

CENTRAL COAST WATER AUTHORITY

FY 2004/05
CONTINUING
DISCLOSURE ANNUAL
REPORT

\$198,015,000

REFUNDING REVENUE BONDS
(STATE WATER PROJECT REGIONAL
FACILITIES)

Series 1996A and Series 1996B



March 10, 2006

Ms. Priscilla Dedoro
Bank of New York Western Trust Company
550 Kearny Street, Suite 600
San Francisco, CA 94108

RE: Central Coast Water Authority Fiscal Year 2004/05 Annual Report on Continuing Disclosure for the \$198,015,000 Refunding Revenue Bonds (State Water Project Regional Facilities), Series 1996A and Series 1996B

Robert W. Puddicombe
Chairman

Leo Trujillo
Vice Chairman

Bill Brennan
Executive Director

Hatch & Parent
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Dear Priscilla:

Attached is the Fiscal Year 2004/05 Annual Report pursuant to the Continuing Disclosure Agreement between the Central Coast Water Authority and Bank of New York Western Trust Company (as successor Trustee).

Fiscal Year 2004/05 State Water Deliveries

A table showing deliveries during Fiscal Year 2004/05 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 Rate Coverage Reserve Fund policy was approved by AMBAC, the Authority's bond insurer.

The following agencies elected to participate in the CCWA Rate Coverage Reserve Fund during Fiscal Year 2004/05 and have deposited the following amounts:



Project Participant	FY 2004/05 Rate Coverage Fund Deposit
City of Buellton	\$ 238,324
Carpinteria Valley Water District	752,655
City of Guadalupe	154,756
La Cumbre Mutual Water Company	345,084
Montecito Water District	959,705
City of Santa Maria	4,002,906
Santa Ynez, RWCD, I.D. #1 (City of Solvang)	534,808
Santa Ynez, RWCD, I.D. #1	385,535
County of San Luis Obispo (Shandon)	14,522
Avila Beach Community Services District	27,609
Oceano Community Services District	176,477
TOTAL:	\$ 7,592,380

Continuing Disclosure Annual Report

Consistent with Section 4 of the Continuing Disclosure Report, the Fiscal Year 2002/03 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)
- San Luis Obispo County Service Area No. 16, Improvement District No. 1
- City of Pismo Beach
- City of Morro Bay
- Avila Beach Community Services District
- Oceano Community Services District

Section 4 of the Continuing Disclosure Agreement requires that the Authority submit a copy of its audited financial statements. Five copies of the Authority's FY 2004/05 Comprehensive Annual Financial Report are enclosed.

City of Pismo Beach

From the information presented to the Authority, the City of Pismo Beach did not meet its coverage obligation for Fiscal Year 2004/05. Please refer to the letter contained in the report regarding the steps the City is taking to meet its coverage obligation with regard to the Authority's contract.

Oceano Community Services District

The Oceano Community Services District did not submit the required continuing disclosure information for FY 2004/05. The Authority is attempting to obtain the required information and I will forward the information to you when the District provides the information.

Project Participant Audited Financial Statements

The City of Guadalupe, the City of Morro Bay and the Oceano Community Services District have not yet submitted their FY 2004/05 audited financial statements to CCWA. As such, I was not able to confirm the coverage calculation amounts presented in this report to the audited financial statements for each city.

As you requested, copies of the audited financial statements for each of the Contractors will be sent to you at a later time.

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

Sincerely,



Ray A. Stokes
Deputy Director

RAS

Attachments

cc: Doug Brown, Stradling, Yocca, Carlson & Rauth
Dave Houston, Citigroup

Central Coast Water Authority
Fiscal Year 2004/05 State Water Deliveries
Fiscal Year 2004/05 Continuing Disclosure Annual Report

Project Participant	Acre-Feet		
	Requests	Exchange	Net Deliveries
Lopez Turnout (SLO County)	2,148		2,148
Chorro Valley Turnout (SLO County)	2,011		2,011
City of Guadalupe	400		400
City of Santa Maria	11,660		11,660
Southern California Water Co.	198		198
Vandenberg Air Force Base	3,375		3,375
City of Buellton	481		481
Santa Ynez ID#1 (Solvang only)	930		930
Santa Ynez ID#1 (excluding Solvang)	709	2,423	3,132
Goleta Water District	3,387	(859)	2,528
Morehart Land Company	71		71
LaCumbre Mutual Water Co.	528		528
Raytheon Systems Co.	-		-
City of Santa Barbara	1,840	(595)	1,245
Montecito Water District	1,882	(581)	1,301
Carpinteria Valley Water District	1,119	(388)	731
TOTAL:	30,739	-	30,739

Central Coast Water Authority
Rate Coverage Reserve Fund Policy

Adopted: December 18, 1997

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 (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.

FY 2004/05 CONTINUING DISCLOSURE

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SANTA BARBARA COUNTY

CITY OF BUELLTON

The information set forth below has been provided by the City of Buellton (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 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, 2005 decreased by 4.7%. This was primarily due to a greater than average rainfall during the year.

Historic Water Connections and Sales and Service Revenues

Fiscal Year Ending June 30	Connections	Water Sales Revenues
2001	1,251	\$1,134,691
2002	1,314	1,144,605
2003	1,424	1,233,563
2004	1,462	1,365,416
2005	1,472	1,300,677

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
2001	240	281	463	984
2002	268	299	501	1,068
2003	190	390	531	1,111
2004	463	249	545	1,257
2005	452	172	491	1,115

Total water deliveries for fiscal year 2005 were 11.3% under 2004 water deliveries. Again, this was primarily due to a greater than average rainfall during the year.

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 two classes of service – Municipal/Industrial and Golf Course Irrigation. Charges are associated with the water meter size (an additional dwelling unit fee of \$7.00 per dwelling unit) and quantity of water used. The City increased its water rates approximately 40% effective on July 25, 1995 and further increased the rates on July 26, 1996 by 15% on consumption price plus \$7.00 per additional dwelling unit. As a result, the Water Quantity Charge for municipal and industrial customers is now \$1.97 per 100 cubic feet. Golf Course Irrigation is based on a \$2,500/month charge. The Water Meter Charges are set forth below:

Meter Size	Monthly Service Charge ¹
Up to ¾"	\$ 18.20
1"	20.65
1 ½"	25.48
2"	35.21
3"	54.60
4"	72.80
6"	103.11
8"	139.51

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 14% of the accounts, which account for approximately 1.4% of the Water System Revenues, are delinquent. The City reports, however, that upon receipt of such 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 \$3,640. The current connection fee for commercial and all other uses and meter sizes will be based on \$5,200 per acre-foot per year of anticipated water use.

¹ Plus \$7.00 for each additional dwelling unit that is served by one meter.

²LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

	Water Usage ²	Annual Payments
Ranch Club Mobile Estates	22,318	\$ 96,870
Santa Ynez Valley Marriott	16,841	61,776
Rivergrove Mobile Home Park	8,870	36,625
Buellton Union School District	11,190	27,664
Flying Flags RV Park	12,603	22,679
Days Inn	4,241	16,062
Pea Soup Andersen's Restaurant	3,980	15,070
Motel 6	3,467	12,730
The Laurel Company	4,252	12,657
Andersen's Inn	3,107	11,323
TOTAL	90,869	\$313,456

These ten customers accounted for approximately 24% of the City's water service revenues for fiscal year 2004/05.

² Hundred Cubic Feet

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2004/05. 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

REVENUES	June 30, 2005
Water Sales	\$ 1,300,677
Connection Fees	71,090
Other Fees & Income	2,498
Interest Income	<u>43,772</u>
TOTAL REVENUES:	<u>1,418,037</u>
OPERATING EXPENSES	
Operations & Maintenance Expenses	390,028
FmHA Debt Service	<u>-0-</u>
TOTAL OPERATING EXPENSES:	<u>390,028</u>
NET REVENUES	1,028,009
Rate Coverage Reserve Fund Deposit	<u>238,324</u>
Adjusted Net Revenues	<u>1,266,333</u>
State Water Payments	940,465
Coverage Ratio:	1.35
Available for Capital improvements and other purposes	\$ 87,544

Source: City of Buellton

CARPINTERIA VALLEY WATER DISTRICT

The information set forth below has been provided by the Carpinteria Valley 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 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.

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues (\$)			
	Dom.	%	Ag.	%	Dom.	%	Ag.	%
2001	3,722	90	424	10	3,728,670	69	1,700,016	31
2002	3,729	90	426	10	4,079,548	69	1,808,704	31
2003	3,735	90	425	10	4,260,876	71	1,800,991	29
2004	3,744	90	424	10	4,859,747	69	2,150,847	31
2005	3,747	90	424	10	5,541,460	75	1,800,010	25

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
2001	\$3,083,936	\$2,244,750	\$ 5,428,686
2002	3,233,102	2,655,151	5,888,253
2003	3,135,902	2,925,965	6,061,867
2004	3,383,107	3,627,486	7,010,593
2005	3,239,814	4,101,656	7,341,470

The approximate \$450,000 increase in water revenue in FY 01/02 is the result of a combination of rate increases for all customers and increased sales of water for irrigation purposes. The approximate \$160,000 increase in water revenue in FY 02/03 reflects a combination of lower water sales due to a cooler weather pattern offset by substantial increases in the monthly services charges and small increases in the unit price of water. The almost \$949,000 increase in total FY 03/04 sales revenue from the previous year reflects increased irrigation water rates and significant monthly service charge increase for all categories of water use. The increase of about \$330,000 of total revenue in FY 04-05 is largely a result of increases in the Monthly Service Charge for debt service. Water revenue sales declined in FY 04-05 largely due to the reduction of agricultural and residential sales caused by a wet, cool to mild weather pattern.

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)¹ Deliveries

Fiscal Year Ending June 30	Residential ³	Commercial	Public Authority	Industrial	Irrigation	Total
2001	1,663	376	112	120	1,864	4,135
2002	1,688	398	129	128	1,995	4,338
2003	1,646	400	120	138	1,881	4,185
2004	1,745	412	142	133	2,140	4,572
2005	1,430	339	102	113	1,663	3,647

Sources

Fiscal Year Ending June 30	Groundwater	State Water	Cachuma Project	Total
2001	538	0	3,600	4,138
2002	298	0	3,950	4,248
2003	508	600	2,925	4,033
2004	783	328	3,553	4,664
2005	1,236	572	2,749	4,557

MANAGEMENT DISCUSSION OF HISTORIC WATER CONNECTIONS, SALES REVENUES AND DELIVERIES

In FY 00/01 total demand for water nearly dropped to the level of FY 1997/98 due to a cooler weather pattern throughout the year, and a large reduction in water used for irrigation purposes. In FY 2001/02 total demand for water returned to a more normal level and water demand was slightly impacted by the lower than normal temperatures. The lower total water deliveries in FY 2002/03 reflected a cooler than normal year, again resembling FY 2000/01. The increased deliveries to Irrigation in FY 03/04 reflect a dryer than normal year, approaching FY 99/00. The noticeable decline in acre feet deliveries in FY 04-05 is attributable to sustained cool to mild weather and a wet year that resulted in a spill condition at Lake Cachuma (Bradbury Dam).

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

² Beginning in fiscal year 1996/97, the District reclassified certain multi-unit residential uses from commercial to residential.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2005, as determined by the amount of their respective water usage:

<u>Customer</u>	<u>Water Usage (HCF)</u>	<u>Annual Payments</u>
Casitas Village HOA	25,490	\$206,275
Sandpiper Village	22,454	185,787
Villa Del Mar HOA	25,317	178,141
B & H Nursery	63,952	104,418
Cate School	31,797	102,701
Carpinteria School District	23,359	99,355
Francis L. Norman	35,027	60,361
Ocean Breeze	30,408	58,192
William Van Wingerden	25,454	46,774
Westerlay Roses	<u>24,129</u>	<u>42,544</u>
TOTAL	307,387	\$1,084,547

These ten customers accounted for approximately 14.77% of water service revenues for the year ended June 30, 2005.

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 and public authority. On June 18, 1995, the Board established the following rates: \$1.91 per HCF for domestic-residential; \$2.16 per HCF for domestic-commercial, industrial and public authority; \$1.34 per HCF for agricultural. The water usage rates remained unchanged in 1996; but, as described below, monthly service charges were doubled to increase revenue necessary to offset State Water Project costs.

Water usage rates and monthly service charges were raised steadily between FY 1991/92 and FY 1998/99 primarily to address State Water Project and Cachuma Project renewal costs. The first rate increase was adopted by the Board of Directors on June 24, 1992, effective as of June 28, 1992. A subsequent rate increase was adopted June 16, 1993 and became effective June 28, 1993. A third rate increase was adopted by the Board of Directors on July 6, 1994 and became effective June 29, 1994. A fourth rate increase was adopted by the Board of Directors on June 14, 1995 and became effective June 29, 1995. The June 29, 1995 increase included new costs related to the Cachuma Project contract renewal and higher interim rates, as well as other costs related to the Cater Treatment Plant. The June 29, 1996 rate increase doubled the monthly service charge. It was followed by the most recent increase of 17.5% to the monthly service charge on June 29, 1997. The District did not raise its water consumption rates or monthly service charges in either FY 1998/99 or FY 1999/00. In FY 2000/01 the District raised its water consumption rates 1% for all categories of customers to adjust for inflation and also increased monthly service charges on all water accounts by \$1.16, with the variation that all residential accounts were increased by \$1.16 for each dwelling unit. The monthly service charge increase was the first of four projected to raise revenue to pay debt service on about \$9 million of Certificates of Participation (COPs) issued in May of 2000 to fund major capital improvements including covers for the Ortega and Carpinteria reservoirs and related other projects necessary for the covering projects.

A second monthly service charge increase of \$3.00 relative to the COPs occurred in FY 01/02. In FY 02/03 the District's Capital Improvement Program (CIP) component of the Monthly Service Charge was increased by \$1.50 to \$5.66. In FY 03/04 the District's CIP component of the Monthly Service Charge was increased by \$.80 to \$6.46. An increase of approximately 27% to the State Water Project component of the Monthly Service Charge also went into effect on July 1, 2003. In FY 04/05 the District's CIP component of the Monthly Service Charge was increased by \$4.65 to \$11.11. In FY 05/06 the District's CIP component of the Monthly Service Charge was increased by \$4.89 to \$16.00. The District also implemented a conservation oriented tiered water rate for Residential users. The water rate for agricultural users increased to \$1.44 per HCF. Domestic-commercial, industrial and public authority users water rates were increased to \$2.75 per HCF. The District also implemented a Meter Equivalency Charge (MEQ) for residential customers. The MEQ varies with the size of meter and number of household units served by master meters such as mobile home parks, apartment and condominium complexes served by the master meter, which varies with the size of meter and number of households tied to the master meter. The net effect of the MEQ is equalization of the monthly service charge for all residential units, be they single or master metered, namely \$40.98/month. In FY 04-05 the water rate for agricultural users increased to \$1.52 per HCF. Domestic-commercial, industrial and public authority users water rates were increased to \$3.10 per HCF. The MEQ fee increased to \$47.00/month, to coincide with the Monthly Service Charge for a 5/8-3/4" meter.

A schedule of the District's current monthly service charges effective since July 1, 2005 is shown below:

Meter Size	Monthly Service Charge
5/8"	\$ 47.00
3/4"	47.00
1"	67.68
1 1/2"	119.35
2"	181.36
3"	346.72
4"	532.75
6"	1,049.52
8"	2,393.05

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. A schedule of the District's current Capital Cost Recovery Fees, effective July 1, 2005, is shown below:

Meter Size	Capital Cost Recovery Fees
5/8"	\$3,808.37
3/4"	5,294.48
1"	8,689.20
1 1/2"	17,150.42
2"	27,306.83
3"	54,423.27

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

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2004/05. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

CARPINTERIA VALLEY WATER DISTRICT

REVENUES	June 30, 2005
Muni. & Ind. Water Sales	\$ 2,185,636
Agricultural Water Sales	1,053,988
Water Service Charge	4,820,340
Fire Protect & Service Revenue	202,341
Capital Cost Rec Fee	53,680
Interest Revenue	84,544
Other Income	16,486
Overhead charges	16,629
TOTAL REVENUES:	8,433,644
OPERATING EXPENSES	
Cost of Purchased Water	360,351
Pumping Expense	222,072
Treatment expense	607,970
Trans & Dist Exp	536,247
Customer Accounts	80,851
Cachuma Operating Expense	411,264
General & Admin.	1,503,314
TOTAL OPERATING EXPENSES:	3,722,069
NET REVENUES	4,711,575
Rate Coverage Reserve Fund Deposit	752,655
Adjusted Net Revenues	5,464,230
State Water Payments	2,991,544
Coverage Ratio:	1.83
Additional Debt Service	787,028
Available for Capital improvements and other purposes	\$ 933,003

(1) Debt service on \$1.95 million of Water Revenue Bonds (Cater Treatment Plant) due 2003 (subsequently paid in full).

Source: Carpinteria Valley Water District

GOLETA WATER DISTRICT

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	%
2001	15,357	98.31	264	1.69	\$12,632,412	88.73	\$1,603,962	11.27
2002	15,438	98.17	287	1.83	13,245,252	87.29	1,927,993	12.71
2003	15,683	98.00	316	2.00	13,075,075	87.51	1,866,625	12.49
2004	15,918	98.00	331	2.00	13,875,322	85.90	2,271,229	14.10
2005	15,693	98.00	346	2.00	13,065,984	87.56	1,856,582	12.44

The number of connections to the District's water system continues to increase steadily. Since 2001, the number of connections added to the system has increased at an average of approximately 1.00%. Water service revenues have also continued to increase. Steadily increasing demand as well as increases in water service rates have caused revenues to grow at an average annual rate of 7.43% since 2001. *Other includes Agriculture, Recreation 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
2001	3,448	9,279	12,727
2002	3,809	9,414	13,223
2003	3,614	9,172	12,786
2004	4,387	9,696	14,083
2005	3,453	9,166	12,619

Changing weather conditions have a direct impact on total demand for water service, thus the amount of water delivered varies from year to year. However, as a result of below average rainfall in recent years and a steady increase in the number of customers served, overall annual water deliveries have increased at an average annual rate of 3.58% since 2001.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage⁴</u>	<u>Annual Payments</u>
UCSB	852	\$ 1,093,185
County of Santa Barbara	252	279,026
Goleta Union School District	100	142,479
Por La Mar Nursery	168	131,304
Glen Annie Golf Course	277	128,180
Sandpiper Golf Course	256	112,281
Dos Pueblos Schulte Ranch	119	101,576
Roy Butera	144	88,203
Ag-Land Services	117	81,148
Wallover Inc	<u>120</u>	<u>81,063</u>
TOTAL	2,405	\$ 2,238,445

These ten customers accounted for approximately 15.0% of water service revenues for the year ended June 30, 2005.

WATER SYSTEM RATES AND CHARGES

The District's current rates and charges are as follows:

Agriculture	\$1.00/HCF
Urban	\$3.55/HCF
Recreation	\$2.57/HCF
Reclaimed	\$2.17/HCF

<u>Meter Size</u>	<u>Monthly Charge</u>
¾"	\$ 17.71
1"	24.00
1 ½"	39.31
2"	55.86
3"	93.31
4"	141.89
6"	258.88
8"	381.26
10"	503.65

The basic service charges listed above are determined based on size of the meter and were effective as of July 1, 2005.

⁴Acre-feet

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2004/05. These results have been derived from the District's audited financial statements.

GOLETA WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2005</u>
Water Sales	\$ 14,809,298
Monthly service charges	3,751,994
Other Fees & Income	1,011,192
Interest Income	993,518
TOTAL REVENUES:	<u>20,566,002</u>
<u>OPERATING EXPENSES</u>	
Source of Supply	2,945,656
Water Treatment	1,783,453
Transmission & Distribution	2,354,669
Customer Accounts	736,101
General and Administrative	3,011,441
TOTAL OPERATING EXPENSES:	<u>10,831,320</u>
NET REVENUES	9,734,682
State Water Payments	6,677,042
Coverage Ratio:	1.46
Other Debt Service	3,694,208
Capital Contributions (excluded for purposes of coverage ratio calculations)	1,244,384
Available for Capital improvements and other purposes	\$ 607,816

Source: Goleta Water District

CITY OF GUADALUPE

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, 2005 are unaudited.

HISTORIC WATER CONNECTIONS AND SALES

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 <u>June 30</u>	<u>Connections</u>	<u>Sales Revenues</u>
2001	1,638	\$902,446
2002	1,714	889,048
2003	1,804	980,076
2004	1,912	1,011,608
2005	1,857	1,001,571

The Riverview project continues to add new customers. The number of services added for FY 2004/2005 was approximately 90 or more services. However, there was a slight decrease in new connections. There has also been a new project that is near completion which will add an additional 83 connections. The city continues to anticipate the additional sales revenue which will result in actual revenue in the 2005/06 and ongoing as the developments progress into 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 <u>June 30</u>	<u>Deliveries⁵</u>
2001	735
2002	741
2003	764
2004	811
2005	605

⁵ Groundwater and State Water

The following table sets forth the ten largest customers of the City's water system as of June 30, 2005 as determined by the amount of their respective annual payments.

LARGEST CUSTOMERS

<u>Customer</u>	<u>Water Usage⁶</u>	<u>Annual Payments</u>
Apio Cooler	36,141	\$117,458
Guadalupe Union School District	4,975	16,168
Waller Genetics	3,282	10,666
Lupe Alvarez	2,508	8,151
Guadalupe Cemetery	1,932	7,631
P&M Properties	1,771	5,755
Simplot Soilbuilders	1,645	4,732
Far Western Tavern	1,584	4,589
Playa, Inc.	1,033	4,218
Imperial Cafe	<u>419</u>	<u>1,361</u>
TOTAL	55,290	\$180,729

These ten customers accounted for approximately 20% of water service revenues for the year ended June 30, 2005.

WATER SYSTEM RATES AND CHARGES

Consumption Charges. All classes of water users are charged the same rate. Specifically, all users pay \$19.45 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 \$3.25 per unit.

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

<u>Meter Size</u>	<u>Connection Charge</u>
3/4"	\$1,549.77
1"	1,743.39
1 1/2"	2,324.52
2"	4,649.33
3"	6,199.10
4"	8,653.96
6"	15,110.52

Immediate Availability Charges. On July 26, 1993, the City initiated a standby/availability charge on 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.

⁶ Hundred Cubic Feet

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2004/05. 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

REVENUES	June 30, 2005
M&I Sales	\$ 1,001,571
Connection Fees	50,014
Interest Income	14,348
Other Revenues ⁽¹⁾	113,548
TOTAL REVENUES:	1,179,481
OPERATING EXPENSES	
Salaries & Benefits	86,117
Operations & Maintenance ⁽²⁾	195,848
TOTAL OPERATING EXPENSES:	281,965
NET REVENUES	
Rate Coverage Reserve Fund Deposit	897,516
Adjusted Net Revenues	154,756
	1,052,272
State Water Payments	\$ 611,570
Coverage Ratio:	1.72
Available for Capital improvements and other purposes	\$ 285,946

(1) Includes stand-by/availability charges.

(2) Exclusive of depreciation.

Source: City of Guadalupe

LA CUMBRE MUTUAL WATER COMPANY

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	Connections					Sales Revenues				
	<u>Dom.</u>	<u>%</u>	<u>Ag.</u>	<u>%</u>	<u>Total</u>	<u>Dom.</u>	<u>%</u>	<u>Ag.</u>	<u>%</u>	<u>Total</u>
<u>December 31</u>										
2000	1,392	98	32	2	1,424	\$1,565,313	95	\$87,322	5	\$1,652,635
2001	1,400	98	29	2	1,429	1,395,710	96	56,753	4	1,461,097
2002	1,406	98	30	2	1,436	1,959,567	96	88,391	4	2,081,946
2003	1,406	98	31	2	1,437	1,849,239	96	69,215	4	1,918,454
2004	1,417	98	32	2	1,449	2,064,108	96	81,992	4	2,146,100

Total water sales revenue for FY 2004 are higher than FY 2003 due to moderate weather water sales for 2003 compared to unusually high hot weather sales in 2004 (1,923 AF and 1,724 AF respectively).

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	Domestic Deliveries	Agricultural Deliveries	Total
<u>Dec. 31</u>			
2000	1,443	103	1,546
2001	1,327	72	1,399
2002	1,802	89	1,891
2003	1,642	82	1,724
2004	1,832	91	1,923

As noted above water sales were higher in 2004 due to dry weather.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the Company's water system as of December 31, 2004, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage (HCF)</u>	<u>Annual Payment</u>
La Cumbre Golf & Country Club	96,539	\$237,236
Mariposa Land Development Co.	15,494	45,807
Gael Trust	8,828	32,327
Timothy Pasquinelli	8,233	31,747
Stephen Redding	7,260	20,590
Carriage Hill Association	4,393	20,426
ELK Trust	5,892	19,894
Laguna Blanca School	4,538	17,438
William Foley	5,192	14,963
Stanford Farms	<u>3,560</u>	<u>14,554</u>
TOTAL	159,929	\$454,984

These ten customers account for approximately 21% of all water service revenues in fiscal year 2004.

WATER SYSTEM RATES AND CHARGES

The District's current rates and charges are as follows:

	CURRENT (effective Jan. 1, 2002)
Residential and Commercial	\$2.60/HCF
Schools and Golf Courses	\$2.33/HCF
Agricultural	\$2.60 for first 90 HCF per bi-monthly billing and \$1.79 for excess

<u>Item</u>	CURRENT (effective Oct. 6, 1997) <u>Bi-Monthly Charge</u>
"A" less than 50 HCF/Year *	\$ 8.33
"B" less than 100 HCF/Year *	16.67
3/4" meter	25.00
1" meter	41.67
1 1/2" meter	83.33
2" meter	133.33
3" meter	250.00
4" meter	416.67
Fire Sprinkler System	17.50
Private Fire Hydrant	17.50

* 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>	CURRENT (effective September 18, 2001)	
	<u>Connection Charge</u>	
3/4" meter	\$ 5,544	+ material & labor
1" meter	9,240	+ material & labor
1 1/2" meter	18,480	+ material & labor
2" meter	29,040	+ material & labor
3" meter	55,440	+ material & labor
4" meter	92,400	+ material & labor
Fire Sprinkler System	1,320	+ material & labor
Private Fire Hydrant	1,320	+ material & labor

Land Charges	CURRENT (effective Sept. 1, 1998)
	\$20 per acre per bi-monthly period

Water rates were increased in January 2002 by 8.33% to pay for continuing upgrade of distribution and fire hydrant system. Bi-monthly meter service charges were increased an average of 300 % in 1997 to produce more fixed income to offset the state water fixed expenses.

Service connection charges were increased an average of 32% in 2001 to reflect the capital costs of state water.

Land charges were adjusted in 1998 from \$10 to \$20 per acre per bi-monthly billing to produce more fixed income.

FISCAL YEAR 2004 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, 2004. These results have been derived from the Company's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the Company's auditor.

LA CUMBRE MUTUAL WATER COMPANY

<u>REVENUES</u>	<u>Dec. 31, 2004</u>
Water Sales	\$ 2,146,100
Meter Charges	370,831
Land Charges	247,512
Connection Fees	5,558
Other Income	17,285
Rental income	88,599
Interest Income	28,186
TOTAL REVENUES:	<u>2,904,071</u>
<u>OPERATING EXPENSES</u>	
Water Source	102,518
Water Treatment	81,602
Transmission & Distribution	153,341
Admin. & General	611,714
Taxes	21,455
Miscellaneous	14,471
TOTAL OPERATING EXPENSES:	<u>985,101</u>
NET REVENUES	1,918,970
Rate Coverage Reserve Fund Deposit	<u>345,084</u>
Adjusted Net Revenues	<u>2,264,054</u>
State Water Payments	1,571,521
Coverage Ratio:	1.44
Available for Capital improvements and other purposes	\$ 347,449

Source: La Cumbre Mutual Water District

MONTECITO WATER DISTRICT

The information set forth below has been provided by the Montecito 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 WATER 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 Revenue			
	<u>Domestic</u>	<u>%</u>	<u>Agricultural</u>	<u>%</u>	<u>Domestic</u>	<u>%</u>	<u>Agricultural</u>	<u>%</u>
2001	4,354	99	55	1	\$5,606,333	96	\$224,911	4
2002	4,398	99	55	1	6,087,213	96	251,523	4
2003	4,452	99	53	1	6,149,720	96	256,796	4
2004	4,502	99	52	1	7,217,743	95	361,987	5
2005	4,354	99	52	1	6,901,106	96	267,600	4

The total actual connections for 2004/05 were 4,583. Domestic sales revenues for 2004/05 were \$6,901,106. Agricultural sales revenues for 2004/05 were \$267,600.

Water service charges and connection fee revenues were \$2,413,668 and \$331,970 respectively. The District's Board of Directors chose to increase fixed income sources to better match fixed expenses, rather than increase the variable income sources.

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 Deliveries¹
(In acre-feet per year)

Fiscal Year Ending June 30	Agricultural	Domestic	Total
2001	376	4,533	4,909
2002	399	5,136	5,535 ¹
2003	402	5,092	5,494
2004	560	5,495	6,055
2005	398	5,049	5,447

Actual water deliveries for 2004/05 are 5,447 acre-feet. The following table summarizes Water Production by source:

Water Production By Sources
(In acre-feet per year)

Fiscal Year Ending June 30	Groundwater	Cachuma Project	Other ² Sources	Total
2001	74	2,829	2,233	5,136
2002	83	2,474	2,932	5,489 ¹
2003	68	2,032	3,455	5,555
2004	250	3,876	2,286	6,412
2005	305	2,293	3,229	5,827

¹ Total deliveries exceeds total production due to general system losses and water owed to the City of Santa Barbara; the District is presently rehabilitating its water system through its capital improvement program.

² Other sources include water from Jameson Lake and Fox and Alder Creeks, infiltration water from Doulton Tunnel, and beginning in 1997/98, water from the State Water Project.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system for FY 2004/05, as determined by the amount of water usage:

Customer	Water Usage	Annual Payment
Four Seasons Biltmore	35,490	\$ 165,844
Birnam Wood Golf Club	73,969	159,033
Westmont College	43,099	139,105
Valley Club of Montecito	47,065	96,630
Casa Dorinda	22,736	89,874
Santa Barbara Cemetary	25,038	52,620
Riven Rock Mutual Water Company	12,860	45,155
Los Alisos Ranch	24,564	39,480
Private Ranch	14,761	32,249
Ellen Knill	<u>16,025</u>	<u>26,556</u>
	315,607	\$846,546

These ten customers accounted for approximately 8.8% of water service revenues in FY 2004/05.

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, 2005 is as follows:

Meter Size	Meter Charge	Meter Size	Meter Charge
5/8" x 3/4"	\$ 25.75	2"	\$137.33
3/4"	25.75	3"	309.00
1"	42.91	4"	515.00
1-1/2"	77.25	6"	858.33

Quantity Water Rates in Addition to Monthly Service Charge

Commercial	\$ 4.25 per hcf ³
Domestic	3.30 per hcf
Schools	3.08 per hcf
Recreational	1.87 per hcf ⁴
Agricultural	1.49 per hcf ⁴
Non-Potable	1.49 per hcf

Connection 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. The breakdown of Connection and Capital Cost Recovery Fees as of June 30, 2005 is as follows:

Meter Size	Connection Fee	Capital Cost Recovery Fee
3/4"	\$ 1,380.00	\$ 9,500.00
1"	1,422.00	15,833.00
1-1/2"	2,145.00	28,499.00
2"	2,614.00	50,664.00

³ Hundred cubic feet (hcf)

⁴ Recreational and Agricultural users with dwelling units on the property are charged 12 hcf per month at the domestic rate for each dwelling unit.

FISCAL YEAR 2004/05 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for FY 2004/05. These results have been derived from the District's financial statements and exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditors:

MONTECITO WATER DISTRICT

<u>REVENUES</u> ⁽¹⁾	<u>June 30, 2005</u>
Water Sales	\$ 7,168,706
Water Service Charges	2,413,668
Connection/Capital Cost Recovery Fees	331,970
Water availability charge	313,052
Interest Income	124,708
Other Income	150,106
TOTAL REVENUES:	<u>10,502,210</u>
<u>OPERATING EXPENSES</u>	
Water Purchased	999,907
Pumping	213,271
Water Treatment	947,729
General & Administrative	1,529,484
Operations & Maintenance	843,166
TOTAL OPERATING EXPENSES:	<u>4,533,557</u>
NET REVENUES	5,968,653
Rate Coverage Reserve Fund Deposit	959,705
Adjusted Net Revenues	<u>6,928,358</u>
State Water Payments	4,475,119
Coverage Ratio:	1.55
Other Debt Service ⁽²⁾	1,139,689
Available for Capital improvements and other purposes	\$ 353,845

(1) Excludes taxes and assessments

(2) Includes Cachuma Project Authority Bonds, the 1993 Department of Water Resources Loan and the 1998 A Montecito Water District Revenue Certificates of Participation.

⁵ Excludes taxes and assessments.

⁶ Inclusive of the 2004 COMB Bonds, the 1993 Department of Water Resources Loan, the Department of Water Resources Cater Loan and the 1998, \ Revenue Bonds.

Source: Montecito Water District

CITY OF SANTA BARBARA

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 Ending June 30	<u>Connections</u>		<u>Sales Revenues</u>	
	<u>Dom.</u>	<u>%</u>	<u>Dom.</u>	<u>%</u>
2001	25,267	100	\$21,298,011	100
2002	25,388	100	21,121,848	100
2003	25,527	100	20,822,544	100
2004	25,653	100	23,127,138	100
2005	25,809	100	24,447,594	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)

<u>Fiscal Year Ending June 30</u>	<u>Urban Deliveries</u>
2001	14,618
2002	14,292
2003	13,461
2004	14,281
2005	13,213

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

Customer	Water Usage ⁷	Annual Payments
Santa Barbara Cottage Hospital	57,346	\$ 262,950
Fess Parker's Double Tree Inn	27,391	127,600
City of Santa Barbara	70,849	116,649
Montecito Country Club	55,516	89,871
S.B. Zoological Foundation	14,321	75,206
Heide Probstel Trust	12,095	57,437
S.B. Community College District	8,421	49,806
National Retail Partners, LLC	9,365	44,883
Samarkand, Inc.	10,551	44,749
La Colina Junior High School	<u>7,181</u>	<u>41,064</u>
Total:	273,036	\$ 910,218

These ten customers accounted for approximately 5% of the annual water system sales for Fiscal Year 2004/05.

⁷ Hundred Cubic Feet

Water System Rates and Charges During FY 2004/05

Customer Class	Water Service Rates
Single Family Residential	First 4 HCF @ \$2.39 Next 16 HCF @ \$4.00 All other @ \$4.22
Multi-Family Residential 1-4 dwelling units	First 4 HCF per dwelling unit @ \$2.39 Next 8 HCF per dwelling unit @ \$4.00 All other @ \$4.22
Multi-Family Residential 5+ dwelling units	First 4 HCF per dwelling unit @ \$2.39 Next 8 HCF per dwelling unit @ \$4.00 All other @ \$4.22
Commercial	100% of base allotment ⁸ @ \$4.00 per HCF; All other @ \$4.22
Industrial	100% of base allotment ² @ \$4.00 per HCF; All other @ \$4.22
Irrigation - Residential	Billed as if used through associated residential meter, OR annual allotment of 654 HCF/acre @ \$4.00; all other @ \$4.22
Irrigation - Recreation/Parks/Schools	Annual allotment of 1,404 HCF/acre @ \$1.88 Next 240 HCF/acre/year @ \$4.00 All other @ \$4.22
Irrigation - Commercial	100% of base allotment ² @ \$4.00 per HCF; All other @ \$4.22
Irrigation - Agriculture	Annual allotment of 870 HCF/acre @ \$1.51 Next 240 HCF/acre/year @ \$4.00 All other @ \$4.22
Recycled Water	All usage @ \$1.51/HCF
Outside City Limits	130% of corresponding in-City rates

Monthly Service Charges for Water Meters by Size During FY 2004/05

Meter Size	Monthly Service Charge
5/8"	\$ 10.07
3/4"	15.11
1"	25.18
1 1/2"	50.35
2"	80.56
3"	161.12
4"	251.75
6"	503.50
8"	805.60
10"	1,458.05

Connection Charges During Fiscal Year 2004/05

	5/8" Meter	1" Meter
Connection Charges on 1" Service:	\$1,719	\$2,110
Buy-in Fee (per detached single family residence)	1,937	4,842
	<u>\$3,606</u>	<u>\$6,891</u>

⁸ Base allotment = average monthly consumption during most recent January - June period.

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2004/05. 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 BARBARA

<u>REVENUES</u>	<u>June 30, 2005</u>
M&I Sales	\$ 24,447,594
Service Charges	562,186
JPA Reimbursement	1,399,282
Interest Income	569,250
Other Revenues	96,612
TOTAL REVENUES:	<u>27,074,924</u>
<u>OPERATING EXPENSES</u>	
Salaries & Benefits	5,168,650
Materials & Supplies	8,844,157
Interest Expense ⁽¹⁾	491,142
Other	49,124
TOTAL OPERATING EXPENSES:	<u>14,553,073</u>
NET REVENUES	12,521,851
State Water Payments	4,315,818
Parity Debt Service ⁽²⁾	1,853,342
Total Contract Payments	<u>6,169,160</u>
Coverage Ratio:	2.03
Available for Capital improvements and other purposes	\$ 6,352,691

(1) Includes 1989 and 1991 DWR Water Reclamation Loans.

(2) Represents debt service on the 1994 Water Revenue Refunding Bonds and the 2002 Water Refunding COP's 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.

Source: City of Santa Barbara

CITY OF SANTA MARIA

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.

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
2001	17,189	\$14,985,470	\$3,589,063
2002	17,735	16,350,234	3,786,941
2003	18,301	17,569,216	3,981,184
2004	19,170	19,392,893	4,332,027
2005	19,596	20,479,665	4,786,818

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 12,216 acre-feet in fiscal year 2001 to a high of approximately 13,267 acre-feet in fiscal year 2004. 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
2001	12,216
2002	12,990
2003	12,647
2004	13,267
2005	11,375

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2005 as determined by the amount of their respective annual payments.

Customer ⁹	Water Usage ¹⁰	Annual Payments
City of Santa Maria	188,305	\$ 684,382
Santa Maria Elementary School	92,611	324,438
SP Village Green LLC	63,382	205,830
Casa Grande Mobile Homes	60,163	145,811
Allan Hancock College	53,683	185,049
Marian Hospital	28,206	113,402
S.B. County Housing Authority	25,537	91,093
Mission Linen Supply	22,697	78,933
Culligan Water	22,673	73,185
El Capitan Trailer Park	<u>22,129</u>	<u>55,068</u>
TOTAL	579,386	\$1,957,191

The ten largest water customers accounted for approximately 11.0% of water service by volume in fiscal year 2005.

The following table sets forth the ten largest customers discharging to the City's wastewater system as of June 30, 2005 and their respective annual payments.

Largest Wastewater Customers

Customer	Wastewater Usage ²	Annual Payments
Frozsun Foods	89,936	\$137,032
SP Village Green LLC	63,382	40,029
Sure-Fresh	51,949	69,216
Casa Grande Mobile Homes	28,691	28,010
Village Townhomes_SM LLC	23,640	11,835
Allan Hancock College	22,755	26,116
Mission Linen Supply	22,697	44,059
El Capitan Trailer Park	22,129	12,178
FF SM Associates LLC	21,005	11,517
S.B. County Housing Authority	<u>20,167</u>	<u>12,169</u>
TOTAL	366,351	\$392,161

The ten largest wastewater customers accounted for approximately 9.0% of wastewater service by volume in fiscal year 2005.

⁹ 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.

¹⁰ 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 7/1/05 is set forth below:

Monthly Service Charges for Water Meters by Size

Meter Size	Inside City
5/8 x 3/4"	19.34
1"	30.34
1 1/4"	35.98
1 1/2"	47.96
2"	66.32
3"	143.92
4"	239.89
6"	599.82

Capacity Charge

1 – 500 cubic feet	\$ 2.108 per 100 cubic feet
501 – 1000 cubic feet	2.501 per 100 cubic feet
1001 – 1500 cubic feet	2.923 per 100 cubic feet
Above 1501 cubic feet	3.328 per 100 cubic feet

Wastewater Treatment Charges. A schedule of the City's current monthly wastewater treatment rates and charges as of 7/1/05 is set forth below:

Monthly Wastewater Rates

Single Family Residence	\$ 9.98
Multiple Apartments:	
2 Rooms or Less	7.06
3 + Rooms	7.68
Mobile Homes (number of spaces)	7.06
Motel/Hotel (per unit)	4.91

Per 100 cubic feet

Office Buildings	1.17
Restaurants	2.80
Commercial	1.69
Food Processing	1.63
Machinery	1.35
Miscellaneous	1.35

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water and wastewater system of the City for Fiscal Year 2004/05. 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

REVENUES	June 30, 2005
Water & Wastewater Fees & Charges	\$ 25,266,484
Other Revenues	2,638,327
Interest Income	1,112,000
TOTAL REVENUES:	29,016,811
OPERATING EXPENSES	
Salaries, Wages & Benefits	2,783,179
Materials & Supplies	1,317,979
Equipment Maintenance & Operations	1,129,812
Contracts & Services	2,309,872
Bad Debts	111,139
TOTAL OPERATING EXPENSES:	7,651,981
NET REVENUES	21,364,830
Rate Coverage Fund Deposit	4,002,906
Adjusted Net Revenues	25,367,736
State Water Payments	13,962,911
Coverage Ratio:	1.82
Other Debt Service	1,001,914
Available for Capital improvements and other purposes	\$ 6,400,005

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 "District"), 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.

Solvang has represented to the District that the information presented for the City is accurate, and the District has (i) relied on this information in preparing this information, and (ii) not independently investigated that information. The District makes no representations or warranties as to the accuracy or completeness of any information set forth in the City's continuing disclosure information.

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.

Fiscal Year Ending June 30	Connections				Sales Revenues					
	Dom.	%	Ag.	%	Dom.	%	Ag.	%	Solvang	%
2001	2,122	95	116	5	\$2,074,129	67	\$763,336	25	\$253,250	8
2002	2,256	95	116	5	2,264,474	65	818,995	23	353,215	10
2003	2,270	95	116	5	2,410,599	71	830,755	25	132,116	4
2004	2,278	95	117	5	2,718,591	71	1,065,931	28	32,180	1
2005	2,305	95	117	5	2,508,484	61	949,438	37	60,110	2

The actual FY 2004/2005 total water sales revenues are approximately 8 percent lower than the FY 2003/04 revenues due to a decrease in domestic and agriculture water use. There was a decrease in agricultural, limited agricultural and domestic water use resulting from above average precipitation during the rain season.

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)

Fiscal Year Ending June 30	Ag. Deliveries ¹¹	Domestic	Solvang	Total
2001	2,808	2,403	362	5,573
2002	2,742	2,630	487	5,859
2003	2,362	2,452	154	4,968
2004	2,972	3,031	9	6,012
2005	2,320	2,276	41	4,637

The FY 2004/05 actual overall water deliveries are about 30 percent lower than FY 2003/04 due to a decrease in domestic and agricultural use because of above average precipitation during the rain season. The FY 2004/05 water usage and revenues reflect an increase in water rates and meter charges and typical water usage in above average rainfall years.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
City of Solvang	41	\$ 60,110
Cachuma Sanitation District	67	54,104
Santa Ynez Valley Farming	192	30,471
Dunn School	58	28,054
Rancho Marcelino Water Company	28	26,028
Gainey Ranch	105	20,158
Gainey Vineyard	50	18,225
Rancho Bella Vida, LLC	51	17,145
AFJ Farming	104	16,200
Los Olivos School	<u>14</u>	<u>12,144</u>
TOTAL	710	\$ 282,639

These ten customers accounted for approximately 8% of the water service revenues for Fiscal Year 2004/05.

¹¹ Acre Feet

WATER SYSTEM RATES AND CHARGES

The District's rates and charges for FY 2004/05 are as follows:

Monthly Meter Charge

Meter Size	Domestic/Limited Agricultural	Agricultural
$\frac{5}{8}$ " - $\frac{3}{4}$ "	\$ 21.70	
$\frac{3}{4}$ "	26.00	
1"	43.40	
1 $\frac{1}{2}$ "	86.60	\$ 43.00
2"	137.50	69.00
3"	276.60	137.00
4"	390.10	190.00
6"	865.30	424.00
8"	1,384.60	

Consumption Charge

Domestic	Rural Residential / Limited Agricultural	Agriculture
\$1.91 per HCF	1 st 70: \$1.91 per HCF Over 70: \$0.43 per HCF	\$0.30 per HCF
Temporary Rate \$2.86 per HCF	(Conn. Fee \$50.00; minimum chg.: \$25.00)	Cachuma Park & City of Solvang \$1.91 per HCF

Connection Charge

Meter Size	Meter Only	Service and Meter
$\frac{5}{8}$ " - 1"	\$ 2,810.24	\$4,923.42 Short Side (1" service) 7,282.10 Long Side (1" service)
$\frac{3}{4}$ "	\$ 3,362.57	\$5,475.75 Short Side (1" service) 7,834.43 Long Side (1" service)
1"	\$ 5,521.87	\$7,648.05 Short Side (1" service) 10,006.73 Long Side (1" service)
(2) $\frac{5}{8}$ " - 1"		\$5,221.51 Short (1" double service) 7,581.80 Long (1" double service)
1 $\frac{1}{2}$ "	\$ 11,018.26	\$13,339.81 Short Side (2" service) 15,705.92 Long Side (2" service)
2"	\$17,534.62*	\$19,894.17 Short Side* (2" service) 22,260.28 Long Side* (2" service)
3"	\$35,294.11*	*see below

*2-inch and 3-inch meter only prices are listed 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: \$400 per inch of diameter of Service size.

Capital Facilities Charge on Larger Services

Meter Size	Charge	
3"	\$ 33,882.00	+ Serv. & Meter Costs
4"	\$ 47,647.00	+ Serv. & Meter Costs
6"	\$ 105,882.00	+ Serv. & Meter Costs
8"	\$ 169,441.00	+ Serv. & Meter Costs

Installation Charge: The meter and service installation charge shall equal the cost of installation as determined by the District from time to time.

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2004/05. These results have been derived from the District's financial statements and exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

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

REVENUES	June 30, 2005
M&I Water Sales	\$ 3,032,061
Ag. Water Sales	398,574
Water Sales to City of Solvang	60,110
SWP Revenue from City of Solvang ⁽¹⁾	2,078,551
Connection Fees	277,720
Special Assessments ⁽²⁾	769,340
Other Fees & Income	129,565
Interest Income	169,830
TOTAL REVENUES:	6,915,751
OPERATING EXPENSES	
Water Purchased	195,729
Pumping	449,363
Water Treatment	40,493
Transmission & Distribution	597,239
Other/Litigation Fees	157,575
Administration & General	1,345,926
TOTAL OPERATING EXPENSES:	2,786,325
NET REVENUES	4,129,426
Rate Coverage Reserve Fund Deposit (Includes Solvang)	920,343
Adjusted Net Revenues	5,049,769
State Water Payments (Includes Solvang)	3,119,539
Coverage Ratio:	1.62
Other Debt Service ⁽³⁾	407,831
Available for Capital improvements and other purposes	\$ 602,056

(1) City of Solvang payments based on State water payments calculated for FY 2004/05 on a cash basis.

(2) Special assessment levied to pay operation and maintenance expenses for the water system.

(3) Debt service on 1993 Cachuma Project Authority Revenue Bonds, exclusive of general obligation portion.

Source: Santa Ynez Improvement District #1

CITY OF SOLVANG

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)
2001	1,890	\$2,616,048	1,549
2002	1,893	3,108,477	1,594
2003	1,901	2,929,186	1,518
2004	1,903	3,286,624	1,506
2005	1,907	3,229,500	1,589

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

Largest Customers as of June 30, 2005

Customer	Water Usage ¹²	Annual Payments
Rancho Santa Ynez Mobile Estate	23,159	\$60,677
Alisal Guest Ranch	11,182	31,131
Mission Oaks	6,953	18,217
Solvang Lutheran Home	6,884	18,036
Mission Ready Mix	5,803	15,204
City of Solvang	5,722	14,992
Solvang School	5,179	13,569
Petersen Village Inn	4,586	12,015
Cottage Hospital	3,202	8,389
Inns of California	<u>3,200</u>	<u>8,384</u>
TOTAL	181,697	\$200,613

¹² Hundred Cubic Feet

Monthly Service Charges for Water Meters by Size

<u>Meter Size</u>	<u>Rated Flow (gpm)¹³</u>	<u>Ratio to 5/8" x 3/4" Meter</u>	<u>Meter Charges</u>	<u>Outside Users¹⁴</u>
5/8"x 3/4"	20	1.0	\$ 3.25	\$ 4.87
3/4"	30	1.5	4.87	7.31
1"	50	2.5	8.12	12.19
1-1/2"	100	5.0	16.25	24.37
2"	160	8.0	26.00	39.00
3"	320	16.0	52.00	78.00
4"	450	22.5	73.12	109.69
6"	1,000	50.0	162.50	243.75

Monthly Water Demand Units

For each water unit allocated to a property use pursuant to the Water Unit Schedule set forth in this section, a Water Demand Unit fee of \$11.12 per unit shall be imposed and collected monthly.

Water Demand Unit Schedule

<i>Property Use</i>	<i>Water Unit Allocation</i>
Single Family Dwellings (including Mobile homes on separate parcels)	4.00
Individual Condominium Units in Residential Condominium Developments	4.00
Multiple Dwellings other than Residential Condominium Developments	
First Occupancy Unit	4.00
Each additional occupancy unit	1.30
Mobile Home Parks Each mobile home	4.00
Motels and Hotels	
First occupancy unit	4.00
Each additional occupancy unit	1.10
Professional Offices other than Medical, Dental and Veterinary	
Single Office Suite or first Suite in a structure containing multiple Office Suites	4.00
Each additional suite in a structure containing multiple office suites	.89
Medical and Dental Offices and Laboratories (including photography laboratories)	
First Physician, Dentist or Other principal professional	4.00
Each additional Physician, Dentist or other principal professional	3.00
Each Laboratory (Dental, Medical, Photographic)	3.00

Quantity Charge

In addition to the monthly meter charge, a monthly quantity charge shall be applied to each user. The charge shall be \$2.44 for each hcf¹⁵ per month of consumption. Outside Users will be charged 150% (\$3.66) of current quantity charges, monthly meter charges are based on flow capacities of meter with four demand units.

¹³ gallons per minute

¹⁴ outside users are properties outside of City limits

¹⁵ 100 cubic feet

FISCAL YEAR 2004/05 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2004/05. 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>June 30, 2005</u>
<u>REVENUES</u>	
Water Sales	\$ 3,271,353
Other Fees & Income	5,044
Interest Income	11,934
TOTAL REVENUES:	<u>3,288,331</u>
<u>OPERATING EXPENSES</u>	
Operating Expenses	661,035
Interest Expense	134,512
TOTAL OPERATING EXPENSES:	<u>795,547</u>
NET REVENUES	2,492,784
Rate Coverage Fund Deposit	534,808
Adjusted Net Revenues	<u>3,027,592</u>
State Water Payments	2,002,319
Coverage Ratio:	1.51
Available for Capital improvements and other purposes	\$ 490,465

Source: City of Solvang

SAN LUIS OBISPO COUNTY

AVILA COMMUNITY SERVICES DISTRICT

The information set forth below has been provided by the Avila Beach Community Services 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.

Fiscal Year Ending <u>June 30</u>	<u>Connections</u>	<u>Sales Revenues</u>
2001	169	\$ 114,721
2002	171	125,791
2003	176	160,395
2004	209	171,315
2005	213	163,847

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
(In acre-feet per Year)*

Fiscal Year Ending <u>June 30</u>	<u>Deliveries¹⁶</u>
2001	38
2002	44
2003	52
2004	52
2005	51

¹⁶ All Lopez Project Water

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹⁷	Annual Payments
Custom House	3,421	\$ 19,773
Western Inns	2,110	12,196
SLO Co Park	1,693	9,786
Villa Avila	1,190	6,878
Port San Luis Restrooms	774	4,474
SLO County Park Restroom	674	3,896
Dun Sailing Apts.	495	2,861
La Casita	391	2,260
SLO County Park Front Street	343	1,983
Williams Tract HOA	<u>341</u>	<u>1,971</u>
TOTAL	11,432	\$ 66,078

These ten customers accounted for approximately 40% of water service revenues in fiscal year 2004/05.

RATES AND CHARGES

	Domestic/ Residential	Commercial	Institutional
Consumption Charge ¹⁸	\$28.90	\$28.90	\$28.90
Meter Charge	\$0.00	\$0.00	\$0.00
Connection Charge ¹⁹	Varies	Varies	Varies
Immediate Availability Charge	\$0.00	\$0.00	\$0.00
Other Charges ²⁰	\$5.78	\$5.78	\$5.78

The rates and charges shown above reflect recent increases that went into effect after June 30, 2000. The water rate increase adopted by the District's Board of Directors targets a 70% increase in revenues, and connection fees approximately doubled.

¹⁷ Hundred Cubic Feet

¹⁸ Minimum consumption charge

¹⁹ Varies from \$4,780.57 to \$11,951.43 based on anticipated use for residential use for residential customers.

Commercial charges based on \$17,057.09 per acre-foot and the anticipated use.

²⁰ All customers charged \$5.78 per cubic foot for consumption above 5 cubic feet.

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for fiscal year 2004/05. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

AVILA COMMUNITY SERVICES DISTRICT *(Formerly Avila Beach County Water District)*

<u>REVENUES</u>	<u>June 30, 2005</u>
Water Sales	\$ 163,847
Other	22,285
Assessments & Connection Fees	85,570
Interest	1,570
TOTAL REVENUES:	<u>273,272</u>
<u>OPERATING EXPENSES</u>	
Lopez Water	47,108
Operations	96,638
General & Administrative	38,305
TOTAL OPERATING EXPENSES:	<u>182,051</u>
NET REVENUES	91,221
Rate Coverage Fund Deposit	27,609
Adjusted Net Revenues	<u>118,830</u>
State Water Payments	86,962
Coverage Ratio:	1.37
Available for Capital improvements and other purposes	\$ 4,259

Source: Avila Beach Community Services District

CITY OF MORRO BAY

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
2001	5,198	\$3,785,189
2002	5,251	3,857,137
2003	5,254	3,802,287
2004	5,383	3,852,954
2005	5,399	3,436,322

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
2001	1,238
2002	1,253
2003	1,349
2004	1,205
2005	976

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

Customer	Water Usage ²¹	Annual Payments
San Luis Coastal School District	1,903,300	\$ 221,533
City of Morro Bay	2,029,500	175,652
Inn At Morrow Bay	1,036,100	119,164
Mission Linen	889,000	99,472
Pacific Care Center	491,500	98,996
Morro Dunes Trailer Park	517,400	46,732
Department of Recreation & Parks	474,100	41,366
Accor Economy Lodge	398,300	38,765
Silver City Manor 1& 2	305,500	28,092
Blue Sail Inn	<u>256,000</u>	<u>27,305</u>
TOTAL	8,300,700	\$ 897,077

These ten customers accounted for approximately 26% of water services revenues in fiscal year 2004/05.

²¹ Cubic Feet

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2004/05. 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 MORRO BAY

<u>REVENUES</u>	<u>June 30, 2005</u>
Water Service Charge	\$ 3,436,332
Connection Fees	13,339
Penalties & Reconnections	46,983
Miscellaneous	34,346
TOTAL REVENUES:	<u>3,531,000</u>
<u>OPERATING EXPENSES</u>	
Administration & General	1,027,364
Maintenance	19,898
TOTAL OPERATING EXPENSES:	<u>1,047,262</u>
NET REVENUES	2,483,738
State Water Payments	1,888,003
Coverage Ratio:	1.32
Available for Capital improvements and other purposes	\$ 595,735

Source: City of Morro Bay - Preliminary-Prior to final audit report.

Source: City of Morro Bay

OCEANO COMMUNITY SERVICES DISTRICT

The information set forth below has been provided by the Oceano Community Services District (the District) except as noted. 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.

Fiscal Year Ending June 30	Connections	Sales Revenues
2001	1,942	\$1,093,686
2002	1,956	1,101,900
2003	1,999	1,087,896
2004	2,024	1,217,461
2005	2,046	1,141,014

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	Urban Deliveries
2001	814
2002	815
2003	817
2004	839
2005	839

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

Customer	Water Usage ²²	Annual Payments
Canyon Crest Mutual Benefit Water	11,221	\$ 44,647
Caritas Corporation/Rancho Del Arroyo MHP	11,308	33,022
Oceano 1 Condo HOA	7,906	22,236
Lucia Mar Unified School District	6,185	21,509
Sand and Surf (Transient) RV Park	6,166	20,847
Duna Vista Mobile Home Park	5,961	19,989
Pismo-Oceano Vegetable Exchange	5,638	18,328
Porticos Mobile Home Park	5,131	15,241
State of California	4,569	15,174
Pleasant Hill Mobile Home Manor MHP	<u>4,539</u>	<u>12,340</u>
TOTAL	68,624	\$223,333

These ten customers accounted for approximately 19.6% of water service revenues in fiscal year 2004/05.

RATES AND CHARGES

Bi-Monthly Charges for Non-Residential Accounts. The following bi-monthly charges for water service for non-residential accounts were established April 12, 1997:

Meter Size	Domestic/Residential	Bi-Monthly Non-Residential Charge
5/8"	\$23.94	\$ 29.15
3/4"		36.55
1"		58.40
1 1/2"		109.20
2"		172.30
3"		276.95
4"		473.80
6"		741.30

The minimum bi-monthly charge, as listed, allows six hundred cubic feet of water. Additional needs shall be charged at the metered rate of:

7 - 25 ccf	\$2.25/ccf
Additional Needs	\$2.95/ccf

²² Hundred cubic feet

Bi-monthly Charges for Residential Accounts. The minimum bi-monthly charges for residential accounts will be \$23.94, which will allow six hundred cubic feet. Additional needs shall be charged at the metered rate of:

7 - 25 ccf	\$2.25/ccf
Additional Needs	\$2.95/ccf

For meters serving more than one residential dwelling unit, the minimum bi-monthly charge shall be calculated at \$3.99 multiplied by six (hundred cubic-feet), multiplied by the number of dwelling units served. All consumption above the minimum, but less than the amount equal to twenty-five multiplied by the number of dwelling units, shall be charged at the metered rate of \$2.25/ccf. Additional needs shall be charged at the metered rate of \$2.95/ccf.

For those properties that are outside the District boundaries but are receiving District water or sewer services, not on an emergency basis, there will be a \$7.10 administration charge per billing period.

Connection Charges

<u>Meter Size</u>	<u>Domestic/Residential</u>	<u>Bi-Monthly Non-Residential Charge</u>
5/8"	\$675	\$ 675
3/4"		950
1"		1,350
1 1/2"		2,700
2"		5,400
3"		10,800
4"		18,900
6"		43,200

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for FY 2004/05. These results have been derived from the District's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the District's auditor.

OCEANO COMMUNITY SERVICES DISTRICT

Information Not Provided

Source: Oceano Community Services District

CITY OF PISMO BEACH

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 five most recent fiscal years, together with the amount of its annual water sales revenues.

<u>Fiscal Year Ending June 30</u>	<u>Connections ²⁴</u>	<u>Sales Revenues</u>
2001	4,158	\$1,710,063
2002	4,233	1,751,585
2003	4,234	1,772,352
2004	4,365	1,872,673
2005	4,405	1,888,635

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)*

<u>Fiscal Year Ending June 30</u>	<u>Urban Deliveries</u>
2001	1,983
2002	2,219
2003	2,001
2004	1,962
2005	1,953

²⁴ The connections for 1999 through 2000 have been corrected. An error was discovered in the computer program which counted some meters twice.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

<u>Customer</u>	<u>Water Usage</u>	<u>Annual Payments</u>
Pismo Mobile Home Park	14,601	\$ 27,997
Cliffs Shell Beach	14,528	25,395
Shorecliff Lodge	9,192	15,905
Seacrest Motel II	8,940	15,703
Oxford Suites	7,888	15,430
Motel 6	8,418	15,063
Hacienda Del Pismo	6,859	13,667
Lucia Mar School District	6,947	13,127
Kon Tiki	7,760	12,591
Cal Trans	<u>6,543</u>	<u>11,637</u>
TOTAL	91,676	\$ 166,515

These ten customers accounted for approximately 8.9% of water service revenues in fiscal year 2004/05.

Rates and Charges
Bi-monthly fixed charges are as follows:

Meter Size		
All Meters		
5/8" & 3/4"	\$	21.53
1"		42.84
1-1/2"		74.72
2"		120.96
3"		234.61
4"		362.43
6"		859.58
	Single Family Residential	All Other Metered Users
Consumption Charge:		
0-15 HCF	\$1.27/HCF	\$1.42/HCF
16 HCF and higher	\$1.61/HCF	\$1.42/HCF
Construction Meter		\$2.85/HCF
Connection Charges:		
A) State Water Supply Fee	\$6,143.00 per equivalent dwelling unit	
B) Special Tax Levy FY 2003-04	\$79.66 per year per equivalent dwelling unit.	

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for FY 2004/05. 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 PISMO BEACH

<u>REVENUES</u>	<u>June 30, 2005</u>
Water Service Charge	\$ 1,945,024
State Water Impact Fee	449,194
Interest	88,443
Assessments	569,039
Miscellaneous	-
TOTAL REVENUES:	<u>3,051,700</u>
<u>OPERATING EXPENSES</u>	
Admin & General	479,726
Lopez Contract Payments	555,184
Operations & Maintenance	419,871
Utilities	106,432
TOTAL OPERATING EXPENSES:	<u>1,561,213</u>
NET REVENUES	1,490,487
State Water Payments	1,251,600
Coverage Ratio:	1.19
Available for Capital improvements and other purposes	\$ 238,887

Source: City of Pismo Beach



Administrative Services Department
760 Mattie Road
Pismo Beach CA 93449
Ph: 805-773-4655 Fax: 805-773-7065

February 14, 2006

Central Coast Water Authority
Attention: Mr. Ray Stokes
255 Industrial Way
Buellton, California 93427-9565

Re: CCWA State Water Coverage Requirements for Fiscal Year Ending June 30, 2005

Dear Mr. Stokes:

For fiscal year ending June 30, 2005, the City of Pismo Beach did not meet the coverage obligation requirements per the debt coverage covenant identified in the State Water Bonds continuing Disclosure reporting requirement. In order to meet the coverage requirements for 2005-06, the City of Pismo Beach has increased the Water Tax rate for fiscal year 2005-06. The City will continue to increase the Water Tax rate for future years in order to continue to meet the coverage requirements.

The voters approved the City of Pismo Beach Water Tax in 1997-98. The Water Tax was established in order to pay for the debt service for State Water Bonds. Per the City's Ordinance, the rate for Water Tax fluctuates each year depending on the balance available in the Water Tax Fund. During the last couple of years, the Water Tax rate was decreased because there was a surplus of funds available in the Water Tax Fund. Unfortunately, the first year the rate was decreased, the City of Pismo Beach did not meet the coverage requirement per the State Water Bonds continuing disclosure requirement.

In order to alleviate this problem in the future, the City will maintain the Water Tax rate that will help the City to meet the coverage requirement.

In addition, over the next two years, the City will be taking steps to possibly increase the existing water rates.

Respectfully,

A handwritten signature in cursive script that reads "Susan West-Jones".

Susan West-Jones
Accounting Manager

cc: Kevin Rice
George Edes
Dennis Delzeit
Dave Fleishman

COUNTY OF SAN LUIS OBISPO C.S.A. NO. 16, ID#1

The information set forth below has been provided by the County of San Luis Obispo (the "County") on behalf of San Luis Obispo County Service Area No. 16, Improvement District No. 1 (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.

Fiscal Year Ending June 30	Connections	Sales Revenues
2001	244	\$153,137
2002	304	195,366
2003	309	175,353
2004	319	194,205
2005	335	189,481

The number of connections in FY 2004/05 increased by approximately 5% over the number of connections in FY 2003/04, and sales revenues for the same periods decreased by approximately 2%.

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	Total Production	Total Sold	Park Irrigation
2001	134.6	88.1	30.5
2002	143.4	103.8	26.4
2003	136.5	112.5	20.3
2004	153.9	116.0	24.4
2005	147.2	113.8	22.3

The actual water deliveries for FY 2004/05 are approximately 2% less than actual water deliveries for FY 2003/04.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2005, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payments
Shandon Park	540	\$2,463
Shandon Methodist Church	582	2,315
Caltrans	584	2,149
Shandon Unified School District	461	1,670
Residence	427	1,481
Residence	373	1,314
Residence	318	1,102
Residence	318	1,089
Residence	287	1,059
Residence	<u>283</u>	<u>994</u>
TOTAL	4,173	\$15,636

These ten customers accounted for approximately 8.3% of water service revenues in fiscal year 2004/05.

¹ Hundred Cubic Feet

FISCAL YEAR 2005 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for fiscal year 2004/05. These results have been derived from the County's financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the County's auditor.

SAN LUIS OBISPO COUNTY SERVICE AREA NO. 16
IMPROVEMENT DISTRICT NO. 1

<u>REVENUES</u>	<u>June 30, 2005</u>
Water Service Charge	\$ 189,481
New Services	6,290
Water Availability	13,747
Connection Fees	22,820
Interest	9,455
Other	16,777
TOTAL REVENUES:	<u>258,570</u>
<u>OPERATING EXPENSES</u>	
Utilities	12,511
General & Administrative	21,778
Operations & Maintenance	101,651
TOTAL OPERATING EXPENSES:	<u>135,940</u>
NET REVENUES	122,630
Rate Coverage Fund Deposit	13,844
Adjusted Net Revenues	<u>136,474</u>
State Water Payments	55,378
Coverage Ratio:	2.46
Available for Capital improvements and other purposes	\$ 67,252

Source: San Luis Obispo County