**

**Total State Water Charges**

Fiscal Year	<u>DWR Charges</u>		<u>Total State Water Charges</u>						
	DWR Fixed Costs <sup>(2)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	CCWA Credits	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2012/13	\$ 4,093,028	\$ 893,318	\$ 4,986,347	\$ 958,188	\$ 224,100	\$ (246,044)	\$ 4,093,028	\$ 893,318	\$ 5,922,592
FY 2013/14	4,800,674	874,409	5,675,083	978,569	215,322	0	4,800,674	874,409	6,868,974
FY 2014/15	4,918,276	860,377	5,778,653	1,004,396	221,782	0	4,918,276	860,377	7,004,831
FY 2015/16	5,023,351	881,330	5,904,681	1,030,999	228,435	0	5,023,351	881,330	7,164,115

(2) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**Vandenberg Air Force Base**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ 273,342	1,530
June 1, 2012	\$ 4,805,173	n/a
July 1, 2012	\$ 320,113	1,455
October 1, 2012	\$ 262,434	1,450
January 1, 2013	\$ 261,529	1,445
April 1, 2013	\$ 303,443	1,655
June 1, 2013	\$ 5,779,243	n/a
July 1, 2013	\$ 275,024	1,500
October 1, 2013	\$ 256,073	1,450
January 1, 2014	\$ 255,190	1,445
April 1, 2014	\$ 294,044	1,655
June 1, 2014	\$ 5,922,673	n/a
July 1, 2014	\$ 266,505	1,500
October 1, 2014	\$ 261,255	1,450
January 1, 2015	\$ 260,354	1,445
April 1, 2015	\$ 300,011	1,655
June 1, 2015	\$ 6,054,350	n/a
July 1, 2015	\$ 271,914	1,500
October 1, 2015	\$ 269,384	1,450
January 1, 2016	\$ 268,456	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 2012/13	643	-	643	
FY 2013/14	636	-	636	
FY 2014/15	636	-	636	
FY 2015/16	636	-	636	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 89,832	\$ 22,485	\$ -	\$ 22,485	\$ -	\$ -	\$ -	\$ 270,298	\$ 382,615
FY 2013/14	92,527	22,280	-	22,280	-	-	-	290,887	405,695
FY 2014/15	95,303	22,578	-	22,578	-	-	-	290,739	408,620
FY 2015/16	98,162	22,884	-	22,884	-	-	-	290,351	411,397

(1) Includes capital improvement projects.  
 (2) Net of CCWA credits.

**CCWA Variable O&M Charges**

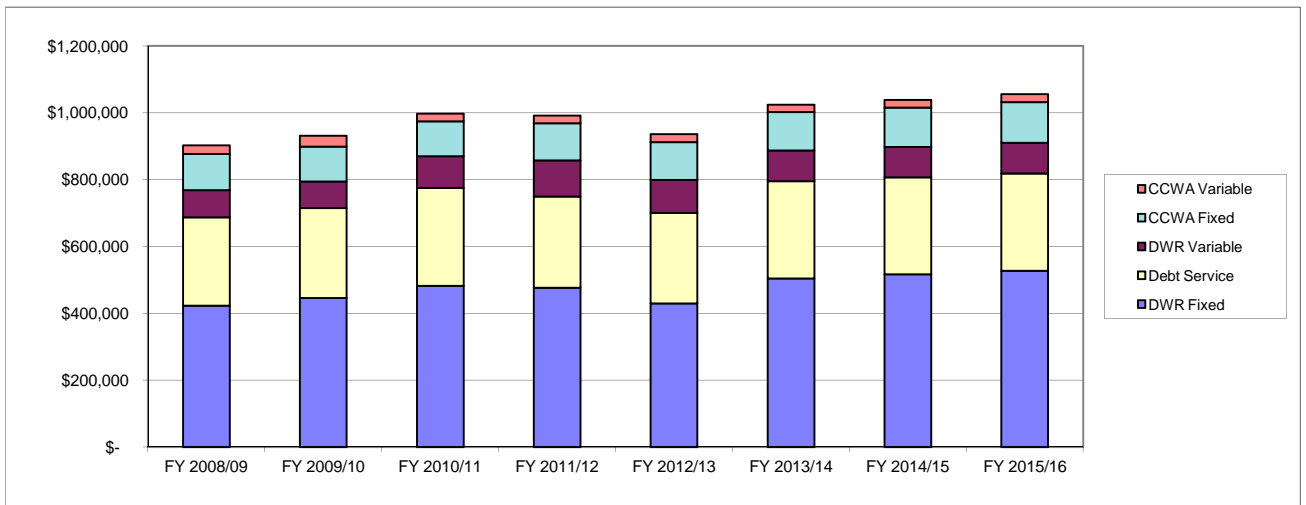
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 23,677	\$ -	\$ 829	\$ -	\$ 829	\$ -	\$ -	\$ -	\$ 24,506
FY 2013/14	21,876	-	760	-	760	-	-	-	22,636
FY 2014/15	22,532	-	782	-	782	-	-	-	23,315
FY 2015/16	23,208	-	806	-	806	-	-	-	24,014

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13	\$ 430,381	\$ 99,048	\$ 529,429	\$ 112,317	\$ 24,506	\$ 270,298	\$ 430,381	\$ 99,048
FY 2013/14	504,517	91,883	596,400	114,808	22,636	290,887	504,517	91,883	1,024,730
FY 2014/15	516,876	90,460	607,337	117,881	23,315	290,739	516,876	90,460	1,039,271
FY 2015/16	527,919	92,674	620,593	121,046	24,014	290,351	527,919	92,674	1,056,004

(3) Net of DWR account interest income.





Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**City of Buellton**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ 42,642	204
June 1, 2012	\$ 812,996	n/a
July 1, 2012	\$ 27,330	129
October 1, 2012	\$ 25,927	150
January 1, 2013	\$ 27,655	160
April 1, 2013	\$ 33,370	182
June 1, 2013	\$ 910,212	n/a
July 1, 2013	\$ 26,402	144
October 1, 2013	\$ 26,490	150
January 1, 2014	\$ 28,256	160
April 1, 2014	\$ 32,336	182
June 1, 2014	\$ 925,496	n/a
July 1, 2014	\$ 25,584	144
October 1, 2014	\$ 27,026	150
January 1, 2015	\$ 28,828	160
April 1, 2015	\$ 32,992	182
June 1, 2015	\$ 939,316	n/a
July 1, 2015	\$ 26,104	144
October 1, 2015	\$ 27,867	150
January 1, 2016	\$ 29,725	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 2012/13	1,351	-	1,351
FY 2013/14	1,500	-	1,500
FY 2014/15	1,500	-	1,500
FY 2015/16	1,500	-	1,500

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	Regional WTP Modifications			Exchange Agreement Modifications			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 228,977	\$ 58,351	\$ -	\$ 58,351	\$ -	\$ -	\$ -	\$ 859,343	\$ 1,146,671
FY 2013/14	235,846	57,820	-	57,820	-	-	-	893,309	1,186,976
FY 2014/15	242,922	58,592	-	58,592	-	-	-	892,854	1,194,368
FY 2015/16	250,209	59,388	-	59,388	-	-	-	891,662	1,201,259

(1) Includes capital improvement projects and non-annual recurring expenses.  
 (2) Net of CCWA credits.

**CCWA Variable O&M Charges**

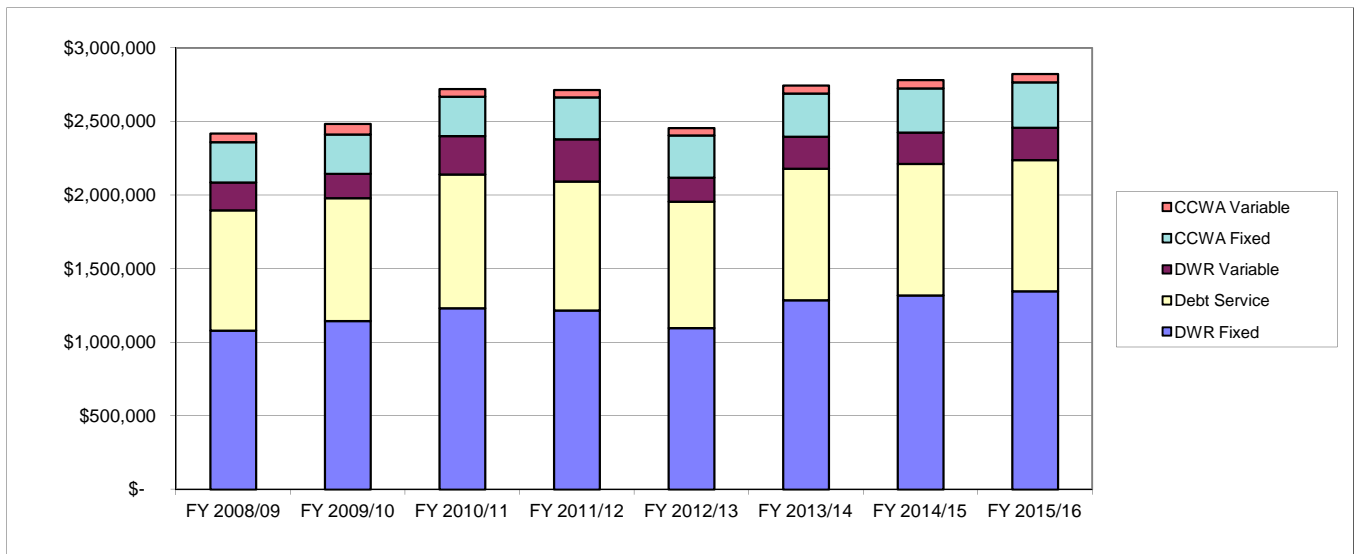
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	Regional WTP Modifications			Exchange Agreement Modifications			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 49,748	\$ -	\$ 1,742	\$ -	\$ 1,742	\$ -	\$ -	\$ -	\$ 51,490
FY 2013/14	51,594	-	1,792	-	1,792	-	-	-	53,386
FY 2014/15	53,142	-	1,845	-	1,845	-	-	-	54,987
FY 2015/16	54,736	-	1,901	-	1,901	-	-	-	56,637

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Charges			Total State Water Charges					
	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2012/13	\$ 1,095,794	\$ 162,664	\$ 1,258,458	\$ 287,328	\$ 51,490	\$ 859,343	\$ 1,095,794	\$ 162,664	\$ 2,456,619
FY 2013/14	1,286,972	216,882	1,503,854	293,667	53,386	893,309	1,286,972	216,882	2,744,215
FY 2014/15	1,318,863	213,285	1,532,147	301,514	54,987	892,854	1,318,863	213,285	2,781,503
FY 2015/16	1,347,131	218,454	1,565,585	309,597	56,637	891,662	1,347,131	218,454	2,823,481

(3) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 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, 2012	\$ 62,352	456
June 1, 2012	\$ 2,242,465	n/a
July 1, 2012	\$ 36,009	190
October 1, 2012	\$ 54,201	330
January 1, 2013	\$ 61,592	375
April 1, 2013	\$ 76,090	415
June 1, 2013	\$ 2,473,948	n/a
July 1, 2013	\$ 69,673	380
October 1, 2013	\$ 58,279	330
January 1, 2014	\$ 66,226	375
April 1, 2014	\$ 73,733	415
June 1, 2014	\$ 2,513,231	n/a
July 1, 2014	\$ 67,515	380
October 1, 2014	\$ 59,458	330
January 1, 2015	\$ 67,566	375
April 1, 2015	\$ 75,229	415
June 1, 2015	\$ 2,548,390	n/a
July 1, 2015	\$ 68,885	380
October 1, 2015	\$ 61,308	330
January 1, 2016	\$ 69,668	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 2012/13	700	2,570	3,270	
FY 2013/14	700	2,570	3,270	
FY 2014/15	700	2,570	3,270	
FY 2015/16	700	2,570	3,270	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 77,262	\$ 119,425	\$ -	\$ 119,425	\$ 192,158	\$ 157,239	\$ 349,397	\$ 335,938	\$ 882,022
FY 2013/14	79,580	118,339	-	118,339	192,158	154,111	346,269	335,485	879,673
FY 2014/15	81,967	119,919	-	119,919	192,158	158,734	350,892	335,314	888,092
FY 2015/16	84,426	121,546	-	121,546	192,158	163,496	355,654	334,867	896,493

(1) Includes capital improvement projects  
 (2) Net of CCWA credits

**CCWA Variable O&M Charges**

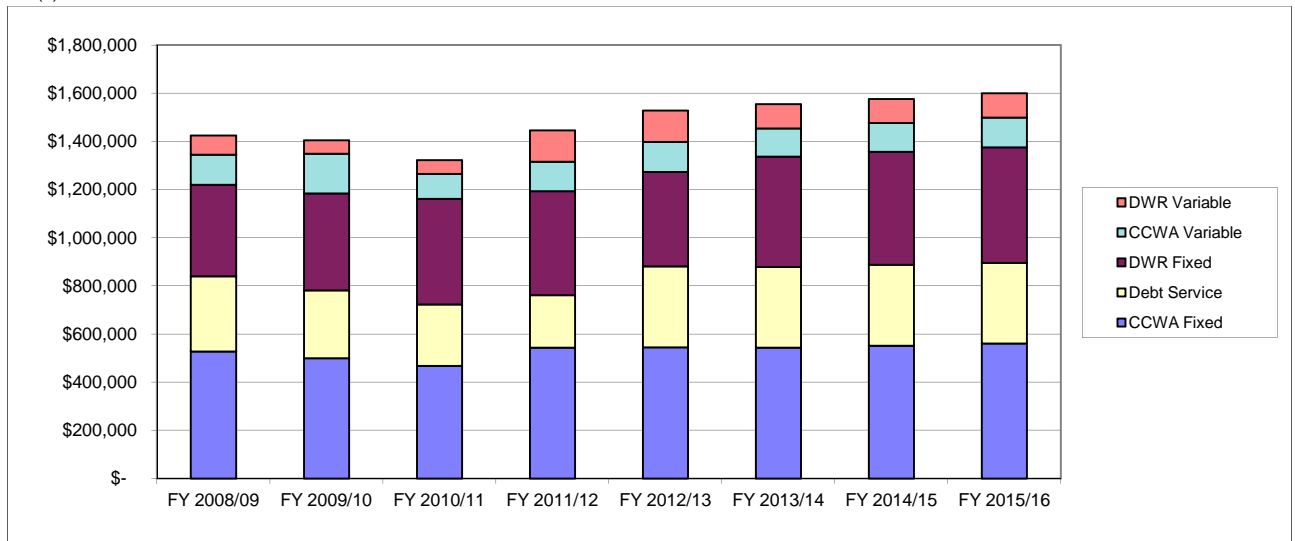
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 25,776	\$ -	\$ 4,215	\$ -	\$ 4,215	\$ 94,562	\$ -	\$ -	\$ 124,553
FY 2013/14	24,077	-	3,906	-	3,906	88,398	-	-	116,381
FY 2014/15	24,799	-	4,023	-	4,023	91,050	-	-	119,872
FY 2015/16	25,543	-	4,144	-	4,144	93,781	-	-	123,468

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13	\$ 392,331	\$ 130,658	\$ 522,990	\$ 546,084	\$ 124,553	\$335,938	\$ 392,331	\$ 130,658
FY 2013/14	458,728	101,340	560,068	544,187	116,381	335,485	458,728	101,340	1,556,121
FY 2014/15	469,601	99,485	569,086	552,778	119,872	335,314	469,601	99,485	1,577,051
FY 2015/16	479,542	101,860	581,401	561,626	123,468	334,867	479,542	101,860	1,601,363

(3) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 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, 2012	\$ 119,058	270	1,210
June 1, 2012	\$ 1,274,354	n/a	n/a
July 1, 2012	\$ 35,143	120	251
October 1, 2012	\$ 26,151	100	225
January 1, 2013	\$ 74,860	210	884
April 1, 2013	\$ 94,689	270	1,210
June 1, 2013	\$ 1,338,400	n/a	n/a
July 1, 2013	\$ 29,097	120	251
October 1, 2013	\$ 24,290	100	225
January 1, 2014	\$ 69,644	210	884
April 1, 2014	\$ 94,511	270	1,210
June 1, 2014	\$ 1,357,693	n/a	n/a
July 1, 2014	\$ 28,629	120	251
October 1, 2014	\$ 24,846	100	225
January 1, 2015	\$ 71,371	210	884
April 1, 2015	\$ 96,881	270	1,210
June 1, 2015	\$ 1,376,035	n/a	n/a
July 1, 2015	\$ 29,281	120	251
October 1, 2015	\$ 25,612	100	225
January 1, 2016	\$ 73,554	210	884

Central Coast Water Authority  
**Goleta Water District**  
 Four Year Financial Plan Charges

Table A Including Drought Buffer				4,950
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2012/13	925	(925)	(0)	
FY 2013/14	925	(925)	(0)	
FY 2014/15	925	(925)	(0)	
FY 2015/16	925	(925)	(0)	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 826,676	\$ 139,063	\$ (486,010)	\$ (346,947)	\$ (69,177)	\$ (56,606)	\$ (125,783)	\$ 2,731,139	\$ 3,085,085
FY 2013/14	851,477	137,797	(481,650)	(343,853)	(69,177)	(55,480)	(124,657)	2,815,544	3,198,511
FY 2014/15	877,021	139,637	(488,081)	(348,444)	(69,177)	(57,144)	(126,321)	2,814,109	3,216,365
FY 2015/16	903,332	141,532	(494,705)	(353,173)	(69,177)	(58,859)	(128,035)	2,810,353	3,232,477

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

**CCWA Variable O&M Charges**

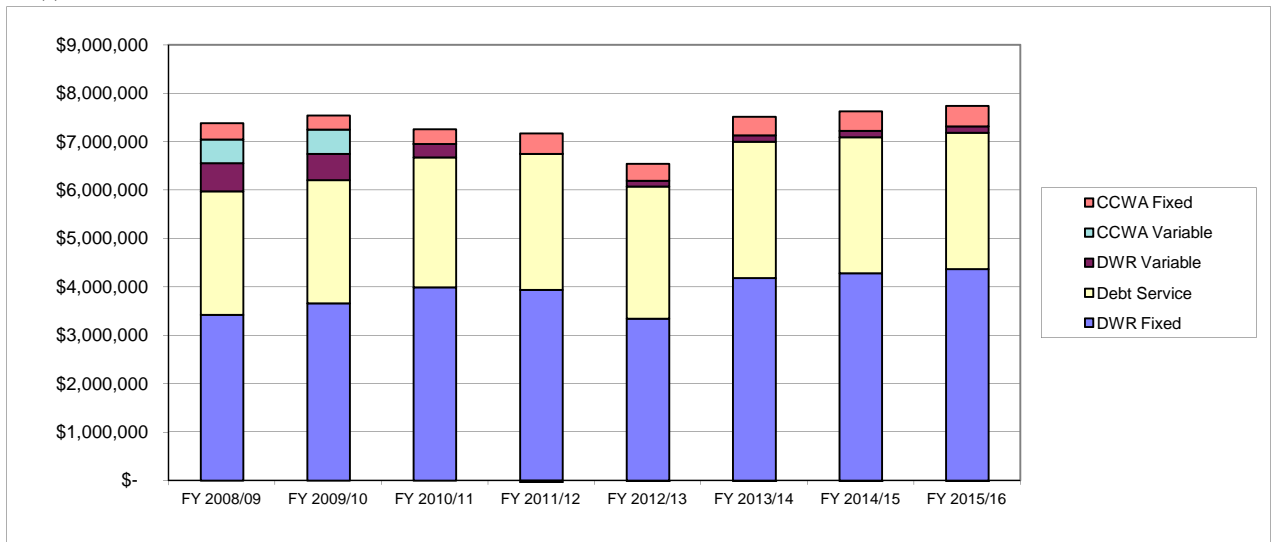
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2012/13	\$ 34,045	\$ 53,662	\$ (0)	\$ 7	\$ 7	\$ (34,069)	\$ (53,662)	\$ (17)
FY 2013/14	31,805	53,650	(0)	7	7	(31,823)	(53,662)	(23)
FY 2014/15	32,759	53,650	(0)	7	7	(32,778)	(53,662)	(24)
FY 2015/16	33,742	53,650	(0)	7	7	(33,761)	(53,662)	(24)

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13	\$ 3,342,547	\$ 114,904	\$ 3,457,450	\$ 353,946	\$ (17)	\$ 2,731,139	\$ 3,342,547	\$ 114,904
FY 2013/14	4,180,771	133,985	4,314,756	382,967	(23)	2,815,544	4,180,771	133,985	7,513,244
FY 2014/15	4,278,822	131,436	4,410,258	402,256	(24)	2,814,109	4,278,822	131,436	7,626,599
FY 2015/16	4,369,802	134,552	4,504,355	422,124	(24)	2,810,353	4,369,802	134,552	7,736,807

(3) Net of DWR account interest income. Includes DWR fixed costs for the Goleta additional 2500 AF.



Central Coast Water Authority  
**FY 2012/13 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, 2012	\$ 53,985	435	(1)
June 1, 2012	\$ 6,427,631	n/a	n/a
July 1, 2012	\$ 11,358	91	1
October 1, 2012	\$ 10,270	82	1
January 1, 2013	\$ 39,274	317	(1)
April 1, 2013	\$ 64,206	435	(1)
June 1, 2013	\$ 7,379,283	n/a	n/a
July 1, 2013	\$ 13,520	91	1
October 1, 2013	\$ 11,679	82	1
January 1, 2014	\$ 44,557	317	(1)
April 1, 2014	\$ 61,270	435	(1)
June 1, 2014	\$ 7,495,187	n/a	n/a
July 1, 2014	\$ 12,907	91	1
October 1, 2014	\$ 11,886	82	1
January 1, 2015	\$ 45,349	317	(1)
April 1, 2015	\$ 62,359	435	(1)
June 1, 2015	\$ 7,602,279	n/a	n/a
July 1, 2015	\$ 13,137	91	1
October 1, 2015	\$ 12,257	82	1
January 1, 2016	\$ 46,776	317	(1)

Central Coast Water Authority  
**Morehart Land Company**  
 Four Year Financial Plan Charges

Table A Including Drought Buffer				220
Fiscal Year	Requested Deliveries	Exchange Deliveries	Actual Deliveries	
FY 2012/13	200	-	200	
FY 2013/14	220	-	220	
FY 2014/15	220	-	220	
FY 2015/16	220	-	220	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 36,741	\$ 7,780	\$ (27,191)	\$ (19,411)	-	-	-	\$ 119,627	\$ 136,958
FY 2013/14	37,843	7,709	(26,947)	(19,238)	-	-	-	129,293	147,898
FY 2014/15	38,979	7,812	(27,307)	(19,494)	-	-	-	129,227	148,711
FY 2015/16	40,148	7,918	(27,677)	(19,759)	-	-	-	129,054	149,443

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

**CCWA Variable O&M Charges**

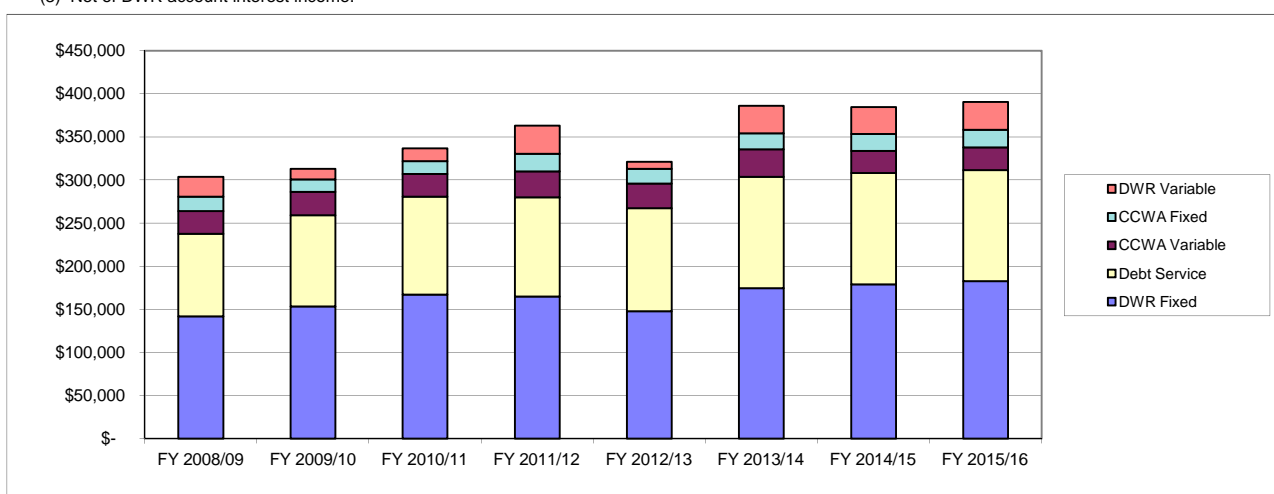
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 23,917	\$ 11,600	\$ 258	\$ (7,365)	\$ (7,107)	-	-	-	\$ 28,409
FY 2013/14	26,321	12,760	263	(7,567)	(7,304)	-	-	-	31,776
FY 2014/15	20,631	12,760	271	(7,794)	(7,523)	-	-	-	25,868
FY 2015/16	21,250	12,760	279	(8,028)	(7,749)	-	-	-	26,261

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13	\$ 147,843	\$ 7,884	\$ 155,727	\$17,330	\$ 28,409	\$119,627	\$ 147,843	\$ 7,884
FY 2013/14	174,570	31,758	206,328	18,606	31,776	129,293	174,570	31,758	386,003
FY 2014/15	178,846	31,301	210,147	19,484	25,868	129,227	178,846	31,301	384,726
FY 2015/16	182,667	32,074	214,741	20,389	26,261	129,054	182,667	32,074	390,446

(3) Net of DWR account interest income.





Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**Morehart Land Company**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ 9,799	54
June 1, 2012	\$ 284,800	n/a
July 1, 2012	\$ 6,351	35
October 1, 2012	\$ 10,888	60
January 1, 2013	\$ 9,255	51
April 1, 2013	\$ 17,240	59
June 1, 2013	\$ 322,468	n/a
July 1, 2013	\$ 14,610	50
October 1, 2013	\$ 17,127	60
January 1, 2014	\$ 14,558	51
April 1, 2014	\$ 15,257	59
June 1, 2014	\$ 327,557	n/a
July 1, 2014	\$ 12,930	50
October 1, 2014	\$ 15,666	60
January 1, 2015	\$ 13,316	51
April 1, 2015	\$ 15,510	59
June 1, 2015	\$ 332,111	n/a
July 1, 2015	\$ 13,144	50
October 1, 2015	\$ 16,044	60
January 1, 2016	\$ 13,637	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 2012/13	744	-	744	
FY 2013/14	820	-	820	
FY 2014/15	820	-	820	
FY 2015/16	820	-	820	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 183,706	\$ 38,901	\$ (135,954)	\$ (97,054)	-	-	-	\$ 620,485	\$ 707,137
FY 2013/14	189,217	38,547	(134,735)	(96,188)	-	-	-	618,998	712,027
FY 2014/15	194,894	39,062	(136,534)	(97,472)	-	-	-	618,683	716,104
FY 2015/16	200,740	39,592	(138,387)	(98,795)	-	-	-	617,857	719,802

(1) Includes capital improvement projects.

(2) Net of CCWA credits.

**CCWA Variable O&M Charges**

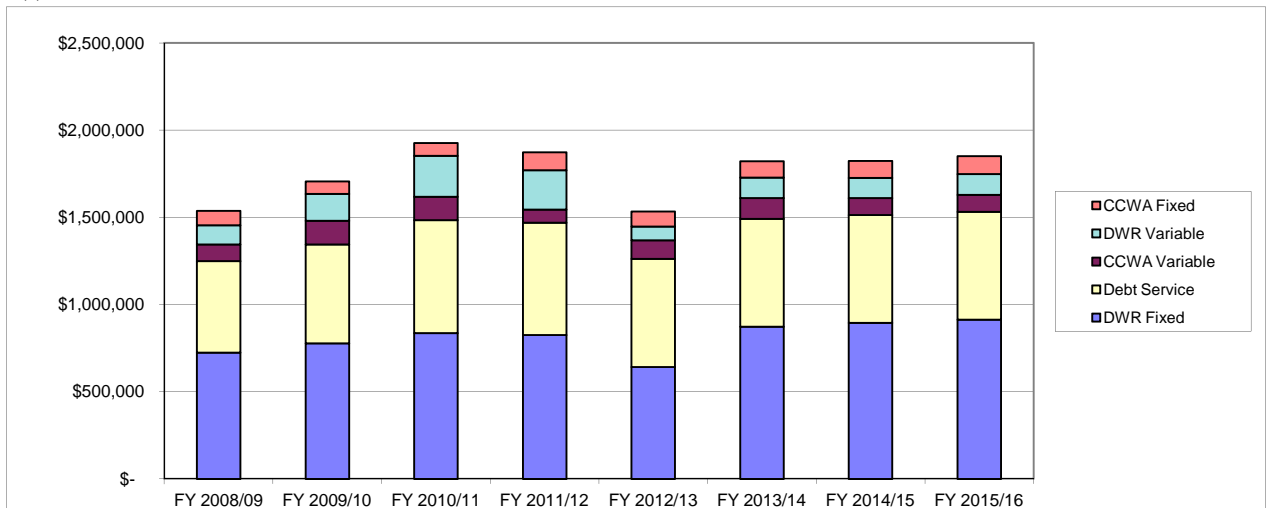
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 88,970	\$ 43,152	\$ 959	\$ (27,398)	\$ (26,439)	-	-	-	\$ 105,683
FY 2013/14	98,104	47,560	979	(28,205)	(27,225)	-	-	-	118,439
FY 2014/15	76,897	47,560	1,009	(29,051)	(28,042)	-	-	-	96,415
FY 2015/16	79,204	47,560	1,039	(29,922)	(28,883)	-	-	-	97,881

**DWR Charges**

**Total State Water Charges**

Fiscal Year	<u>DWR Charges</u>			<u>Total State Water Charges</u>						
	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges	
FY 2012/13	\$ 641,265	\$ 79,102	\$ 720,367	\$86,652	\$ 105,683	\$ 620,485	\$ 641,265	\$ 79,102	\$ 1,533,187	
FY 2013/14	872,850	118,167	991,017	93,029	118,439	618,998	872,850	118,167	1,821,483	
FY 2014/15	894,232	116,742	1,010,974	97,421	96,415	618,683	894,232	116,742	1,823,494	
FY 2015/16	913,337	119,686	1,033,022	101,945	97,881	617,857	913,337	119,686	1,850,706	

(3) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 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, 2012	\$ 37,255	150
June 1, 2012	\$ 1,348,402	n/a
July 1, 2012	\$ 37,255	150
October 1, 2012	\$ 67,059	270
January 1, 2013	\$ 43,216	174
April 1, 2013	\$ 55,517	190
June 1, 2013	\$ 1,584,877	n/a
July 1, 2013	\$ 54,349	186
October 1, 2013	\$ 77,071	270
January 1, 2014	\$ 49,668	174
April 1, 2014	\$ 49,132	190
June 1, 2014	\$ 1,610,336	n/a
July 1, 2014	\$ 48,098	186
October 1, 2014	\$ 70,496	270
January 1, 2015	\$ 45,431	174
April 1, 2015	\$ 49,948	190
June 1, 2015	\$ 1,633,139	n/a
July 1, 2015	\$ 48,897	186
October 1, 2015	\$ 72,196	270
January 1, 2016	\$ 46,526	174

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 2012/13	615	(617)	(2)	
FY 2013/14	615	(617)	(2)	
FY 2014/15	615	(615)	0	
FY 2015/16	615	(615)	0	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 551,118	\$ 92,786	\$ (324,279)	\$ (231,492)	\$ (45,968)	\$ (37,615)	\$ (83,583)	\$ 1,736,839	\$ 1,972,880
FY 2013/14	567,651	91,865	(321,100)	(229,235)	(46,118)	(36,987)	(83,104)	1,730,803	1,986,114
FY 2014/15	584,681	93,092	(325,387)	(232,296)	(46,118)	(38,096)	(84,214)	1,729,921	1,998,091
FY 2015/16	602,221	94,355	(329,803)	(235,448)	(46,118)	(39,239)	(85,357)	1,727,612	2,009,028

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

**CCWA Variable O&M Charges**

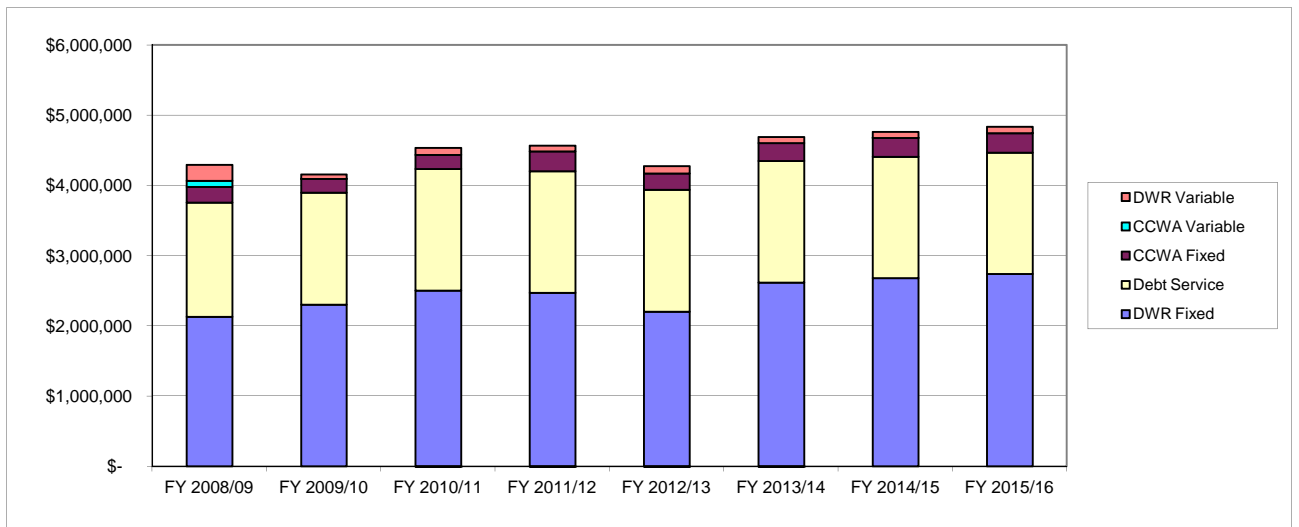
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2012/13	\$22,497	\$ 35,774	\$ 0	\$ (7)	\$ (7)	\$ (22,639)	\$ (35,774)	\$ (149)
FY 2013/14	21,000	35,670	(2)	62	60	(21,215)	(35,774)	(260)
FY 2014/15	21,800	35,670	(2)	64	62	(21,852)	(35,658)	21
FY 2015/16	22,454	35,670	(2)	66	63	(22,507)	(35,658)	21

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13	\$ 2,202,691	\$ 102,661	\$ 2,305,352	\$236,043	\$ (149)	\$ 1,736,839	\$ 2,202,691	\$ 102,661
FY 2013/14	2,618,550	89,084	2,707,633	255,311	(259.99)	1,730,803	2,618,550	89,083.80	4,693,488
FY 2014/15	2,682,696	87,386	2,770,083	268,171	21.06	1,729,921	2,682,696	87,386.38	4,768,195
FY 2015/16	2,740,010	89,458	2,829,467	281,416	21.34	1,727,612	2,740,010	89,457.74	4,838,516

(3) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 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, 2012	\$ 50,633	290	(0)
June 1, 2012	\$ 4,175,572	n/a	n/a
July 1, 2012	\$ 11,488	60	(0)
October 1, 2012	\$ 8,015	53	(1)
January 1, 2013	\$ 32,376	212	(0)
April 1, 2013	\$ 42,792	290	(0)
June 1, 2013	\$ 4,604,664	n/a	n/a
July 1, 2013	\$ 8,831	60	(0)
October 1, 2013	\$ 7,329	53	(1)
January 1, 2014	\$ 29,871	212	(0)
April 1, 2014	\$ 40,898	290	(0)
June 1, 2014	\$ 4,680,788	n/a	n/a
July 1, 2014	\$ 8,464	60	(0)
October 1, 2014	\$ 7,618	53	(1)
January 1, 2015	\$ 30,428	212	(0)
April 1, 2015	\$ 41,625	290	(0)
June 1, 2015	\$ 4,749,037	n/a	n/a
July 1, 2015	\$ 8,614	60	(0)
October 1, 2015	\$ 7,857	53	(1)
January 1, 2016	\$ 31,383	212	(0)

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 2012/13	55	-	55	
FY 2013/14	55	-	55	
FY 2014/15	55	-	55	
FY 2015/16	55	-	55	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 9,185	\$ 1,945	\$ (6,798)	\$ (4,853)	\$ -	\$ -	\$ -	\$ 26,834	\$ 31,167
FY 2013/14	9,461	1,927	(6,737)	(4,809)	-	-	-	27,065	31,716
FY 2014/15	9,745	1,953	(6,827)	(4,874)	-	-	-	27,051	31,922
FY 2015/16	10,037	1,980	(6,919)	(4,940)	-	-	-	27,015	32,112

(1) Includes capital improvement projects and non-annual recurring expenses.

(2) Net of CCWA credits.

**CCWA Variable O&M Charges**

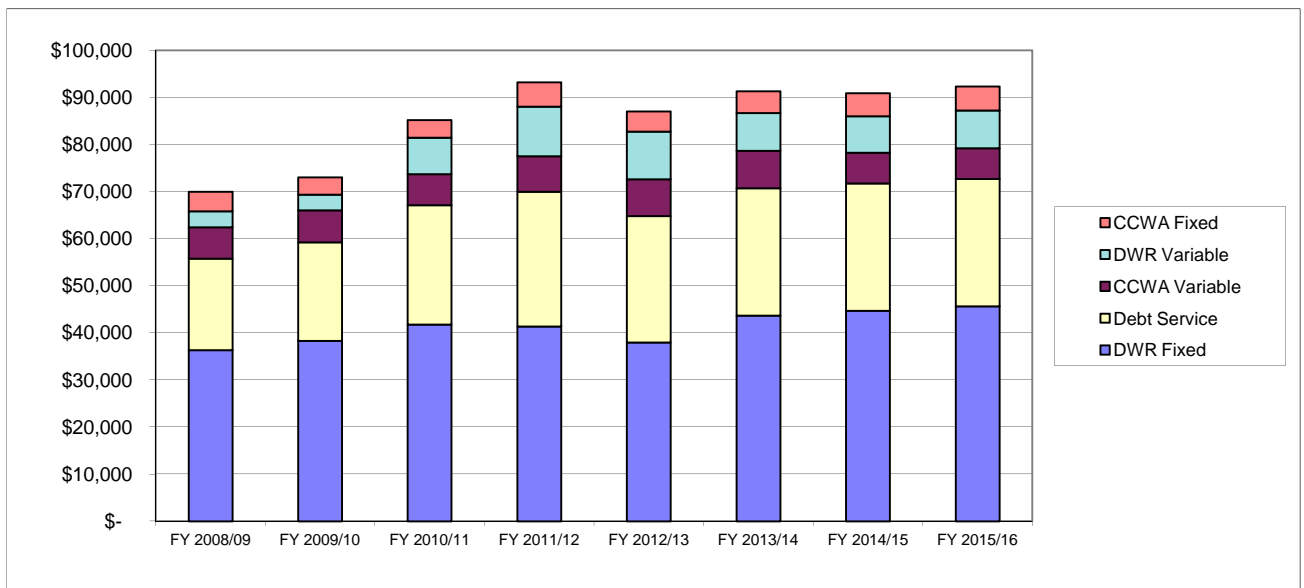
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	SYPF Modifications	
FY 2012/13	\$ 6,577	\$ 3,190	\$ 71	\$ (2,025)	\$ (1,955)	\$ -	\$ -	\$ -	\$ 7,813
FY 2013/14	6,580	3,190	66	(1,892)	(1,826)	-	-	-	7,944
FY 2014/15	5,158	3,190	68	(1,949)	(1,881)	-	-	-	6,467
FY 2015/16	5,312	3,190	70	(2,007)	(1,937)	-	-	-	6,565

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
FY 2013/14	43,642	8,012	51,655	4,651	7,944	27,065	43,642	8,012	91,315
FY 2014/15	44,712	7,798	52,510	4,871	6,467	27,051	44,712	7,798	90,899
FY 2015/16	45,667	7,970	53,637	5,097	6,565	27,015	45,667	7,970	92,314

(3) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 Four Year Financial Plan**  
 Project Participant Payment Summary

**Raytheon**

Payment Due Date	Payment Amount	Requested SWP Delivery (acre-feet)
April 1, 2012	\$ 8,596	23
June 1, 2012	\$ 69,133	n/a
July 1, 2012	\$ 4,684	15
October 1, 2012	\$ -	0
January 1, 2013	\$ 4,646	17
April 1, 2013	\$ 6,721	23
June 1, 2013	\$ 75,359	n/a
July 1, 2013	\$ 4,383	15
October 1, 2013	\$ -	0
January 1, 2014	\$ 4,853	17
April 1, 2014	\$ 5,948	23
June 1, 2014	\$ 76,634	n/a
July 1, 2014	\$ 3,879	15
October 1, 2014	\$ -	0
January 1, 2015	\$ 4,439	17
April 1, 2015	\$ 6,046	23
June 1, 2015	\$ 77,779	n/a
July 1, 2015	\$ 3,943	15
October 1, 2015	\$ -	0
January 1, 2016	\$ 4,546	17

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 2012/13	615	(617)	(2)	
FY 2013/14	615	(617)	(2)	
FY 2014/15	615	(617)	(2)	
FY 2015/16	615	(617)	(2)	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 551,118	\$ 92,786	\$ (324,279)	\$ (231,492)	\$ (45,968)	\$ (37,615)	\$ (83,583)	\$ 2,039,629	\$ 2,275,670
FY 2013/14	567,651	91,865	(321,100)	(229,235)	(46,118)	(36,987)	(83,104)	2,034,336	2,289,647
FY 2014/15	584,681	93,092	(325,387)	(232,296)	(46,118)	(38,096)	(84,214)	2,033,299	2,301,470
FY 2015/16	602,221	94,355	(329,803)	(235,448)	(46,118)	(39,239)	(85,357)	2,030,585	2,312,001

(1) Includes capital improvement projects.  
 (2) Net of CCWA credits.

**CCWA Variable O&M Charges**

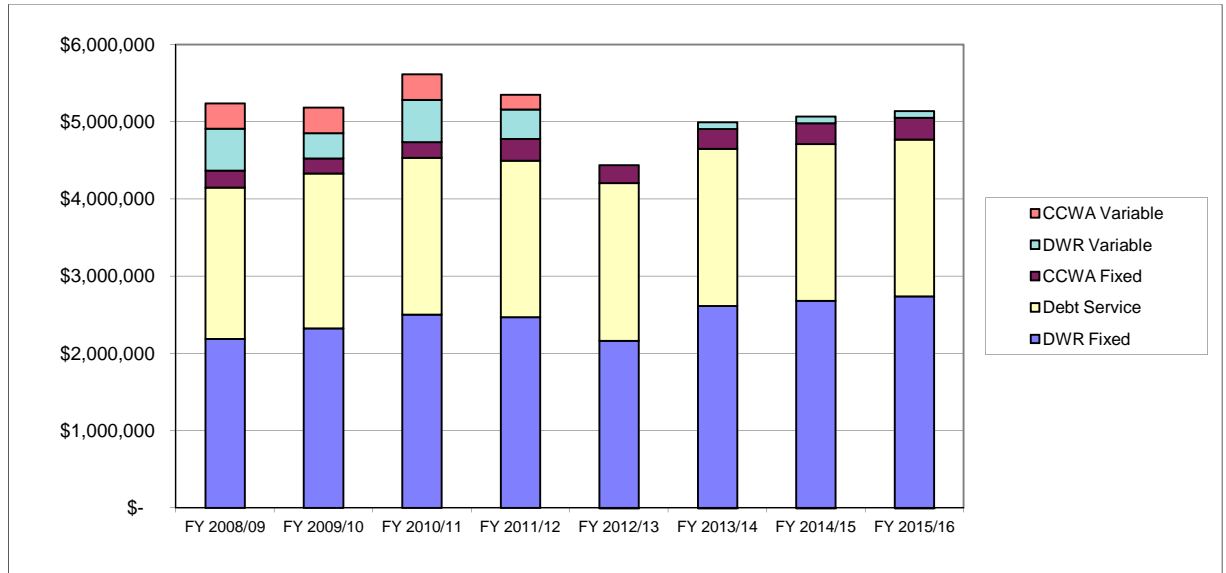
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2012/13	\$ 22,497	\$ 35,774	\$ 0	\$ (7)	\$ (7)	\$ (22,639)	\$ (35,774)	\$ (149)
FY 2013/14	21,000	35,670	(2)	62	60	(21,215)	(35,774)	(260)
FY 2014/15	21,683	35,670	(2)	64	62	(21,852)	(35,774)	(212)
FY 2015/16	22,334	35,670	(2)	66	63	(22,507)	(35,774)	(215)

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13	\$ 2,166,793	\$ -	\$ 2,166,793	\$236,042	\$ (149)	\$ 2,039,629	\$ 2,166,793	\$ -
FY 2013/14	2,618,550	89,084	2,707,633	255,311	(260)	2,034,336	2,618,550	89,084	4,997,021
FY 2014/15	2,682,696	87,386	2,770,083	268,171	(212)	2,033,299	2,682,696	87,386	5,071,341
FY 2015/16	2,740,010	89,458	2,829,467	281,416	(215)	2,030,585	2,740,010	89,458	5,141,253

(3) Net of DWR account interest income.





Central Coast Water Authority  
**FY 2012/13 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, 2012	\$ (33)	290	(0)
June 1, 2012	\$ 4,442,464	n/a	n/a
July 1, 2012	\$ (20)	60	(0)
October 1, 2012	\$ (83)	53	(1)
January 1, 2013	\$ (13)	212	(0)
April 1, 2013	\$ 42,792	290	(0)
June 1, 2013	\$ 4,908,197	n/a	n/a
July 1, 2013	\$ 8,831	60	(0)
October 1, 2013	\$ 7,329	53	(1)
January 1, 2014	\$ 29,871	212	(0)
April 1, 2014	\$ 40,846	290	(0)
June 1, 2014	\$ 4,984,166	n/a	n/a
July 1, 2014	\$ 8,432	60	(0)
October 1, 2014	\$ 7,489	53	(1)
January 1, 2015	\$ 30,407	212	(0)
April 1, 2015	\$ 41,572	290	(0)
June 1, 2015	\$ 5,052,011	n/a	n/a
July 1, 2015	\$ 8,582	60	(0)
October 1, 2015	\$ 7,726	53	(1)
January 1, 2016	\$ 31,362	212	(0)

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 2012/13	413	(411)	2	
FY 2013/14	413	(413)	(0)	
FY 2014/15	413	(413)	(0)	
FY 2015/16	413	(413)	(0)	

**CCWA Fixed Charges**

Fiscal Year	Fixed O&M Expenses <sup>(1)</sup>	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>			Revenue Bond Debt Service <sup>(2)</sup>	Fixed CCWA Charges
		Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	Capital Modifications	Fixed O&M Modifications	Total Exchange Modifications		
FY 2012/13	\$ 367,412	\$ 61,728	\$ (215,733)	\$ (154,005)	\$ (30,895)	\$ (25,281)	\$ (56,175)	\$ 1,123,730	\$ 1,280,961
FY 2013/14	378,434	61,243	(214,067)	(152,823)	(30,745)	(24,658)	(55,403)	1,163,021	1,333,229
FY 2014/15	389,787	62,061	(216,925)	(154,864)	(30,745)	(25,397)	(56,143)	1,162,429	1,341,209
FY 2015/16	401,481	62,903	(219,869)	(156,966)	(30,745)	(26,159)	(56,905)	1,160,877	1,348,488

(1) Includes capital improvement projects.

(2) Net of CCWA charges.

**CCWA Variable O&M Charges**

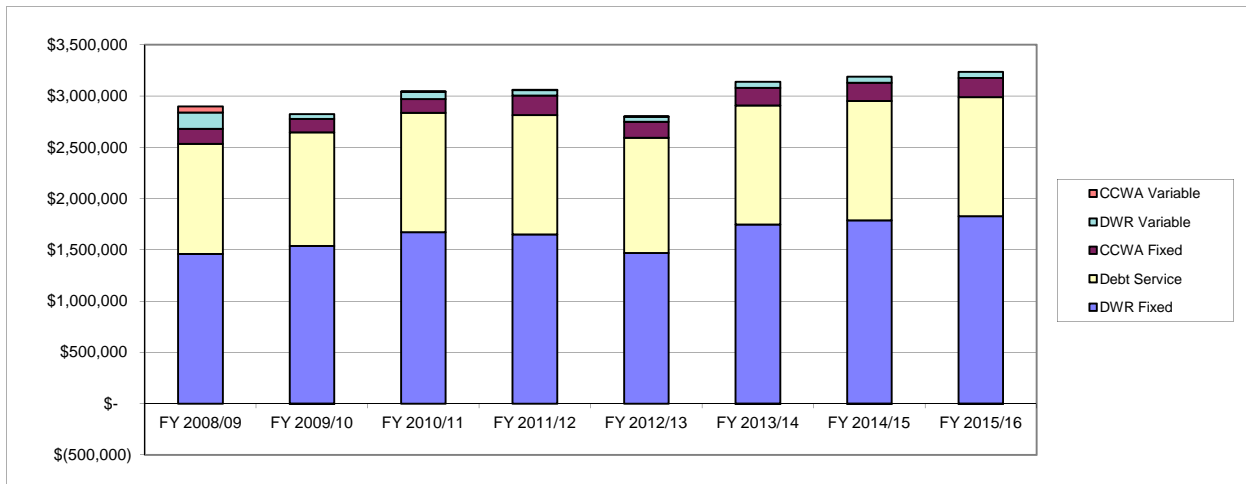
Fiscal Year	Variable O&M Expenses	Warren Act and Trust Fund Payments	<u>Regional WTP Modifications</u>			<u>Exchange Agreement Modifications</u>		Variable CCWA O&M Charges
			Regional WTP Allocation	Regional WTP Credit Back	Total Regional WTP	WTP Modifications	Warren Act Modifications	
FY 2012/13	\$ 15,357	\$ 23,850	\$ (0)	\$ 7	\$ 7	\$ (15,215)	\$ (23,850)	\$ 149
FY 2013/14	14,188	23,954	2	(62)	(60)	(14,144)	(23,966)	(26)
FY 2014/15	14,620	23,954	2	(64)	(62)	(14,568)	(23,966)	(21)
FY 2015/16	15,059	23,954	2	(66)	(63)	(15,005)	(23,966)	(21)

**DWR Charges**

**Total State Water Charges**

Fiscal Year	DWR Fixed Costs <sup>(3)</sup>	DWR Variable Costs	Total DWR Costs	CCWA Fixed	CCWA Variable O&M	Debt Service	DWR Fixed	DWR Variable O&M	Total SWP Charges
	FY 2012/13	\$ 1,467,266	\$ 49,630	\$ 1,516,896	\$ 157,232	\$ 149	\$ 1,123,730	\$ 1,467,266	\$ 49,630
FY 2013/14	1,745,700	59,817	1,805,517	170,208	(26)	1,163,021	1,745,700	59,817	3,138,719
FY 2014/15	1,788,464	58,686	1,847,151	178,780	(21)	1,162,429	1,788,464	58,686	3,188,339
FY 2015/16	1,826,673	60,080	1,886,753	187,610	(21)	1,160,877	1,826,673	60,080	3,235,219

(3) Net of DWR account interest income.



Central Coast Water Authority  
**FY 2012/13 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, 2012	\$ 23,246	194	0
June 1, 2012	\$ 2,748,228	n/a	n/a
July 1, 2012	\$ 4,773	40	(0)
October 1, 2012	\$ 4,510	37	1
January 1, 2013	\$ 17,249	142	1
April 1, 2013	\$ 28,659	194	0
June 1, 2013	\$ 3,078,929	n/a	n/a
July 1, 2013	\$ 5,913	40	(0)
October 1, 2013	\$ 5,203	37	1
January 1, 2014	\$ 20,015	142	1
April 1, 2014	\$ 27,352	194	0
June 1, 2014	\$ 3,129,673	n/a	n/a
July 1, 2014	\$ 5,642	40	(0)
October 1, 2014	\$ 5,298	37	1
January 1, 2015	\$ 20,373	142	1
April 1, 2015	\$ 27,838	194	0
June 1, 2015	\$ 3,175,161	n/a	n/a
July 1, 2015	\$ 5,743	40	(0)
October 1, 2015	\$ 5,465	37	1
January 1, 2016	\$ 21,013	142	1





*La Purisima Roundabout Project - December 2011*

## *Appendix*

The Appendix to the FY 2012/13 Budget contains miscellaneous statistical information on the CCWA, the CCWA Investment Policy and a glossary of terms.



Central Coast Water Authority  
**Santa Barbara County Area Description**  
Fiscal Year 2011/12 Budget

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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 18<sup>th</sup> century. Since commercial viticulture rebounded in the 1960's, Santa Barbara County has been on the fast track to viticultural stardom.

Famous for ripe, yet elegant, Chardonnay and Pinot Noir, the County is also gaining a reputation for Rhone varietals including Syrah and Viognier. Santa Barbara wine grapes now command among the highest prices anywhere in the State.

Located on California's South Central Coast, the county is an oasis of rolling hills, ancient oak trees and cattle ranches. The County now claims more than 60 wineries and 21,000 acres of vine.

Central Coast Water Authority  
**Miscellaneous Statistical Information**  
 Fiscal Year 2012/13 Budget

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	28.50
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day <i>(50 mgd per amended permit from DHS)</i>
Authority pipeline (in miles)	42.5
Coastal Branch pipeline (in miles)	100.6
State water Table A amount	(acre-feet per year)
CCWA contract Table A amount	39,078
CCWA drought buffer	3,908
Goleta Water District additional Table A	<u>2,500</u>
TOTAL	45,486
FY 2012/13 Santa Barbara County requested deliveries	28,537 acre-feet
San Luis Obispo State water Table A	4,830 acre-feet
FY 2012/13 San Luis Obispo requested deliveries	4,034 acre-feet
Amount of treated water storage in tanks	23.7 million gallons
Number of turnouts	10
Number of project participants	
Santa Barbara County	13
San Luis Obispo County	<u>11</u>
TOTAL	24
Estimated total population served by State water	
Santa Barbara County	340,000
San Luis Obispo County	<u>41,000</u>
TOTAL	381,000



**CENTRAL COAST WATER AUTHORITY**  
**STATEMENT OF INVESTMENT POLICY**

**I. PURPOSE:**

This statement is intended to provide guidelines for the prudent investment of the Authority's cash balances, and outline the policies for maximizing the efficiency of the Authority's cash management system. The ultimate goal is to enhance the economic status of the Authority while protecting its assets.

**II. SCOPE**

It is intended that this policy cover all funds and investment activities under the direct authority of the Authority Board of Directors.

**III. OBJECTIVES**

- A. Safety. Safety of principal is the foremost objective of the Authority. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value.
  
- B. Liquidity. An adequate percentage of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet cash requirements.
  
- C. Yield. Yield shall become a consideration only after the basic requirements of safety and liquidity have been met.

- D. Market-Average Rate of Return. The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Authority's risk constraints, the cash flow characteristics of the portfolio, and State and local laws, ordinances or resolutions that restrict investments.
- E. Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.
- F. Prudence (Civil Code #2261). The standard of prudence to be used by investment officials shall be the "prudent investor" per Government Code section 53600.3 which states: "care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency". This "Prudent Investor Standard" shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control adverse developments.
- G. Public Trust. All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. In a diversified portfolio it must be recognized that occasional measured losses are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

#### IV. DELEGATION OF AUTHORITY:

- A. Investment Officer. Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.
- B. Investment Oversight Committee. The Authority Finance Committee shall serve as the Investment Oversight Committee. The purpose of the Committee is to: (1) review the investment practices used by the Investment Officer for compliance with the investment policy and written procedures, (2) analysis of the quarterly Treasurer's report for adherence to established guidelines, and (3) advise Authority Board of Directors of any deviations from guidelines or any practices which are deemed to be imprudent for a public agency.

#### V. INTERNAL CONTROLS:

The Investment Officer shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by employees and officers of the Authority.

## VI. REPORTING:

The Investment Officer shall submit monthly to the Board an investment report that summarizes all securities. For those securities with a maturity of more than 12 months, the type of investment, institution, date of maturity, investment amount, market value, and yield will also be provided. The Investment Officer shall also provide, on a quarterly basis, a statement of compliance of the portfolio with the Statement of Investment Policy and a statement of the Authority's ability to meet the expenditure requirements for the next six months.

## VII. APPROVED INSTRUMENTS:

The Authority shall be governed by the California Government Code, Sections 53600 et seq. Where this policy specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Within the context of these limitations, the following investments are authorized, provided, however, that where there is no limitation on the term of the investment, no investment shall be made in any security which, at the time of the investment, has a term remaining to maturity in excess of 5 years, unless specifically exempted in Section X of this Investment Policy or the Board has granted express authority to make that investment no less than 3 months prior to the investment:

- (a) United States notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Obligations issued by government sponsored corporations such as the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), and the Federal National Mortgage Association (FNMA).

- (c) Commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investors Service, Inc. or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars and have a rating of A-1+ by Standard & Poor's Corporation and P-1 by Moody's Investors Service and which matures not more than 270 days after the date of purchase. Purchases of commercial paper may not exceed 25 percent of the Authority's surplus money invested.

Commercial paper investments with one company may not exceed one-third (33 1/3%) of total commercial paper investments.

- (d) Time deposits. The Authority may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.
- (e) Local Agency Investment Fund. The Authority may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer up to the maximum permitted by State law.
- (f) Money market funds rated "AAAm" or AAAM-G" or better by Standard & Poor's Corporation.
- (g) Collateralized money market accounts. The Authority may invest in money market accounts at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code.

#### VIII. DEPOSITORIES:

The Treasurer will establish selection criteria for pre-approval of institutions with which to do business. To qualify for selection, an institution must have an office in California. A written listing of approved institutions will be maintained by the Investment Officer.

#### IX. BROKER/DEALERS:

To provide for the optimum yield in the investment of the Authority's funds, the Authority's investment procedures shall be designed to encourage competitive bidding on transactions from approved brokers/dealers. In order to be approved by the Authority, the dealer must be a primary dealer reporting to the New York Federal Reserve, unless a comprehensive credit and capitalization analysis reveals that the firm is adequately financed to conduct public business; the dealer must be experienced in institutional trading practices and familiar with the California Government Code as related to investments; and other criteria as may be established in the investment procedures.

#### X. MATURITY RESTRICTIONS:

In addition to the 5 year limitation on investments specified in this policy, the average maturity of the Authority's combined portfolio shall not exceed 2 years without prior approval of the Board (for a specified period). Reserve Fund investments are exempt from this restriction; however, reserve fund investment maturities shall be limited to or prior to final maturity of the Authority's Bond Financing.

## XI. RISK TOLERANCE

The Authority recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. The Investment Officer is expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. The Investment Officer shall periodically establish guidelines and strategies to control risks of default, market price changes, and illiquidity. In addition to these general policy considerations, the following specific policies will be strictly observed.

## XII. SAFEKEEPING AND CUSTODY:

To protect against potential fraud and embezzlement, the assets of the Authority shall be secured through third-party custody and safekeeping procedures. The Investment Officer shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by the independent auditor and any irregularities noted should be reported promptly to the Treasurer and the Board.

## XIII. PERFORMANCE EVALUATION AND OPERATIONS AUDIT:

The monthly investment reports submitted to the Board shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program.

## XIV. ETHICS:

All persons authorized to place or approve investments shall report annually on Form 700 of the Fair Political Practices Commission all required economic interests for that year.

XV. UPDATE OF POLICY:

This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return, and its relevance to current law and financial and economic trends.



Central Coast Water Authority

**Glossary of Terms**

Fiscal Year 2012/13 Budget

**A**

**Account** - A record of a business transaction; a reckoning of money received or paid.

**Accounting System** - The total structure of records and procedures which discover, record, classify, summarize, and report information on the financial position and results of operations of a government entity.

**Accrual** - The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

**Acre-Foot of Water** - The volume of water that would cover one acre to a depth of one foot.

**Adoption** - Formal action by the Board of Directors which sets the spending limits for the fiscal year.

**Advance Refunding** - A defeasance of outstanding debt prior to the date the bonds can be called by depositing cash and/or securities in escrow sufficient to pay all principal and interest payments and the call premium, if any, when due. All covenants and restrictions are released.

**Amortization** - Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

**Aqueduct** - A canal for conveying a large amount of water.

**Assets** - Resources owned or held by a government which have monetary value.

**B**

**Bond Call** - Bonds that are redeemable by the issuer prior to the specified maturity date at a specified price at or above par.

**Budget** - The Authority's financial plan balancing proposed expenditures for a certain period of time to the expected income or revenue for that same period.

Central Coast Water Authority

**Glossary of Terms**

Fiscal Year 2012/13 Budget

**C**

**Capital Improvements** - Expenditures for items or projects which usually have an estimated useful life longer than five (5) years and will benefit the Authority for a long period of time.

**Capitalized Interest** - Funds provided from the proceeds of an issue to cover interest payments until revenue sources to repay the debt are available.

**Carry-Over** - The term used to denote amounts which were expected to be expended during one fiscal year on a contract or obligation but were not expended for various reasons. Amounts are "carried over" into the subsequent fiscal year.

**Coastal Branch Phase II - A** 102-mile long buried pipeline, and ancillary facilities, extending from Devils Den (Kern County) to Tank 5 on Vandenberg Air Force Base (Santa Barbara County).

**Coverage** - The margin of safety for payment of debt service, reflecting the number of times by which earnings for a period of time exceed debt service payable in such a period.

**D**

**Debt** - An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

**Defeasance** - To set aside sufficient money to retire outstanding debt when due. A full defeasance results in release from covenants and contractual obligations contained in the bond documents.

**Deficiency** - A general term indicating the amount by which anything falls short of some requirement of expectation.

**Deficit** - The excess of expenditures over revenues during an accounting period.

**Delta Water Charge** - A unit charge applied to each acre-foot of State water entitlement by DWR. The unit charge is applied to result in repayment of all outstanding reimbursable costs of the DWR Project Conservation Facilities, with appropriate interest, by the end of the State water contract repayment period (2035).

**Department of Water Resources** - The state agency responsible for financing, constructing and operating State Water Project facilities.

**Depreciation** - An element of cost resulting from the service of long-lived assets in an economic organization and represents the loss in asset value because of wear,

Central Coast Water Authority

**Glossary of Terms**

Fiscal Year 2012/13 Budget

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.

Central Coast Water Authority

**Glossary of Terms**

Fiscal Year 2012/13 Budget

**J**

**Joint Powers Authority** - A public authority created by a joint exercise of powers agreement between any two or more governmental agencies. The authority may be given power to perform any function which all parties to the agreement are empowered to perform and which will be of benefit to all parties.

**L**

**Line Item** - Expenditure classifications established to account for and budget the appropriations approved.

**Water Treatment and Local Facilities Agreements** - Agreements, dated as of March 1, 1992, by and between San Luis Obispo County Flood Control and Water Conservation District and various San Luis Obispo County project participants.

**M**

**Maintenance** - The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

**Master Water Treatment Agreement** - Agreement, dated as of March 1, 1992, by and between the Authority and San Luis Obispo County Flood Control and Water Conservation District.

**Modified Accrual Basis** - The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the liability is incurred.

**Monterey Agreement** - The agreement which formed the basis for the Monterey amendments to the State Water Contract that includes, among other provisions, the addition of Articles 51 through 56.

**MOU Trust Fund** - A trust fund established under a memorandum of understanding (July 6, 1995 effective date) by and between the Authority, Cachuma Project Authority (i.e., Cachuma Operations and Maintenance Board) and the United States of America, acting through the Bureau of Reclamation. The trust fund is funded by \$43/AF payments to the Cachuma Operations and Maintenance Board for State water wheeled through Cachuma Project facilities.

**Municipal** - In its broadest sense, an adjective which denotes the state and all subordinate units of government.

Central Coast Water Authority

**Glossary of Terms**

Fiscal Year 2012/13 Budget

**O**

**Obligations** - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

**Off Aqueduct Charge** - Bond debt service, cover and reserves for transmission costs allocated to DWR off-aqueduct power facilities (power cost which includes both fixed and variable cost elements.)

**Operating Expenses**- All costs associated with doing the day-to-day business of the Authority which are not considered capital improvements or debt repayments.

**P**

**Pass-Through Charges** - Charges from DWR and the United States Bureau of Reclamation which are paid by the project participants. The charges are not expenses of the Authority but are charged and paid by the Authority.

**Polonio Pass Water Treatment Plant** - A 43 million gallon per day treatment plant which treats all State water delivered to San Luis Obispo and Santa Barbara Counties.

**Projected** - An estimate of revenues and expenditures based on past trends, the present economic situation and future financial forecasts.

**Project Participant** - Each entity which has executed a Water Supply Agreement with the Authority.

**Proprietary Fund** - A method of accounting for a government's ongoing organizations and activities that are similar to those often found in the private sector.

**R**

**Rate Management Funds Credit** - Reductions in DWR charges commencing in 1997. The credit was implemented as a result of the Monterey amendments to the State Water Contract.

**Reach** - see "Financial Reach"

**Regional Water Treatment Plant Allocation** - A formula adopted by the Authority Board of Directors (Resolutions 92-16 and 95-13) which allocates certain Fixed Project, Fixed O&M and Variable O&M treatment plant costs from South Coast project participants to all other Authority project participants. The purpose of the allocation is to subsidize the South Coast project participants' costs of retreating State water to ensure they realize their share of the financial benefit to all project participants associated with the economies of building and operating only one treatment plant for State water.

Central Coast Water Authority

**Glossary of Terms**

Fiscal Year 2012/13 Budget

**Reserves** - A budgeted amount to be set aside in an account for future use.

**Resolution** - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

**Revenue** - An inflow of assets, not necessarily in cash, in exchange for services rendered.

**Revenue Bond** - A bond payable solely from net or gross non ad valorem tax revenues derived from general fund revenues, tax increment revenues, or tolls, charges or rents paid by users of the facility constructed with the proceeds of the bond issue.

**Right of Way** - A legal right of passage over another person's ground.

## S

**Santa Ynez Exchange Agreement** - An agreement, date as of February 1, 1993, by and between Carpinteria County (Valley) Water District, Central Coast Water Authority, Goleta Water District, La Cumbre Mutual Water Company, Montecito Water District, Santa Ynez River Water Conservation District, Improvement District #1 (SYID#1), Summerland Water District and the City of Santa Barbara entitled "Santa Ynez River/State Water Project Exchange Agreement." Among other things, this agreement provides for the exchange of SYID#1's Cachuma Project entitlement for a like amount of State water that would otherwise be delivered to the other South Coast project participants which are signatory to the agreement.

**SCADA System** - "Supervisory Control and Data Acquisition" System. The computer system which collects data, processes the data and corrects and/or instructs the operators on corrective actions to take.

**State Water Project** - The largest state-built, multipurpose water project in the nation. It extends for more than 600 miles. Its main purpose is water supply - to store surplus water during wet periods and distribute it to areas of need in northern California, the San Francisco Bay area, the San Joaquin Valley and Southern California. Other functions include flood control, power generation, recreation, and fish and wildlife enhancement.

## T

**Table A Amount** - The maximum amount of State Water Project water to be made available annually by DWR to the Authority at various delivery structures (i.e. turnouts) under the terms of the State Water Contract.

Central Coast Water Authority

**Glossary of Terms**

Fiscal Year 2012/13 Budget

**Table A Reduction** - Elections by certain project participants to temporarily decrease their State water entitlement allocation. This election is for a minimum of five years and eliminates the Delta Water Charge associated with the amount of State water entitlement that has been reduced.

**Transportation Capital Costs** - Capital costs charged by DWR for the use of facilities to transport water to the vicinity of each State water contractor's turnout.

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

**Turnback Pool Reduction** - Elections by project participants to "turnback" a portion of their State water in a given year.

**Turnout** - A delivery structure which includes metering and valve facilities through which State water is delivered from the CCWA or DWR pipeline to a project participant's delivery system.

**V**

**Variable O&M Charges** - Operations and maintenance expenses which vary directly in proportion to the amount of water delivered to a project participant.

**W**

**Warren Act Charges** - Wheeling charges required under a July 25, 1995 contract between the United States and the Central Coast Water Authority. The \$15/AF charge is payable to the Bureau of Reclamation (and recovered into the Reclamation Fund) for State water wheeled through Cachuma Project facilities.

**Water Supply Agreement** - An agreement between the Authority and each project participant to, among other things, sell State water entitlement allotment and provide for financing of the Authority facilities.

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

## **THE STATE WATER PROJECT IN SANTA BARBARA COUNTY**

### **Introduction**

The water treatment and conveyance facilities built between 1993 and 1997 to bring State water to Santa Barbara and San Luis Obispo Counties comprise the most ambitious and complex public works project ever constructed on California's Central Coast. The project consists of (1) water conveyance facilities built by the California Department of Water Resources (State) and (2) regional distribution and treatment facilities constructed by a cooperative group of local water agencies and cities operating as the Central Coast Water Authority (CCWA).

This significant water project was conceived and constructed amidst intense political controversy. It faced and overcame daunting engineering and environmental challenges. It was completed because a remarkable and steadfast collection of water leaders made sure that it was going to be completed, despite the obstacles. By employing an intensive management approach, the project was completed very close to the original schedule and delivers water at the price (as adjusted for inflation) projected in the planning documents.

This paper is a summary of the essential facts concerning the State Water Project in Santa Barbara County, and was prepared as information for the public. The information presented was derived from CCWA official records, which are available for public review.

### **History of the State Water Project**

It is common knowledge that California's fundamental water supply challenge is that the major sources of water are found in northern California while the major urban and agricultural demands are located in central and southern California. To address this challenge, the voters and the Legislature authorized construction of extensive water conservation and delivery systems known as the Central Valley Project in 1930 and the State Water Project (SWP) in 1960.

Since 1963 the State has constructed most of the SWP elements: Oroville Dam, facilities to convey the water from Lake Oroville to the Sacramento Delta, an elaborate system of pumps and other facilities to move water out of the Delta, including 660 miles of canals and pipelines, and a complex of regulating reservoirs (see Figure 1). The State has designed, engineered and constructed all of these facilities, and operates and maintains them, with funds received from its 29 contractors (see Figure 2).



Construction of the SWP was financed in large part by \$1.75 billion of general obligation bonds issued pursuant to the Burns-Porter Act and approved by California voters in 1960. The Act directs the State to enter into water contracts for the sale, delivery or use of SWP water, and 29 such contracts now exist. Prior to the 1960 election, the State published Contracting Principles containing rules for implementing the water contracts required under the Act. The Contracting Principles provide that contract rates should be set so as to return to the State “. . . all costs of project operation, maintenance and replacement, all principal and interest on (1) bonds, (2) expenditures from the California Water Fund and (3) other monies used in the construction of the project works.”

Thus, from the very inception of the SWP, it was the intent of the Legislature that 100% of the costs associated with the purchase of SWP water, including construction costs, be passed through to purchasers of water. The State finances, designs, constructs and owns this extensive system; the water contractors purchase water from the State under "take or pay" contracts under which the State recovers all of its costs.

## **The State Water Project in Santa Barbara County**

### *The Early Years*

In 1963, anticipating a future need for supplemental water supplies, the Santa Barbara County Flood Control and Water Conservation District (Santa Barbara County) entered into a Water Supply Contract (State Contract) with the State. Under the State Contract, water would be delivered to Santa Barbara County through the "Coastal Branch" of the SWP. Phase I of the Coastal Branch, a 15-mile aqueduct branching off the California Aqueduct in northwestern Kern County, was completed in 1968. Construction of the remainder of the Coastal Branch (designated "Phase II") was postponed from 1975 to 1991. This postponement in construction was permitted pursuant to Paragraph 45(e) of the State Contract, which allowed Santa Barbara and San Luis Obispo Counties to delay construction indefinitely.

In March 1979 Santa Barbara County presented its voters with a ballot measure authorizing the issuance of revenue bonds in an amount not to exceed \$102 million to construct local facilities "to import and distribute" SWP water. Rainfall was heavy for several years preceding the vote and, as a result, Lake Cachuma was at or near capacity. For this and other reasons, Santa Barbara County voters defeated that ballot measure.

### *The 1980's and 1990's*

Even though construction of the Coastal Branch Phase II project was delayed under Article 45(e) of the State Contract, during the delay period Santa Barbara County was still obligated to make certain payments to the State related to facilities (such as the Oroville Dam and the California Aqueduct) which had already been built and which would be part of the delivery system that eventually would convey SWP water to the Central Coast. Before and after the 1979 election, many in Santa Barbara County questioned whether Santa Barbara County should continue to make payments under the State Contract. A number of water purveyors concluded it would be prudent for the County to continue to retain its entitlement and make payments to the State. The County was willing to retain the entitlement, but only if the associated costs were shifted from the countywide tax base to the ratepayers in those jurisdictions which wanted to keep the option to join the SWP. Beginning in 1982, Santa Barbara County entered into a series of Water Supply Retention Agreements (WSRAs) with various water purveyors for the purpose of shifting responsibility for such State payments from the County taxpayers to individual purveyors and their ratepayers. The WSRAs included a provision stating that no revenue bond financing for project facilities could be issued unless authorized by a vote of the people within the jurisdiction of each participating purveyor.

In 1983, Santa Barbara County, San Luis Obispo County Flood Control and Water Conservation District (SLO County) and the State commenced joint studies which found that additional water was needed for the two counties. The studies concluded that water use in 1980 exceeded dependable water supply by about 65,000 acre-feet per year in Santa Barbara County and by about 70,000 acre-feet per year in San Luis Obispo County. This shortage was being met by long-term overdraft of local groundwater basins.

The chronic overdraft of the local groundwater basins presented a serious environmental threat. Since many of these groundwater basins are adjacent to the ocean, the risk of saltwater intrusion and permanent damage to groundwater basins weighed on the minds of local water officials. In addition, reports from other areas in California (including some from San Luis Obispo County) indicated that groundwater overdrafting was causing surface soil subsidence. Local water agencies understood the significant environmental benefits that could be derived by reducing groundwater "mining" by diversifying water supplies to include imported water.

In 1985 the State, in conjunction with Santa Barbara County, completed a major "Alternatives Study" regarding the feasibility and costs of various supplemental sources of water supply for Santa Barbara County. This study determined that supplemental water from an enlarged Lake Cachuma was the preferred alternative for the Santa Ynez Valley and the South Coast, while SWP water was preferred for the cities of Lompoc, Santa Maria and other north County entities.

In 1986 the City of Santa Maria requested Santa Barbara County to ask the State to begin the planning and environmental studies, including preparation of an environmental impact report, needed to build the Coastal Branch Phase II project. In the same year, Santa Ynez River Water Conservation District, Improvement District No. 1 and the South Coast water purveyors asked the State and the United States Bureau of Reclamation to begin a study for enlarging Lake Cachuma. This alternative involved several environmental concerns that raised doubts about its ultimate feasibility.

In June 1990 DWR prepared and circulated a draft environmental impact report (DEIR) on the Coastal Branch Phase II project, pursuant to the California Environmental Quality Act, Public Resources Code Section 21091 (CEQA). Under CEQA, one purpose of a DEIR is to publicly disclose the impact, both environmental and financial, of a proposed project. The Coastal Branch DEIR was the subject of numerous public meetings in Santa Barbara County.

In May 1991 DWR issued the final environmental impact report (FEIR) for the Coastal Branch Phase II project and the Mission Hills Extension. The FEIR was sent to all of the potential participating water purveyors.

On June 4, 1991, during the 1987-1992 drought, the elections required by the WSRAs were held in 14 Santa Barbara County cities, communities and water districts on a State water ballot measure. The measure asked whether voters in each city or district would approve issuance of revenue bonds to finance local facilities needed to treat and distribute SWP water once the State completed construction of the Coastal Branch Phase II project. Voters in eleven cities and districts approved the bond measures.

## **The Central Coast Water Authority**

### *Early Activities*

In September 1991, following the voter authorization to finance revenue bonds, CCWA was formed to construct, manage and operate Santa Barbara County's "local facilities" for distribution and treatment of State water. Upon its formation, CCWA immediately accepted assignment of the WSRA obligations by executing Water Supply Agreements (WSA) with the contractors. As a result, CCWA became obligated to pay all State costs charged to Santa Barbara County under the State Contract. This obligation was clarified in a single document (instead of eleven) when CCWA and Santa Barbara County entered into a Transfer of Financial Responsibility Agreement on November 12, 1991.

During the early months of its existence, CCWA successfully resolved a number of issues of regional significance. For example, the CCWA members agreed on a cost allocation mechanism to equitably apportion the capital and operating costs of the Polonio Pass Water Treatment Plant among those contractors which would take direct deliveries of treated water (such as Santa Maria) and those which would not (such as Santa Barbara, which receives SWP water through Lake Cachuma). They also agreed to save capital costs by acquiring from one of its members an existing water pipeline which had been built in the 1960's to deliver Lake Cachuma water to the Santa Ynez Valley; that acquisition required an exchange of SWP water for Cachuma water to be equitable to all parties. Finally, they agreed on a mechanism to reapportion the costs incurred between 1985 and 1991 by the parties who had paid for environmental and feasibility studies of the Coastal Branch so that they would be equitably shared by all project participants.

At its formation, CCWA was composed of nine member water purveyors. It has identical WSAs with its members and additional WSAs to deliver water to certain other contractors (i.e., Vandenberg Air Force Base, Southern California Water Company, La Cumbre Mutual Water Company and two other private entities). It was originally responsible for construction and operation of the 42 mile buried pipeline from Vandenberg Air Force Base to Lake Cachuma (i.e., the Mission Hills and Santa Ynez Extensions) and the 43 million gallon per day Polonio Pass Water Treatment Plant. The State was originally responsible for construction, management and operation of the 101-mile Coastal Branch

Phase II project, which extends from northwest Kern County to Vandenberg Air Force Base, and for delivering SWP water to the local facilities.

Since SWP water is delivered from sources hundreds of miles away, the largest part of the delivery costs are “fixed” in the form of costs to finance, build and operate the dams, reservoirs, aqueducts and pipelines to conserve and transport the water. As previously noted, the State recoups these costs, whether or not water is actually delivered. Thus, a water purveyor signing up for SWP water must agree to a “take or pay” contract under which certain (i.e., fixed) costs must be paid each year, irrespective of how much water the State can deliver, and how much water the purveyor actually needs in a given year.

### *Project Financing, Development and Implementation*

In May 1992 CCWA issued “Development Notes” in the principal amount of \$23,760,000 for the purpose of securing funds to initiate design, engineering, planning, and related activities. In connection with the note issue, CCWA published an Official Statement containing information about each of the Santa Barbara County public agencies that would be receiving water through the CCWA constructed facilities.

During 1992, CCWA worked closely with the State on the design and engineering of the Coastal Branch Phase II project. This coordination included intensive discussions concerning the location of the Coastal Branch terminus. The 1963 State Contract showed the Coastal Branch terminating at the Santa Maria River, which is the boundary line between Santa Barbara and San Luis Obispo Counties. This terminus location, while geographically logical, turned out to pose problems from an engineering perspective. In light of these practical problems, CCWA and the State agreed that the terminus should be shifted 15 miles south to a location on Vandenberg Air Force Base, approximately 3 miles from the town of Casmalia.

This decision to move the Coastal Branch Phase II terminus was incorporated into a September 21, 1992 amendment to the State Contract, which was approved at public meetings by the CCWA Board of Directors and Santa Barbara County Board of Supervisors. The effect of this change was to shift from CCWA to the State the obligation to build this 15-mile pipeline reach. CCWA believed this decision was financially advantageous to CCWA project participants, since the State would be able to build this

section with State revenue bond funds borrowed at interest rates lower than those available to CCWA and would provide SWP power for a proposed pumping plant in that reach.

In October 1992, CCWA issued \$177,120,000 in revenue bonds for the purpose of securing funds to design and construct the local facilities. In connection with the bond issue, CCWA published an Official Statement containing information about each of the Santa Barbara and San Luis Obispo County public agencies which would be receiving water through those facilities. (In November 1996, CCWA refinanced the 1992 water revenue bond issue resulting in debt service savings of almost \$400,000 per year. The principal amount of the refunding bonds was \$198,015,000.)

On May 27, 1993 CCWA made the necessary determinations and findings to permit final sizing of the facilities. It amended those findings and determinations in 1994, so that the final sizing was based on 42,986 acre-feet of water per year, which consists of 39,078 acre-feet per year of contract allocations and 3,908 acre-feet per year of "drought buffer" (the purpose of drought buffer entitlement is to firm up the reliability of the contract allocations in those years when full SWP deliveries are not available). On March 16, 1993 SLO County made the requisite determinations and findings regarding its participation, and decided to take 4,830 acre-feet of water per year.

In March 1994, the State commenced construction of the Coastal Branch Phase II facilities. CCWA started construction of its facilities a few months later in July 1994. Table 1 contains technical and other data regarding project facilities.

The Coastal Branch Phase II pipeline is a 101-mile long buried pipeline extending from Devils Den to Tank 5 on Vandenberg Air Force Base in Santa Barbara County. The State pipeline consists of 57-inch diameter pipe at Devils Den, reducing to a 42-inch diameter south of the City of Arroyo Grande. There are three 10,500 horsepower pumping plants – the Devils Den, Bluestone and Polonio Pass Pumping Plants – to lift water 1,500 feet in elevation from Devils Den to Tank 1. The project also includes three water tank sites. There were approximately 30 contracts for procurement of materials and construction of the State's portion of the project.

In order to bring water to the residents of the South Coast of Santa Barbara County (including the communities of Carpinteria, Goleta, Montecito and Santa Barbara), it was necessary for CCWA to design and build a 42-mile extension of the Coastal Branch. The 30-39 inch diameter CCWA pipeline starts at Vandenberg Air Force Base, travels past Vandenberg Village and the City of Lompoc, through the cities of Buellton and Solvang and terminates at Lake Cachuma, a reservoir on the Santa Ynez River built in the 1950's by the

federal government to provide drinking water to South Coast and Santa Ynez Valley residents.

CCWA also constructed a 43 million gallon per day water treatment plant at Polonio Pass. The site was chosen because the project planners determined a single water treatment plant near the upstream end of the Coastal Branch would offer economies of scale to the 24 project participants, as compared to building a series of smaller plants serving individual participants.

Avoiding delay was a key goal which CCWA pursued throughout the planning and construction of the project, because CCWA estimated that delay would cost \$60,000 to \$100,000 per day. CCWA avoided delays by maintaining cooperation among construction crews, environmental monitors, construction supervisors and regulatory agencies.

In late 1994, the State determined that a proposed power plant in the vicinity of the city of San Luis Obispo was uneconomical in light of an updated construction cost estimate. This finding led to a cooperative effort between the State and CCWA to redesign a portion of the Coastal Branch Phase II pipeline, which resulted in eliminating the San Luis Obispo Power Plant, Tank 4 and the Casmalia Pumping Plant. (Tank 3 was also eliminated when the State decided to tunnel through a mountain rather than trenching and laying pipe over it.)

In early 1995, the State delegated design and construction of a 28-mile stretch of the Coastal Branch Phase II pipeline and Tank 5 to CCWA. Its decision was based on project schedule analyses that indicated the State was falling behind schedule to complete construction of its facilities, which threatened to delay the start of water deliveries.

Overall project construction was completed in the summer of 1997. Initial deliveries to turnouts along the pipeline commenced on August 11, 1997 and to Lake Cachuma on November 20, 1997. On June 25, 1998 the CCWA Board of Directors took formal action to declare the CCWA project complete. The estimated cost of the overall project is \$595 million, which is comprised of \$481 million for the Coastal Branch Phase II project and \$114 million for the CCWA facilities (\$43 million for the Polonio Pass Water Treatment Plant and \$71 million for the CCWA pipeline). In addition, CCWA provided \$27 million financing for project participants' turnouts and local projects and miscellaneous other project related costs.

By working cooperatively with the State and San Luis Obispo County, CCWA's efforts to implement a project that met three principal goals associated with quality, cost and schedule resulted in a number of unique and unprecedented accomplishments. The

change in the location of the Coastal Branch Phase II terminus was one such accomplishment. Others were:

- CCWA's Polonio Pass Water Treatment Plant was sited at the State's Tank 1 site, 90 miles from the downstream terminus of the SWP Coastal Branch. As previously mentioned, by siting the plant at this location, only one treatment plant is necessary to most cost effectively treat all the State water for two State water contractors (San Luis Obispo County and CCWA).
- As previously mentioned CCWA recommended and the State implemented major design changes which eliminated a power plant, a tank site and a pumping plant from the Coastal Branch Phase II project. Simplifying the overall project design in this manner helped to preserve the project schedule and enhance operational flexibility. There were a number of other benefits as well. Both capital costs and operating and maintenance (O&M) costs were reduced. Environmental impacts associated with the surface features were eliminated. Property owner issues in San Luis Obispo County were simplified because acquiring fee title for the surface features was no longer necessary.
- In early 1995 CCWA determined that internal State staff resources were being stretched as a growing number of project components were moving from the permitting and design phases into the bid and construction phases. The State's Design and Construction Division was struggling to meet its deadlines and keep the project on schedule. As a result CCWA proposed to the State that it contract with CCWA to provide engineering services and to construct a 28-mile stretch of pipeline and Tank 5 on Vandenberg Air Force Base. The State agreed and entered into a joint powers agreement with CCWA to construct the facilities financed by the State. CCWA redesigned the facilities using industry standards, which resulted in capital cost savings. CCWA and the State successfully defended a lawsuit seeking to invalidate this agreement brought by a group of State engineers.

Under this agreement CCWA provided additional assistance to the State for (1) acquiring Coastal Branch Phase II right of way, (2) reconstructing an 800-foot portion of the partially constructed State pipeline which was damaged by a landslide resulting



from heavy rains, (3) constructing a 3,500 foot portion of the State pipeline near the city of San Luis Obispo, (4) constructing the Lopez and Chorro Valley turnouts in San Luis Obispo County and (5) resolving its outstanding construction contract claims.

- On October 1, 1996 the State entered into an agreement with CCWA to have CCWA operate and maintain all of the Coastal Branch facilities downstream of the Polonio Pass Water Treatment Plant. This action provides significant O&M cost savings to SLO County and CCWA and avoids State overhead costs. It also provides greater efficiency by having a single agency – CCWA – exercise responsibility for all Coastal Branch facilities involved in the conveyance and treatment of SWP water.
- In the early stages of project development, the State appointed a Coastal Branch Project Manager to oversee the various State departments working on the project. This action resulted in improved coordination and cooperation among the various State divisions and numerous individuals. It also greatly facilitated CCWA input on Coastal Branch Phase II project financing, planning, design, construction and O&M issues.
- As a result of experience gained on the Coastal Branch Phase II project and its dealings with CCWA, the State has made unprecedented changes in its staffing, organization and approach to implementing projects. The State's Division of Design and Construction was reorganized and staffing was significantly reduced. The State now seeks State water contractor input on design criteria and project designs. The State has recognized that its existence as a design, construction and O&M organization is dependent on how well it responds to and meets the needs of its customers, the State water contractors.

The reorganization of the State's Design and Construction Division (now known as the Engineering Division) was the result of a personnel consultant study authorized by State management, principally due to CCWA's experiences on the Coastal Branch Phase II project. Since then State management has conducted similar studies for its Planning and O&M Divisions.

### *A Commitment to Environmental Protection*

Throughout the planning and construction of the project, CCWA worked very hard to build the project with a true commitment to environmental protection. CCWA formed a project team of CCWA staff, engineers, environmental consultants and attorneys charged with coordinating their respective skills and objectives to design and build a project that treated environmental protection with the same priority given technical and financial issues. Project plans incorporated environmental mitigation from inception. The project team conducted regular meetings to maintain clear lines of communication and reporting and to create peer pressure so that each team member took personal responsibility for completing tasks properly and timely, resolving little problems before they grew and staying ahead of issues to prevent problems from developing.

Before project planning began, the team met with every regulatory agency that might have had jurisdiction over the project to discuss potential resource issues that needed to be addressed and to establish a dialogue that encouraged the resource agencies to call if problems were identified as the project progressed.

CCWA and its project participants complied with both CEQA and the National Environmental Protection Act and prepared three EIRs with Supplemental EIRs, an Environmental Assessment and a number of Negative Declarations. CCWA and its consultants coordinated closely with the California Department of Fish & Game, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Bureau of Reclamation and local Native American groups to formulate and implement a mitigation and monitoring program to (1) protect sensitive species and their habitats, (2) avoid impact to cultural resources, (3) restore disturbed areas to their prior condition to the extent feasible and (4) provide offsite mitigation for those areas that could not be restored, (e.g., large trees cannot be grown over the pipeline, and above ground valve vaults and similar facilities occupy surface areas which must remain clear in perpetuity).

CCWA's approach to the project provides an example of how to build a large project which crosses multiple riparian and other sensitive habitats that, without a sincere environmental commitment, could be adversely affected by construction activity. Project planning and construction included the following measures:

- The construction right of way and access roads were selected by CCWA staff, engineers, cultural experts and biologists to avoid sensitive resources wherever possible and, where avoidance was infeasible, to minimize environmental damage. Routes were field verified before construction to confirm they were the least environmentally impacting and most feasible routes. Access routes generally followed existing roads and the pipeline corridor to reduce new scarring.
- The right of way was narrowed where feasible to avoid environmental damage.
- The construction plans depicted sensitive areas to be avoided and mapped trees or habitat to be removed. Contractors received a pre-agreed bonus for saving vegetation marked for removal. It was a three-way "win-win" – contractors worked hard to earn the bonus; CCWA saved hefty revegetation costs; the natural environment was preserved and protected.
- The construction specifications required a "double lift" during pipeline trenching, whereby contractors would first remove topsoil, then remove subsoil and keep them separated during construction (topsoil with its valuable native seed bank was protected from wind and rain). The topsoil and subsoil were then restored in the proper order. This enhanced revegetation by using the natural seed bank and nutrients.
- Native seed and native plants grown from seed gathered from the local area were used for revegetation to preserve local genetic integrity and to avoid importing foreign stock that might carry pests and disease.
- CCWA required environmental training for all personnel entering the project site.
- Independent environmental monitors, with authority to halt construction to protect environmental resources, ensured that ground activities complied with the protective measures integrated into the plans and specifications. Monitors marked exclusion zones with bright tape to protect sensitive resources and scouted for previously unknown cultural sites, directing construction away from discovered sites so CCWA's cultural experts could study the sites, report them to the state and federal agencies and then mitigate.

- Biological surveys conducted shortly before construction located sensitive resources and identified the "before" condition of the habitat so post-construction restoration could be completed accurately, and the site restored to its pre-project condition.
- On-site pipe sections were "capped" at the ends to prevent wildlife from crawling inside. Monitors also checked the trench routinely to remove trapped animals.
- Upon completion of construction in each area, CCWA installed erosion controls such as water bars, straw bales and silt fencing to reduce erosion during the rainy season. Sites were monitored closely and erosion control devices repaired and replaced as needed. Revegetated areas are monitored regularly and monitoring will continue for five years.

CCWA's commitment to environmental protection resulted in a project which was virtually undetectable to the public just one year after completion because revegetation was so successful. In addition, CCWA's project management resulted in saving 323 oak trees (90% of those located in or near the pipeline right of way), rescuing 101 animals, preserving and curating 61 cultural artifacts and replanting from seed or seedling 450 oaks, 240 willows, and 60 acres of other native vegetation. Moreover, far fewer acres of sensitive habitat were impacted by the project, compared to the pre-construction impact estimates, thereby resulting in significantly lower mitigation efforts after completion. As a result, the costs of environmental mitigation were lower than expected, disruptive project delays were avoided and CCWA enjoys a good working relationship with the regulatory agencies.

Certain state-of-the-art engineering and construction techniques used on the project were necessary more for environmental than technical reasons. CCWA utilized microtunnel technology to cross under San Antonio Creek (Vandenberg Air Force Base) and the Santa Ynez River and the State utilized directional drilling technology to cross San Juan Creek in San Luis Obispo to avoid impacts to certain endangered species and sensitive habitat. In addition CCWA utilized "jack and bore" technology to install the pipeline under existing oak groves adjacent to Vandenberg Village (Santa Barbara County) and the City of San Luis Obispo, as well as for more traditional purposes such as railroad and freeway crossings.

When the CCWA Board of Directors approved construction of the 42-mile CCWA pipeline, it included a number of conditions. One condition was to require each of the CCWA project participants to commit that its SWP water entitlement will be used first to offset its proportionate share of groundwater overdraft and then to improve water quality for its consumers. (Any remaining water would be used for future growth consonant with community general plans.) Thus, SWP water is providing the "ultimate" environmental benefit by reducing groundwater overdraft in a number of areas throughout the county.

### *Water Supply Reliability*

The availability of SWP water supplies varies with hydrologic cycles and overall SWP demand. During wet years the SWP is able to deliver sufficient water to meet most or all SWP delivery requests. During extended dry year conditions, the SWP can deliver only a portion of requested deliveries.

In June 1993 CCWA retained an additional 3,908 acre-foot "drought buffer" entitlement to partially firm up the reliability of the 39,078 acre-feet of SWP entitlement for which CCWA (Santa Barbara County) project participants contracted. During those years that availability of SWP water exceeds project participants' demand, project participants can store drought buffer water (and unused WSA entitlement allocations) either directly into a groundwater basin or on an in-lieu basis (i.e., by taking delivery of the drought buffer and reducing groundwater pumping by an equal amount). During dry years when availability of SWP water is less than CCWA project participants' demand, stored drought buffer water (and stored entitlement water) can be used to augment SWP deliveries. On a long-term average basis, this results in the equivalent of 80% delivery of full annual entitlement (i.e., the 39,078 acre feet) year in and year out. In the meantime, the reliability of requested deliveries by CCWA project participants is much higher – virtually 100% – because their current total demand is significantly less than 39,078 acre feet per year.

Other mechanisms that CCWA can use to fill project participant delivery requests during shortages in SWP supplies are:

- Acquiring water from the State "Turnback Pool," which is an internal SWP mechanism that pools unused SWP supplies early in the year for purchase by other SWP contractors at a set price. In addition, CCWA has established its own Turnback Pool Program whereby CCWA project participants can buy and sell excess entitlement

among themselves before submitting it for sale in the State turnback pool program. The turnback pool mechanism is only for one-year sales of water.

- Acquiring water from the State Water Bank during those years the bank is implemented by the State to market water that it purchases on the open market (i.e., non-SWP water). The bank was first implemented in 1991 as the State Drought Water Bank and has since been utilized during certain dry years when additional water is needed by SWP contractors. The water bank also is only for one-year sales of water.
- Term water purchases and sales of SWP entitlement by CCWA project participants in accordance with the CCWA Water Transfer Procedures adopted in March 1996. The procedures typically cover multi-year temporary and permanent sales of SWP entitlement.

Possible future actions that would further enhance SWP entitlement reliability include (1) the State building additional SWP facilities, (2) the State (and federal government) implementing water supply and reliability enhancements resulting from the CALFED process and (3) CCWA instituting a new or participating in an existing groundwater banking program on behalf of its project participants.

## **The Future**

The most significant current challenge to CCWA project participants is financial. Consequently, CCWA continues to strive to ensure the cost effectiveness of both its and the State's operations. With time, the affordability of State water will improve due to the fixed nature of the majority of SWP costs.

As each project participant's demand for State water approaches its entitlement allocation, supply reliability will become CCWA's most significant challenge. The magnitude of this challenge is increased by the fact that demand by other urban State water contractors is also increasing with time. Methods of enhancing the reliability of CCWA's SWP entitlement were previously discussed in the section entitled "Water Supply Reliability."

CCWA staff currently monitor water quality parameters at the Polonio Pass Water Treatment Plant and at each turnout and tank site along the pipeline. As a wholesaler and

service provider, CCWA monitors all parameters requested by its project participants, as well as those mandated by state and federal regulators. New water quality analyses currently being conducted by CCWA but not yet regulated include Giardia, Cryptosporidium, total organic carbon (along with its uv-254 surrogate) and haloacetic acids.

CCWA will continually strive to secure maximum performance from the Polonio Pass Water Treatment Plant as state and federal regulations are added and permissible contaminant levels change. The plant's ability to utilize enhanced coagulation, the granular activated carbon filter beds and the post-filtration chlorine contactor will play an important role in meeting the next generation of regulations. The treatment plant can also accommodate the addition of a settled water ozone contactor or other new treatment processes should they ever become necessary.

Environmental protection has been built into every level of CCWA operations. The CCWA O&M manual requires using special balloon-tired vehicles in sensitive areas, utilizing portable dechloramination units whenever potable water is released from the pipeline, having environmental specialists review any earth disturbing activities, restoring and revegetating all disturbed sites, maintaining erosion control along the right of way and conducting aerial surveys when land-based vehicles are inappropriate for use.

The future issues noted above illustrate the continued viability of the vision first expressed in 1993 when the CCWA Board of Directors adopted its Mission Statement and Objectives. CCWA has built both the organization and infrastructure that will support this vision well into the future.

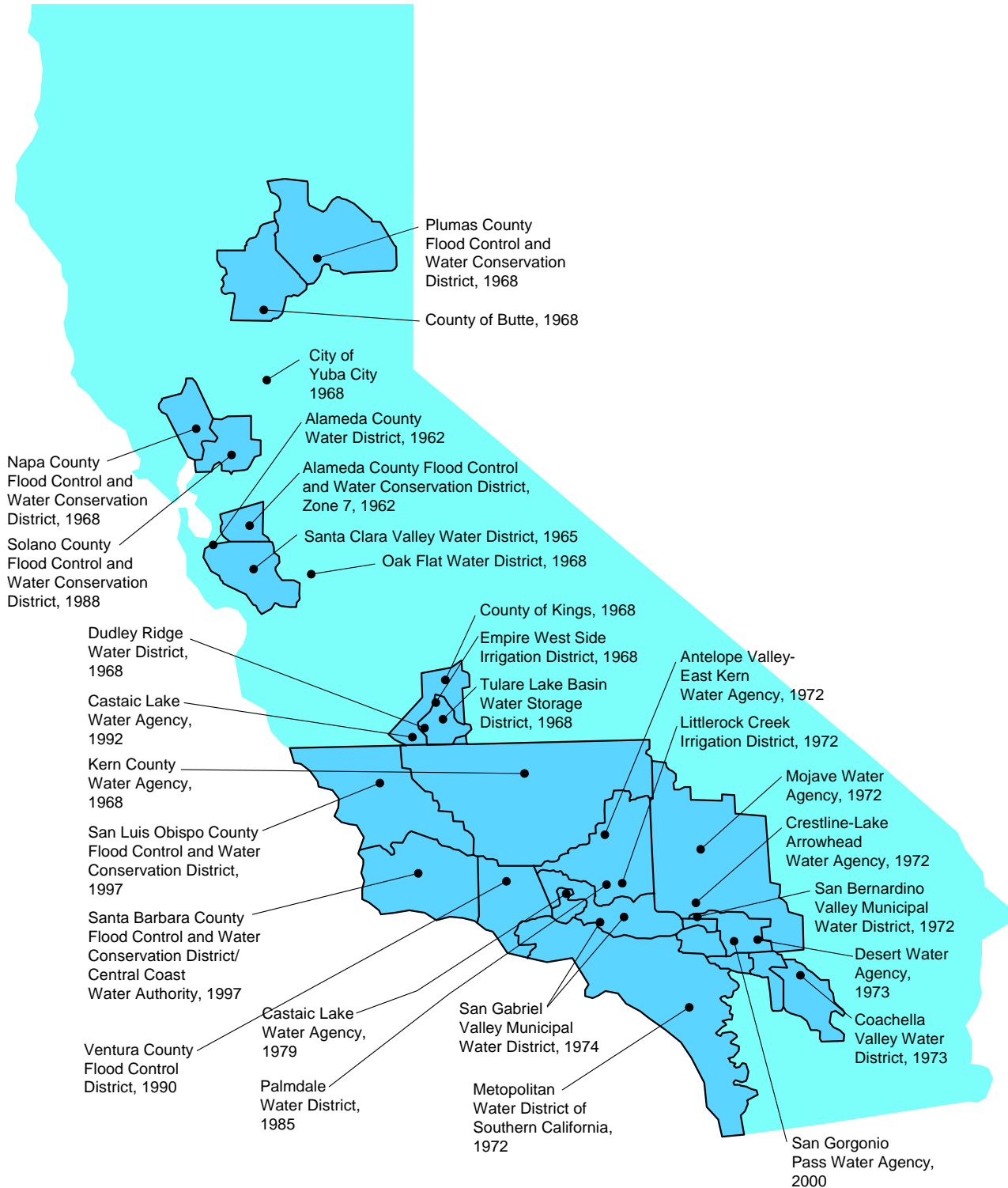
July 1998

Figure 1 – State Water Project Facilities





**Figure 2 – State Water Project Contracting Agencies  
(and year of initial water delivery)**



**Table 1**

**COASTAL BRANCH PHASE II PROJECT DATA \***

<b>Tank Sites*</b>	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.

<b>Polonio Pass Water Treatment Plant</b>	43 million gallon per day capacity (disinfection process uses combination of chlorine and ammonia - chloramination)
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<b>Pipeline</b>		
<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

<b>Pump Plants</b>	<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

<b>Turnouts</b>	
<u>Location</u>	<u>Agencies Served</u>
Chorro Valley (SLO County)	California Mens Colony, Cuesta College, County of SLO Operations Center, City of Morro Bay
Lopez (SLO County)	Oceano CSD, City of Pismo Beach, San Miguelito Mutual Water Company, Avila Beach CSD, San Luis Coastal Unified School District, Avila Valley Mutual Water Company
Guadalupe	Guadalupe
Santa Maria	Santa Maria
Southern California Water Company (Orcutt)	California Cities Water Company
Vandenberg AFB	VAFB
Buellton	Buellton
Solvang	Solvang
Santa Ynez	Santa Ynez
Lake Cachuma*	Goleta WD, City of Santa Barbara, Montecito WD, Carpinteria Valley WD, Morehart Land Company, Santa Barbara Research Center, La Cumbre Mutual Water Co.

\* Water discharged to Lake Cachuma is dechloraminated and then retreated on the South Coast.

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