

CENTRAL COAST WATER AUTHORITY

FY 2017/18  
CONTINUING  
DISCLOSURE ANNUAL  
REPORT

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\$45,470,000  
REFUNDING REVENUE BONDS  
(STATE WATER PROJECT  
REGIONAL FACILITIES)  
SERIES 2016A



## FY 2017/18 CONTINUING DISCLOSURE

### ANNUAL REPORT

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TRANSMITTAL LETTER



March 12, 2019

Phong Truong  
Bank of New York Mellon Trust Company  
400 South Hope Street, Suite 500  
Los Angeles, CA 90071

RE: Central Coast Water Authority Fiscal Year 2017/18 Annual Report on Continuing Disclosure for the \$45,470,000 Refunding Revenue Bonds (State Water Project Regional Facilities), Series 2016A

Dear Phong:

Attached is the Fiscal Year 2017/18 Annual Report pursuant to the Continuing Disclosure Agreement between the Central Coast Water Authority and Bank of New York Mellon Trust Company (as successor Trustee).

Fiscal Year 2017/18 State Water Deliveries

A table showing deliveries during Fiscal Year 2017/18 to Santa Barbara and San Luis Obispo County State water contractors is attached.

Rate Coverage Reserve Fund

On December 18, 1997, the Authority Board of Directors established the Rate Coverage Reserve Fund. This fund provides a mechanism to allow 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 (refer to the attached Rate Coverage Reserve Fund Policy for additional information).

Under the provisions of the Rate Coverage Reserve Fund policy, Authority Contractors may deposit up to 25% of their estimated annual contract payments in cash with the Authority. The deposit amount on the first day of the fiscal year is then added to the net revenues for each participating Contractor when calculating Net Revenues for the year.

The following agencies elected to participate in the CCWA Rate Coverage Reserve Fund during Fiscal Year 2017/18 and have deposited the following amounts:

- Eric Friedman  
Chairman
- Ed Andrisek  
Vice Chairman
- Ray A. Stokes  
Executive Director
- Brownstein Hyatt  
Farber Schreck  
General Counsel
- Member Agencies*
- City of Buellton
- Carpinteria Valley  
Water District
- City of Guadalupe
- City of Santa Barbara
- City of Santa Maria
- Coleta Water District
- Montecito Water District
- Santa Ynez River Water  
Conservation District,  
Improvement District #1
- Associate Member*
- La Cumbre Mutual  
Water Company

255 Industrial Way  
Buellton, CA 93427-9581  
(805) 688-2292  
FAX: (805) 688-4700

Project Participant	FY 2017/18 Rate Coverage Fund Deposit
City of Buellton	\$ 274,881
Carpinteria Valley Water District	823,757
City of Guadalupe	188,368
La Cumbre Mutual Water Company	391,135
Montecito Water District	1,417,526
City of Santa Maria	5,001,279
Santa Ynez, RWCD, I.D. #1 (City of Solvang)	611,871
Santa Ynez, RWCD, I.D. #1	480,943
<b>TOTAL:</b>	<b>\$ 9,169,739</b>

Continuing Disclosure Annual Report

Consistent with Section 4 of the Continuing Disclosure Report, the Fiscal Year 2017/18 Annual Report includes the charts described under the captions, "Historic Water Connections and Sales Revenues," "Historic Water Deliveries," "Largest Customers," "Water System Rates and Charges," "Historic Operating Results" and "Debt Service Coverage" for each of the following Contractors:

City of Santa Maria  
City of Santa Barbara  
City of Guadalupe  
City of Buellton  
Goleta Water District  
Montecito Water District  
Carpinteria Valley Water District  
La Cumbre Mutual Water Company  
Santa Ynez River Water Conservation District, Improvement District No. 1  
(including the City of Solvang as an attachment)  
City of Pismo Beach  
City of Morro Bay

Section 4 of the Continuing Disclosure Agreement requires that the Authority submit a copy of its audited financial statements. A copy of the Authority's FY 2017/18 Comprehensive Annual Financial Report was sent to you via email on March 12, 2019.

Audited Financial Statements The Cities of Guadalupe and Santa Maria submitted draft financials, but did not submit audited financial statements for FY 2017/18 as of the date of this letter. As such, CCWA was unable to verify the actual operating results with their audited financial statements.

If you have any questions, please call me at (805) 688-2292, extension 214.

Sincerely,



Ray A. Stokes  
Executive Director

RAS

Attachments

cc: Doug Brown, Stradling, Yocca, Carlson & Rauth  
Jonathan Ash, Citigroup

45904\_1  
RAS

# FY 2017/18 STATE WATER DELIVERIES

Central Coast Water Authority

## Fiscal Year 2017/18 State Water Deliveries

*Fiscal Year 2017/18 Continuing Disclosure Annual Report*

Project Participant	<i>Acre-Feet</i>		
	Requests	Exchange	Net Deliveries
Lopez Turnout (SLO County)	746		746
Chorro Valley Turnout (SLO County)	1,540		1,540
Shandon Turnout (SLO County)	57		57
City of Guadalupe	437		437
City of Santa Maria	9,928		9,928
Golden State Water Company	403		403
Vandenberg Air Force Base	2,117		2,117
City of Buellton	276		276
Santa Ynez ID#1 (Solvang only)	562		562
Santa Ynez ID#1 (excluding Solvang)	692	930	1,622
Goleta Water District	5,197	(334)	4,863
Morehart Land Company	40	-	40
LaCumbre Mutual Water Co.	586	-	586
Raytheon Systems Co.	49	-	49
City of Santa Barbara	3,247	(224)	3,023
Montecito Water District	3,294	(223)	3,071
Carpinteria Valley Water District	1,585	(149)	1,436
<b>TOTAL:</b>	<b>30,756</b>	<b>-</b>	<b>30,756</b>

Central Coast Water Authority  
Rate Coverage Reserve Fund Policy

Adopted: December 18, 1997

Rate Coverage Reserve Fund Policy

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- (60) days 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  
**Rate Coverage Reserve Fund Policy**

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.



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**CITY OF BUELLTON**

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The City of Buellton (the “City”) has provided by the information below. The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active domestic water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual domestic water sales revenues. Sales revenues for the year ended June 30, 2018 increased by about 30%. This was primarily due to the increase in total number of connections and due to a water rate increase.

*Historic Water Connections and Sales and Service Revenues*

Fiscal Year Ending June 30	Connections	Water Sales Revenues
2014	1,569	\$ 1,532,887
2015	1,582	1,436,127
2016	1,584	1,426,171
2017	1,699	1,865,124
2018	1,733	2,416,040

**HISTORIC WATER DELIVERIES**

The following table presents a summary of historic water deliveries and the source of that water in acre-feet per year.

*Historic Water Deliveries and Source of Water Delivered  
(In acre-feet per year)*

Fiscal Year Ending June 30	Santa Ynez River Appropriation	Groundwater Basin	State Water	Total
2014	762	488	50	1,300
2015	372	764	5	1,141
2016	317	645	81	1,043
2017	427	461	201	1,089
2018	643	318	278	1,240

## LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2018, as determined by the amount of their respective annual payments.

Customer	Water Usage <sup>1</sup>	Annual Payment
Professional Investment Planning	19,090	\$ 79,523
Buellton Union School District	18,784	68,156
Flying Flags Association, L.P.	14,844	41,377
Santa Ynez Valley Marriott	9,383	35,610
Rivergrove Mobilehome Park	8,679	26,989
Terravant Wine Co	6,190	27,323
Buellton Village Center LLC	5,862	38,343
Milt Guggia Ent Inc	5,078	23,104
Hampton Inn	4,670	23,235
The Inn Group	<u>4,484</u>	<u>18,885</u>
TOTAL	97,064	\$ 382,545

These ten customers accounted for approximately 16% of the City’s water service revenues for fiscal year 2017/18.

## WATER SYSTEM RATES AND CHARGES

*General.* The City is not subject to the jurisdiction of, or regulation by, the State of California Public Utilities Commission. It is the City’s policy to annually determine the adequacy of the water system rate structure after full consideration of expected operations, maintenance and capital costs. The City currently sets water charges to pay the cost of groundwater pumping, water treatment and current operation expenses for the water system, debt service with respect to its bonds, and coverage of its obligations under the Water Supply Agreement. Capital improvements and debt service payments are funded from water connection and user fees.

*Water Service Charges.* The City separates its customers into commercial and residential. Charges are associated with the water meter size (an additional dwelling unit fee of \$23.34 per dwelling unit) and quantity of water used. The City increased its water rates effective November 1, 2017 per Resolution 16-19. As a result, the water usage for commercial and residential customers is now \$2.76 per 100 cubic feet, up from \$2.68 per 100 cubic feet. The Water Meter Charges are set forth below:

Meter Size	Monthly Service Charge <sup>2</sup>
Up to ¾”	\$ 33.34
1”	89.66
1 ½”	177.47
2”	280.00
3”	604.20
4”	1,085.82
6”	2,318.68
8”	3,105.95

*Collection Procedures.* The City is on a monthly billing cycle, sending out bills for the prior month service. Payment is due upon receipt and is considered delinquent if not paid by the 20th day of the following month. If payment is not received, a delinquency notice appears on the next water bill. Currently 5% of the accounts, which account for approximately 6% of the Water System Revenues, are delinquent. The City reports, however, that upon receipt of such

<sup>1</sup> Hundred Cubic Feet

<sup>2</sup> Plus \$23.34 for each additional dwelling unit that is served by one meter.

delinquent notices almost all of its customers pay delinquent amounts within two weeks. Water service for all accounts not paid in full within 55 days of the original billing date are discontinued by the City until full payment is made, including late penalties and a \$20.00 re-connection fee, if reinstated during business hours and \$53.00 after hours.

*Connection Fees.* The City charges connection fees for improvement or expansion of water treatment and distribution facilities to meet the requirements of community growth. The current connection fee for single-family residences is \$2,955. The current connection fee for commercial and all other uses and meter sizes will be based on a ratio of the Base Fee \$2,955 per EMU to the meter size.

EMU Fees for 17/18: (Equivalent) Meter Size Ratio Facility/Connection Charge

<u>EMU Fees for 17/18: (Equivalent) Meter Size</u>	<u>Ratio</u>	<u>Facility/Connection Charge</u>
3/4"	1	\$ 2,955
1"	2.5	7,388
1 1/2"	5	14,775
2"	8	23,640
3"	17.5	51,713
4"	3	88,650
6"	62.5	184,688
8"	9	265,950

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2017/18. These results have been derived from the City's audited financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF BUELLTON

<b><u>REVENUES</u></b>	<b><u>June 30, 2018</u></b>
Water Sales	\$ 2,416,040
Connection Fees	181,845
Other Fees & Income	54,485
Interest Income	<u>23,605</u>
<b>TOTAL REVENUES</b>	<b><u>2,675,975</u></b>
<b><u>OPERATING EXPENSES</u></b>	
Operations & Maintenance Expenses	<u>759,603</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>759,603</u></b>
<b>NET REVENUES</b>	1,916,372
Rate Coverage Reserve Fund Deposit	<u>274,861</u>
 Adjusted Net Revenues	 <u><u>2,191,233</u></u>
 State Water Payments	 1,017,206
 <b><i>Coverage Ratio</i></b>	 <b><i>2.15</i></b>
 Available for Capital Improvements and other purposes	 \$ 899,166

Source: City of Buellton

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**CARPINTERIA VALLEY WATER DISTRICT**

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The Carpinteria Valley Water District (the District”) has provided the information set forth below. The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active domestic and agricultural water connections to the District’s water system for the five most recent fiscal years, and corresponding annual water sales revenues. All sales revenue numbers include monthly service charges as well as the unit cost of water including those for fire protection.

*Historic Water Connections and Sales Revenues*

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Ag.	%	Dom.	%	Ag.	%
2014	4,038	91	406	9	\$ 8,411,037	75	\$ 2,818,138	25
2015	4,080	91	405	9	8,116,921	75	2,682,792	25
2016	4,116	91	385	9	9,064,354	75	2,958,852	25
2017	4,114	91	389	9	9,621,740	77	2,835,990	23
2018	4,119	92	387	8	9,791,472	77	2,984,583	23

The following table of total sales revenues shows categories of water revenue based on the unit cost of water and monthly service charges including those for fire protection.

*Total Sales Revenue (\$)*

Fiscal Year Ending June 30	Water Revenue	Monthly Service Charge	Total
2014	\$ 5,022,841	\$ 6,206,334	\$ 11,229,175
2015	4,240,726	6,790,317	11,031,043
2016	4,441,318	7,581,887	12,023,205
2017	4,220,286	8,237,444	12,457,730
2018	4,472,673	8,303,382	12,776,055

Sales revenue increased in FY 13 due to dryer weather conditions. The continued dry conditions over FY 2013/14 resulted in higher water demand that resulted in increased water sales revenue. Water conservation restrictions resulting from a continued drought contributed to the decline in water sales revenue in FY 14/15. Increased drought surcharges because of the ongoing drought contributed to the increase in water sales revenue in FY 15/16. Increased drought surcharges as well as an increase to the Basic Monthly Service Charge contributed to the increase in water sales in FY 16/17.

## HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries and the source of that water in acre-feet per year for the five most recent fiscal years.

### *Historic Water Deliveries and Source of Water Delivered (In acre - feet per year)<sup>1</sup> Deliveries*

Fiscal Year Ending June 30	Residential <sup>2</sup>	Commercial	Public Authority	Industrial	Irrigation	Total
2014	1,529	350	170	87	2,415	4,551
2015	1,240	280	129	75	2,004	3,728
2016	1,182	226	107	64	2,025	3,604
2017	1,172	230	111	62	1,820	3,395
2018	1,307	261	127	67	2,108	3,870

### *Sources*

Fiscal Year Ending June 30	Groundwater	State Water	Cachuma Project	Total
2014	754	846	3,490	5,090
2015	2,204	797	1,060	4,061
2016	2,849	270	976	4,095
2017	1,828	1,474	465	3,767
2018	1,744	1,304	1,165	4,213

## MANAGEMENT DISCUSSION OF HISTORIC WATER CONNECTIONS, SALES REVENUES AND DELIVERIES

Water sales increased in FY 13/14 with dry weather and drought conditions. Sales declined in FY 14/15 as state mandated conservation efforts were implemented. Sales continued to decline in FY 15/16 and 16/17 as conservation efforts and drought conditions continued. Water sales increased in FY 17/18 as drought fatigue set in.

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<sup>1</sup> Unaccounted water due to general system loss, including leakage, line flushing and fire hydrant testing, averages 3% and is apportioned to all account types.

## LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2018, as determined by the amount of their respective water usage:

Customer	Water Usage <sup>3</sup>	Annual Payment
Circle G	29,623	\$ 66,899.57
Emmett, Morgan	27,459	61,667.15
Ota, Tom	26,467	66,135.36
Schaff, Victor	25,801	52,957.45
Cate School	23,519	120,844.18
Casitas Village Home Assn	19,280	270,998.62
Villa Del Mar HOA	18,534	248,727.05
Sandpiper Village	17,799	248,691.30
Reiter Brothers Inc.	17,109	40,381.04
City of Carpinteria	14,037	118,147.90
	219,628	\$ 1,295,449.62

These ten customers accounted for approximately 10.13% of water service revenues for the year ending June 30, 2018.

## WATER SYSTEM RATES AND CHARGES

*General.* The District is not subject to the jurisdiction of, or regulation by, the California Public Utilities Commission. The District annually determines the adequacy of the water system rate structure after full consideration of expected operations, maintenance and capital costs. The District currently sets water charges to pay water costs for purchased water, costs of groundwater pumping and current operating expenses for the water system. Capital improvements and debt service payments are funded from water charges and connection fees.

*Water Service Charges.* The District has separated its customer base into two classes of service – domestic and agricultural. Domestic service is further separated into two types: 1) residential and 2) commercial, industrial, public authority and landscape.

In FY 12/13 water rates increased to \$3.05 for the Base tier, \$3.92 for the Mid-Level tier and \$4.93 for the Peak tier. Agricultural rates increased to \$1.72 per HCF. The rate for the Capital Improvement Program charge increased to \$2.75 per HCF. State Water Project charges also increased as reflected in the schedule below. FY 2013/14 the water rates did not change from FY 2012/13. In FY 2014-15 the District initiated surcharges on all accounts to address costs associated with continued State-wide drought. In addition the District raised water rates to \$3.12 for the Base tier, \$4.05 for the Mid-Level tier and \$5.42 for the Peak tier. A temporary 3-tiered rate structure was imposed on all Agricultural accounts, with the first tier priced as \$1.76 per HCF, the second tier at \$1.82 per HCF and the third tier at \$1.89 per HCF. In FY 15/16 these rates were raised to \$3.40 for the Base tier, \$4.55 for the Mid-Level tier and \$6.50 for the Peak tier for M&I customers. Agricultural rates were raised to \$1.92 for the first tier, \$2.25 for the second tier and \$2.50 for the third tier. The drought surcharges were also increased. In FY 16/17 rates were raised to \$3.63 for the Base tier, mid-level tier was removed and the Peak tier was lowered to \$4.75 for M&I customers. Agricultural rates were lowered to \$1.91 for the first tier, the second tier changed to \$2.50 and there is no third tier. The drought surcharges were also increased. In FY 17/18 the Tier 2 Agricultural rate was removed, leaving a flat rate for Irrigation customers. In FY 18/19 rates were raised to \$3.69 for the Base tier, the Peak tier was increased to \$4.83 for M&I customers. Agricultural rates were increased to \$1.94 for the first tier, and a possible second tier was established at \$2.55. The State Water Project service charge was increased mid-year, effective January 2019 as reflected in the schedule below.

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<sup>3</sup> Hundred Cubic Feet

A schedule of the District's current monthly service charges effective since July 1, 2018 is shown below:

MONTHLY SERVICE CHARGES				
METER SIZE	BASIC	STATE WATER	DROUGHT	TOTAL
5/8"	\$ 10.70	\$ 33.56	\$ 3.00	\$ 47.26
3/4"	10.70	33.56	3.00	47.26
1"	17.83	55.93	5.00	78.76
1 1/2"	35.65	111.85	10.00	157.50
2"	57.04	178.96	16.00	252.00
3"	114.08	357.92	32.00	504.00
4"	178.25	559.25	50.00	787.50
6"	365.50	1,118.50	100.00	1,575.00
8"	819.95	2,572.55	230.00	3,622.50

CAPITAL IMPROVEMENT CHARGES		
Rate	\$ 2.85	Per HCF
Minimum	17.10	6 HCF
Maximum	285.00	100 HCF

DROUGHT SURCHARGES		
Volumetric Rate	\$ 0.70	Per HCF
Minimum	4.20	6 HCF
Maximum	70.00	100 HCF

*Connection Fees.* For every new meter installation, the District charges the installation cost of the new service and meter plus a "Capital Cost Recovery Fee". The base charge component of Capital Cost Recovery Fees ranges from \$1,307 to \$150,303 depending on the size of the meter. In addition to the base charge, there is a "fully loaded equivalent State Water Project monthly service charge" component. This second component is an amount added to the base charge, equivalent to State Water Project monthly service charges that would have been paid beginning July 1, 1996. The Board of Directors adopted the Capital Cost Recovery Fees on July 16, 1997. A third component was added in September of 2000 to capture the monthly service charge increases necessary to fund the debt service for the \$9 million COPs issued in May of 2000, to pay for the District's Capital Improvement Program. The Series 2000 COPs were subsequently refinanced in FY 05/06 and replaced by the Series 2006A COPs in the amount of \$10 million. The District also has three State Revolving Fund loans that total approximately \$21.8 million. These are assigned to the Capital Improvement Program component of the Capital Cost Recovery Fee. The final component recovers annual capital expenditures made to District infrastructure. This meter-based charge varies annually and was added to the Capital Cost Recovery Fee schedule in July 2007. In fiscal year 2010 the board approved a fixed annual Capital Cost Recovery Fee Schedule to be updated annually as needed. Effective July 1, 2018 CCRF rates are:

Meter Size	Capital Cost Recovery Fees
3/4"	\$ 15,508
1"	22,375
1 1/2"	39,605
2"	60,293
3"	115,411

The District requires the Capital Cost Recovery Fee to be paid prior to accepting the installation fee deposit.



FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2017/18. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The District's auditor has not audited the table.

CARPINTERIA VALLEY WATER DISTRICT

<b><u>REVENUES</u></b>	<b><u>June 30, 2018</u></b>
Muni. & Ind. Water Sales	\$ 2,913,156
Agricultural Water Sales	1,771,509
Water Service Charge	7,748,205
Fire Protect & Service Revenue	287,878
Capital Cost Rec Fee	104,343
Interest Revenue	151,304
Other Income	337,195
Overhead charges	<u>11,506</u>
<b>TOTAL REVENUES</b>	<b><u>13,325,096</u></b>
 <b><u>OPERATING EXPENSES</u></b>	
Cost of Purchased Water	41,808
Pumping Expense	368,111
Treatment expense	1,088,862
Trans & Dist Exp	1,196,620
Customer Accounts	37,088
Cachuma Operating Expense	550,238
General & Admin.	<u>2,631,700</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>5,914,427</u></b>
 <b>NET REVENUES</b>	 7,710,669
Rate Coverage Reserve Fund Deposit	<u>823,757</u>
Adjusted Net Revenues	<u><u>8,234,426</u></u>
State Water Payments	3,732,379
 <b><i>Coverage Ratio</i></b>	 <b><i>2.21</i></b>
Additional Debt Service	1,740,581
Available for Capital improvements and other purposes	\$ 1,991,798

Source: Carpinteria Valley Water District

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**GOLETA WATER DISTRICT**

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The information set forth below has been provided by the Goleta Water District (the “District”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active water connections to the District’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

*Historic Water Connections and Sales Revenues*

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	*Other	%	Dom.	%	*Other	%
2014	16,118	97.44	424	2.56	\$ 20,469,508	85.27	\$ 3,536,298	14.73
2015	16,003	97.34	438	2.66	16,193,645	81.02	3,794,462	18.98
2016	16,029	97.30	445	2.70	23,457,817	78.79	6,313,324	21.21
2017	16,091	97.16	470	2.84	22,997,391	80.60	5,534,953	19.40
2018	16,094	97.08	484	2.92	26,170,599	78.77	7,051,545	21.23

The number of active connections to the District’s water experienced minimal fluctuations between 2014 and 2018. Water sales revenue increased from 2014 through 2018 primarily reflecting dry weather conditions, an improving economy, and increases in rates (and instituting a drought surcharge effective FY 2016). Revenues decreased in 2015 due to the declaration of a State II Water Shortage Emergency followed by a Stage III Water Shortage Emergency declaration eight months later. Water sales revenue increased in 2018 due to increased consumption as a result of a warm winter combined with a below average rainfall season.

\*Other connections and sales revenue includes Agriculture, Landscape and Recycled water deliveries.

**HISTORIC WATER DELIVERIES**

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries  
(In Acre-Feet per Year)*

Fiscal Year Ending June 30	Ag-Recreation- Recycled Deliveries	Urban Deliveries	Total
2014	5,949	8,935	14,884
2015	4,676	7,207	11,883
2016	3,975	6,798	10,773
2017	3,024	6,635	9,659
2018	3,607	7,192	10,799

Weather variability and local economic performance both have a direct influence on total demand for water service; thus, the amount of water delivered varies from year to year. Deliveries, as shown above for the past five years, responded consistently with exhibited weather and economic pattern. The decreases in FY2014 were attributable to State and local

mandate to reduce water consumption due to the multi-year drought. Furthermore, a warmer winter and a below average rainfall season increased customer demand during FY2018 from FY2017.

#### LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2018, as determined by the amount of their respective annual payments.

Customer	Water Usage <sup>1</sup>	Annual Payment
U.C.S.B.	935	\$ 3,320,774
Cavaletto Ranches, LLC	559	1,034,978
Sandpiper Golf Course	278	366,985
Touchstone Glen Annie Golf	232	484,993
Roy Butera	177	375,684
County of Santa Barbara	169	726,572
Wallover, Inc.	152	291,846
Bacara Resort	142	532,691
William R. Pulice	113	238,873
Santa Barbara Unified School District	<u>91</u>	<u>380,949</u>
TOTAL	2,848	\$ 7,754,345

These ten customers accounted for approximately 26.37% of the water usage and 18.20% of the water service and meter revenues for the year ended June 30, 2018.

#### WATER SYSTEM RATES AND CHARGES

The District's current rates and charges as of June 30, 2018 are as follows:

##### Commodity Charge:

Agriculture, West Conduit System	\$ 1.46/HCF
Agriculture, Urban	1.94/HCF
Urban	5.63/HCF
Recreation	5.63/HCF
Recycled	3.50/HCF
Single Family Res (0-6 HCF/Month)	4.85/HCF
Single Family Res (7-16 HCF/Month)	5.97/HCF
Single Family Res (17+ HCF/Month)	6.57/HCF

##### Drought Surcharge:

Stage 1	\$ 0.00/HCF
Stage 2	1.68/HCF
Stage 3	2.79/HCF
Stage 4	4.20/HCF
Stage 5	6.14/HCF

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<sup>1</sup> Hundred Cubic Feet

Meter Charge:

<u>Meter Size</u>	<u>Volume</u>	<u>Monthly Charge</u>	
5/8" or 3/4"	0-6 HCF/Month	\$	15.16
5/8" or 3/4"	7-16 HCF/Month		31.29
5/8" or 3/4"	17+ HCF/Month		47.57
1"	N/A		73.02
1 1/2"	N/A		136.66
2"	N/A		213.02
3"	N/A		454.82
4"	N/A		811.15
6"	N/A		1,791.10
8"	N/A		3,063.74
10"	N/A		4,845.46
Fire Line	N/A		10.12

Residential Agricultural customers are charged at the Urban rate unless usage exceeds 11 HCF per dwelling for any given month, beyond which Agriculture commodity charges apply.

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2018. These results have been derived from the District's audited financial statements for 2018. The District's auditor has not audited the table.

GOLETA WATER DISTRICT

<b><u>REVENUES</u></b>	<b><u>June 30, 2018</u></b>
Water Sales	\$ 33,222,142
Meter Charges	9,387,900
Other Fees & Income	602,692
Interest Income	<u>266,697</u>
<b>TOTAL REVENUES</b>	<b><u>43,479,431</u></b>
<b><u>OPERATING EXPENSES</u></b>	
Source of Supply	6,350,980
Water Treatment	3,609,222
Transmission & Distribution	4,906,795
Customer Accounts	1,489,748
General & Administrative	<u>2,661,863</u>
<b>TOTAL EXPENSES</b>	<b><u>19,018,608</u></b>
<b>NET REVENUES</b>	<b><u>24,460,823</u></b>
State Water Payments	8,731,412
<b><i>Coverage Ratio</i></b>	<b><i>2.80</i></b>
Other Debt Service	3,778,651
Available for Capital Improvements and other purposes	\$ 11,950,760

Source: Goleta Water District

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**CITY OF GUADALUPE**

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The information set forth below has been provided by the City of Guadalupe (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below. All numbers presented for the Fiscal Year ending June 30, 2018 are unaudited.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections	Sales Revenues
2014	1,945	\$ 1,769,651
2015	1,960	1,721,143
2016	1,973	1,621,969
2017	2,017	1,727,388
2018	2,099	1,998,263

The number of connections increased for FY 2017/18 by approximately 82 services. There was an increase in revenue of about \$270,875 from the prior year. This increase resulted from increased water usage due to additional sales revenue from current active developments. Authorized rate increases and CPI rate adjustments will increase revenue in future years. Additional development sales revenue is also anticipated in the future

**HISTORIC WATER DELIVERIES**

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries  
(In acre-feet per Year)*

Fiscal Year Ending June 30	Deliveries <sup>1</sup>
2014	1,078
2015	1,039
2016	952
2017	944
2018	1,189

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<sup>1</sup> Groundwater and State Water

The following table sets forth the ten largest customers of the City's water system as of June 30, 2018 as determined by the amount of their respective annual payments.

#### LARGEST CUSTOMERS

Customer	Water Usage <sup>2</sup>	Annual Payment
APIO Cooler	203,864	\$ 820,324
County Housing Authority	6,903	27,777
Guadalupe Union School	6,875	27,664
Riverview Townhomes	4,349	17,501
Guadalupe Laundromat	4,002	16,102
Obispo Cooling	3,032	12,199
Pan American Seed	2,734	11,002
JR Simplot Co	2,552	10,269
Guadalupe Cemetery	2,237	9,000
P&M Properties	<u>1,680</u>	<u>6,759</u>
TOTAL	238,228	\$ 958,597

These ten customers accounted for approximately 48% of water service revenues for the year ended June 30, 2018.

#### WATER SYSTEM RATES AND CHARGES

**Consumption Charges.** All classes of water users are charged the same rate. Specifically, all users pay \$25.61 monthly for the first six (6) units [one (1) unit = 100 cubic feet] as a minimum charge. For each unit above the base six (6) units the charge is \$4.27 per unit. Beginning January 1, 2019, the base charge will increase to \$4.61 per unit.

**Connection Charges.** The City charges connection fees for improvement or expansion of water treatment and distribution facilities as follows:

Meter Size	Connection Charge
3/4"	\$ 2,627
1"	2,956
1 1/2"	3,942
2"	7,882
3"	10,510
4"	14,672
6"	25,619

**Immediate Availability Charges:** On July 26, 1993, the City initiated a standby/availability charge on unimproved vacant parcels in the City. The charge was set at \$5.00 per month per parcel less than one (1) acre, and \$10.00 per month per acre for parcels larger than one (1) acre. The standby charge is added to the tax bill for each vacant parcel and is collected by the Santa Barbara County Tax Collector. A decrease in standby charges is anticipated in the future as development continues on previously vacant parcels.

<sup>2</sup> Hundred Cubic Feet

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2017/18. These results have been estimated by the City, but exclude certain non-cash items and include certain other adjustments. This table has not been audited by the City's auditor.

CITY OF GUADALUPE

<b><u>REVENUES</u></b>	<b><u>June 30, 2018</u></b>
M&I Sales	\$ 1,998,263
Connection Fees	29,830
Interest Income	15,464
Other Revenues	161,350
<b>TOTAL REVENUES:</b>	<b><u>2,204,907</u></b>
 <b><u>OPERATING EXPENSES</u></b>	
Salaries & Benefits	267,474
Operations & Maintenance	593,417
<b>TOTAL OPERATING EXPENSES</b>	<b><u>860,891</u></b>
 <b>NET REVENUES</b>	<b>1,344,016</b>
 Rate Coverage Reserve Fund Deposit	<u>188,366</u>
 Adjusted Net Revenues	<u><u>1,532,382</u></u>
 State Water Payments	877,255
 <b><i>Coverage Ratio:</i></b>	<b><i>1.75</i></b>
 Available for Capital improvements and other purposes	\$ 466,761

Source: City of Guadalupe



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**LA CUMBRE MUTUAL WATER COMPANY**

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The information set forth below has been provided by the La Cumbre Mutual Water Company (the “Company”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active water connections to the Company’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues (exclusive of monthly service charges).

Fiscal Year Ending Dec. 31	Connections					Sales Revenues				
	Dom.	%	Ag.	%	Total	Dom.	%	Ag.	%	Total
2013	1,454	98	31	2	1,485	\$ 3,279,957	96	\$ 149,405	4	\$ 3,429,362
2014	1,452	97	42	3	1,494	2,974,220	95	143,392	5	3,117,612
2015	1,452	97	42	3	1,494	3,098,021	96	144,492	4	3,242,513
2016	1,460	97	37	3	1,497	3,122,480	96	119,345	4	3,241,825
2017	1,466	97	38	3	1,504	3,884,136	97	113,890	3	3,998,026

**HISTORIC WATER DELIVERIES**

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Fiscal Year Ending Dec. 31	<i>Historic Water Deliveries (In Acre-Feet per Year)</i>		
	Domestic Deliveries	Agricultural Deliveries	Total
2013	1,671	105	1,776
2014	1,289	84	1,373
2015	1,064	76	1,140
2016	1,008	59	1,067
2017	1,144	58	1,202

**LARGEST CUSTOMERS**

The following table sets forth the ten largest customers of the Company’s water system as of December 31, 2017, as determined by the amount of their respective annual payments.

Customer	Water Usage <sup>1</sup>	Annual Payment
La Cumbre Golf & Country Club	40,317	\$ 245,918
Stephen Redding	5,776	84,954
Timothy Pasquinelli	5,293	75,105
Overwater, LLC	4,004	58,362
Jeffrey Henley	4,120	57,950
Frances Nielsen	3,514	51,380
Dean & Darcy Christal	3,145	44,169
Susan Caffrey	2,661	37,178
Carriage Hill Association	2,601	29,427
Stuart & Annette Rubin	<u>2,122</u>	<u>29,133</u>
TOTAL	73,553	\$ 713,576

These ten customers account for approximately 18% of all water service revenues in fiscal year 2017.

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<sup>1</sup> Hundred Cubic Feet

WATER SYSTEM RATES AND CHARGES

The District's current rates and charges are as follows (all on a two month billing cycle):

<b>CURRENT (effective Mar 1, 2017)</b>	
<b>Residential – Tiered Rate</b>	
Tier 1 (0-30)	\$ 5.75/HCF
Tier 2 (31-60)	6.75/HCF
Tier 3 (61-90)	10.50/HCF
Tier 4 (91 & >)	15.00/HCF
<b>Commercial –Tiered Rate</b>	
100% of past 3 year average on a bi-monthly avg.	\$ 5.75/HCF
Any usage above 3 year average	10.50/HCF
<b>Multi-Family Rate – Tiered Rate</b>	
(0-18) HCF/Dwelling/2mo.	5.75/HCF
(19-60) HCF/Dwelling/2mo.	6.75/HCF
(>60) HCF/Dwelling/2mo.	10.50/HCF
<b>Schools and Golf Courses – Tiered Rate</b>	
100% of past 3 year average on a bi-monthly avg.	\$ 5.75/HCF
Any usage above 3 year average	10.50/HCF
<b>Agricultural – Tiered Rate</b>	
Tier 1 for first 40 HCF	\$ 5.75/HCF
Tier 2 for <=870 HCF/ag acres/12 mo. period	4.27/HCF
Tier 3 for >870 HCF/ag acres/12 mo. period	10.50/HCF

<b>CURRENT (effective Jul 1, 2015)</b>	
<u>Item</u>	<u>Bi-Monthly Charge</u>
"A" less than 50 HCF/Year *	\$ 14.00
"B" less than 100 HCF/Year *	28.00
3/4" meter	42.00
1" meter	70.00
1 1/2" meter	140.00
2" meter	224.00
3" meter	420.00
4" meter	700.00
Fire Sprinkler System under 2"	29.40
Over 2"	58.80
Private Fire Hydrant	29.40

\* This special bi-monthly charge is for 3/4" services that used less than the noted HCF for the previous year beginning on the last working day in December.

<u>Item</u>	<b>CURRENT (effective Oct. 22, 2018)</b>	
	<u>Connection Charge + Cap Cost Recovery Fee</u>	
3/4" meter	\$ 7,606	+ \$ 15,502
1" meter	8,694	+ 24,976
1 1/2" meter	9,784	+ 54,256
2" meter	10,872	+ 86,119
3" meter	11,952	+ 183,005
4" meter	13,042	+ 258,360
Fire Sprinkler System under 2"	13,042	+ 4,726
Over 2"	13,042	+ 9,450
Private Fire Hydrant	TBD	+ 4,726

	<b>CURRENT (effective Jan. 1, 2007)</b>	
Land Charges	\$ 29 per acre per bi-monthly period	

Water rates were increased in July 2015 and again in March 2017 to help encourage conservation. Meter charges were raised in July 2015 to help pay for a smart meter replacement program and then again in July 2018.

FISCAL YEAR 2017 OPERATING RESULTS

The following table is a summary of operating results of the water system of the Company for the Fiscal Year ended December 31, 2017. These results have been derived from the Company's financial statements but exclude certain non-cash items and include certain other adjustments. The Company's auditor has not audited the table.

LA CUMBRE MUTUAL WATER COMPANY

**Per Financial Statements**

**REVENUES**

**Dec. 31, 2017**

Water Sales	\$ 4,011,104
Meter Charges	610,905
Land Charges	358,910
Other Income	68,804
Rental income	117,394
Interest Income	<u>29,797</u>
<b>TOTAL REVENUES</b>	<b><u>5,196,914</u></b>

**OPERATING EXPENSES**

Water Source	134,554
Water Treatment	264,127
Transmission & Distribution	350,048
Admin. & General	915,442
Taxes	31,483
Water Conveyance	89,495
Misc Expense	<u>7,113</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>1,792,262</u></b>

NET REVENUES 3,404,652

Rate Coverage Reserve Fund Deposit 391,135

Adjusted Net Revenues 3,795,787

State Water Payments 1,769,030

***Coverage Ratio*** ***2.15***

Available for Capital improvements and other purposes \$ 1,635,622

Source: La Cumbre Mutual Water Company

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**MONTECITO WATER DISTRICT**

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The Montecito Water District (the District”) has provided the information set forth below. The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active water connections to the District’s water system for the five most recent fiscal years, together with the amount of annual water sales revenues:

*Historic Water Connections and Sales Revenues*

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Agricultural	%	Dom.	%	Agricultural	%
2014	4,552	99	45	1	\$ 10,640,299	99	\$ 620,240	1
2015	4,549	99	44	1	6,375,253	94	377,027	6
2016	4,557	99	44	1	7,274,708	95	377,734	5
2017	4,558	99	44	1	7,131,699	95	339,210	5
2018	4,560	99	44	1	8,477,664	95	447,492	5

The total actual connections for the 2017/18 FY were 4,604. As of June 30, 2018, 57 connections remain without service at the customers’ request due to the January 9, 2018 debris flows. Domestic sales revenues for 2017/18 FY were \$8,477,664; Agricultural sales revenues for 2017/18 FY were \$447,492. Total water sales were \$8,925,156.

Water service charges and connection fee revenues were \$3,889,391 and \$22,459 respectively.

***Ordinance 93/94 Penalty Revenue.*** On February 11, 2014, the Board of Directors adopted Ordinance No. 92, under which it declared a water shortage emergency, adopted restrictions on the use of water, and imposed penalties for the violation of use restrictions. On February 21, 2014, the Board of Directors adopted Ordinance 93, allocating water during the water shortage emergency and providing penalty rates and restrictions for consumption in excess of allocation. Based on Ordinance 93, if customers exceed their monthly allocation, they are subject to a \$30/Hundred cubic feet (HCF) penalty for the first violation and \$45/HCF penalty for each violation thereafter. Penalties are reset each water year, which begins October 1<sup>st</sup>. On March 24, 2015, the Board of Directors adopted Ordinance No. 94, under which it repealed and replaced Ordinance No. 93, with the intended consequences of increasing the allocation of water during the water shortage emergency and providing the penalty rates for consumption in excess of allocation. Ordinance 92 and 94 remained in effect through the remainder of 2017, however, on March 21, 2017 the Board approved a temporary suspension of the enforcement of penalties under Ordinance 94 (section 8).

Ordinance 93/94 Penalty Revenue for 2017/18 was (\$3,105).

**HISTORIC WATER DELIVERIES**

Actual water deliveries for FY 2017/18 are 3,783 Acre-Feet (AF). The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years:

*Historic Water Deliveries  
(In acre-feet per year)*

<i>Fiscal Year Ending June 30</i>	<i>Agricultural</i>	<i>Domestic</i>	<i>Total</i>
2014	587	5,188	5,775
2015	310	3,021	3,331
2016	286	3,154	3,440
2017	239	2,888	3,127
2018	320	3,463	3,783

HISTORIC WATER PRODUCTION

Actual water production for FY 2017/18 was 4,178 AF. The following table summarizes Water Production by source:

*Water Production by Sources  
(In acre-feet per year)*

<i>Fiscal Year Ending</i>	<i>Groundwater</i>	<i>Cachuma Project</i>	<i>Other Sources<sup>1</sup></i>	<i>Total</i>
<u>June 30</u>				
2014	607	2,292	3,312	6,211
2015	587	0	3,081	3,668
2016	552	2,114	1,132	3,798
2017	638	0	2,839	3,477
2018	440	0	3,738	4,178

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system for FY 2017/18, as determined by the amount paid:

<u>Customer</u>	<u>Water Usage<sup>2</sup></u>	<u>Annual Payment</u>
Golf Club	38,884	\$ 330,668
Resort Hotel	35,342	401,173
Agriculture	33,393	256,068
Agriculture	25,598	174,425
Agriculture	22,596	144,748
Private College	16,104	171,615
Resort Hotel	14,378	160,323
Single Family Residential Community	12,973	145,592
Single Family Home	9,738	105,576
Retirement Community	<u>7,713</u>	<u>111,475</u>
	<u>216,719</u>	<u>\$ 2,001,663</u>

These ten customers accounted for approximately 13.35% of water sales and service charges in FY 2017/18.

WATER SYSTEM RATES AND CHARGES

Water Service Charges. The District has separated its customer base into several classes of service. Rates charged to each class of customers vary. A schedule of the District's water rates and charges as of June 30, 2018 is as follows:

<u>Meter Size</u>	<u>Meter Charge</u>	<u>Meter Size</u>	<u>Meter Charge</u>
3/4"	\$ 44.59	3"	\$ 535.14
1"	74.34	4"	891.90
1-1/2"	133.79	6"	1,486.51
2"	237.84		

<sup>1</sup> Other sources include water from Jameson Lake and Fox and Alder Creeks, infiltration water from Doulton Tunnel, SWP Table A water and supplemental water purchases.

<sup>2</sup> Hundred Cubic Feet

The District completed a five-year financial plan and a cost of service study in 2013. The financial plan includes increases to both the monthly service charges and the consumption rates for the next five fiscal years. The initial rate increase was effective on September 1, 2013. There was to be 7.4% rate increases for the next four years thereafter. In 2017, the District opted to forego the scheduled rate increase, and rates remained the same as 2016. The District is in the process of conducting an updated cost of service study and has maintained the current rates until completion of that study. Water rates beginning on July 1, 2018 are the same as 2017, and are as follows:

*Water Rates in Addition to Monthly Service Charges  
Effective July 1, 2018  
(Price per HCF)*

	<u>1st Block</u>	<u>2nd Block</u>	<u>3rd Block</u>	<u>4th Block</u>
Single Family Residential	\$ 5.40	\$ 5.98	\$ 7.06	\$ 8.50
Multi-Family Residential	5.40	5.98	7.06	-
Commercial	5.98	7.06	-	-
Institutional & Public	5.98	7.06	-	-
Agricultural <sup>3</sup>	3.00	5.40	-	-
Non-Potable	2.40	-	-	-

**Connection and Capital Recovery Fees.** The District charges connection fees to cover the costs of installing meters. (Please note that the District no longer installs 5/8”x 3/4” meters.) In addition, a Capital Cost Recovery Fee is charged as a buy-in fee for new customers to buy into the District's capital facilities. Connection Fees may be increased annually with the fiscal year budget based on the actual costs to install a meter; however, the fees remain in effect until changed by the Board of Directors. The Capital Cost Recovery Fees may be increased annually based on a prescribed formula approved by the Board of Directors in 1997 with Resolution No. 1837. The breakdown of Connection and Capital Cost Recovery Fees as of July 1, 2018 is as follows:

<u>Meter Size</u>	<u>Connection Fee</u>	<u>Capital Cost Recovery Fee</u>
3/4”	\$ 2,247	\$ 14,226
1”	2,386	23,710
1-1/2”	3,120	42,678
2”	3,814	75,872

Source: Montecito Water District

<sup>3</sup> Agricultural users with dwelling units on the property are charged 20 hcf per month at the domestic rate for each dwelling

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results for the water system of the District for FY 2017/18. These results have been derived from the District's financial statements, excluding certain non-cash items, and including certain other adjustments. The District's auditor has not audited the table.

MONTECITO WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2018</u>
Water Sales	\$ 8,925,156
Water Service Charges	3,889,391
Water Shortage Emergency Surcharge	5,658,886
Connection Fees	22,459
Other Charges for Services	<u>45,760</u>
<b>TOTAL REVENUES</b>	<b><u>18,541,652</u></b>
<u>OPERATING EXPENSES</u>	
Water Purchased	2,321,724
Water Treatment	1,303,031
General & Administrative	3,220,555
Operations & Maintenance	<u>1,725,507</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>8,570,817</u></b>
<b>NET REVENUES</b>	9,970,835
Rate Coverage Reserve Fund Deposit	<u>1,417,526</u>
Adjusted Net Revenues	<u><u>11,388,361</u></u>
State Water Payments	5,966,292
<b>Coverage Ratio</b>	<b><i>1.91</i></b>
Other Debt Service <sup>3</sup>	1,788,955
Available for Capital Improvements and Other Purposes	\$ 2,215,588

Source: Montecito Water District

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<sup>4</sup> Department of Water Resources Ortega Improvement Project Loan and 2010A Revenue Bonds.



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**CITY OF SANTA BARBARA**

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The information set forth below has been provided by the City of Santa Barbara (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

*Historic Water Connections and Sales Revenues*

Fiscal Year <u>Ending June 30</u>	<u>Connections</u>		<u>Sales Revenues</u>	
	<u>Dom.</u>	<u>%</u>	<u>Dom.</u>	<u>%</u>
2014	26,919	100	\$ 33,296,287	100
2015	26,921	100	31,512,114	100
2016	26,988	100	41,433,002	100
2017	27,111	100	46,187,721	100
2018	27,191	100	52,356,068	100

**HISTORIC WATER DELIVERIES**

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries  
(In acre-feet per Year)*

Fiscal Year Ending <u>June 30</u>	<u>Urban Deliveries</u>
2014	14,218
2015	10,775
2016	9,935
2017	9,009
2018	9,918

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2018, as determined by the amount of their respective annual payments.

Customer	Water Usage <sup>1</sup>	Annual Payment
Santa Barbara Unified School District	37,021	\$ 508,728
Santa Barbara Cottage Hospital	34,749	487,405
Dario Pini	24,844	335,977
Housing Authority of the City of SB	26,025	325,269
City of Santa Barbara Parks	26,768	236,449
Santa Barbara Community College District	11,640	198,516
Hilton Santa Barbara Beachfront Resort (Formerly Fess Parker)	21,987	188,483
Belmond El Encanto	13,172	168,625
Santa Barbara Highlands HOA (Miramonte)	15,680	158,049
City of Santa Barbara Waterfront	<u>10,412</u>	<u>140,978</u>
	222,298	\$ 2,748,479

These ten customers accounted for approximately 5% of the annual water system sales for Fiscal Year 2017/18.

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<sup>1</sup> Hundred Cubic Feet

WATER SYSTEM RATES AND CHARGES DURING FY 2017/18

Customer Class	Water Service Rates
Single Family Residential	First 4 HCF @ \$ 4.44 Next 12 HCF @ \$ 12.96 All other @ \$ 23.98 per HCF
Multi-Family Residential 1-4 dwelling units	First 4 HCF per dwelling unit @ \$ 4.44 Next 4 HCF per dwelling unit @ \$ 12.96 All other @ \$ 23.98 per HCF
Multi-Family Residential 5+ dwelling units	First 4 HCF per dwelling unit @ \$ 4.44 Next 4 HCF per dwelling unit @ \$ 12.96 All other @ \$ 23.98 per HCF
Commercial	100% of base allotment <sup>2</sup> @ \$ 6.52 per HCF; All other @ \$ 23.91 per HCF
Industrial	100% of base allotment <sup>1</sup> @ \$ 6.52 per HCF; All other @ \$ 23.91 per HCF
Irrigation – Residential	Billed as if used through associated residential meter, OR All use within monthly water budget <sup>3</sup> @ \$ 12.96 per HCF; All other @ \$ 23.98 per HCF
Irrigation - Recreation/Parks/Schools	All use within monthly water budget <sup>2</sup> @ \$ 4.11 per HCF All other @ \$ 23.98 per HCF
Irrigation – Commercial	All use within monthly water budget <sup>2</sup> @ \$ 12.96 per HCF; All other @ \$ 23.98 per HCF
Irrigation – Agriculture	All use within monthly water budget <sup>2</sup> @ \$ 3.01 per HCF All other @ \$ 23.98 per HCF
Recycled Water	All usage @ \$ 3.42/HCF

*Monthly Service Charges for Water Meters by Size During FY 2017/18*

Meter Size	Monthly Service Charge
5/8"	\$ 25.89
3/4"	37.65
1"	61.15
1 1/2"	119.91
2"	190.43
3"	413.74
4"	742.81
6"	1,530.25
8"	2,823.06
10"	4,459.38

*Connection Charges during Fiscal Year 2017/18*

	5/8" Meter	1" Meter
Connection Charges on 1" Service:	\$ 3,803	\$ 3,858
Buy-in Fee (per detached single family residence)	8,495	21,237
	\$ 12,298	\$ 25,095

<sup>2</sup> Base Allotment/Monthly Water Budget = average monthly consumption during most recent January – June period adjusted for the maximum days in a billing cycle

<sup>3</sup> Monthly water budget = (ET<sub>o</sub>)(0.62/748)((PF X HA)/IE)), where ET<sub>o</sub> = Reference evapotranspiration (weather factor); 0.62/748 = Conversion factor (inches to HCF); PF = Plant factor; and HA = Square footage of irrigated area.

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2017/18. These results have been derived from the City's financial statements, excluding certain non-cash items, and including certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SANTA BARBARA

<b><u>REVENUES</u></b>	<b><u>June 30, 2018</u></b>
M&I Sales	\$ 52,356,068
Service Charges	893,811
JPA Reimbursement	2,882,323
Interest Income	299,115
Other Revenues	1,367,656
<b>TOTAL REVENUE</b>	<b><u>57,798,973</u></b>
<b><u>OPERATING EXPENSES</u></b>	
Salaries & Benefits	10,900,590
Materials & Supplies	16,820,292
Supplemental Water Purchase	1,408,844
<b>TOTAL OPERATING EXPENSES</b>	<b><u>29,129,726</u></b>
<b>NET REVENUES</b>	<b><u>28,669,247</u></b>
State Water Payments	5,668,670
Parity Debt Service <sup>4</sup>	4,520,212
Total Contract Payments	10,188,882
<b><i>Coverage Ratio</i></b>	<b><i>2.81</i></b>
Available for Capital improvements and other purposes	\$ 18,480,365

Source: City of Santa Barbara

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<sup>4</sup> Represents debt service on 2013 Water COPs, Cater-Ortega and Desal DWR loans, which are on a parity with payments to the Authority under the Water Supply Agreement. Coverage calculations take into consideration both payments to the Authority under the Water Supply Agreement and Parity Debt Service.

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**CITY OF SANTA MARIA**

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The information set forth below has been provided by the City of Santa Maria (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below. All numbers presented for the Fiscal Year ending June 30, 2018 are unaudited.

**HISTORIC WATER AND WASTEWATER CONNECTIONS  
AND SALES AND SERVICE REVENUES**

The following table shows the number of active water and wastewater connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual water and wastewater sales revenues.

*Historic Water and Wastewater Connections and Sales and Service Revenues*

Fiscal Year Ending June 30	Connections	Water Sales Revenues	Wastewater Service Revenues
2014	21,580	\$ 31,962,813	\$ 8,247,634
2015	21,901	31,403,212	8,458,525
2016	22,152	33,883,550	8,897,808
2017	22,362*	37,915,296	9,259,298
2018	22,692	42,216,742	10,213,892

\* In fiscal year 2017, the number of connections for 2017 was reported as 22,981. The City discovered (while preparing the current report) that number was overstated by 619. The correct number of connections for 2017 is 22,362, as reflected above.

**HISTORIC WATER DELIVERIES**

The City records the volume of water delivered by its water system. Over the past five years, the volume of water delivered by the City has fluctuated, ranging from a low of approximately 12,022 acre-feet in fiscal year 2016 to a high of approximately 13,882 acre-feet in fiscal year 2014. The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries In Acre-Feet per Year*

Fiscal Year Ending June 30	Deliveries
2014	13,882
2015	13,009
2016	12,022
2017	12,357
2018	13,508

## LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2018 as determined by the amount of their respective annual payments.

### *Largest Water Customers*

Customer <sup>1</sup>	Water Usage <sup>2</sup>	Annual Payment
City of Santa Maria	274,074	\$ 1,794,502
Nipomo Community Services District	411,642	1,558,477
Santa Maria Elementary School	123,151	820,463
SP Village Green LLC	63,876	393,113
Fresh Venture Foods	63,819	383,406
Titan Frozen Fresh	60,427	360,854
Casa Grande Mobile Homes	56,698	259,134
Alan Hancock College	48,961	218,609
S.B. County Housing Authority	28,254	201,744
Santa Maria Joint Union High School District	<u>26,704</u>	<u>183,839</u>
TOTAL	1,157,606	\$ 6,174,141

The ten largest water customers accounted for approximately 17.9% water service by volume in fiscal year 2018.

The following table sets forth the ten largest customers discharging to the City's wastewater system as of June 30, 2018 and their respective annual payments.

### *Largest Wastewater Customers*

Customer	Wastewater Usage <sup>2</sup>	Annual Payment
Sure-Fresh	86,106	\$ 230,021
Fresh Venture Foods	63,486	207,076
Titan Frozen Fresh	50,503	163,452
Santa Maria Land Partners	46,411	85,275
S.B. County Housing Authority	22,615	55,572
Frozsun Foods	22,391	48,255
Casa Grande Mobile Homes	21,357	70,111
Mission Linen	20,916	56,510
Santa Maria Elementary School	19,892	56,809
Casa Del Rio	<u>17,760</u>	<u>42,440</u>
TOTAL	371,437	\$ 1,015,521

The ten largest wastewater customers accounted for approximately 10.2% of wastewater service by volume in fiscal year 2018.

<sup>1</sup> Some food processors use private well water for their operations and therefore do not appear as largest water customers. However, their wastewater is treated by the City and they are among the largest wastewater customers.

<sup>2</sup> Hundred Cubic Feet

WATER AND WASTEWATER SYSTEM RATES AND CHARGES

*General.* The City is not subject by statute to the jurisdiction of, or regulation by, the California Public Utilities Commission. City staff annually determines the adequacy of Water and Wastewater System rate structure after full consideration of expected operations, maintenance, and capital costs. The City currently sets water and wastewater charges to pay water costs for purchased water, wastewater treatment costs, costs of groundwater pumping and current operating expenses for the Water and Wastewater System. Capital improvements are funded from water/wastewater charges and from connection fees.

*Water Service Charges.* A schedule of the City’s current monthly water rates and charges as of July 1, 2018 is set forth below:

*Monthly Service Charges for Water Meters by Size*

Meter Size	Inside City
5/8 x 3/4"	\$ 34.73
1"	54.48
1 1/4"	64.62
1 1/2"	86.12
2"	119.09
3"	258.46
4"	430.81
6"	1,077.18

*Capacity Charge*

1 – 500 cubic feet	\$ 3.786 per 100 cubic feet
501 – 1000 cubic feet	4.491 per 100 cubic feet
1001 – 1500 cubic feet	5.249 per 100 cubic feet
Above 1501 cubic feet	5.976 per 100 cubic feet

*Wastewater Treatment Charges.* A schedule of the City’s current monthly wastewater treatment rates and charges as of July 1, 2018 is set forth below:

*Monthly Wastewater Rates*

Single Family Residence	\$ 20.16
Multiple Apartments:	
2 Rooms or Less	14.26
3 + Rooms	15.51
Mobile Homes (number of spaces)	14.26
Motel/Hotel (per unit)	9.92

*Per 100 cubic feet*

Office Buildings	\$ 2.36
Restaurants	5.63
Commercial	3.41
Food Processing	3.28
Machinery	2.73
Miscellaneous	2.73

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water and wastewater system of the City for Fiscal Year 2017/18. These results have been derived from the City's financial statements and exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SANTA MARIA

<u>REVENUES</u>	<u>June 30, 2018</u>
Water & Wastewater Fees & Charges	\$ 52,430,634
Other Revenues	501,689
Interest Income	632,126
<b>TOTAL REVENUES:</b>	<u>53,564,449</u>
<u>OPERATING EXPENSES</u>	
Salaries, Wages & Benefits	6,183,683
Materials & Supplies	2,052,172
Equipment Maintenance & Operations	5,039,617
Contracts & Services	3,454,104
Bad Debts	67,093
<b>TOTAL OPERATING EXPENSES:</b>	<u>16,796,669</u>
<b>NET REVENUES</b>	36,767,780
Rate Coverage Fund Deposit	<u>5,001,279</u>
Adjusted Net Revenues	<u>41,769,059</u>
State Water Payments	19,867,737
<b><i>Coverage Ratio</i></b>	<b>2.10</b>
Other Debt Service	4,629,362
Available for Capital improvements and other purposes	\$ 12,270,681

Source: City of Santa Maria



**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,  
Improvement District #1**

The information set forth below has been provided by the Santa Ynez River Water Conservation District, Improvement District No. 1 (the “ID No.1”), with the exception of the information presented for the City of Solvang. The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

City of Solvang has represented to ID No.1 that the information contained in City’s Continuing Disclosure Statement is accurate. In the preparation of this Disclosure Statement, ID No.1 has (i) relied only on its data in preparing the ID No.1 information, and (ii) accounted for and verified the accuracy of the data contained herein. ID No.1 makes no representations or warranties as to the accuracy or completeness of any information set forth in the City of Solvang’s continuing disclosure information.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of **active** water metered connections to the ID No.1’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Metered Connections				Sales Revenues					
	<u>Dom.</u>	<u>%</u>	<u>Ag.</u>	<u>%</u>	<u>Dom.</u> <sup>(1)</sup>	<u>%</u>	<u>Ag.</u> <sup>(2)</sup>	<u>%</u>	<u>Solvang</u>	<u>%</u>
2014	2,517	96	107	4	\$ 4,862,751	71	\$ 1,723,274	25	\$ 303,425	4
2015	2,506	96	112	4	4,314,520	70	1,703,894	28	139,550	2
2016	2,551	96	113	4	4,092,818	70	1,714,127	29	61,210	1
2017	2,565	96	107	4	4,592,944	72	1,726,134	27	47,931	1
2018	2,592	96	100	4	5,691,690	73	2,048,006	26	58,714	1

The actual FY 2017/18 total water sales revenues are approximately 23% percent higher than the FY 2016/17 due to increased water sales and the implementation of the second water rate increase of a five-year adopted water rate schedule. The second year (2017/18) water rate increases included increases on both the meter and consumption charges, whereas the first-year increases were on the consumption charges only.

- (1) Domestic Revenues are shown to include a pro-rata share of the Rural Residential sales revenues.
- (2) Ag Sales Revenues are shown to include a pro-rata share of Limited Ag water sales revenues.

## HISTORIC WATER DELIVERIES

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Fiscal Year Ending June 30	<i>Historic Water Deliveries</i> <i>(in acre feet)</i>			
	Ag. Deliveries	Domestic	Solvang	Total
2014	2,660	2,682	16	5,358
2015	2,395	1,892	54	4,341
2016	2,154	1,539	19	3,712
2017	1,904	1,592	15	3,511
2018	1,894	1,900	23	3,817

The FY 2017/18 actual overall water deliveries are higher than FY 2016/17 due to increased water use and water rate increases.

## LARGEST CUSTOMERS

The following table sets forth the ten largest customer accounts of the ID No. 1's water system as of June 30, 2018, as determined by the amount of their respective annual payments.

Customer	Water Usage <sup>1</sup>	Annual Payment
Private Agriculture	129	\$ 56,162.28
Private Agriculture	103	42,710.04
Private Agriculture	82	35,616.42
Private Agriculture	51	29,168.63
Private Agriculture	50	28,098.17
Private Agriculture	48	23,209.65
Private Agriculture	48	19,310.03
Private Agriculture	44	21,483.31
Private Agriculture	42	17,025.49
Private Agriculture	<u>35</u>	<u>19,146.36</u>
TOTAL	632	\$ 291,930.38

These ten customers accounted for approximately 3.7% of the water sales revenues for Fiscal Year 2017/18.

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<sup>1</sup> Hundred Cubic Feet

ID No.1's rates and charges for FY 2017/18 are as follows:

<i>Monthly Meter Charge</i>		
Meter Size	Domestic/Limited Agricultural	Agricultural
5/8"	\$ 39.86	
3/4"	47.83	
1"	79.72	
1 1/2"	159.44	\$ 66.16
2"	255.10	105.86
3"	478.31	209.71
4"	797.18	330.82
6"	1,594.36	661.64
8"	2,550.985	

Consumption Charge

Domestic	Rural Residential / Limited Agricultural	Agriculture
\$ 4.80 per HCF	1 <sup>st</sup> 125 units: \$ 4.80 per HCF 126+ units: \$1.98 per HCF	\$ 1.04 per HCF
Temporary Rate	<u>City of Solvang</u> \$ 9.60	Cachuma Park
\$ 14.40 per HCF	(Conn. Fee \$ 150.00; minimum chg.: \$ 25.00)	\$ 1.55 per HCF

Connection Charge

Meter Size	Meter Only <sup>(1)</sup>	Service and Meter		
5/8"	\$ 4,234.10	\$ 7,5153.30	Short Side	(1" service)
		11,195.32	Long Side	(1" service)
3/4"	5,034.88	8,316.09	Short Side	(1" service)
		11,996.11	Long Side	(1" service)
1"	8,254.34	11,508.49	Short Side	(1" service)
		15,188.51	Long Side	(1" service)
(2) 5/8" – 1"		12,082.33	Short Side	(1" double service)
		15,762.35	Long Side	(1" double service)
1 1/2"	16,521.33	20,315.10	Short Side	(2" service)
		24,021.69	Long Side	(2" service)
2"	26,238.86	31,172.21	Short Side*	(2" service)
		34,890.30	Long Side*	(2" service)
3"	*see below		*see below	

Footnotes :<sup>(1)</sup> Reflects actual meter cost and Capital Facilities Charge. \*2-inch meter only price listed is for standard style meters. Prices vary for Compound Meters. Installation prices for 3-inch meters are figured on an individual basis.

Fire Service Connection Fee: \$740 per inch of diameter of Service size.

Capital Facilities Charge on Larger Services

Meter Size	Charge	
3"	\$ 52,362.17	+ Serv. & Meter Costs
4"	74,003.62	+ Serv. & Meter Costs
6"	156,594.89	+ Serv. & Meter Costs
8"	250,551.84	+ Serv. & Meter Costs

Installation Charge: The meter and service installation charge shall equal the cost of installation as determined by ID No.1 from time to time.

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water system of ID No. 1 for Fiscal Year 2017/18. These results have been derived from ID No. 1's financial statements, exclude certain non-cash items, and include certain other adjustments. The ID No. 1's auditor has not audited the table.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,  
IMPROVEMENT DISTRICT, NO. 1

<b><u>REVENUES</u></b>	<b><u>June 30, 2018</u></b>
M&I Water Sales	\$ 6,877,829
Ag. Water Sales	861,867
Water Sales to City of Solvang	58,714
SWP Revenue from City of Solvang	2,608,659
Connection Fees	26,073
Special Assessments	895,005
Other Fees & Income	149,787
Interest Income	<u>107,600</u>
<b>TOTAL REVENUES</b>	<b><u>11,585,534</u></b>
 <b><u>OPERATING EXPENSES</u></b>	
Water Purchased	501,420
Pumping	692,459
Water Treatment	50,513
Transmission & Distribution	648,921
Special Programs and Study Fees	280,512
Administration & General	<u>2,637,576</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>4,811,401</u></b>
 <b>NET REVENUES</b>	<b>6,774,133</b>
 Rate Coverage Reserve Fund Deposit (Includes Solvang)	<u>1,072,814</u>
 Adjusted Net Revenues	<u><u>7,846,947</u></u>
 State Water Payments (Includes Solvang)	3,623,388
 <b><i>Coverage Ratio</i></b>	<b><i>2.17</i></b>
 Unanticipated and Special Legal Fees	118,810
Other Debt Service	308,425
Available for Capital improvements and other purposes	\$ 2,723,510

Source: Santa Ynez Improvement District No. 1

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**CITY OF SOLVANG**

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Except as otherwise noted, the information set forth below has been provided by the City of Solvang (the “City”). Neither the Central Coast Water Authority (the “Authority”) nor the Santa Ynez River Water Conservation District, Improvement District No. 1 (the “District”) makes any representations or warranties as to the accuracy or completeness of any of the information set forth below except to the extent that either of them is identified as the source thereof.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

*Historic Water Connections and Sales Revenues*

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2014	2,156	\$ 4,631,124	1,409
2015	2,178	4,361,233	1,074
2016	2,211	4,378,420	962
2017	2,225	4,490,615	997
2018	2,227	4,823,204	1,178

**LARGEST CUSTOMERS**

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2018, as determined by the amount of their respective annual payments.

*Largest Customers as of June 30, 2018*

Customer	Water Usage <sup>1</sup>	Annual Payment
Rancho Santa Ynez Mobile Home Park	20,924	\$ 114,673
City of Solvang	10,268	98,671
Alisal Guest Ranch	15,365	84,997
Atterdag Village	6,586	77,651
Mission Oaks	9,910	58,887
Worldmark	5,566	57,080
Chumash Casino Resort (Hotel Corque)	6,542	53,499
Solvang Mesa, LLMD	7,308	53,203
Solvang School	8,772	38,233
Holiday Inn	<u>5,237</u>	<u>32,617</u>
TOTAL	96,478	\$ 669,511

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<sup>1</sup> Hundred Cubic Feet

WATER SYSTEM RATES AND CHARGES

On a monthly basis, every connection to the Water system is subject to both a Base Rate and a Quantity Rate as follows:

**Base Rate**

*per Connection, All Water Connections*

<u>Meter Size</u>	<u>Rated Flow (gpm)<sup>2</sup></u>	<u>Ratio to 5/8" x 3/4" Meter</u>	<u>Meter Charges</u>	<u>Outside Users<sup>3</sup></u>
5/8" x 3/4"	20	1.0	\$ 75.43	\$ 113.15
3/4"	30	1.5	113.15	169.73
1"	50	2.5	188.58	282.80
1-1/2"	100	5.0	377.17	565.76
2"	160	8.0	603.47	905.21
3"	320	16.0	1,206.94	1,810.41
4"	450	22.5	1,885.84	2,828.76
6"	1,000	50.0	3,771.68	5,665.02
8"	1,600	80.0	6,034.69	9,052.04

**Quantity Rate**

*Single Family Residential Users per 100 Cubic Feet*

Water Rates (per Prop 218)

<u>Cubic Feet</u>	<u>Rate</u>
0 to 1,600	\$ 3.45
1,600 & above	4.05

*All Other Users per 100 Cubic Feet*

<u>Cubic Feet</u>	<u>Rate</u>
All	\$ 3.75

<sup>2</sup> gallons per minute

<sup>3</sup> outside users are properties outside of City limits, and are subject to 1.5 times the above listed rates.

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2017/18. These results have been derived from the City's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SOLVANG

<u>REVENUES</u>	<u>June 30, 2018</u>
Water Sales	\$ 4,823,304
Other Fees & Income	33,312
Capital contributions	26,455
Interest Income	<u>63,032</u>
<b>TOTAL REVENUES</b>	<u>4,946,103</u>
<u>OPERATING EXPENSES</u>	
Operating Expenses	<u>1,332,300</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>1,332,300</u>
<b>NET REVENUES</b>	3,613,803
Rate Coverage Fund Deposit	<u>611,871</u>
Adjusted Net Revenues	<u><u>4,225,674</u></u>
State Water Payments	2,691,366
<b><i>Coverage Ratio:</i></b>	<b><i>1.57</i></b>
Available for Capital improvements and other purposes	\$ 922,437

Source: City of Solvang

SAN LUIS OBISPO COUNTY



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**CITY OF MORRO BAY**

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The information set forth below has been provided by the City of Morro Bay (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending June 30	Connections	Sales Revenues
2014	5,473	\$ 3,491,575
2015	5,455	3,311,970
2016	5,455	4,130,990
2017	5,483	5,077,312
2018	5,496	5,647,331

**HISTORIC WATER DELIVERIES**

The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

*Historic Water Deliveries  
(In acre-feet per Year)*

Fiscal Year Ending June 30	Deliveries
2014	1,214
2015	1,094
2016	996
2017	942
2018	936

**LARGEST CUSTOMERS**

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2018, as determined by the amount of their respective annual payments.

Customer	Water Usage <sup>1</sup>	Annual Payment
City of Morro Bay	18,740	\$ 221,670
Morro Bay High School	15,103	95,713
Pacific Care Center	8,616	204,700
Mission Linen Center	8,130	193,389
CA Dept of Parks	5,472	94,943
Imperial Coast, LP	4,754	124,127
Silver City Resort	4,172	99,614
San Luis Central School District	2,634	34,461
Morro Elementary School	2,171	27,501
Culligan Water	<u>2,119</u>	<u>46,333</u>
<b>TOTAL</b>	<b>71,911</b>	<b>\$ 1,142,451</b>

These ten customers accounted for approximately 20% of water services revenues in fiscal year 2017/2018.

**WATER SYSTEM RATES AND CHARGES**

On a monthly basis, every connection to the Water system is subject to both a Fixed Rate and a Water Quantity Charge as follows:

<b>Fixed Monthly Charge</b>	<u>7/1/2016</u>	<u>7/1/2017</u>	<u>7/1/2018</u>	<u>7/1/2019</u>	
	\$ 26.00	\$ 28.00	\$ 30.00	\$ 32.00	
<b>Water Quantity Charges<sup>2</sup></b>					
<i>Tier</i>	<i>Use in Tier</i>				
Tier 1	1-3 hcf	\$ 4.00	\$ 5.00	\$ 5.50	\$ 6.00
Tier 2	4-10 hcf	7.00	7.50	8.00	8.50
Tier 3	11-50 hcf	9.50	10.00	10.50	11.00
Tier 4	>50 hcf	12.50	13.00	13.50	14.00

<sup>1</sup> Hundred Cubic Feet – (1 hcf = 100 cubic feet = 748 gallons)

<sup>2</sup> Billed in 100 cubic feet of metered water use (\$/hcf)

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2017/18. These results have been derived from the City's financial statements, but exclude certain non-cash items and include certain other adjustments. The City's auditor has not audited the table.

CITY OF MORRO BAY

<b><u>REVENUES</u></b>	<b><u>June 30, 2018</u></b>
Water Service Charge	\$ 5,602,931
Miscellaneous	<u>44,400</u>
<b>TOTAL REVENUES</b>	<b><u>5,647,331</u></b>
<b><u>OPERATING EXPENSES</u></b>	
Administration & General	1,051,098
Maintenance	<u>87,069</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>1,138,167</u></b>
<b>NET REVENUES</b>	<b><u>4,509,164</u></b>
State Water Payments	2,157,811
<b><i>Coverage Ratio:</i></b>	<b><i>2.09</i></b>
Available for Capital improvements and other purposes	\$ 2,351,353

Source: City of Morro Bay

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**CITY OF PISMO BEACH**

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The information set forth below has been provided by the City of Pismo Beach (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

**HISTORIC WATER CONNECTIONS AND SALES REVENUES**

The following table shows the number of active water connections to the City’s water system for the ten most recent fiscal years, together with the amount of its annual water sales revenues.

Fiscal Year Ending	<u>Connections</u>	Sales
<u>June 30</u>		<u>Revenues</u>
2009	4,540	\$ 2,834,803
2010	4,558	2,874,984
2011	4,569	3,048,595
2012	4,584	3,257,915
2013	4,596	3,390,236
2014	4,695	3,793,692
2015	4,718	3,362,918
2016	4,787	3,201,546
2017	4,836	3,346,533
2018	4,848	3,938,273

**HISTORIC WATER DELIVERIES**

The following table presents a summary of historic water deliveries in acre-feet per year for the ten most recent fiscal years.

*Historic Water Deliveries  
(In acre-feet per Year)*

Fiscal Year	<u>Urban Deliveries</u>
<u>Ending June 30</u>	
2009	1,939
2010	1,735
2011	1,717
2012	1,785
2013	1,828
2014	1,944
2015	1,840
2016	1,644
2017	1,589
2018	1,782

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2018, as determined by the amount of their respective annual payments.

Customer	Water Usage <sup>1</sup>	Annual Payment	% of Total
Pismo Coast Village	11,452	\$ 48,992.86	1.24%
Pismo Beach Mobile Home Park	11,316	48,493.74	1.23%
Cliff’s Shell Beach	11,092	42,448.66	1.08%
Oxford Suites Hotel	8,576	28,610.55	0.73%
Pismo Lighthouse Suites	6,496	26,742.52	0.68%
Motel 6	6,173	24,395.93	0.62%
Kon Tiki	5,774	22,931.60	0.58%
Dolphin Bay	5,729	23,927.63	0.61%
Seacrest Resort	5,675	22,568.27	0.57%
Shorecliff Lodge	5,231	20,125.73	0.51%
<b>Total</b>	<b>77,514</b>	<b>\$ 309,237.49</b>	<b>7.85%</b>
Other Customers		3,629,035.98	92.15%
<b>Total Revenues</b>		<b>\$ 3,938,273.47</b>	<b>100.00%</b>

These ten customers accounted for approximately 7.85% of water service revenues in fiscal year 2017/2018.

WATER SYSTEM RATES AND CHARGES

*Rates and Charges*

*Bi-monthly fixed charges are as follows:*

Meter Size

All Meters

5/8" & 3/4"	\$ 29.02
1"	58.03
1-1/2"	96.62
2"	154.66
3"	290.17
4"	483.70
6"	1,160.67

**Single Family Residential**

**All Other Metered Users**

*Consumption Charge:*

0-10 HCF	\$ 2.97/HCF	\$ 3.67/HCF
11-20 HCF	3.67/HCF	
21-35 HCF	4.34/HCF	
Over 35 HCF	5.93/HCF	

Construction Meter		7.34/HCF
Irrigation Meter		4.34/HCF

Connection Charges:

A) State Water Supply Fee	\$ 11,668 per equivalent dwelling unit
B) Special Tax Levy FY 2017-18	188.94 per year per equivalent dwelling unit.

<sup>1</sup> Hundred Cubic Feet

FISCAL YEAR 2017/18 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for FY 2017/18. These results have been derived from the City's financial statements but exclude certain non-cash items and include certain other adjustments. The City's auditor has not audited the table.

CITY OF PISMO BEACH

<b><u>REVENUES</u></b>	<b><u>June 30, 2018</u></b>
Water Sales	\$ 3,938,273
Service Fees	362,206
Assessments	1,320,604
Other Revenues	<u>843,856</u>
<b>TOTAL REVENUES</b>	<b>6,464,939</b>
<b><u>OPERATING EXPENSES</u></b>	
Administration & General	612,042
Lopez Contract Payments	1,262,285
Operations & Maintenance	1,647,071
Utilities	<u>124,670</u>
<b>TOTAL EXPENSES</b>	<b><u>3,646,068</u></b>
<b>NET REVENUES</b>	<b><u>2,818,871</u></b>
State Water Payments	1,508,550
<b><i>Coverage Ratio</i></b>	<b><i>1.87</i></b>
Available for Capital Improvements and other purposes	\$ 1,310,321

Source: City of Pismo Beach