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September 27, 2001

Members of the Board
Central Coast Water Authority

Robert W. Puddicombe
Chairman

Sam Arca
Vice Chairman

Dan Masnada
Executive Director

Hatch & Parent
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

The Comprehensive Annual Financial Report (CAFR) of the Central Coast Water Authority (CCWA) for the fiscal year (FY) ended June 30, 2001 is submitted as prepared by CCWA's Finance Department. The report is published to provide to our customers, the CCWA Board, and the investment community detailed information about the financial condition and operating results of CCWA as measured by the financial activity of CCWA.

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

GENERAL BACKGROUND INFORMATION

CCWA is a public entity duly organized and existing under a Joint Exercise of Powers Agreement - Central Coast Water Authority, dated as of August 1, 1991, by and among nine public agencies in Santa Barbara County. The members entered into the Agreement to exercise their common power to acquire, construct, operate and maintain works and facilities for the development and use of water resources and water rights including without limitation, works and facilities to divert, store, pump, treat and deliver water for beneficial uses. In particular, the members expressed their desire to create CCWA to finance, develop, operate and maintain the Authority facilities for their mutual benefit and to act on behalf of the members with respect to the Department of Water Resources (DWR) facilities. CCWA currently has a staff of 26 full time employees and two part-time employees.

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

However, any decision to do so must be approved by the unanimous vote of the present members.

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

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

CCWA Committees

There are currently five CCWA committees. They consist of the Finance, Operating, Personnel, Policy and Water Treatment Plant Advisory Committees.

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

Santa Barbara County Project Participants

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

San Luis Obispo County Water Purchasers

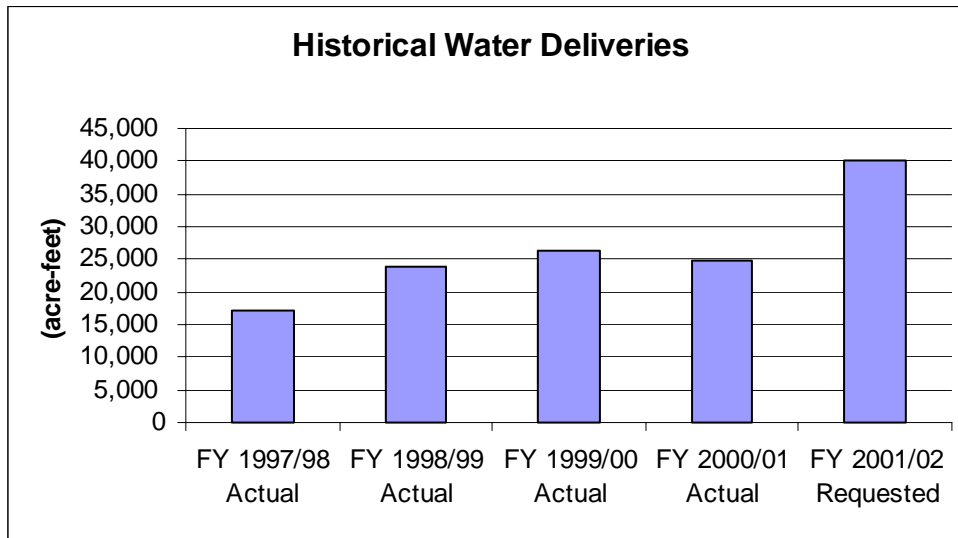
Each San Luis Obispo County water purchaser is a water purveyor or user located in San Luis Obispo County which obtained contractual rights from SLOCFCWCD to receive water from the State Water Project.

SIGNIFICANT ACCOMPLISHMENTS

State Water Deliveries

Total water deliveries for FY 2000/01 were 24,845 acre-feet. This compares to the projected deliveries of 37,252 acre-feet, or a difference of 12,407 acre-feet. This difference is due to decreased demand by certain project participants when compared to the requested water deliveries at the beginning of the year and a reduction in DWR State water entitlement allocation for calendar year 2001.

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



City of Solvang Litigation

The litigation between the Santa Ynez River Water Conservation District, Improvement District #1 and the City of Solvang was completed last year in favor of the District. CCWA had intervened in this litigation to protect the interest of all CCWA project participants and the validity of their Water Supply Agreements. In January the District reimbursed \$147,990 to CCWA for part of the legal fees incurred by CCWA in its intervention and the City of Solvang also paid \$19,379 to CCWA for the portion of its legal fees awarded by the Court.

Schedule C and Reach 5B/6 Pipeline Inspection

CCWA completed video inspections of portions of Schedule C of the CCWA pipeline last October and portions of the Reach 5B/6 of the Coastal Branch Phase II pipeline last December. The results of the two inspections showed that the overall condition of the pipeline interior is good. However, isolated occurrences of mortar-lining damage were observed in Reach 5B/6. CCWA and the original Reach 5B/6 construction contractor will jointly conduct a comprehensive inspection of the Reach 5B/6 pipeline during FY 2001/02 and make repairs as needed.

March 2001 Storm Damage

In March a 150-foot section of the CCWA pipeline was exposed on the south side of the Santa Ynez River due to excessive rainfall and spill releases from Lake Cachuma, which caused erosion of the banks on both sides of the river. Initial repairs were made to the exposed pipeline to mitigate against additional damage until final repairs are made this fall.

The Santa Barbara County Administrator signed a Proclamation for a Local Emergency for Santa Barbara County due to the severe storms in early March 2001. As a result, the County was granted a "Director's Concurrence" from the Governor's Office of Emergency Services. This Director's Concurrence makes CCWA eligible for 75% reimbursement of part, if not all, its repairs costs under the Natural Disaster Assistance Act (NDAA).

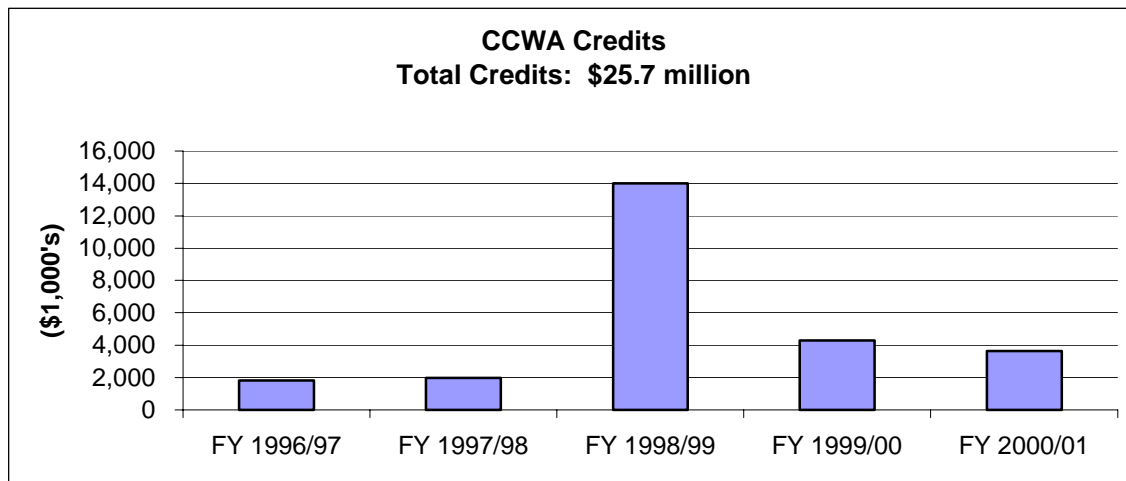
On the north side of the Santa Ynez River, several hundred feet of bank were also eroded away in early March, leaving a thirty-foot cliff close to a vertical section of the CCWA pipeline adjacent to the "micro-tunnel" section underneath the river. CCWA is planning to install a steel pile retard system and vegetative plantings at the base of the bluff to stabilize the riverbank and protect against additional erosion. CCWA also investigated the possibility of NDAA funding to cover 75% of this cost; however, OES determined that this work was not eligible for NDAA funding.

Lake Cachuma Facility Inspection

Last year, CCWA engaged a diving contractor to perform an underwater inspection of the facilities used to deliver State water to Lake Cachuma. This inspection, which was coordinated with the Cachuma Operation and Maintenance Board and the United States Bureau of Reclamation, was essential to ensure CCWA continues to most cost effectively and efficiently deliver State water to its South Coast project participants.

CCWA Credits

For the fifth consecutive year, actual CCWA operating expenses were less than budgeted. For Fiscal Years 1996/97 to 2000/01, CCWA has provided approximately \$25.7 million in credits to its project participants. These credits include \$4.0 million for unexpended operating expenses, \$7.3 million for interest income and \$14.4 million for debt service and other credits. The following graph shows the credits by fiscal year that have been given to the CCWA project participants.



Awards and Competitions

Over the past year, CCWA received the Government Finance Officers Association (GFOA) "Distinguished Budget Presentation" award and the California Society of Municipal Finance Officers (CSMFO) "Award for Excellence in Operational Budgeting" for the FY 2000/01 Budget and the GFOA "Excellence in Financial Reporting" award for the FY 1999/00 Comprehensive Annual Financial Report. Additionally, for the first time, CCWA received the CSMFO "Award for Outstanding Financial Reporting" for its FY 1999/00 Comprehensive Annual Financial Report.

FINANCIAL INFORMATION

Accounting System

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

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

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

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

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

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

FINANCIAL HIGHLIGHTS

For FY 2000/01, CCWA incurred a net loss of \$775,025. This loss is attributed to depreciation and amortization expense partially offset by investment income on CCWA's general fund balances.

For FY 2000/01, CCWA realized total revenues of \$15.00 million compared to \$12.67 million for FY 1999/00, or an increase of \$2.34 million. This increase is mainly attributed to the debt service credits given to the financing participants during FY 1999/00 for gains on investment sales and capitalized interest credits, thereby decreasing the FY 1999/00 operating reimbursements from the project participants.

The following table compares the revenue sources for FY 2000/01 and 1999/00:

<u>Description</u>	<u>FY 2000/01</u>	<u>FY 1999/00</u>	<u>Change</u>	<u>% Change</u>
O&M assessments from project participants	\$ 2,339,390	\$ 1,963,376	\$ 376,014	19.15%
Debt service operating assessments	9,525,377	7,779,256	1,746,121	22.45%
Interest income	3,054,399	2,924,419	129,980	4.44%
Other revenues	88,587	2,598	85,989	3309.82%
Total Revenues	\$ 15,007,753	\$ 12,669,649	\$ 2,338,104	18.45%

O&M Assessments from project participants: Operations and maintenance (O&M) assessments paid by project participants totaled \$2.34 million for FY 2000/01 compared to \$1.96 million for FY 1999/00, an increase of \$0.38 million.

It is CCWA's policy to return O&M assessment surpluses and interest income earned on CCWA's general cash balances to the project participants in the form of credits against future assessments. For FY 1999/00, this credit totaled \$0.74 million compared to the FY 1999/00 credit of \$0.69 million.

Debt service operating assessments: Assessment income for debt service payments on the 1996 Revenue Bonds for FY 2000/01 was \$9.53 million compared to \$7.78 million for FY 1999/00, an increase of \$1.75 million.

Interest income: Interest income totaled \$3.05 million for FY 2000/01, an increase of about \$0.13 million from the prior year.

Other revenues: Other revenues totaled \$0.88 million for FY 2000/01 representing payments from the Federal Emergency Management Agency and the State of California Office of Emergency Services for reimbursement of expenses associated with the 1998 storm damage claims.

OPERATING EXPENSES

Operating expenses for FY 2000/01 totaled \$7.48 million (includes depreciation and amortization) compared to \$7.26 million for FY 1999/00, an increase of \$0.22 million.

The following table compares the operating expenses for FY 2000/01 and 1999/00:

<u>Description</u>	<u>FY 2000/01</u>	<u>FY 1999/00</u>	<u>Change</u>	<u>% Change</u>
Personnel expenses	\$ 1,930,414	\$ 2,013,613	\$ (83,199)	-4.13%
Office expenses	24,197	22,191	2,006	9.04%
General and administrative	98,775	101,295	(2,520)	-2.49%
Professional services	475,221	551,805	(76,584)	-13.88%
Supplies and equipment	434,747	407,503	27,244	6.69%
Monitoring expenses	54,504	56,682	(2,178)	-3.84%
Repairs and maintenance	210,269	176,160	34,109	19.36%
Utilities	223,234	225,942	(2,708)	-1.20%
Depreciation and amortization	3,824,564	3,501,801	322,763	9.22%
Other expenses	209,243	203,077	6,166	3.04%
Total Operating Expenses	<u>7,485,168</u>	<u>7,260,069</u>	<u>225,099</u>	<u>3.10%</u>
Interest expense	8,297,610	8,447,925	(150,315)	-1.78%
Total Expenses	<u>\$ 15,782,778</u>	<u>\$ 15,707,994</u>	<u>\$ 74,784</u>	<u>0.48%</u>

Personnel Expenses: Personnel expenses decreased \$83,199 from the previous year due to position vacancies for a portion of the year and capitalized personnel expenses associated with various construction projects undertaken by CCWA during the year.

Professional Services: Professional services decreased \$76,584 from the previous year due to the legal fees payment to CCWA by the City of Solvang and Santa Ynez Improvement District, ID#1 of \$167,369, which were partially offset by legal fees associated with the Zurich Insurance Company insurance claim.

Depreciation and Amortization: Depreciation and amortization expenses increased by \$322,763 over the previous year due to the adjustment of the fixed asset estimated useful lives in FY 2000/01.

NON-OPERATING EXPENSES

Interest Expense

Total interest expense for FY 2000/01 was \$8.30 million compared to the FY 1999/00 amount of \$8.45 million, a decrease of \$0.15 million.

OTHER INFORMATION

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

Cash Management

Cash was invested in demand deposits, mutual funds, commercial paper, federal agencies and the State of California's Local Agency Investment Fund (LAIF) during FY 2000/01. At June 30, 2001, CCWA's investment portfolio had a weighted average maturity of 53 days (excluding the guaranteed investment contract) and a weighted average yield of 4.57%.

Risk Management

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

CCWA also self-insures the dental and vision insurance provided for the benefit of its employees and their families. The self-funded dental/vision plan provides annual limits of \$2,500 per family. As of June 30, 2001, CCWA had incurred \$26,462 of expenses compared to the total allowance of \$63,125 for calendar year 2001.

Debt Administration

At June 30, 2001, CCWA had \$162,270,000 of outstanding 1996 Series A revenue bonds.

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

As of June 30, 2001, CCWA had an arbitrage rebate liability of \$29,959 on the 1996 revenue bonds.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Central Coast Water Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Dan Masnada
Executive Director



Ray A. Stokes
Controller and Treasurer



Introductory Section

June 30, 2001

CENTRAL COAST WATER AUTHORITY BOARD OF DIRECTORS

Robert Puddicombe, Chairman	Montecito Water District
Neil Jones, Vice Chairman	City of Buellton
Sam Arca	City of Guadalupe
Jean Blois	Goleta Water District
Harlan Burchardi	Santa Ynez River Water Conservation District, Improvement District No. 1
Joseph Centeno	City of Santa Maria
Frederick Lemere	Carpinteria Valley Water District
Rusty Fairly	City of Santa Barbara

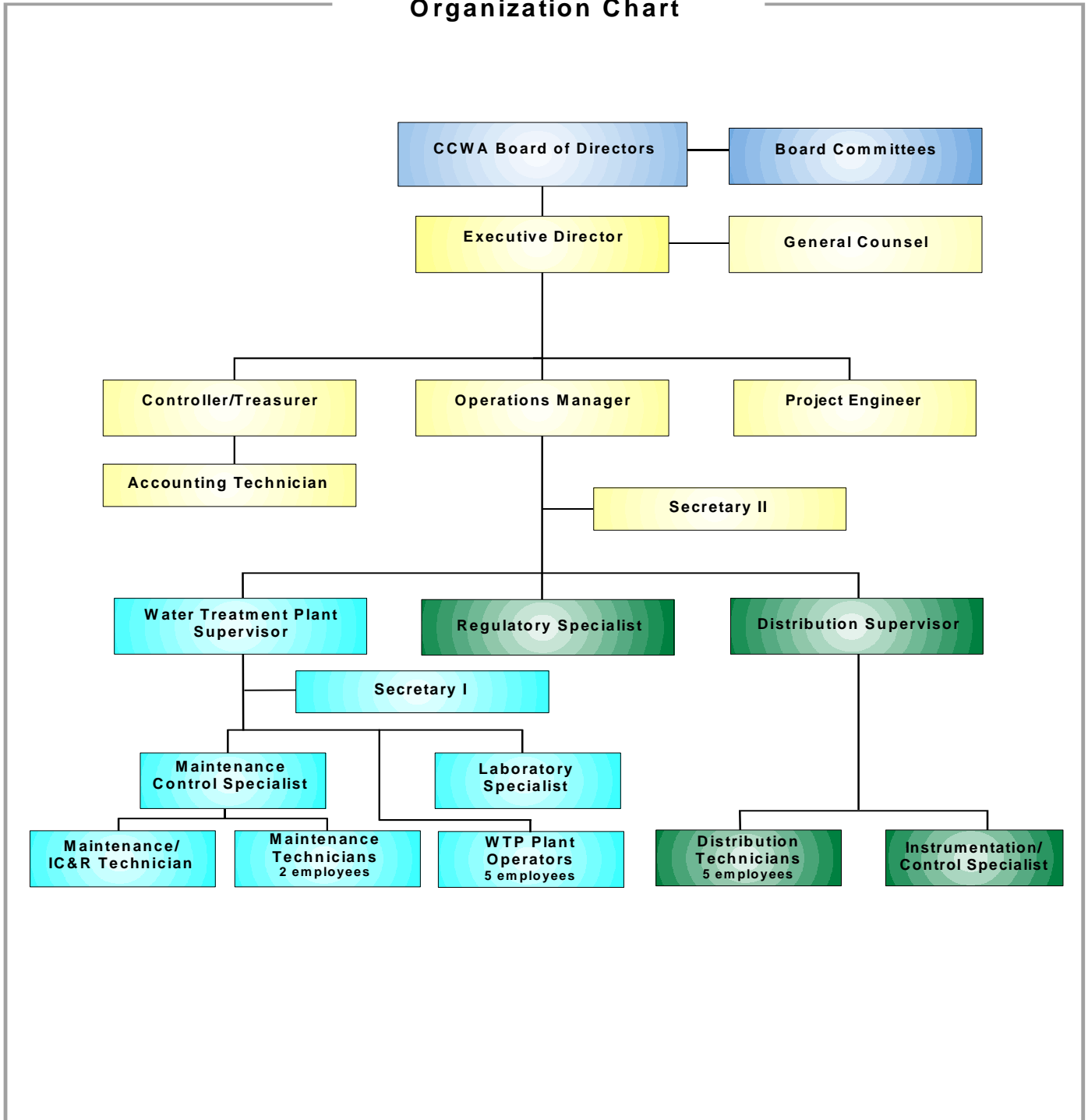
AUTHORITY STAFF

Dan Masnada	Executive Director
William Brennan	Operations Manager
Ray Stokes	Controller and Treasurer



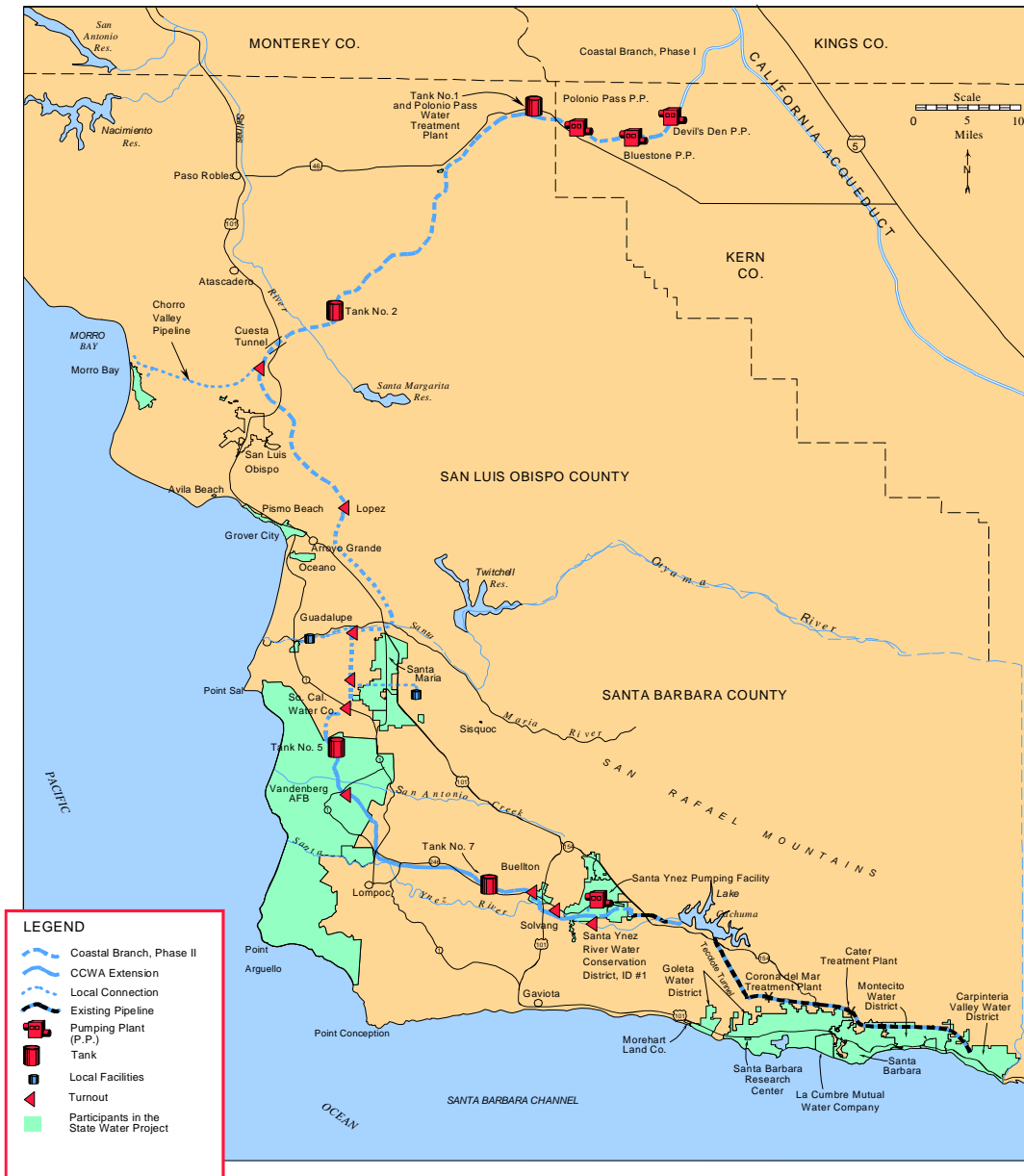
Introductory Section

Central Coast Water Authority
Organization Chart





Project Map



PROJECT MAP OF COASTAL BRANCH PHASE II

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central Coast Water
Authority, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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



Imelda Aruete
President

Jeffrey L. Esser
Executive Director



NASIF, HICKS, HARRIS & CO.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditors' Report

To the Member Agencies of the
Central Coast Water Authority

We have audited the accompanying balance sheets of the Central Coast Water Authority as of June 30, 2001 and 2000, and the related statements of revenues, expenses and changes in retained earnings and cash flows for the years then ended, as listed in the foregoing table of contents on pages 1 through 15. These financial statements are the responsibility of the management of the Central Coast Water Authority. Our responsibility is to express an opinion on these financial statements based upon our audits.

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

In our opinion, the 2001 and 2000 financial statements referred to above present fairly, in all material respects, the financial position of the Central Coast Water Authority as of June 30, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


Nasif, Hicks, Harris & Co.

August 14, 2001



Balance Sheets

ASSETS

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
<u>Current Assets</u>		
Cash and investments	\$ 30,226,764	\$ 28,426,687
Accounts receivable	8,060	20,730
Accrued interest receivable	686,680	815,609
Other assets	89,110	98,462
Total Current Assets	<u>31,010,614</u>	<u>29,361,488</u>
<u>Restricted Assets</u>		
Cash and investments with fiscal agents	13,118,972	13,387,009
Cash and investments held for deposits	<u>32,720,739</u>	<u>30,736,557</u>
Total Restricted Assets	<u>45,839,711</u>	<u>44,123,566</u>
<u>Property, Plant and Equipment</u>		
Property, plant and equipment (Net of Accumulated Depreciation of \$9,478,982 for 2001 and \$7,060,661 for 2000)	<u>129,945,173</u>	<u>131,861,018</u>
Total Property, Plant and Equipment	<u>129,945,173</u>	<u>131,861,018</u>
<u>Other Assets</u>		
Unamortized bond issuance costs, net	16,863,501	18,174,527
Long-term accounts receivable	<u>16,027,832</u>	<u>16,420,656</u>
Total Other Assets	<u>32,891,333</u>	<u>34,595,183</u>
Total Assets	<u>\$ 239,686,831</u>	<u>\$ 239,941,255</u>

Continued

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



Balance Sheets

LIABILITIES AND FUND EQUITY

Current Liabilities

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
Accounts payable	\$ 208,232	\$ 254,303
Deposits	32,720,739	30,736,557
Accrued interest payable	2,066,501	2,098,106
Other liabilities	588,621	658,875
Current portion of bonds payable	3,270,000	3,010,000
Rate coverage reserve fund	7,205,365	7,051,715
Prepaid project participant assessments	19,894,962	18,354,263
Total Current Liabilities	<u>65,954,420</u>	<u>62,163,819</u>

Long-Term Liabilities

Bonds payable	<u>159,000,000</u>	<u>162,270,000</u>
Total Long-Term Liabilities	<u>159,000,000</u>	<u>162,270,000</u>

Commitments and Uncertainties

Fund Equity

Contributed capital, net	22,890,770	22,890,770
Retained earnings (deficit)	<u>(8,158,359)</u>	<u>(7,383,334)</u>
Total Fund Equity	<u>14,732,411</u>	<u>15,507,436</u>

Total Liabilities and Fund Equity	<u>\$ 239,686,831</u>	<u>\$ 239,941,255</u>
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The notes to the financial statements are an integral part of this statement.



Statements of Revenues, Expenses and Changes in Retained Earnings

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
<u>Operating Revenues</u>		
Operating reimbursements		
from project participants	\$ 11,864,767	\$ 9,742,632
Other revenues	80,718	2,598
Total Operating Revenues	<u>11,945,485</u>	<u>9,745,230</u>
<u>Operating Expenses</u>		
Personnel expenses	1,930,414	2,013,613
Office expenses	24,197	22,191
General and administrative	98,775	101,295
Professional services	475,221	551,805
Supplies and equipment	434,747	407,503
Monitoring expenses	54,504	56,682
Repairs and maintenance	210,269	176,160
Utilities	223,234	225,942
Depreciation and amortization	3,824,564	3,501,801
Other expenses	209,243	203,077
Total Operating Expenses	<u>7,485,168</u>	<u>7,260,069</u>
Operating Income	<u>4,460,317</u>	<u>2,485,161</u>
<u>Non-Operating Revenues</u>		
Interest income	3,054,399	2,924,419
Gain on disposal of property, plant and equipment	7,869	-
Total Non-Operating Revenues	<u>3,062,268</u>	<u>2,924,419</u>
<u>Non-Operating Expenses</u>		
Interest expense	8,297,610	8,447,925
Total Non-Operating Expenses	<u>8,297,610</u>	<u>8,447,925</u>
Net Loss	<u>(775,025)</u>	<u>(3,038,345)</u>
<u>Retained Earnings (deficit)</u>		
Retained earnings, (deficit), at beginning of year	<u>(7,383,334)</u>	<u>(4,344,989)</u>
Retained earnings, (deficit), at end of year	<u>\$ (8,158,359)</u>	<u>\$ (7,383,334)</u>

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



Statements of Cash Flows

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
Cash Flows From Operating Activities		
Operating Income	\$ 4,460,317	\$ 2,485,161
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	3,824,564	3,501,801
Decrease in accounts receivable	405,494	709,216
(Increase) Decrease in other assets	9,352	(9,778)
Decrease in accounts payable	(46,071)	(169,967)
Increase (Decrease) in other liabilities	(70,254)	49,130
Increase (Decrease) in prepaid project participant assessments	1,540,699	(1,067,557)
Net cash provided by operating activities	<u>10,124,101</u>	<u>5,498,006</u>
Cash Flows from Non-Capital Financing Activities		
Increase in cash received for deposits	1,984,182	2,832,891
Increase (Decrease) in cash received for rate coverage fund deposits	153,650	(846,821)
Net cash provided by non-capital financing activities	<u>2,137,832</u>	<u>1,986,070</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(611,624)	(318,599)
Decrease in contributed capital	-	(2,742,130)
Interest paid on long-term debt	(8,329,215)	(8,447,925)
Principal payments on long-term debt	(3,010,000)	(2,775,000)
Proceeds received from sale of fixed assets	21,800	
Decrease in retainage payable	-	(183,412)
Net cash used by capital and related financing activities	<u>(11,929,039)</u>	<u>(14,467,066)</u>
Cash Flows from Investing Activities		
Interest and dividends on investments	3,183,328	2,657,796
Net cash provided by investing activities	<u>3,183,328</u>	<u>2,657,796</u>
Net increase (decrease) in cash and cash equivalents	3,516,222	(4,325,194)
Cash and cash equivalents, beginning of year	<u>72,550,253</u>	<u>76,875,447</u>
Cash and investments	30,226,764	28,426,687
Cash and investments with fiscal agent	13,118,972	13,387,009
Cash and investments held for deposits	32,720,739	30,736,557
Cash and cash equivalents, end of year	<u>\$ 76,066,475</u>	<u>\$ 72,550,253</u>

Continued

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



Statements of Cash Flows

Supplemental Disclosures of Cash Flow Information

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
<u>Schedule of Non-Cash Capital and Related Financing Activities</u>		
The Authority completed the construction of certain assets and transferred them from construction in progress to property, plant and equipment.	<u>\$ 11,033</u>	<u>\$ 674,461</u>
The Authority transferred certain expenditures for local projects from construction in progress to contributed capital for those project participants which contributed cash for the construction of their local facilities. This transfer represents a reduction of contributed capital for these project participants.	<u>-</u>	<u>\$ 414,466</u>
The Authority disposed of certain property, plant and equipment which were determined to no longer be usable.	<u>\$ 109,148</u>	<u>\$ 181,034</u>

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



Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

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

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

Facilities Constructed by the Authority

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

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

Contractual Relationships

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



Notes to Financial Statements

In 1983, Santa Barbara County entered into a series of Water Supply Retention Agreements ("WSRAs") with local water purveyors and users within Santa Barbara County. These WSRAs initially granted the purveyors and users an option to obtain an assignment of Santa Barbara County's State Water Supply Contract rights and, as of July 1, 1989, actually granted the full assignment of those rights. Thereafter, certain of the local water purveyors and users holding the WSRAs rights transferred those rights to the Authority, a newly formed joint powers authority, in consideration for Water Supply Agreements dated August 1, 1991, which provide for the delivery of SWP water by the Authority and the payment of required costs by the transferors. The Authority's obligation to make such payments to the DWR from the payments it receives pursuant to the Water Supply Agreements is senior to its obligation to make payments with respect to the Bonds. These transfers have been consented to by DWR and were validated by an agreement between Santa Barbara County and the Authority on November 12, 1991 (the "Transfer of Financial Responsibility Agreement").

The Water Supply Agreements

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

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

whether or not the Project is completed, operable, operated or retired. Such payments are not subject to any reduction and are not conditioned upon performance by the Authority or any other Project Participant under any agreement.

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

B. Basis of Accounting

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

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

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

C. Investments

The Authority has developed an investment policy that exceeds the minimum requirements established by the State of California. The Authority believes that it has adhered to established policies for all investment activities. As of June 30, 2001, the investment portfolio has a weighted average maturity (excluding the guaranteed investment contract) of 53 days and a weighted average yield of 4.5681%.



Notes to Financial Statements

The Authority reports investments at amortized cost with a maturity at the time of purchase of less than one year. Investments with a maturity greater than one year at the time of purchase are reported at fair value. As of June 30, 2001 all investments are reported at amortized cost.

D. Property, Plant and Equipment

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

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

E. Inventories

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

F. Unamortized Bond Issuance Costs

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

G. Deposits

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

H. Operating Reimbursements from Project Participants

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

I. Unexpended Operating Assessments

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

J. Long-Term Accounts Receivable

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

K. Rate Coverage Reserve Fund

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

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

<u>Project Participant</u>	<u>June 30, 2001</u>
Avila Beach CSD (SLO County)	\$26,761
City of Buellton	231,014
Carpinteria Valley Water District	760,562
City of Guadalupe	156,375
La Cumbre Mutual Water Company	348,700
Montecito Water District	969,774
Oceano CSD (SLO County)	97,945
City of Santa Maria	3,708,093
Shandon (SLO County)	14,076
Santa Ynez Water Conservation District, ID #1 (City of Solvang portion)	518,375
Santa Ynez WCD, ID #1	373,690
Total	<u>\$7,205,365</u>



Notes to Financial Statements

L. Self-Funded Dental/Vision Insurance Plan

The Authority maintains a self insured plan for dental and vision coverage offered to employees. Under the provisions of the plan, each full-time employee is provided \$2,500 per calendar year to pay dental and vision expenses for the employee and their qualified dependents. As of June 30, 2001, the calendar year 2001 maximum liability under the plan was \$63,125 and year-to-date claims paid were \$26,462.

The following table shows a summary of the claims liability and claims paid for the plan years ended December 31, 1999 and 2000.

	<u>2000</u>	<u>1999</u>
Maximum claims liability	\$61,562	\$61,562
Actual claims paid	(37,312)	(31,621)

M. Use of Estimates

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

Note 2: Cash and Investments

A. Demand Deposits

The Authority's demand deposits with a central California regional bank totaled \$205,913 and \$271,064 at June 30, 2001 and 2000, respectively. Such deposits are insured up to a maximum of \$100,000 by the Federal Deposit Insurance Corporation.

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

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

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

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

Category 3: Uncollateralized.

As of June 30, 2001, the reported amount of the Authority's demand deposits was \$205,913 and the bank balance was \$908,829. Of the bank balance, \$100,000 is considered category one deposits (insured or collateralized with securities held by the Authority or by its agent in the Authority's name) and the remaining balance is considered category three deposits (uncollateralized).

B. Cash and Investments

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

The fair value of pooled investments is determined annually and is based on current market prices received from the securities custodian. The fair value of participants' position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal. LAIF is required to invest in accordance with State statutes. At June 30, 2001, the carrying value of the Authority's position in LAIF is \$29,776,496 and the fair value is \$29,843,121.

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

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

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

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



Notes to Financial Statements

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

C. Collateralized Investment Agreement

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

D. Cash and Investments with Fiscal Agent

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

E. Cash Equivalents

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

F. Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under the terms of this plan, employees may defer amounts of income up to a maximum of thirty-three percent of salary or \$8,500 per year, whichever is less. Amounts so deferred may not be paid to the employee during employment with the Authority except for a catastrophic circumstance creating an undue and unforeseen financial hardship for the employee.

G. Pooling

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

and investments with fiscal agents is credited directly to the related accounts.

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

	2001		2000
	Carrying Amount	Fair Value	Carrying Amount
Cash and Investments			
Cash in bank	\$205,213	\$205,213	\$270,364
Petty cash	700	700	700
Local Agency Investment Fund	29,664,695	29,731,070	17,741,353
Commercial Paper	7,823,137	7,809,179	9,639,722
U.S. Government Securities	25,143,493	25,167,007	31,004,346
Money Market Funds	110,265	110,265	506,760
	<u>62,947,503</u>	<u>63,023,434</u>	<u>59,163,244</u>
Less: cash and investments held for deposits	<u>(32,720,739)</u>	<u>(32,720,739)</u>	<u>(30,736,557)</u>
Total Cash and Investments	<u>30,226,764</u>	<u>30,302,695</u>	<u>28,426,687</u>
Cash and Investments with Fiscal Agents			
Money market funds	248,421	248,422	510,259
Local Agency Investment Fund	111,801	112,051	118,000
Guaranteed Investment Contract	12,758,750	12,758,750	12,758,750
Total Cash and Investments with Fiscal Agents	<u>13,118,972</u>	<u>13,119,223</u>	<u>13,387,009</u>
Total	<u>\$76,066,475</u>	<u>\$76,142,657</u>	<u>\$72,550,254</u>

Note 3: Property, Plant and Equipment

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

	2001	2000
Land	\$ 3,148,500	\$3,148,500
Furniture fixtures and equipment	448,395	429,485
Equipment	27,092,226	27,035,326
Buildings and structures	48,975,212	48,975,212
Underground pipeline	59,315,696	59,315,696
Construction in progress	444,126	17,460
Total property, plant and equipment	139,424,155	138,921,679
Accumulated depreciation	(9,478,982)	(7,060,661)
Net property, plant and equipment	<u>\$129,945,173</u>	<u>\$131,861,018</u>



Notes to Financial Statements

Note 4: Long-Term Debt

On November 5, 1996, the Authority issued \$198,015,000 in revenue bonds with an average interest rate of 5.55% to advance refund \$177,120,000 of outstanding 1992 Revenue Bonds with an average interest rate of 6.64%. The net proceeds of \$189 million (after deducting \$6.5 million in original issue discount, \$1.9 million in underwriting fees and other issuance costs) were used to purchase State and Local Government Securities (SLGS). Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992 Revenue Bonds. As of June 30, 2001, \$164,230,000 of the 1992 Revenue Bonds are considered to be defeased.

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

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

The City of Santa Maria, Southern California Water Company, Vandenberg AFB, Avila Valley Mutual Water Company, San Luis Coastal Unified School District, and San Miguelito Mutual Water Company contributed cash for their proportionate share of capital costs. Such net contributions totaling \$22,890,770 at June 30, 2001 and 2000 have been accounted for as contributed capital. Under the Water Supply Agreements, each Project Participant is obligated to make payments to the Authority, with the payments pledged to secure the payment of the principal and interest of the bonds. The 1996 bonds are backed by a municipal bond insurance policy issued by AMBAC Indemnity. The Central Coast

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

The annual requirements to pay all debt outstanding, as of June 30, 2001, are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2002	\$8,194,474	\$3,270,000	\$11,464,474
2003	8,043,405	3,535,000	11,578,405
2004	7,875,778	3,830,000	11,705,778
2005	7,663,638	4,135,000	11,798,638
2006-2010	34,013,569	27,695,000	61,708,569
2011-2015	25,463,875	37,365,000	62,828,875
2016-2020	14,880,500	47,700,000	62,580,500
2021-2023	2,662,000	34,740,000	37,402,000
Total	<u>\$108,797,239</u>	<u>\$162,270,000</u>	<u>\$271,067,239</u>

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

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

Note 5: Defined Benefit Pension Plan

A. Plan Description

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



Notes to Financial Statements

B. Funding Policy

Active plan members in the Central Coast Water Authority are required to contribute 7% of their annual covered salary. However, the Authority pays this amount on behalf of the employees without requiring a contribution from the employees. The Authority is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2000/01 was 6.231%. The contribution rate is established and may be amended by CalPERS.

C. Annual Pension Costs

For fiscal year 2000/01, the Central Coast Water Authority's annual pension costs were \$189,528 and the Authority actually contributed \$189,528. The required contribution for fiscal year 2000/01 was determined as part of the June 30, 1998 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.20% for miscellaneous members, and (c) 3.50% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5%. The actuarial value of the Authority's plan assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. The Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 1999 was 13 years.

Three-Year Trend Information for the Central Coast Water Authority

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/97	\$84,044	100%	\$0
6/30/98	\$87,776	100%	\$0
6/30/99	\$111,617	100%	\$0

Funded Status of Plan

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability
6/30/97	\$362,911	\$465,717	\$(102,806)
6/30/98	\$562,324	\$744,561	\$(182,237)
6/30/99	\$806,320	\$1,101,798	\$(295,478)

Valuation Date	Funded Ratio	Annual Covered Payroll	UAAL As a Percentage of Payroll (1)
6/30/97	128.3%	\$1,124,458	(9.143%)
6/30/98	132.4%	\$1,203,077	(15.148%)
6/30/99	136.6%	\$1,336,880	(22.102%)

(1) UAAL: Unfunded Actuarial Accrued Liability

Note 6: Commitments and Uncertainties

The Authority leases equipment under non-cancelable operating leases. Minimum rental commitments for these operating leases in effect at June 30, 2001 were \$7,431 (2002) and \$2,278 thereafter, resulting in total minimum payments of \$9,709.

At June 30, 2001, the Authority was obligated on a promissory note with a local commercial bank in the amount of \$324,000 to support a letter of credit to the California Department of Fish and Game under a memorandum of understanding for ongoing mitigation efforts along the Authority's pipeline. As of June 30, 2001 there have been no draws against the letter of credit.

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

The Authority is also involved in a lawsuit, *Santa Maria Valley Water Conservation District v. City of Santa Maria, et al., etc.* (Superior Court, County of Santa Clara, Case No. CV 770214). This is a complex water rights lawsuit involving the rights of the parties to pump from the Santa Maria Valley Groundwater Basin and to store and recapture imported water in the basin. There are currently approximately 700 parties to the lawsuit. They include five cities, three community services districts, two publicly-owned utilities, and many private entities and persons. Many cross-complaints have been filed in this action.

This case began with the filing by the Santa Maria Valley Water Conservation District ("District") of a complaint against the City of Santa Maria after it entered into a contract with the Central Coast Water Authority to import 16,200 acre-feet of State Water Project water into the Santa Maria Valley. The District brought this lawsuit to stop the City from storing imported water in the basin and to prevent the City from pumping return flows from imported water. Since the Authority does not pump water from the basin or store water



Notes to Financial Statements

in the basin it is very unlikely that this action will have any financial impact on the Authority.

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

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

The Court of Appeal has ruled against DWR and CCWA as to the environmental impact report prepared for the Monterey Amendments. The immediate financial result of the plaintiffs/petitioners prevailing is that the defendants/respondents would be liable for attorneys fees and costs incurred by the plaintiffs/petitioners in the action. This sum is believed to be in excess of \$100,000 and will be shared by the State Water Project contractors. CCWA’s share of the expenses of this suit, and its obligation to pay part of the plaintiffs/petitioners’ attorneys fees and costs, is 1.2035607% of the whole. The longer term implications of the case are difficult to assess because the Superior Court has conducted no further proceeding in the case.

The parties have engaged in mediated settlement discussions, the outcome of which is unknown at this time.

While it is not possible to predict with certainty the outcome of any case, it is the opinion of management that the lawsuits, claims and proceedings which are pending against the Authority are without merit or will not have a material adverse

effect on the Authority's operating results, liquidity or financial position.

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

Note 7: Contributed Capital

The following schedule provides changes in contributed capital for the fiscal year ended June 30, 2001:

	Beginning Balance 7/1/00	Refunds	Local Project Costs	Ending Balance 6/30/01
Avila Valley	\$ 15,056	-	-	\$ 15,056
San Luis Schools	5,285	-	-	5,285
San Miguelito	220,916	-	-	220,916
Santa Maria	13,628,648	-	-	13,628,648
Vandenberg AFB	8,070,158	-	-	8,070,158
So Cal Water	869,588	-	-	869,588
Guadalupe	81,119	-	-	81,119
Totals	<u>\$22,890,770</u>	<u>-</u>	<u>-</u>	<u>\$22,890,770</u>

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



Notes to Financial Statements

Note 8: Joint Powers Insurance Authority

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

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

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

Note 9: Subsequent Events

On July 26, 2001, the Authority settled an insurance coverage dispute of a public work of improvement with Zurich Insurance Company, which provided an all-risk policy of insurance for the construction phase of the Authority's project. Claims of direct physical loss and delay with respect to that project arose as a result of unprecedented amounts of rainfall during the first three months of 1995. As part of the settlement agreement, Zurich Insurance Company paid the Authority \$2,237,694. Of this amount, \$469,300 will be recorded as revenue on the Authority's financial statements for FY 2001/02 as a reimbursement for legal and other expenses associated with the settlement. The balance of \$1,768,394 will be a reduction of the Authority's property, plant and equipment. The Authority's bond counsel has determined the portion of the settlement attributed to the reduction of property, plan and equipment is considered bond proceeds for tax purposes and may therefore only be expended on future capital improvements as provided under the Indenture of Trust for the Authority's 1996 refunding revenue bonds.



TABLE 1

General Governmental Revenues by Source

Fiscal Year	Operating Assessments	Debt Service Assessments	Other Revenues	Interest Income	Total Revenues
1991/92	\$ 912,390	\$ -	\$ 63,384	\$ 22,947	\$ 998,721
1992/93	1,463,823	-	655,252	1,109,523	3,228,598
1993/94	1,176,743	-	295,333	1,541,382	3,013,458
1994/95	1,364,258	-	1,142	1,665,769	3,031,169
1995/96	1,798,493	-	2,713	1,145,103	2,946,309
1996/97	1,495,834	2,081,902	9,118	1,074,057	4,660,911
1997/98	1,545,147	8,689,624	7,548	4,374,272	14,616,591
1998/99 ⁽¹⁾	1,295,241	-	460	3,493,312	4,789,013
1999/00	1,963,376	7,779,256	2,598	2,924,419	12,669,649
2000/01	2,339,390	9,525,377	88,587	3,054,399	15,007,753

Source: Central Coast Water Authority

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

Total Revenue Comparison

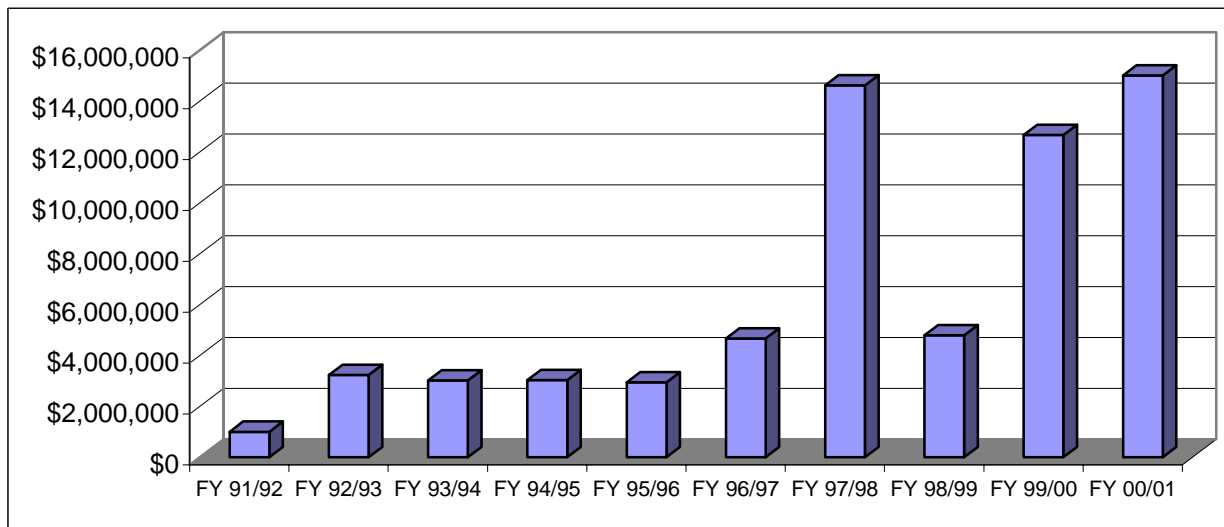




TABLE 2
General Governmental Expenditures by Function

Fiscal Year	Operating Expenses	Capital Improvements	Interest Expense	Other Expenses	Total Expenditures
1991/92	\$ 504,256	\$ 4,031,498	\$ -	\$ -	\$ 4,535,754
1992/93	742,716	11,416,026	-	-	12,158,742
1993/94	893,418	18,288,545	-	-	19,181,963
1994/95	762,826	66,888,392	-	-	67,651,218
1995/96	975,003	39,318,423	-	-	40,293,426
1996/97	3,539,031	16,036,392	1,314,904	-	20,890,327
1997/98	6,718,882	3,922,279	9,865,258	-	20,506,419
1998/99	7,708,099	1,983,928	8,806,337	180,000	18,678,364
1999/00	7,260,069	318,601	8,447,925	-	16,026,595
2000/01	7,485,168	611,625	8,297,610	-	16,394,403

Source: Central Coast Water Authority

Total Expenditures Comparison

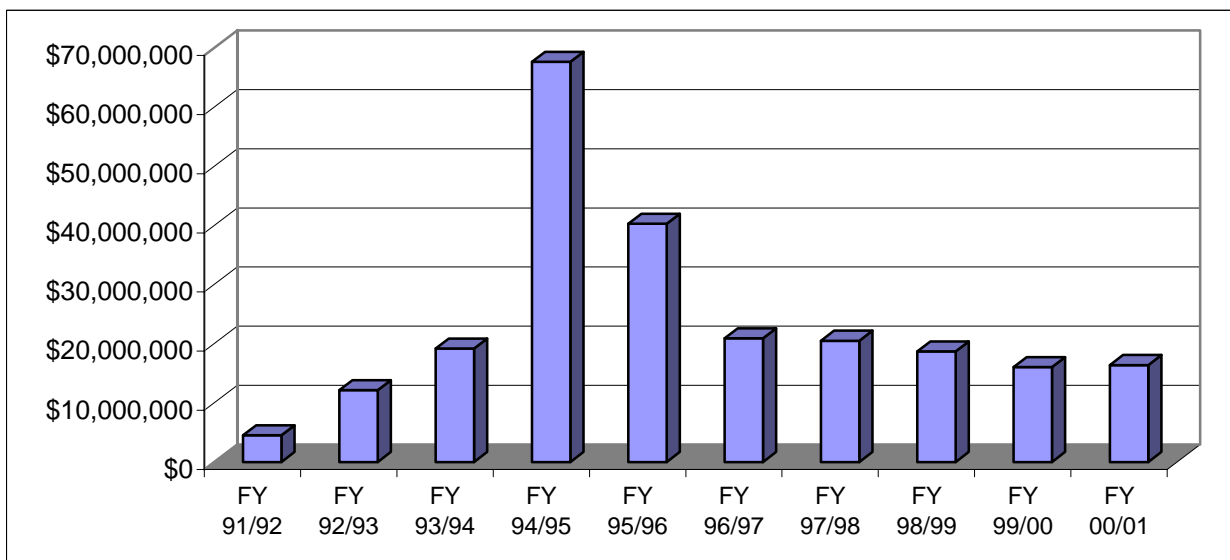




TABLE 3

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

Fiscal Year	Bond Issue	Principal	Interest ⁽¹⁾	Total Debt Service	Total Expenditures	Ratio of Debt Service to Total Expenditures
1991/92	92 Note	\$ -	\$ 1,118,388	\$ 1,118,388	\$ 4,535,754	24.66%
1992/93	92 Bonds	-	5,645,065	5,645,065	12,158,742	46.43%
1993/94	92 Bonds	-	11,290,130	11,290,130	19,181,963	58.86%
1994/95	92 Bonds	-	11,290,130	11,290,130	67,651,218	16.69%
1995/96	92 Bonds	-	11,290,130	11,290,130	40,293,426	28.02%
1996/97	92 & 96 Bonds	-	7,922,882	7,922,882	20,890,327	37.93%
1997/98	96 Bonds	4,040,000	9,904,443	13,944,443	20,506,419	68.00%
1998/99 ⁽²⁾	96 Bonds	25,920,000	9,164,749	35,084,749	18,678,364	187.84%
1999/00	96 Bonds	2,775,000	8,447,925	11,222,925	16,026,595	70.03%
2000/01	96 Bonds	3,010,000	8,329,216	11,339,216	16,394,403	69.17%

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

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

Source: Central Coast Water Authority

Ratio of Debt Service to Total Expenditures

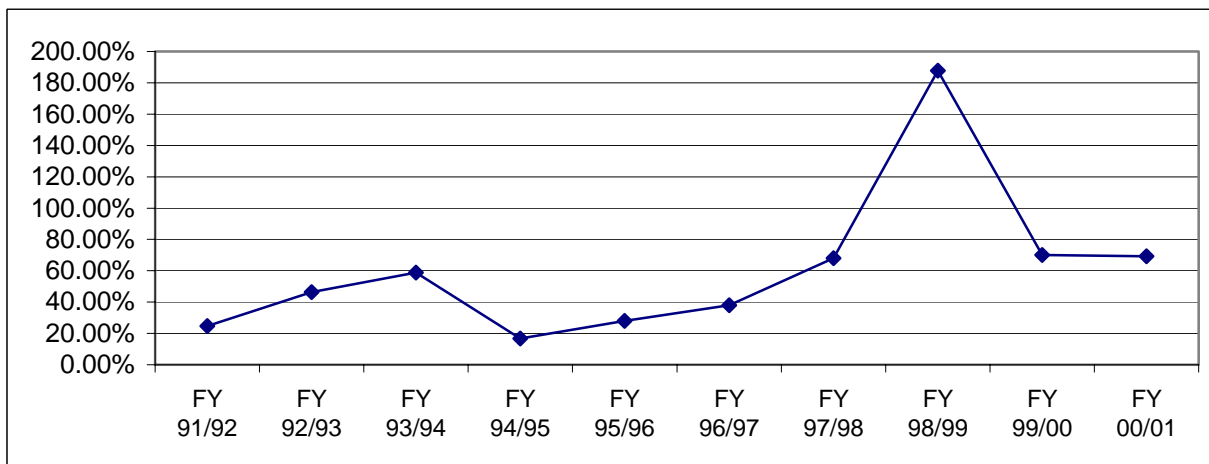




TABLE 4

FY 2000/01 Allocation of CCWA Operating Expenses

Project Participant	FY 2000/01 Unadjusted Operating Expenses ⁽¹⁾	Exchange Agreement Modifications ⁽²⁾	Regional Water Treatment Plant Modifications ⁽³⁾	FY 2000/01 Allocated Operating Expenses
Shandon (SLO County)	\$ 4,016	N/A	N/A	\$ 4,016
Chorro Valley Turnout (SLO County)	135,766	N/A	N/A	135,766
Lopez Turnout (SLO County)	128,216	N/A	N/A	128,216
City of Guadalupe	38,622	N/A	\$ 17,464	56,085
City of Santa Maria	1,066,101	N/A	513,273	1,579,373
Southern California Water Co.	43,987	N/A	15,765	59,752
Vandenberg Air Force Base	424,523	N/A	174,752	599,274
City of Buellton	60,325	N/A	18,341	78,666
City of Solvang	131,247	N/A	46,866	178,112
Santa Ynez Imp. District #1	64,526	220,185	76,559	361,269
Goleta Water District	470,953	(154,420)	(229,933)	86,600
Morehart Land Co.	20,822	N/A	(14,364)	6,458
La Cumbre Mutual Water Co.	155,595	-	(81,079)	74,516
Raytheon (SBRC)	7,856	-	(4,139)	3,718
City of Santa Barbara	314,874	-	(215,290)	99,584
Montecito Water District	313,431	(32,882)	(194,986)	85,562
Carpinteria Valley Water District	209,111	(32,882)	(123,228)	53,000
TOTAL:	\$ 3,589,970	\$ 0	\$ 0	\$ 3,589,970

1. FY 2000/01 unadjusted operating expenses is equal to total operating expenses *minus* depreciation and amortization and interest income on the general operating fund for CCWA plus capital expenditures paid from operating assessments.
2. Exchange agreement modifications represent cost adjustments between the Santa Ynez River Water Conservation District, ID#1 and the South Coast project participants for Cachuma Project water.
3. Regional Water Treatment Plant modifications represents fixed, capital and variable modifications pursuant to CCWA Resolutions 92-16 and 95-13.



TABLE 5

Deposits for Payments to the Department of Water Resources

Project Participant	Balance July 1, 2000	FY 2000/01 Project Participant Payments and DWR Credits	Payments to Department of Water Resources and Other Adjustments	Ending Balance June 30, 2001
City of Guadalupe	\$ 394,275	\$ 423,762	\$ (385,234)	\$ 432,802
City of Santa Maria	12,260,201	12,544,280	(11,783,416)	13,021,066
Southern California Water Co.	412,354	374,746	(358,130)	428,970
Vandenberg Air Force Base	4,327,881	4,631,543	(4,283,033)	4,676,391
City of Buellton	452,755	489,289	(453,197)	488,847
Santa Ynez ID#1 (Solvang only)	1,178,527	1,199,821	(1,108,453)	1,269,895
Santa Ynez ID#1 (excluding Solvang)	455,429	413,391	(404,201)	464,620
Goleta Water District	3,835,423	3,871,994	(3,702,898)	4,004,519
Morehart Land Co.	156,597	158,236	(150,161)	164,672
La Cumbre Mutual Water Co.	804,730	808,043	(778,041)	834,732
Raytheon (SBRC)	39,284	41,493	(39,738)	41,039
City of Santa Barbara	2,207,432	2,421,657	(2,243,488)	2,385,600
Montecito Water District	2,269,953	2,425,219	(2,266,903)	2,428,270
Carpinteria Valley Water District	1,516,898	1,600,450	(1,512,476)	1,604,872
TOTAL:	\$ 30,311,738	\$ 31,403,924	\$ (29,469,366)	\$ 32,246,296

This table shows the project participant payments to the Authority for payment to DWR and the corresponding ending balance at June 30, 2001. The amounts shown above exclude Warren Act and Trust Fund MOU deposits payable to the U.S. Bureau of Reclamation and Cachuma Operations and Maintenance Board and DWR account interest income payable to the CCWA project participants as of June 30, 2001.



TABLE 6

FY 2000/01 Actual State Water Deliveries (acre feet)

Project Participant	Requested Deliveries	Exchange Agreement Deliveries	Net Deliveries
Chorro Valley Turnout (SLO County)	2,400	N/A	2,400
Lopez Turnout (SLO County)	1,766	N/A	1,766
City of Guadalupe	471	N/A	471
City of Santa Maria	11,471	N/A	11,471
Southern California Water Co.	222	N/A	222
Vandenberg Air Force Base	4,282	N/A	4,282
City of Buellton	466	N/A	466
City of Solvang	2	N/A	2
Santa Ynez Imp. Dist. #1	828	1,895	2,723
Goleta Water District	1,489	(1,329)	160
Morehart Land Co.	1	N/A	1
La Cumbre Mutual Water Co.	815	-	815
Raytheon (SBRC)	55	N/A	55
City of Santa Barbara	4	-	4
Montecito Water District	287	(283)	4
Carpinteria Valley Water District	286	(283)	3
TOTAL:	24,845	-	24,845

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

Project Participant	Requested Deliveries	Exchange Agreement Deliveries	Net Deliveries
Chorro Valley Turnout (SLO County)	2,338	N/A	2,338
Lopez Turnout (SLO County)	2,031	N/A	2,031
City of Guadalupe	605	N/A	605
City of Santa Maria	16,495	N/A	16,495
Southern California Water Co.	550	N/A	550
Vandenberg Air Force Base	6,050	N/A	6,050
City of Buellton	578	N/A	578
City of Solvang	1,500	N/A	1,500
Santa Ynez Imp. Dist. #1	700	2,742	3,442
Goleta Water District	6,183	(1,963)	4,220
Morehart Land Co.	108	N/A	108
La Cumbre Mutual Water Co.	1,100	-	1,100
Raytheon (SBRC)	55	N/A	55
City of Santa Barbara	-	-	-
Montecito Water District	1,230	(422)	808
Carpinteria Valley Water District	600	(357)	243
TOTAL:	40,123	-	40,123



TABLE 7

Selected Demographic Information

Santa Barbara County

<u>Population</u>	
Reporting Period, US Census, 2000 Population	399,347
White	227,083
Black	8,385
Latino	136,688
Asian & Other	27,191

<u>Average Salary by Sector in 2000</u>	
Agriculture	\$ 18,600
Mining	63,316
Construction	35,869
Durable Manufacturing	56,381
Non-Durable Manufacturing	41,922
Wholesale Trade	18,773
Finance, Insurance and Real Estate	49,042
Services	32,202
Government	41,948

<u>Monthly Residential Water Cost as of March 2001</u>	
Buellton	\$ 37.90
Carpinteria	45.36
Goleta	37.20
Guadalupe	32.45
Lompoc	29.96
Montecito	47.03
Santa Barbara	36.98
Santa Maria	33.26
Santa Ynez	32.30
Solvang	58.72

Source: University of Santa Barbara Economic Forecast Project



TABLE 8

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

	1996	1997	1998	1999	2000
Civilian Labor Force ⁽¹⁾	191.07	195.59	195.92	199.12	204.37
Employment	180.17	185.85	187.27	191.41	196.87
Unemployment	10.91	9.74	8.66	7.71	7.49
Unemployment Rate	5.71%	4.98%	4.42%	3.88%	3.68%
Wage and Salary Employment ⁽²⁾					
Total, all Industries	160.20	166.10	168.78	174.63	180.57
Agriculture	14.64	14.73	13.83	15.26	15.22
Non-Agriculture	145.56	151.37	154.95	159.37	165.35
Mining	1.18	1.03	0.92	0.82	0.77
Construction	5.86	6.67	6.84	7.68	8.12
Manufacturing	16.37	17.08	17.80	16.81	17.09
Transportation & Public Utilities	5.12	5.42	5.34	5.06	5.07
Trade	34.95	36.55	37.36	39.07	41.07
Finance, Ins. & Real Estate	7.07	7.21	7.47	7.57	7.81
Services	45.32	46.52	47.39	49.91	52.42
Government	29.69	30.88	31.82	32.44	33.00
Federal Government	3.43	3.72	3.97	3.89	3.98

Notes:

⁽¹⁾ Based on place of residence.

⁽²⁾ Based on place of employment.

Source: Economic Sciences Corporation



TABLE 9

Santa Barbara County Largest Employers

Company	Location	Type of Business	Number of Employees
University of California at Santa Barbara	Goleta	Education	9,175
Vandenberg Air Force Base (VAFB)	Lompoc	Defense	5,235
County of Santa Barbara	Santa Barbara	Government	4,215
Santa Barbara Cottage Hospital	Santa Barbara	Healthcare	1,811
Santa Barbara High School District	Santa Barbara	Education	1,750
Raytheon Electronic Systems	Goleta	Electronics Mfg.	1,700
Lompoc Unified School District	Lompoc	Education	1,690
Santa Maria-Bonia Schools	Santa Maria	Education	1,600
Santa Barbara City College	Santa Barbara	Education	1,555
Allan Hancock College	Santa Maria & Lompoc	Education	1,300
Marian Medical Center	Santa Maria	Healthcare	1,300
Lockheed Martin	VAFB	VAFB Launch Support	1,150
Sansum Medical Clinic	Santa Barbara	Healthcare	1,100
U.S. Postal Service	Santa Barbaa County	Postal Service	1,063
City of Santa Barbara	Santa Barbara	Government	1,046

Source: University of Santa Barbara Economic Forecast Project



TABLE 10
Miscellaneous Statistical Information

Form of government	Joint Powers Authority
Date of organization	August 1, 1991
Number of full-time equivalent positions	25.50
Polonio Pass Water Treatment Plant design capacity	43 million gallons per day
Authority pipeline (in miles)	42.6
Coastal Branch pipeline (in miles)	100.6
Number of water storage tanks	5
Number of turnouts	10

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

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



TABLE 11

**Schedule of Insurance
Valued June 30, 2001**

<u>Company</u>	<u>Policy Period</u>	<u>Insurance Type</u>	<u>Limits</u>	<u>Coverages</u>
National Union Fire Insurance Company	4-1-01 to 4-1-02	Commercial Crime Coverage	\$ 2,000,000	Dishonesty and forgery coverage \$1,000,000 Faithful performance of duties to \$1,000,000
ACWA Joint Powers Insurance Authority	4-1-01 to 4-1-02	Property Insurance	\$ 48,719,200	Buildings (\$32,624,500); Personal property (\$1,199,500); Fixed Equipment (\$14,895,200)
ACWA Joint Powers Insurance Authority	10-1-00 to 10-1-01	General and Auto Liability	\$ 500,000	Liability JPIA pooled layer
Insurance Co. of the State of Pennsylvania #4198-4472	10-1-00 to 10-1-01	General and Auto Liability	\$ 4,500,000	Liability umbrella policy
Insurance Co. of the State of Pennsylvania #4198-4473	10-1-00 to 10-1-01	General and Auto Liability	\$ 35,000,000	Liability umbrella policy
AIU Insurance Co. # 3101437	10-1-00 to 10-1-01	General and Auto Liability	\$ 10,000,000	Liability umbrella policy
Lmbermans Mutual Casualty Company #9SR129376-00	10-1-00 to 10-1-01	General and Auto Liability	\$ 20,000,000	Liability umbrella policy



Statistical Section

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

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
Shandon School	964	\$ 4,034
Shandon Park	801	3,283
Caltrans	749	2,923
Residence	666	2,425
Residence	546	1,958
Residence	332	1,136
Residence	320	1,139
Shandon Methodist Church	319	1,094
Residence	317	1,124
Residence	313	1,099
Total	5,327	\$ 20,215

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: San Luis Obispo County



Statistical Section

Avila Beach Community Services District

(SLO County)

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
Villa Avila	1,548	\$ 5,263
Inn at Avila/Western Inns	1,497	5,090
Dun Sailing	371	1,261
Top of the Hill Motel	367	1,248
E. Phelan Apartments	285	969
Kelsey Apartments	246	836
J. Satterly	229	779
P. Prather	215	748
R. Kennedy Apartments	196	666
R. Waibel	186	832
Total	5,140	\$ 17,692

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: Avila Beach Community Services District



Statistical Section City of Pismo Beach (SLO County)

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
The Cliffs Hotel	17,906	\$ 23,154
Pismo Coast Village RV Park	15,651	22,438
Pismo Mobile Home Park	16,182	20,945
Hacienda del Pismo Mobile Home Park	12,478	18,212
Shore Cliff Lodge	13,356	17,609
Seacrest Motel	11,987	16,350
Oxford Suites	11,136	15,919
Motel 6	11,873	15,080
Whalers Inn	6,216	9,788
Kon Tiki Inn	6,343	8,620
Total	123,128	\$ 168,115

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: City of Pismo Beach



Statistical Section City of Morro Bay (SLO County)

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
San Luis Unified School District	2,007,800	\$ 209,677
City of Morro Bay	2,187,400	181,461
Pacific Care Center	1,124,800	113,931
Inn at Morro Bay	828,700	91,808
Mission Linen	802,500	88,220
St. Dept. of Recreation & Parks	630,200	56,045
Morro Dunes Trailer Park	535,400	49,171
Motel 6	391,700	37,886
Silver City Manor	409,600	36,773
Ascot Inn & Ascot Suite	282,200	22,164
Total	9,200,300	\$ 887,136

(1) In cubic feet.

State Water Payment Coverage Calculations

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

Source: City of Morro Bay



Statistical Section Oceano Community Services District (SLO County)

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	1,771	\$ 451,213	725
1993	1,757	573,268	799
1994	1,778	633,020	802
1995	1,811	655,289	767
1996	1,817	758,775	818
1997	1,830	958,169	828
1998	1,848	1,057,473	799
1999	1,888	1,073,437	806
2000		Not Available	

Largest Customers as of June 30, 1999

	Water Usage ⁽¹⁾	Annual Payment
National Home Communities	12,119	\$ 35,027
Lucia Mar Unified School District	8,270	27,390
Sand and Surf (Transient RV Park)	6,666	22,322
Oceano 1 Condo Home Owners Assoc.	7,860	22,070
Duna Vista Mobile Home Park	6,613	21,456
State of California (Park Facility)	4,032	17,004
PTI Inc.	4,645	16,360
Porticos Mobile Home Park	5,411	15,871
Pleasant Hill Mobile Home Manor	3,965	10,812
Casa Del Rey Mobile Home Park	2,741	9,550
Total	62,322	\$ 197,862

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: Oceano Community Services District



Statistical Section City of Guadalupe

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
Apio Coller	28,752	\$ 93,444
Guadalupe Union School	5,594	18,181
Lupe Alvarez	3,184	10,348
Waller Genetics	2,209	7,179
Far Western Tavern	2,129	6,919
P&M Properties	1,803	5,859
Simplot Soilbuilders	1,631	5,300
Guadalupe Cemetery	1,560	5,070
Playa, Inc.	846	2,750
McKenzie Junior High	789	2,564
Total	48,497	\$ 157,614

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: City of Guadalupe



Statistical Section City of Santa Maria

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Water Connections	Sales Revenues	Water Deliveries (acre-feet per year)
1992	15,372	\$ 5,336,584	11,925
1993	15,415	5,941,248	11,778
1994	15,655	7,475,162	12,124
1995	15,864	6,899,319	11,750
1996	16,006	8,797,200	12,999
1997	16,198	10,671,207	12,876
1998	16,406	11,577,701	11,003
1999	16,586	11,733,020	12,807
2000	17,539	14,029,540	11,992

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
City of Santa Maria	145,092	\$ 454,390
Allan Hancock College	89,712	262,990
Santa Maria Elementary Schools	88,380	241,288
Casa Grande Mobile Homes	81,960	215,905
Santa Maria Associates	49,200	135,755
Marian Hospital	34,524	121,038
Pictsweet Frozen Foods	28,896	80,741
Mission Linen Supply	26,448	70,975
Meridian Apartments	20,436	58,098
Culligan Water Conditioning	19,176	51,335
Total	583,824	\$ 1,692,515

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

(1) Includes wastewater fees and charges.

Source: City of Santa Maria



Statistical Section City of Buellton

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
Ranch Club Mobile Estates	25,120	\$ 69,506
Zaca Creek Golf Course	29,741	30,762
Rancho S B Marriott	11,649	30,007
Flying Flags Recreation Park	24,343	28,059
Rivergrove Mobile Home Park	11,384	27,734
Andersen's Restaurant	7,722	12,995
Andersen's Inn	4,717	10,126
Days Inn	4,180	9,719
Motel 6	3,648	7,580
Buellton Union School District	2,001	5,012
Total	124,505	\$ 231,500

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: City of Buellton



Statistical Section

Santa Ynez River Water Conservation District, ID#1 (City of Solvang only)

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
Rancho Santa Ynez Mobile Estate	25,545	\$ 91,232
Alisal Guest Ranch	19,259	62,723
Royal Scandinavian Inn	8,157	32,147
Lutheran Home	9,633	32,062
Alisal Oak Apartments	5,805	28,272
Oak Park Apartments	4,398	19,757
Solvang School	6,599	17,077
Danish Country Inn	5,113	16,827
Alisal Golf Course	2,541	13,563
Quality Inn	2,885	12,718
Total	89,935	\$ 326,378

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: City of Solvang



Statistical Section

Santa Ynez River Water Conservation District, ID#1

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
City of Solvang ⁽²⁾	293	\$ 205,223
Ramirez Bros.	566	77,498
Gainey Ranch/Vineyard	364	64,507
Rancho Marcelino Water Company	75	50,483
Dunn School	76	32,032
S.Y. Valley Union High School	65	20,446
AFL Farming	125	17,690
Douglas Herthel	76	15,517
Buttonwood Farm	94	11,184
Royal Oaks	56	10,142
Total	1,790	\$ 504,722

(1) In acre-feet per year.

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

State Water Payment Coverage Calculations

Fiscal Year Ending June 30	Total Revenues	Operating Expenses	Rate Coverage Fund Deposit	Net Revenues	State Water Payments	Coverage
1992	\$ 2,208,488	\$ 1,613,430	\$ -	\$ 595,058	\$ 200,000	2.98
1993	2,456,342	1,707,708	-	748,634	167,786	4.46
1994	2,955,216	1,440,247	-	1,514,969	280,128	5.41
1995	4,639,999	1,357,614	-	3,282,385	347,539	9.44
1996	4,152,336	1,604,014	-	2,548,322	912,287	2.79
1997 ⁽¹⁾	3,896,090	2,716,430	-	1,179,660	1,476,671	0.80
1998 ⁽¹⁾	7,454,547	1,993,633	246,045	5,706,959	2,669,473	2.14
1999 ⁽¹⁾	5,680,162	1,936,833	314,557	4,057,886	2,351,446	1.73
2000 ⁽¹⁾	7,808,188	2,092,409	327,769	6,043,548	2,688,507	2.24

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

Source: Santa Ynez Improvement District #1



Statistical Section Goleta Water District

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
University of California-Santa Barbara	884	\$ 1,071,144
County of Santa Barbara	350	396,076
Glen Annie Golf Course	361	280,748
George Cavalletto	425	179,176
La Cumbre Golf Course	167	126,776
Sandpiper Golf Course	353	115,922
Islay Investments	74	102,290
Rancho Tres Canadas	192	83,832
Applied Magnetics	57	78,194
Sierra Pacific Farms	194	74,999
Total	3,057	\$ 2,509,157

(1) In acre-feet per year.

State Water Payment Coverage Calculations

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

Source: Goleta Water District



Statistical Section

La Cumbre Mutual Water Company

Historic Water Connections and Sales Revenues

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

Largest Customers as of December 31, 1999

	Water Usage ⁽¹⁾	Annual Payment
La Cumbre Golf & County Club	33,670	\$ 84,691
ELK Trust	12,427	42,974
Mariposa Land Development Co.	10,431	24,097
Carriage Hill Association	5,505	22,716
Stephen Redding	7,713	21,025
Stanford Farms	3,805	14,430
William Foley	5,218	13,987
Laguna Blanca School	3,256	13,489
Lewis Geysers	3,332	12,023
Christopher Conway	2,895	9,708
Total	88,252	\$ 259,140

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: La Cumbre Mutual Water Co.



Statistical Section City of Santa Barbara

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
Fess Parker's Red Lion Inn	32,588	\$ 124,987
S.B. Zoological Foundation	30,869	122,868
City of Santa Barbara	81,739	120,041
Montecito County Club	63,901	92,965
St. Francis Hospital	22,311	83,645
S.B. Cottage Hospital	12,876	52,225
S.B. Cottage Hospital	11,867	51,244
La Colina Jr. High School	12,637	50,637
Mission Linen Supply	11,785	44,437
BPP Retail, Llc 5 Points	9,328	38,277
Total	289,901	\$ 781,326

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: City of Santa Barbara



Statistical Section Montecito Water District

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
Four Seasons Hotel	40,589	\$ 188,811
Birnam Wood Golf Club	82,054	156,481
Westmont College	43,391	118,289
Valley Club of Montecito	40,383	72,810
Montecito Retirement Association	19,584	67,113
Aliases Ranch	39,420	53,969
Kismet/Drown	29,610	44,517
Jackson Raunchy	27,733	44,018
Ellen Knill	20,689	33,560
Ross Sheldon	16,372	29,625
Total	359,825	\$ 809,193

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: Montecito Water District



Statistical Section Carpinteria Valley Water District

Historic Water Connections and Sales Revenues

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

Largest Customers as of June 30, 2000

	Water Usage ⁽¹⁾	Annual Payment
B&H Flowers (Nursery)	76,266	\$ 111,772
Villa Del Mar (Home Owners' Assn)	33,280	94,016
Casitas Village (Home Owners' Assn)	29,994	93,730
Cate School (Private School)	27,607	68,269
Ocean Breeze (Nursery)	39,102	65,171
Sandpiper Village (Mobile Home Park)	26,737	61,585
James Selbert	36,530	55,340
Normas L. Francis	34,900	53,951
H&M Roses (Nursery)	29,813	43,142
Westerly Roses (Nursery)	26,428	38,606
Total	360,657	\$ 685,582

(1) In hundred cubic feet.

State Water Payment Coverage Calculations

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

Source: Carpinteria Valley Water District

