

CENTRAL COAST WATER AUTHORITY

FY 2018/19
CONTINUING
DISCLOSURE ANNUAL
REPORT

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

FY 2018/19 CONTINUING DISCLOSURE

ANNUAL REPORT

Transmittal Letter.....	1
FY 2018/19 State Water Deliveries	3
Rate Coverage Reserve Fund Policy	4
City of Buellton	6
Carpinteria Valley Water District.....	10
Goleta Water District	15
City of Guadalupe	19
La Cumbre Mutual Water Company.....	22
Montecito Water District	26
City of Santa Barbara.....	30
City of Santa Maria.....	34
Santa Ynez River Water Conservation District, Improvement District #1	38
City of Solvang	42
City of Morro Bay	46
City of Pismo Beach	49

TRANSMITTAL LETTER



March 10, 2020

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

RE: Central Coast Water Authority Fiscal Year 2018/19 Annual Report on Continuing Disclosure for the \$45,470,000 Refunding Revenue Bonds (State Water Project Regional Facilities), Series 2016A

Eric Friedman
Chairman

Ed Andrisek
Vice Chairman

Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

Dear Phong:

Attached is the Fiscal Year 2018/19 Annual Report pursuant to the Continuing Disclosure Agreement between the Central Coast Water Authority and Bank of New York Mellon Trust Company (as successor Trustee).

Fiscal Year 2018/19 State Water Deliveries

A table showing deliveries during Fiscal Year 2018/19 to Santa Barbara and San Luis Obispo County State water contractors is attached.

Rate Coverage Reserve Fund

On December 18, 1997, the Authority Board of Directors established the Rate Coverage Reserve Fund. This fund provides a mechanism to allow Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (refer to the attached Rate Coverage Reserve Fund Policy for additional information).

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

The following agencies elected to participate in the CCWA Rate Coverage Reserve Fund during Fiscal Year 2018/19 and have deposited the following amounts:

Project Participant	FY 2018/19 Rate Coverage Fund Deposit
City of Buellton	\$ 274,861
Carpinteria Valley Water District	823,757
City of Guadalupe	191,013
La Cumbre Mutual Water Company	394,805
Montecito Water District	1,443,212
City of Santa Maria	5,001,279
Santa Ynez, RWCD, I.D. #1 (City of Solvang)	611,871
Santa Ynez, RWCD, I.D. #1	460,943
TOTAL:	\$ 9,201,742

255 Industrial Way
Buellton, CA 93427-9591
(805) 688-2292
FAX: (805) 688-4700

Continuing Disclosure Annual Report

Consistent with Section 4 of the Continuing Disclosure Report, the Fiscal Year 2018/19 Annual Report includes the charts described under the captions, "Historic Water Connections and Sales Revenues," "Historic Water Deliveries," "Largest Customers," "Water System Rates and Charges," "Historic Operating Results" and "Debt Service Coverage" for each of the following Contractors:

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

Section 4 of the Continuing Disclosure Agreement requires that the Authority submit a copy of its audited financial statements. A copy of the Authority's FY 2018/19 Comprehensive Annual Financial Report was sent to you via email on March 10, 2020.

Audited Financial Statements The Cities of Guadalupe and Santa Maria, and Montecito Water District submitted draft financials, but did not submit audited financial statements for FY 2018/19 as of the date of this letter. As such, CCWA was unable to verify the actual operating results with their audited financial statements.

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

Sincerely,


Ray A. Stokes
Executive Director

RAS

Attachments

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

FY 2018/19 STATE WATER DELIVERIES

Central Coast Water Authority

Fiscal Year 2018/19 State Water Deliveries

Fiscal Year 2018/19 Continuing Disclosure Annual Report

Project Participant	Acre-Feet		
	Requests	Exchange	Net Deliveries
Lopez Turnout (SLO County)	798		798
Chorro Valley Turnout (SLO County)	1,743		1,743
Shandon Turnout (SLO County)	61		61
City of Guadalupe	353		353
City of Santa Maria	8,712		8,712
Golden State Water Company	377		377
Vandenberg Air Force Base	2,296		2,296
City of Buellton	211		211
Santa Ynez ID#1 (Solvang only)	690		690
Santa Ynez ID#1 (excluding Solvang)	100	1,362	1,462
Goleta Water District	3,273	(491)	2,782
Morehart Land Company	31		31
LaCumbre Mutual Water Co.	480		480
Raytheon Systems Co.	11		11
City of Santa Barbara	2,182	(327)	1,855
Montecito Water District	2,239	(326)	1,913
Carpinteria Valley Water District	1,334	(218)	1,116
TOTAL:	24,891	-	24,891

Central Coast Water Authority
Rate Coverage Reserve Fund Policy

Adopted: December 18, 1997

Rate Coverage Reserve Fund Policy

During its December 18, 1997 regular meeting, the Board of Directors also adopted the "Rate Coverage Reserve Fund" policy as follows:

Purpose: The Rate Fund is intended to provide a mechanism to allow the Authority Contractors to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement (WSAs) to impose rates and charges sufficient to collect 125% of their Contract Payments (as therein defined).

Contributions: Contributions to the Rate Fund are voluntary. During each year of participation, an Authority Contractor which has elected to participate in the Rate Fund shall maintain on deposit with the Authority in said Fund an amount of money, when combined with the moneys on deposit in the O&M Reserve Fund, sufficient to constitute all or a portion of 25% of that Contractor's Contract Payments with respect to that year. A participating Contractor's initial contribution to the Rate Fund may be drawn from cash held by the Authority on behalf of the Contractor as of the date of the Fund's creation. In each subsequent year, the Authority shall notify the participating Contractor if an additional contribution is desired and the Contractor shall deposit said additional contribution within sixty- (60) days of the Authority notice. Voluntary contributions to the Fund by a Contractor may be made at any time, but shall not be considered with regard to satisfying the Contractor's obligations until the subsequent July 1. For example: to act as a credit for Fiscal Year 1998/99, a deposit must be received by the Authority prior to July 1, 1998. However, in the first year of the Fund's creation, each Authority Contractor may elect to deposit additional funds into the Rate Fund within the first 30 days after adoption of this policy by the Authority Board of Directors. These balances will be counted toward the coverage calculations for FY 1997/98.

Withdrawal: A Contractor may withdraw from the Rate Fund effective 180 days after it submits written documentation to the Authority that is in compliance with its WSA rate coverage obligations without considering the Fund.

Central Coast Water Authority
Rate Coverage Reserve Fund Policy

Administration: Investments of deposits in the Rate Coverage Reserve Fund will be in Permitted Investments described in clause (A) of the definition thereof contained in the Indenture of Trust, dated as of November 1, 1996, with maturities of one year or less or in the Local Agency Investment Fund or in other investments approved in writing by AMBAC. Rate Fund investment earnings shall be credited to the Contractors account within the Fund except to the extent the Contractor directs the Authority to credit said earnings to the Contractor's payments obligations or as otherwise directed by the Contractor. Deposits and related earnings on deposits for each project participant will be accounted for on an individual project participant basis even if commingled for investment purposes. The Treasurer shall prepare and disseminate to all Contractors a quarterly statement concerning the Rate Fund.

Use of Funds: Monies in the Rate Fund shall not be expended for any purpose, except upon approval of the Board of Directors (i) for emergency expenses, and (ii) to the extent necessary to supplement funds available from the O&M Reserve Fund provided that the Contractor submits written documentation to the Authority that it is in compliance with its WSA rate coverage obligations without considering the proposed expenditure from the fund.

CITY OF BUELLTON

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

The following table shows the number of active domestic water connections to the City’s water system for the five most recent fiscal years, together with the amount of its annual domestic water sales revenues. Sales revenues for the year ended June 30, 2019 increased by about 4.5%. This was primarily due to the increase in total number of connections and due to a water rate increase.

Historic Water Connections and Sales and Service Revenues

Fiscal Year Ending June 30	Connections	Water Sales Revenues
2015	1,582	\$ 1,436,127
2016	1,584	1,426,171
2017	1,699	1,865,124
2018	1,733	2,416,040
2019	1,798	2,523,773

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending June 30	Santa Ynez River Appropriation	Groundwater Basin	State Water	Total
2015	372	764	5	1,141
2016	317	645	81	1,043
2017	427	461	201	1,089
2018	643	318	278	1,240
2019	583	358	213	1,154

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2019, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payment
Professional Investment Planning	17,132	\$ 51,053
Buellton Union School District	12,423	37,021
Santa Ynez Valley Marriott	11,801	35,167
Flying Flags Association, L.P.	10,453	31,150
Rivergrove Mobilehome Park	7,675	22,872
Figueroa Mountain Brewing	6,148	18,321
Terravant Wine Co.	5,817	17,335
Hampton Inn and Suites	5,348	15,937
Santa Ynez Valley Quality Inn	4,740	14,125
The Inn Group	4,559	13,586
TOTAL	86,096	\$ 256,567

These ten customers accounted for approximately 10% of the City’s water service revenues for fiscal year 2018/19.

WATER SYSTEM RATES AND CHARGES

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

Water Service Charges. The City separates its customers into commercial and residential. Charges are associated with the water meter size (an additional dwelling unit fee of \$24.86 per dwelling unit) and quantity of water used. The City increased its water rates effective July 1, 2018 per Resolution 16-19. As a result, the water usage for commercial and residential customers is now \$2.98 per 100 cubic feet, up from \$2.76 per 100 cubic feet. The Water Meter Charges are set forth below:

Meter Size	Monthly Service Charge ²
Up to ¾”	\$ 35.51
1”	96.89
1 ½”	191.90
2”	301.60
3”	646.19
4”	1,176.31
6”	2,511.90
8”	3,364.78

Collection Procedures. The City is on a monthly billing cycle, sending out bills for the prior month service. Payment is due upon receipt and is considered delinquent if not paid by the 20th day of the following month. If payment is not received, a delinquency notice appears on the next water bill. Currently 7% of the accounts, which account for approximately 4% of the Water System Revenues, are delinquent. The City reports, however, that upon receipt of such

¹ Hundred Cubic Feet

² Plus \$24.86 for each additional dwelling unit that is served by one meter.

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

Connection Fees. The City charges connection fees for improvement or expansion of water treatment and distribution facilities to meet the requirements of community growth. The current connection fee for single-family residences is \$3,038. The current connection fee for commercial and all other uses and meter sizes will be based on a ratio of the Base Fee \$3,038 per EMU to the meter size.

EMU Fees for 18/19: (Equivalent) Meter Size Ratio Facility/Connection Charge

<u>EMU Fees for 18/19: (Equivalent) Meter Size</u>	<u>Ratio</u>	<u>Facility/Connection Charge</u>
3/4"	1	\$ 3,038
1"	2.5	7,595
1 1/2"	5	15,190
2"	8	24,304
3"	17.5	53,165
4"	3	91,140
6"	62.5	189,875
8"	90	273,420

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system for Fiscal Year 2018/19. These results have been derived from the City's audited financial statements, excluding certain non-cash items, and including certain other adjustments. The table has not been audited by the City's auditor.

CITY OF BUELLTON

<u>REVENUES</u>	<u>June 30, 2019</u>
Water Sales	\$ 2,523,773
Connection Fees	75,950
Other Fees & Income	34,105
Interest Income	<u>42,219</u>
TOTAL REVENUES	<u>2,676,047</u>
<u>OPERATING EXPENSES</u>	
Operations & Maintenance Expenses	<u>718,925</u>
TOTAL OPERATING EXPENSES	<u>718,925</u>
NET REVENUES	1,957,122
Rate Coverage Reserve Fund Deposit	<u>274,861</u>
 Adjusted Net Revenues	 <u>2,231,983</u>
 State Water Payments	 1,228,404
 <i>Coverage Ratio</i>	 <i>1.82</i>
 Available for Capital Improvements and other purposes	 \$ 728,718

Source: City of Buellton

CARPINTERIA VALLEY WATER DISTRICT

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Ag.	%	Dom.	%	Ag.	%
2015	4,080	91	405	9	\$ 8,116,921	75	\$ 2,682,792	25
2016	4,116	91	385	9	9,064,354	75	2,958,852	25
2017	4,114	91	389	9	9,621,740	77	2,835,990	23
2018	4,119	92	387	8	9,791,472	77	2,984,583	23
2019	4,120	91	386	9	9,905,792	78	2,838,287	22

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

Total Sales Revenue (\$)

Fiscal Year Ending June 30	Water Revenue	Monthly Service Charge	Total
2015	\$ 4,240,726	\$ 6,790,317	\$ 11,031,043
2016	4,441,318	7,581,887	12,023,205
2017	4,220,286	8,237,444	12,457,730
2018	4,472,673	8,303,382	12,776,055
2019	4,479,130	8,264,979	12,744,079

Increased drought surcharges because of the ongoing drought contributed to the increase in water sales revenue in FY 15/16. Increased drought surcharges as well as an increase to the Basic Monthly Service Charge contributed to the increase in water sales in FY 16/17. Sales revenue decreased in FY 18/19 due to wet weather conditions and drought hardening.

HISTORIC WATER DELIVERIES

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

Historic Water Deliveries and Source of Water Delivered (In acre - feet per year)¹ Deliveries

Fiscal Year Ending June 30	Residential ²	Commercial	Public Authority	Industrial	Irrigation	Total
2015	1,240	280	129	75	2,004	3,728
2016	1,182	226	107	64	2,025	3,604
2017	1,172	230	111	62	1,820	3,395
2018	1,307	261	127	67	2,108	3,870
2019	1,237	268	117	72	1,719	3,413

Sources

Fiscal Year Ending June 30	Groundwater	State Water	Cachuma Project	Total
2015	2,204	797	1,060	4,061
2016	2,849	270	976	4,095
2017	1,828	1,474	465	3,767
2018	1,744	1,304	1,165	4,213
2019	1,374	782	1,430	3,586

MANAGEMENT DISCUSSION OF HISTORIC WATER CONNECTIONS, SALES REVENUES AND DELIVERIES

Sales continued to decline in FY 15/16 and 16/17 as conservation efforts and drought conditions continued. Water sales increased in FY 17/18 as drought fatigue set in. Water sales decreased in FY 18/19 due to wet weather and drought conservation hardening.

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

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2019, as determined by the amount of their respective water usage:

Customer	Water Usage ³	Annual Payment
Circle G	59,486	\$ 148,158
Schaff, Victor	21,039	46,288
Casitas Village Home Assn	19,682	286,930
Cate School	18,665	105,883
Villa Del Mar HOA	17,809	251,416
Sandpiper Village	17,252	253,881
City of Carpinteria	13,114	117,811
Van Wingerden, William	12,122	30,010
Norman, Francis L	11,592	27,221
Roberts Ranch	11,578	25,433
	202,339	\$ 1,293,031

These ten customers accounted for approximately 10.1% of water service revenues for the year ending June 30, 2019.

WATER SYSTEM RATES AND CHARGES

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

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

In FY 2014-15 the District initiated surcharges on all account to address costs associated with continued State-wide drought. In addition the District raised water rates to \$3.12 for the Base tier, \$4.05 for the Mid-Level tier and \$5.42 for the Peak tier. A temporary 3-tiered rate structure was imposed on all Agricultural accounts, with the first tier priced as \$1.76 per HCF, the second tier at \$1.82 per HCF and the third tier at \$1.89 per HCF. In FY 15/16 these rates were raised to \$3.40 for the Base tier, \$4.55 for the Mid-Level tier and \$6.50 for the Peak tier for M&I customers. Agricultural rates were raised to \$1.92 for the first tier, \$2.25 for the second tier and \$2.50 for the third tier. The drought surcharges were also increased. In FY 16/17 rates were raised to \$3.63 for the Base tier, mid-level tier was removed and the Peak tier was lowered to \$4.75 for M&I customers. Agricultural rates were lowered to \$1.91 for the first tier, the second tier changed to \$2.50 and there is no third tier. The drought surcharges were also increased. In FY 17/18 the Tier 2 Agricultural rate was removed, leaving a flat rate for Irrigation customers. In FY 18/19 rates were raised to \$3.69 for the Base tier, the Peak tier was increased to \$4.83 for M&I customers. Agricultural rates were increased to \$1.94 for the first tier, and a possible second tier was established at \$2.55. The State Water Project service charge was increased mid-year, effective January 2019 as reflected in the schedule below. In FY 19/20 rates were raised to 3.83 for the Base tier, the Peak tier was increased to \$5.02 for M&I customers. Agricultural rates were increased to \$1.95. The Basic service charge was increased and both Drought service charges were decreased, see schedule below. The CIP service charge was increased, see schedule below.

³ Hundred Cubic Feet

A schedule of the District's current monthly service charges effective since July 1, 2019 is shown below:

MONTHLY SERVICE CHARGES				
METER SIZE	BASIC	STATE WATER	DROUGHT	TOTAL
3/4"	\$ 13.56	\$ 33.56	\$ 2.27	\$ 49.39
1"	22.60	55.93	3.78	82.31
1 1/2"	45.20	111.85	7.55	164.60
2"	72.32	178.96	12.08	263.36
3"	144.64	357.92	24.16	526.72
4"	226.00	559.25	37.75	823.00
6"	452.00	1,118.50	75.50	1,646.00

CAPITAL IMPROVEMENT CHARGES		
Rate	\$ 2.90	Per HCF
Minimum	17.40	6 HCF
Maximum	290.00	100 HCF

DROUGHT SURCHARGES		
Volumetric Rate	\$ 0.50	Per HCF
Minimum	3.00	6 HCF
Maximum	50.00	100 HCF

Connection Fees. For every new meter installation, the District charges the installation cost of the new service and meter plus a "Capital Cost Recovery Fee". The base charge component of Capital Cost Recovery Fees ranges from \$1,307 to \$150,303 depending on the size of the meter. In addition to the base charge, there is a "fully loaded equivalent State Water Project monthly service charge" component. This second component is an amount added to the base charge, equivalent to State Water Project monthly service charges that would have been paid beginning July 1, 1996. The Board of Directors adopted the Capital Cost Recovery Fees on July 16, 1997. A third component was added in September of 2000 to capture the monthly service charge increases necessary to fund the debt service for the \$9 million COPs issued in May of 2000, to pay for the District's Capital Improvement Program. The Series 2000 COPs were subsequently refinanced in FY 05/06 and replaced by the Series 2006A COPs in the amount of \$10 million. The District also has three State Revolving Fund loans that total approximately \$21.8 million. These are assigned to the Capital Improvement Program component of the Capital Cost Recovery Fee. The final component recovers annual capital expenditures made to District infrastructure. This meter-based charge varies annually and was added to the Capital Cost Recovery Fee schedule in July 2007. In fiscal year 2010 the board approved a fixed annual Capital Cost Recovery Fee Schedule to be updated annually as needed. Effective July 1, 2019 CCRF rates are:

Meter Size	Capital Cost Recovery Fees
3/4"	\$ 16,565
1"	23,796
1 1/2"	41,936
2"	63,715
3"	121,743

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

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2018/19. These results have been derived from the District's audited financial statements but exclude certain non-cash items and include certain other adjustments. The District's auditor has not audited the table.

CARPINTERIA VALLEY WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2019</u>
Muni. & Ind. Water Sales	\$ 2,944,944
Agricultural Water Sales	1,534,186
Water Service Charge	8,264,949
Fire Protect & Service Revenue	304,357
Capital Cost Rec Fee	715,610
Interest Revenue	301,713
Other Income	392,206
Overhead charges	<u>46,291</u>
TOTAL REVENUES	<u>14,504,256</u>
<u>OPERATING EXPENSES</u>	
Cost of Purchased Water	1,163,838
Pumping Expense	386,990
Treatment expense	1,227,394
Trans & Dist Exp	1,236,637
Customer Accounts	56,131
Cachuma Operating Expense	825,505
General & Admin.	<u>2,575,356</u>
TOTAL OPERATING EXPENSES	<u>7,471,851</u>
NET REVENUES	7,032,405
Rate Coverage Reserve Fund Deposit	<u>823,757</u>
Adjusted Net Revenues	<u><u>7,856,162</u></u>
State Water Payments	4,557,777
<i>Coverage Ratio</i>	<i>1.72</i>
Additional Debt Service	\$ 2,103,596
Available for Capital improvements and other purposes	\$ 371,032

Source: Carpinteria Valley Water District

GOLETA WATER DISTRICT

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	*Other	%	Dom.	%	*Other	%
2015	16,003	97.34	438	2.66	16,193,645	81.02	3,794,462	18.98
2016	16,029	97.30	445	2.70	23,457,817	78.79	6,313,324	21.21
2017	16,091	97.16	470	2.84	22,997,391	80.60	5,534,953	19.40
2018	16,094	97.08	484	2.92	26,170,599	78.77	7,051,545	21.23
2019	16,225	97.01	500	2.99	23,885,227	81.47	5,434,272	18.53

The number of active connections to the District’s water experienced minimal fluctuations between 2015 and 2019. Water sales revenue have fluctuated over the years with the years that have higher revenues reflecting dry weather conditions, an improving economy, and increases in rates (and instituting a drought surcharge effective FY 2016). Revenues decreased in 2015 due to the declaration of a Stage II Water Shortage Emergency followed by a Stage III Water Shortage Emergency declaration eight months later. Water sales revenue increased in 2018 due to increased consumption as a result of a warm winter combined with a below average rainfall season. Water sales revenues decreased in 2019 due above average rainfall which put an end the nearly eight –year drought. On April 9, 2019, the District’s Board approved lowering the ongoing Water Shortage Emergency from a Stage III to a Stage I and on May 1, 2019, the drought surcharge ended.

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

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending June 30	Ag-Recreation- Recycled Deliveries	Urban Deliveries	Total
2015	4,676	7,207	11,883
2016	3,975	6,798	10,773
2017	3,024	6,635	9,659
2018	3,607	7,192	10,799
2019	2,829	6,802	9,631

Weather variability and local economic performance both have a direct influence on total demand for water service; thus, the amount of water delivered varies from year to year. Deliveries, as shown above for the past five years, responded consistently with exhibited weather and economic pattern. The decreases in FY2015 were attributable to State and local mandate to reduce water consumption due to the multi-year drought. Furthermore, a warmer winter and a below average rainfall season increased customer demand during FY2018 from FY2017.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system as of June 30, 2019, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payment
U.C.S.B.	953	\$ 3,323,236
Cavaletto Ranches, LLC	442	875,056
Sandpiper Golf Course	214	315,496
Touchstone Glen Annie Golf	208	416,858
County of Santa Barbara	163	713,954
Bacara Resort	123	492,341
Roy Butera	120	253,528
Wallover, Inc.	120	211,679
Towbes	83	367,172
Santa Barbara Unified School District	<u>77</u>	<u>388,070</u>
TOTAL	2,503	\$ 7,357,390

These ten customers accounted for approximately 25.997% of the water usage and 18.87% of the water service and meter revenues for the year ended June 30, 2019.

WATER SYSTEM RATES AND CHARGES

The District's current rates and charges as of June 30, 2019 are as follows:

Commodity Charge:

Agriculture, West Conduit System	\$1.59/HCF
Agriculture, Urban	\$2.11/HCF
Urban	\$6.10/HCF
Recreation	\$6.10/HCF
Recycled	\$3.79/HCF
Single Family Res (0-6 HCF/Month)	\$5.26/HCF
Single Family Res (7-16 HCF/Month)	\$6.46/HCF
Single Family Res (17+ HCF/Month)	\$7.12/HCF

Drought Surcharge:

Stage 1	\$0.00/HCF
Stage 2	\$1.82/HCF
Stage 3	\$3.02/HCF
Stage 4	\$4.54/HCF
Stage 5	\$6.65/HCF

¹ Acre-feet

Meter Charge:

<u>Meter Size</u>	<u>Volume</u>	<u>Monthly Charge</u>
5/8" or 3/4"	0-6 HCF/Month	\$ 16.41
5/8" or 3/4"	7-16 HCF/Month	33.86
5/8" or 3/4"	17+ HCF/Month	51.46
1"	N/A	78.99
1 1/2"	N/A	147.82
2"	N/A	230.42
3"	N/A	491.95
4"	N/A	877.35
6"	N/A	1,937.26
8"	N/A	3,313.75
10"	N/A	5,240.86
Fire Line	N/A	10.96

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

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system of the District for Fiscal Year 2018/19. These results have been derived from the District's audited financial statements but exclude certain non-cash items and include certain other adjustments. The District's auditor has not audited the table.

GOLETA WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2019</u>
Water Sales	\$ 29,319,501
Meter Charges	9,677,951
Other Fees & Income	889,970
Interest Income	<u>501,990</u>
TOTAL REVENUES	<u>40,389,412</u>
<u>OPERATING EXPENSES</u>	
Source of Supply	6,064,812
Water Treatment	4,014,138
Transmission & Distribution	5,655,316
Customer Accounts	1,647,575
General & Administrative	<u>9,207,376</u>
TOTAL EXPENSES	<u>26,589,217</u>
NET REVENUES	<u>13,800,195</u>
State Water Payments	11,456,456
<i>Coverage Ratio</i>	<i>1.20</i>
Other Debt Service	3,553,988
Available for Capital Improvements and other purposes	\$ (1,210,249)

Source: Goleta Water District

CITY OF GUADALUPE

The information set forth below has been provided by the City of Guadalupe (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below. All numbers presented for the Fiscal Year ending June 30, 2019 are unaudited.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Fiscal Year Ending June 30	Connections	Sales Revenues
2015	1,960	\$ 1,721,143
2016	1,973	1,621,969
2017	2,017	1,727,388
2018	2,099	1,998,263
2019	2,166	1,925,825

The number of connections increased for FY 2018/19 by approximately 67 services. There was an decrease in revenue of about \$72,438 from the prior year. This decrease resulted from decreased water usage from commercial customers, specifically related to Curation (formerly Apio), which is our top usage account. Curation dropped a water line and began a new system of water reuse. Authorized rate increases and CPI rate adjustments will increase revenue in future years. Additional development sales revenue is also anticipated in the future.

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending June 30	Deliveries ¹
2015	1,039
2016	952
2017	944
2018	1,189
2019	914

¹ Groundwater and State Water

The following table sets forth the ten largest customers of the City's water system as of June 30, 2019 as determined by the amount of their respective annual payments.

LARGEST CUSTOMERS

Customer	Water Usage ²	Annual Payment
Curation (formerly Apio)	147,456	\$ 704,253
County Housing Authority	6,284	30,011
Guadalupe Union School	4,754	22,706
Riverview Townhomes	4,738	22,629
Guadalupe Laundromat	3,440	16,429
Guadalupe Cemetery	3,206	15,311
Obispo Cooling	3,147	15,028
Beachside Cooling	2,263	10,806
JR Simplot Co	2,087	9,969
Pan American Seed	<u>1,911</u>	<u>9,126</u>
TOTAL	179,286	\$ 856,268

These ten customers accounted for approximately 44% of water service revenues for the year ended June 30, 2019.

WATER SYSTEM RATES AND CHARGES

Consumption Charges. All classes of water users are charged the same rate. Specifically, all users pay \$27.66 monthly for the first six (6) units [one (1) unit = 100 cubic feet] as a minimum charge. For each unit above the base six (6) units the charge is \$4.61 per unit. Beginning January 1, 2020, the base charge will increase to \$4.95 per unit.

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

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

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

² Hundred Cubic Feet

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2018/19. These results have been derived from the City's unaudited financial statements, but exclude certain non-cash items and include certain other adjustments. This table has not been audited by the City's auditor.

CITY OF GUADALUPE

<u>REVENUES</u>	<u>June 30, 2019</u>
M&I Sales	\$ 1,925,825
Connection Fees	99,777
Interest Income	32,768
Other Revenues	122,079
TOTAL REVENUES:	<u>2,180,450</u>
 <u>OPERATING EXPENSES</u>	
Salaries & Benefits	267,055
Operations & Maintenance	634,063
TOTAL OPERATING EXPENSES	<u>901,117</u>
 NET REVENUES	 1,279,332
Rate Coverage Reserve Fund Deposit	<u>191,013</u>
Adjusted Net Revenues	<u><u>1,470,345</u></u>
State Water Payments	1,042,760
 <i>Coverage Ratio:</i>	 <i>1.41</i>
 Available for Capital improvements and other purposes	 \$ 236,572

Source: City of Guadalupe

LA CUMBRE MUTUAL WATER COMPANY

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Fiscal Year Ending Dec. 31	Connections					Sales Revenues				
	Dom.	%	Ag.	%	Total	Dom.	%	Ag.	%	Total
2014	1,452	97	42	3	1,494	\$ 2,974,220	95	\$ 143,392	5	\$ 3,117,612
2015	1,452	97	42	3	1,494	3,098,021	96	144,492	4	3,242,513
2016	1,460	97	37	3	1,497	3,122,480	96	119,345	4	3,241,825
2017	1,466	97	38	3	1,504	3,884,136	97	113,890	3	3,998,026
2018	1,470	98	37	2	1,507	4,143,449	97	145,587	3	4,289,036

HISTORIC WATER DELIVERIES

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

Fiscal Year Ending Dec. 31	<i>Historic Water Deliveries (In Acre-Feet per Year)</i>		
	Domestic Deliveries	Agricultural Deliveries	Total
2014	1,289	84	1,373
2015	1,064	76	1,140
2016	1,008	59	1,067
2017	1,065*	58	1,123
2018	1,136	66	1,202

* In fiscal year 2017, the number of domestic deliveries for 2017 was reported as 1,144. The Company discovered (while preparing the current report) that number was overstated by 79. The correct number of domestic deliveries for 2017 is 1,065 as reflected above.

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the Company’s water system as of December 31, 2018, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payment
La Cumbre Golf & Country Club	51,545	\$ 310,628
Stephen Redding	6,369	91,987
Timothy Pasquinelli	6,126	84,274
Jeffrey Henley	4,753	66,252
Dean & Darcy Christal	3,772	52,998
Overwater, LLC	3,615	52,502
Frances Nielsen	2,807	40,511
Susan Caffrey	2,791	38,741
Carriage Hill Association	2,694	30,133
Laguna Blanca School	<u>3,054</u>	<u>29,745</u>
TOTAL	87,526	\$ 797,771

These ten customers account for approximately 15% of all water service revenues in fiscal year 2018.

¹ Hundred Cubic Feet

WATER SYSTEM RATES AND CHARGES

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

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

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

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

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

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

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

FISCAL YEAR 2018 OPERATING RESULTS

The following table is a summary of operating results of the water system of the Company for the Fiscal Year ended December 31, 2018. These results have been derived from the Company's audited financial statements for 2018. This table has not been audited by the Company's auditor.

LA CUMBRE MUTUAL WATER COMPANY

<u>REVENUES</u>	<u>Dec. 31, 2018</u>
Water Sales	\$ 4,302,851
Meter Charges	617,477
Land Charges	358,910
Connection Fees	125,048
Other Income	122,709
Rental income	116,069
Interest Income	<u>86,978</u>
TOTAL REVENUES	<u>5,730,042</u>
 <u>OPERATING EXPENSES</u>	
Water Source	174,117
Water Treatment	356,453
Transmission & Distribution	417,351
Admin. & General	978,702
Taxes	36,379
Water Conveyance	79,992
Misc Expense	<u>10,233</u>
TOTAL OPERATING EXPENSES	<u>2,053,227</u>
 NET REVENUES	 3,676,815
Rate Coverage Reserve Fund Deposit	<u>394,805</u>
Adjusted Net Revenues	<u>4,071,620</u>
State Water Payments	1,814,233
 <i>Coverage Ratio</i>	 <i>2.24</i>
Available for Capital improvements and other purposes	\$ 1,862,582

Source: La Cumbre Mutual Water Company

MONTECITO WATER DISTRICT

The Montecito Water District (the District”) has provided the information set forth below. The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below. All numbers presented for the Fiscal Year ending June 30, 2019 are unaudited.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections				Sales Revenues			
	Dom.	%	Agricultural	%	Dom.	%	Agricultural	%
2015	4,549	99	44	1	6,375,253	94	377,027	6
2016	4,557	99	44	1	7,274,708	95	377,734	5
2017	4,558	99	44	1	7,131,699	95	339,210	5
2018	4,560	99	44	1	8,477,664	95	447,492	5
2019	4,575	99	44	1	8,001,443	95	378,634	5

The total actual connections for the 2018/19 FY were 4,619. As of June 30, 2019, 40 connections remain without service at the customers’ request due to the January 9, 2018 debris flows. Domestic sales revenues for 2018/19 FY were \$8,001,443; Agricultural sales revenues for 2018/19 FY were \$378,634. Total water sales were \$8,380,077.

Water service charges and connection fee revenues were \$4,264,586 and \$33,959 respectively.

Ordinance 93/94 Penalty Revenue. On February 11, 2014, the Board of Directors adopted Ordinance No. 92, under which it declared a water shortage emergency, adopted restrictions on the use of water, and imposed penalties for the violation of use restrictions. On February 21, 2014, the Board of Directors adopted Ordinance 93, allocating water during the water shortage emergency and providing penalty rates and restrictions for consumption in excess of allocation. Based on Ordinance 93, if customers exceed their monthly allocation, they are subject to a \$30/Hundred cubic feet (HCF) penalty for the first violation and \$45/HCF penalty for each violation thereafter. Penalties are reset each water year, which begins October 1st. On March 24, 2015, the Board of Directors adopted Ordinance No. 94, under which it repealed and replaced Ordinance No. 93, with the intended consequences of increasing the allocation of water during the water shortage emergency and providing the penalty rates for consumption in excess of allocation. Ordinance 92 and 94 remained in effect through the remainder of 2016; however, on March 21, 2017 the Board approved a temporary suspension of the enforcement of penalties under Ordinance 94 (section 8). On August 23, 2017, the District issued Ordinance 95 which formally repealed both Ordinance 92 and 94. On May 28, 2019 the District repealed ordinance 95 and replaced it with Ordinance 96 which lifted the meter moratorium that had been in place for a number of years.

Ordinance 93/94 Penalty Revenue for 2018/19 was \$0.

HISTORIC WATER DELIVERIES

Actual water deliveries for FY 2018/19 are 3,424 Acre-Feet (AF). The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years:

Historic Water Deliveries (In acre-feet per year)

<u>Fiscal Year Ending June 30</u>	<u>Agricultural</u>	<u>Domestic</u>	<u>Total</u>
2015	310	3,021	3,331
2016	286	3,154	3,440
2017	239	2,888	3,127
2018	320	3,463	3,783
2019	268	3,156	3,424

HISTORIC WATER PRODUCTION

Actual water production for FY 2018/19 was 4,178 AF. The following table summarizes Water Production by source:

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

<u>Fiscal Year Ending June 30</u>	<u>Groundwater</u>	<u>Cachuma Project</u>	<u>Other Sources¹</u>	<u>Total</u>
2015	587	0	3,081	3,668
2016	552	2,114	1,132	3,798
2017	638	0	2,839	3,477
2018	440	0	3,738	4,178
2019	266	1,244	2,203	3,713

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the District's water system for FY 2018/19, as determined by the amount paid:

<u>Customer</u>	<u>Water Usage²</u>	<u>Annual Payment</u>
Resort Hotel	38,874	\$ 397,113
Agriculture	31,647	225,131
Agriculture	23,405	157,803
Golf Club	22,921	243,444
Private College	19,350	201,914
Golf Club	16,541	195,071
Agriculture	12,692	89,754
Resort Hotel	10,652	88,060
Non-potable	10,532	18,740
Single Family Residential	<u>9,592</u>	<u>99,185</u>
	<u>196,206</u>	<u>\$ 1,716,215</u>

These ten customers accounted for approximately 20.48% of water sales and service charges in FY 2018/19.

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

² Hundred Cubic Feet

WATER SYSTEM RATES AND CHARGES

Water Service Charges. The District has separated its customer base into several classes of service. Rates charged to each class of customers vary. A schedule of the District's water rates and charges as of June 30, 2019 is as follows:

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

The District completed a five-year financial plan and a cost of service study in 2013. The financial plan includes increases to both the monthly service charges and the consumption rates for the next five fiscal years. The initial rate increase was effective on September 1, 2013. There was to be 7.4% rate increases for the next four years thereafter. In 2017, the District opted to forego the scheduled rate increase, and rates remained the same as 2016. The District is in the process of conducting an updated cost of service study and has maintained the current rates until completion of that study. Water rates beginning on July 1, 2019 are the same as 2018, and are as follows:

*Water Rates in Addition to Monthly Service Charges
Effective July 1, 2019
(Price per HCF)*

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

Connection and Capital Recovery Fees. The District charges connection fees to cover the costs of installing meters. (Please note that the District no longer installs 5/8"x 3/4" meters.) In addition, a Capital Cost Recovery Fee is charged as a buy-in fee for new customers to buy into the District's capital facilities. Connection Fees may be increased annually with the fiscal year budget based on the actual costs to install a meter; however, the fees remain in effect until changed by the Board of Directors. The Capital Cost Recovery Fees may be increased annually based on a prescribed formula approved by the Board of Directors in 1997 with Resolution No. 1837. The breakdown of Connection and Capital Cost Recovery Fees as of July 1, 2019 is as follows:

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

Any meter greater than 2" will be charged the actual cost of the time and materials to complete the installation and the General Manager will determine the Capital Cost Recovery Fee amount.

Source: Montecito Water District

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

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results for the water system of the District for FY 2018/19. These results have been derived from the District's unaudited financial statements, excluding certain non-cash items, and including certain other adjustments. This table has not been audited by the District's auditors.

MONTECITO WATER DISTRICT

<u>REVENUES</u>	<u>June 30, 2019</u>
Water Sales	\$ 8,380,077
Water Service Charges	4,264,586
Water Shortage Emergency Surcharge	4,918,468
Connection Fees	35,159
Other Charges for Services	<u>71,632</u>
TOTAL REVENUES	<u>17,669,922</u>
<u>OPERATING EXPENSES</u>	
Water Purchased	1,584,231
Water Treatment	1,821,229
General & Administrative	3,172,107
Operations & Maintenance	<u>1,754,626</u>
TOTAL OPERATING EXPENSES	<u>8,332,193</u>
NET REVENUES	9,337,729
Rate Coverage Reserve Fund Deposit	<u>1,443,312</u>
Adjusted Net Revenues	<u><u>10,781,041</u></u>
State Water Payments	7,306,084
Coverage Ratio	<i>1.48</i>
Other Debt Service ³	1,788,458
Available for Capital Improvements and Other Purposes	\$ 243,187

Source: Montecito Water District

⁴ Department of Water Resources Ortega Improvement Project Loan and 2010A Revenue Bonds.

CITY OF SANTA BARBARA

The information set forth below has been provided by the City of Santa Barbara (the “City”) for the year ended June 30, 2019. The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below.

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Historic Water Connections and Sales Revenues

Fiscal Year <u>Ending June 30</u>	<u>Connections</u>		<u>Sales Revenues</u>	
	<u>Dom.</u>	<u>%</u>	<u>Dom.</u>	<u>%</u>
2015	26,921	100	31,512,114	100
2016	26,988	100	41,433,002	100
2017	27,111	100	46,187,721	100
2018	27,191	100	52,356,068	100
2019	27,280	100	48,959,080	100

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending <u>June 30</u>	<u>Urban Deliveries</u>
2015	10,775
2016	9,935
2017	9,009
2018	9,918
2019	9,201

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2019, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payment
Santa Barbara Unified School District	32,092	\$408,467
Dario Pini	23,881	313,098
Housing Authority of the City of Santa Barbara	24,522	298,674
City of Santa Barbara - Parks	25,012	269,919
Santa Barbara Cottage Hospital	17,403	260,606
Santa Barbara Community College District	13,920	258,441
Hilton Santa Barbara Beachfront Resort (formerly Fess Parker)	23,005	219,473
Santa Barbara Highlands HOA (Miramonte)	15,816	162,856
Transition House	7,730	150,492
Mission Linen Supply	<u>18,546</u>	<u>145,845</u>
	201,927	\$2,487,871

These ten customers accounted for approximately 5% of the annual water system sales for Fiscal Year 2018/19.

¹ Hundred Cubic Feet

WATER SYSTEM RATES AND CHARGES DURING FY 2018/19

Customer Class	Water Service Rates
Single Family Residential	First 4 HCF @ \$4.44 Next 12 HCF @ \$12.96 All other @ \$23.98 per HCF
Multi-Family Residential 1-4 dwelling units	First 4 HCF per dwelling unit @ \$4.44 Next 4 HCF per dwelling unit @ \$12.96 All other @ \$23.98 per HCF
Multi-Family Residential 5+ dwelling units	First 4 HCF per dwelling unit @ \$4.44 Next 4 HCF per dwelling unit @ \$12.96 All other @ \$23.98 per HCF
Commercial	100% of base allotment ² @ \$7.01 per HCF; All other @ \$23.91 per HCF
Industrial	100% of base allotment ² @ \$7.01 per HCF; All other @ \$23.91 per HCF
Irrigation – Residential	Billed as if used through associated residential meter, OR All use within monthly water budget ³ @ \$12.96 per HCF; All other @ \$23.98 per HCF
Irrigation - Recreation/Parks/Schools	All use within monthly water budget ² @ \$4.48 per HCF All other @ \$23.98 per HCF
Irrigation – Commercial	All use within monthly water budget ² @ \$12.96 per HCF; All other @ \$23.98 per HCF
Irrigation – Agriculture	All use within monthly water budget ² @ \$3.01 per HCF All other @ \$23.98 per HCF
Recycled Water	All usage @ \$4.40/HCF

Monthly Service Charges for Water Meters by Size During FY 2018/19

Meter Size	Monthly Service Charge
5/8"	\$28.92
3/4"	42.10
1"	68.45
1 1/2"	134.34
2"	213.40
3"	463.80
4"	832.79
6"	1,715.72
8"	3,165.32
10"	4,979.80

Connection Charges during Fiscal Year 2018/19

	5/8" Meter	1" Meter
Connection Charges on 1" Service:	\$3,015	\$3,074
Buy-in Fee (per detached single family residence)	9,012	22,531
	\$12,027	\$25,605

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

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

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2018/19. These results have been derived from the City’s audited financial statements, excluding certain non-cash items, and including certain other adjustments. The table has not been audited by the City’s auditor.

CITY OF SANTA BARBARA

<u>REVENUES</u>	<u>June 30, 2019</u>
M&I Sales	\$ 48,959,080
Service Charges	1,877,502
JPA Reimbursement	3,785,467
Interest Income	2,216,508
Other Revenues	761,562
TOTAL REVENUE	<u>57,600,119</u>
 <u>OPERATING EXPENSES</u>	
Salaries & Benefits	11,093,041
Materials & Supplies	21,219,949
Supplemental Water Purchase	365,565
TOTAL OPERATING EXPENSES	<u>32,678,555</u>
 NET REVENUES	<u>24,921,564</u>
 State Water Payments	7,325,803
 Parity Debt Service ⁴	7,495,812
 Total Contract Payments	14,821,615
 <i>Coverage Ratio</i>	<i>1.68</i>
 Available for Capital improvements and other purposes	\$ 10,099,949

Source: City of Santa Barbara

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

CITY OF SANTA MARIA

The information set forth below has been provided by the City of Santa Maria (the “City”). The Central Coast Water Authority (the “Authority”) makes no representations or warranties as to the accuracy or completeness of any of the information set forth below. All numbers presented for the Fiscal Year ending June 30, 2019 are unaudited.

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

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

Historic Water and Wastewater Connections and Sales and Service Revenues

Fiscal Year Ending June 30	Connections	Water Sales Revenues	Wastewater Service Revenues
2015	21,901	\$ 31,403,212	\$ 8,458,525
2016	22,152	33,883,550	8,897,808
2017	22,362*	37,915,296	9,259,298
2018	22,692	42,216,742	10,213,892
2019	22,794	39,474,873	10,046,130

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

HISTORIC WATER DELIVERIES

The City records the volume of water delivered by its water system. Over the past five years, the volume of water delivered by the City has fluctuated, ranging from a low of approximately 12,022 acre-feet in fiscal year 2016 to a high of approximately 13,508 acre-feet in fiscal year 2018. The following table presents a summary of historic water deliveries in acre-feet per year for the five most recent fiscal years.

Historic Water Deliveries In Acre-Feet per Year

Fiscal Year Ending June 30	Deliveries
2015	13,009
2016	12,022
2017	12,357
2018	13,508
2019	12,694

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City's water system as of June 30, 2019 as determined by the amount of their respective annual payments.

Largest Water Customers

Customer ¹	Water Usage ²	Annual Payment
Nipomo Community Services District	412,977	\$ 1,616,418
City of Santa Maria	220,147	1,505,084
Santa Maria Elementary School	116,251	766,237
Titan Frozen Fresh	78,053	469,282
Fresh Venture Foods	65,728	395,480
Santa Maria Land Partners, LLC	55,527	345,614
Casa Grande Mobile Homes	49,886	231,151
Marian /Dignity Health	26,128	211,341
S.B. County Housing Authority	28,252	203,269
Alan Hancock College	<u>42,698</u>	<u>130,644</u>
TOTAL	1,095,647	\$ 5,874,520

The ten largest water customers accounted for approximately 23.27% water service by volume in fiscal year 2019.

The following table sets forth the ten largest customers discharging to the City's wastewater system as of June 30, 2019 and their respective annual payments.

Largest Wastewater Customers

Customer	Wastewater Usage ²	Annual Payment
Sure-Fresh	94,188	\$ 281,214
Fresh Venture Foods	66,264	214,514
Titan Frozen Fresh	57,762	164,227
Santa Maria Land Partners	41,681	85,615
Casa Grande Mobile Homes	32,931	70,673
S.B. County Housing Authority	25,997	56,017
Santa Maria Elementary Schools	22,374	53,714
Mission Linen	20,916	46,860
Okonite	19,987	30,234
Casa Del Rio	<u>19,596</u>	<u>42,780</u>
TOTAL	401,696	\$ 1,045,848

The ten largest wastewater customers accounted for approximately 16% of wastewater service by volume in fiscal year 2019.

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

² Hundred Cubic Feet

WATER AND WASTEWATER SYSTEM RATES AND CHARGES

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

Water Service Charges. A schedule of the City’s current monthly water rates and charges as of July 1, 2019 is set forth below:

Monthly Service Charges for Water Meters by Size

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

Capacity Charge

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

Wastewater Treatment Charges. A schedule of the City’s current monthly wastewater treatment rates and charges as of July 1, 2019 is set forth below:

Monthly Wastewater Rates

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

Per 100 cubic feet

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

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for Fiscal Year 2018/19. These results have been derived from the City's unaudited financial statements, but exclude certain non-cash items and include certain other adjustments. This table has not been audited by the City's auditor.

CITY OF SANTA MARIA

<u>REVENUES</u>	<u>June 30, 2019</u>
Water & Wastewater Fees & Charges	\$ 49,521,003
Other Revenues	111,564
Interest Income	3,629,598
TOTAL REVENUES:	<u>53,262,165</u>
<u>OPERATING EXPENSES</u>	
Salaries, Wages & Benefits	5,631,830
Materials & Supplies	2,106,952
Equipment Maintenance & Operations	4,390,909
Contracts & Services	3,741,055
Bad Debts	17,579
TOTAL OPERATING EXPENSES:	<u>15,888,325</u>
NET REVENUES	37,373,840
Rate Coverage Fund Deposit	<u>5,001,279</u>
Adjusted Net Revenues	<u>42,375,119</u>
State Water Payments	26,575,853
<i>Coverage Ratio</i>	1.59
Other Debt Service	4,632,713
Available for Capital improvements and other purposes	\$ 6,165,274

Source: City of Santa Maria

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

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

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Fiscal Year Ending June 30	Metered Connections				Sales Revenues					
	<u>Dom.</u>	<u>%</u>	<u>Ag.</u>	<u>%</u>	<u>Dom.</u> ⁽¹⁾	<u>%</u>	<u>Ag.</u> ⁽²⁾	<u>%</u>	<u>Solvang</u>	<u>%</u>
2015	2,506	96	112	4	\$ 4,314,520	70	\$ 1,703,894	28	\$ 139,550	2
2016	2,551	96	113	4	4,092,818	70	1,714,127	29	61,210	1
2017	2,565	96	107	4	4,592,944	72	1,726,134	27	47,931	1
2018	2,592	96	100	4	5,691,690	73	2,048,006	26	58,714	1
2019	2,594	96	115	4	5,706,170	72	1,965,716	25	300,508	3

The actual FY 2018/19 total water sales revenues are approximately 2.2% percent higher than the FY 2017/18 due to the implementation of the third water rate increase of a five-year adopted water rate schedule.

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

HISTORIC WATER DELIVERIES

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

Fiscal Year Ending June 30	<i>Historic Water Deliveries</i> <i>(in acre feet)</i>			
	Ag. Deliveries	Domestic	Solvang	Total
2015	2,395	1,892	54	4,341
2016	2,154	1,539	19	3,712
2017	1,904	1,592	15	3,511
2018	1,894	1,900	23	3,817
2019	1,543	1,702	79	3,323

The FY 2018/19 actual overall water deliveries are lower than FY 2017/18 due to continued customer water conservation resulting in decreased domestic and agriculture water use during the year.

LARGEST CUSTOMERS

The following table sets forth the ten largest customer accounts of the ID No. 1's water system as of June 30, 2019, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payment
Private Agriculture	115	\$ 57,861.10
Private Agriculture	86	46,599.70
Private Agriculture	82	42,336.72
Public Agency	56	239,341.96
Private Agriculture	53	27,143.39
Private Agriculture	24	11,270.58
Private Agriculture	23	10,851.46
Private Agriculture	17	7,528.56
Private Agriculture	16	7,280.00
Private Agriculture	<u>14</u>	<u>6,841.22</u>
TOTAL	486	\$ 457,054.69

These ten customers accounted for approximately 5.73% of the water sales revenues for Fiscal Year 2018/19.

¹ Acre-feet

ID No.1's rates and charges for FY 2018/19 are as follows:

<i>Monthly Meter Charge</i>		
Meter Size	Domestic/Limited	
	Agricultural	Agricultural
5/8"	\$ 41.40	
3/4"	49.68	
1"	82.80	
1 1/2"	165.60	\$ 68.72
2"	264.97	109.96
3"	496.81	211.87
4"	828.02	343.62
6"	1,656.04	687.24
8"	2,649.66	

Consumption Charge

Domestic	Rural Residential / Limited Agricultural	Agriculture
\$ 4.95 per HCF	1 st 125 units: \$ 4.95 per HCF 126+ units: \$2.22 per HCF	\$ 1.31 per HCF
<u>Temporary Rate</u>	<u>City of Solvang</u> \$ 9.90	<u>Cachuma Park</u>
\$ 14.85 per HCF	(Conn. Fee \$ 150.00; minimum chg.: \$ 25.00)	\$ 1.63 per HCF

Connection Charge

Meter Size	Meter Only ⁽¹⁾	Service and Meter		
5/8"	\$ 4,387.94	\$ 7,793.24	Short Side	(1" service)
		11,845.83	Long Side	(1" service)
3/4"	5,217.22	8,622.52	Short Side	(1" service)
		12,675.12	Long Side	(1" service)
1"	8,541.99	11,919.05	Short Side	(1" service)
		15,971.65	Long Side	(1" service)
(2) 5/8" – 1"		12,665.56	Short Side	(1" double service)
		16,628.29	Long Side	(1" double service)
1 1/2"	17,069.96	21,247.81	Short Side	(2" service)
		25,429.59	Long Side	(2" service)
2"	27,116.34	31,397.69	Short Side*	(2" service)
		35,572.97	Long Side*	(2" service)
3"	*see below		*see below	

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

Fire Service Connection Fee: \$760 per inch of diameter of Service size.

Capital Facilities Charge on Larger Services

Meter Size	Charge	
3"	\$ 54,071.58	+ Serv. & Meter Costs
4"	72,853.09	+ Serv. & Meter Costs
6"	161,895.75	+ Serv. & Meter Costs
8"	259,033.20	+ Serv. & Meter Costs

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

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system of ID No. 1 for Fiscal Year 2018/19. These results have been derived from ID No. 1's audited financial statements, which exclude certain non-cash items, and include certain other adjustments. The ID No. 1's auditor has not audited the table.

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

<u>REVENUES</u>	<u>June 30, 2019</u>
M&I Water Sales	\$ 6,785,960
Ag. Water Sales	885,926
Water Sales to City of Solvang	300,000
SWP Revenue from City of Solvang	2,917,426
Connection Fees	133,793
Special Assessments	928,497
Other Fees & Income	155,857
Interest Income	<u>271,954</u>
TOTAL REVENUES	<u>12,379,921</u>
<u>OPERATING EXPENSES</u>	
Water Purchased	(1,183,363)
Pumping	580,331
Water Treatment	38,170
Transmission & Distribution	982,535
Special Programs and Study Fees	480,752
Administration & General	<u>2,379,114</u>
TOTAL OPERATING EXPENSES	<u>3,277,539</u>
NET REVENUES	9,102,382
Rate Coverage Reserve Fund Deposit (Includes Solvang)	<u>1,072,814</u>
Adjusted Net Revenues	<u>10,175,196</u>
State Water Payments (Includes Solvang)	5,340,163
<i>Coverage Ratio</i>	<i>1.91</i>
Unanticipated and Special Legal Fees	258,238
Other Debt Service	303,018
Available for Capital improvements and other purposes	\$ 3,459,201

Source: Santa Ynez Improvement District No. 1

CITY OF SOLVANG

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Historic Water Connections and Sales Revenues

Fiscal Year Ending June 30	Connections	Sales Revenues	Water Deliveries (acre-feet per year)
2015	2,178	\$4,361,233	1,074
2016	2,211	4,378,420	962
2017	2,225	4,490,615	997
2018	2,227	4,823,204	1,178
2019	2,228	4,709,964	1,100

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2019, as determined by the amount of their respective annual payments.

Largest Customers as of June 30, 2019

Customer	Water Usage ¹	Annual Payment
Rancho Santa Ynez Mobile Home Park	20,442	\$ 113,929
City of Solvang	14,092	122,430
Alisal Guest Ranch	14,901	87,226
Atterdag Village	4,779	71,143
Chumash Casino Resort (Hotel Corque)	7,210	56,004
Worldmark	5,276	55,993
Solvang Mesa, LLMD	5,751	48,685
Mission Oaks	6,177	44,889
Solvang School	5,831	37,946
Vacations Inn Solvang	<u>5,402</u>	<u>31,160</u>
TOTAL	89,861	\$ 669,405

¹ Hundred Cubic Feet

WATER SYSTEM RATES AND CHARGES

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

Base Rate

per Connection, All Water Connections

<u>Meter Size</u>	<u>Rated Flow (gpm)²</u>	<u>Ratio to 5/8" x 3/4" Meter</u>	<u>Meter Charges</u>	<u>Outside Users³</u>
5/8" x 3/4"	20	1.0	\$ 75.43	\$ 113.15
3/4"	30	1.5	113.15	169.73
1"	50	2.5	188.58	282.80
1-1/2"	100	5.0	377.17	565.76
2"	160	8.0	603.47	905.21
3"	320	16.0	1,206.94	1,810.41
4"	450	22.5	1,885.84	2,828.76
6"	1,000	50.0	3,771.68	5,665.02
8"	1,600	80.0	6,034.69	9,052.04

Quantity Rate

Single Family Residential Users per 100 Cubic Feet

Water Rates (per Prop 218)

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

All Other Users per 100 Cubic Feet

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

² gallons per minute

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

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2018/19. These results have been derived from the City's audited financial statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by the City's auditor.

CITY OF SOLVANG

<u>REVENUES</u>	<u>June 30, 2019</u>
Water Sales	\$ 4,709,964
Other Fees & Income	32,564
Capital contributions	35,716
Interest Income	<u>117,906</u>
TOTAL REVENUES	<u>4,896,150</u>
<u>OPERATING EXPENSES</u>	
Operating Expenses	<u>1,225,664</u>
TOTAL OPERATING EXPENSES	<u>1,225,664</u>
NET REVENUES	3,670,486
Rate Coverage Fund Deposit	<u>611,871</u>
Adjusted Net Revenues	<u>4,282,357</u>
State Water Payments	3,332,930
Coverage Ratio:	1.28
Available for Capital improvements and other purposes	\$ 337,556

Source: City of Solvang

SAN LUIS OBISPO COUNTY

CITY OF MORRO BAY

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Fiscal Year Ending June 30	Connections	Sales Revenues
2015	5,455	3,311,970
2016	5,455	4,130,990
2017	5,483	5,077,312
2018	5,496	5,647,331
2019	5,513	5,856,088

HISTORIC WATER DELIVERIES

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

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

Fiscal Year Ending June 30	Deliveries
2015	1,094
2016	996
2017	942
2018	936
2019	994

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2019, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payment
City of Morro Bay	16,765	\$ 232,144
Morro Bay High School	14,770	109,052
Mission Linen Center	9,351	237,556
Pacific Care Center	7,987	204,722
Imperial Coast, LP	4,826	134,928
CA Dept of Parks	4,705	98,726
Silver City Resort	4,362	109,244
Culligan Water	2,145	52,020
Morro Dunes Trailer Park	2,109	52,999
Central Coast Management Group	<u>2,094</u>	<u>52,873</u>
TOTAL	69,114	\$ 1,284,264

These ten customers accounted for approximately 21% of water services revenues in fiscal year 2018/2019.

WATER SYSTEM RATES AND CHARGES

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

Fixed Monthly Charge	<u>7/1/2016</u>	<u>7/1/2017</u>	<u>7/1/2018</u>	<u>7/1/2019</u>	
	\$ 26.00	\$ 28.00	\$ 30.00	\$ 32.00	
Water Quantity Charges²					
<i>Tier</i>	<i>Use in Tier</i>				
Tier 1	1-3 hcf	\$ 4.00	\$ 5.00	\$ 5.50	\$ 6.00
Tier 2	4-10 hcf	7.00	7.50	8.00	8.50
Tier 3	11-50 hcf	9.50	10.00	10.50	11.00
Tier 4	>50 hcf	12.50	13.00	13.50	14.00

¹ Hundred Cubic Feet – (1 hcf = 100 cubic feet = 748 gallons)

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

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for fiscal year 2018/19. These results have been derived from the City's audited financial statements, but exclude certain non-cash items and include certain other adjustments. The City's auditor has not audited the table.

CITY OF MORRO BAY

<u>REVENUES</u>	<u>June 30, 2019</u>
Water Service Charge	\$ 5,736,599
Miscellaneous	<u>119,489</u>
TOTAL REVENUES	<u>5,856,088</u>
 <u>OPERATING EXPENSES</u>	
Administration & General	649,504
Maintenance	<u>10,473</u>
TOTAL OPERATING EXPENSES	<u>659,977</u>
 NET REVENUES	 <u>5,196,111</u>
 State Water Payments	 2,419,569
 <i>Coverage Ratio:</i>	 <i>2.15</i>
 Available for Capital improvements and other purposes	 \$ 2,776,542

Source: City of Morro Bay

CITY OF PISMO BEACH

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

HISTORIC WATER CONNECTIONS AND SALES REVENUES

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

Fiscal Year Ending	<u>Connections</u>	Sales
<u>June 30</u>		<u>Revenues</u>
2010	4,558	\$ 2,874,984
2011	4,569	3,048,595
2012	4,584	3,257,915
2013	4,596	3,390,236
2014	4,695	3,793,692
2015	4,718	3,362,918
2016	4,787	3,201,546
2017	4,836	3,346,533
2018	4,848	3,938,273
2019	4,680	3,607,025

HISTORIC WATER DELIVERIES

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

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

Fiscal Year	<u>Urban Deliveries</u>
<u>Ending June 30</u>	
2010	1,735
2011	1,717
2012	1,785
2013	1,828
2014	1,944
2015	1,840
2016	1,644
2017	1,589
2018	1,782
2019	1,646

LARGEST CUSTOMERS

The following table sets forth the ten largest customers of the City’s water system as of June 30, 2019, as determined by the amount of their respective annual payments.

Customer	Water Usage ¹	Annual Payment	% of Total
Cliff’s Shell Beach	11,867	\$ 45,292.91	1.26%
Pismo Coast Village	11,319	48,504.75	1.34%
Pismo Beach Mobile Home Park	10,295	44,746.67	1.24%
Oxford Suites Hotel	6,914	26,955.38	0.75%
Dolphin Bay Hotel	6,835	28,276.58	0.78%
Pismo Lighthouse Suites	7,600	27,986.65	0.65%
Motel 6, Inc.	5,953	23,588.53	0.65%
Pismo Dunes Resort – Meter #1	5,878	23,313.28	0.65%
Pismo Dunes Resort – Meter #2	5,805	23,045.37	0.64%
Seacrest Resort	5,688	22,615.98	0.63%
Total	78,154	\$ 314,326.10	8.71%
Other Customers		3,292,698.90	91.29%
Total Revenues		\$ 3,607,025.00	100.00%

These ten customers accounted for approximately 8.71% of water service revenues in fiscal year 2018/2019.

WATER SYSTEM RATES AND CHARGES

Rates and Charges

Bi-monthly fixed charges are as follows:

Meter Size

All Meters

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

Single Family Residential

All Other Metered Users

Consumption Charge:

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

Construction Meter		7.34/HCF
Irrigation Meter		4.34/HCF

Connection Charges:

A) State Water Supply Fee	\$ 12,987 per equivalent dwelling unit
B) Special Tax Levy FY 2018-19	194.62 per year per equivalent dwelling unit.

¹ Hundred Cubic Feet

FISCAL YEAR 2018/19 OPERATING RESULTS

The following table is a summary of operating results of the water system of the City for FY 2018/19. These results have been derived from the City's audited financial statements but exclude certain non-cash items and include certain other adjustments. The City's auditor has not audited the table.

CITY OF PISMO BEACH

<u>REVENUES</u>	<u>June 30, 2019</u>
Water Sales	\$ 3,607,025
Interest	420,415
Assessments	1,362,579
Other Revenues	<u>845,392</u>
TOTAL REVENUES	6,235,411
<u>OPERATING EXPENSES</u>	
Administration & General	799,592
Lopez Contract Payments	1,298,371
Operations & Maintenance	1,263,962
Utilities	<u>120,731</u>
TOTAL EXPENSES	<u>3,482,656</u>
NET REVENUES	<u>2,752,755</u>
State Water Payments	1,714,572
<i>Coverage Ratio</i>	<i>1.61</i>
Available for Capital Improvements and other purposes	\$ 1,038,183

Source: City of Pismo Beach

